

8 December, 2004

The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

The Israel Securities Authority
www.isa.gov.il

Immediate Report on Results of General Meeting

Regulation 37 (a) of the Securities Regulations (Periodic and immediate reports), 5730-1970

1. Discussion of the financial statements and Directors' Report for 2003

No resolution.

2. Appointment of Somekh Chaikin & Co. as the auditors of the Company for the year 2004, and authorization of the Board of Directors to set their fee

=====

The General Meeting adopted the following resolutions:

- 2.1 The auditor who will audit the Company in 2004 will be Somekh Chaikin & Co. ("**the Auditor**").
- 2.2 The period of the audit will start on 1.1.2004 and will end, subject to any law or other resolution adopted by the General Meeting, on 31.12.2004.
- 2.3 The Board of Directors of the Company and the Auditor will act to implement everything stated in the circulars of the Government Companies Authority (as published from time to time) in the matter of the terms of employment of the Auditor and setting its fees, and in the matter of the financial statements (audited, reviewed, periodic), the Directors' Report and performance reports of internal and external audits.

3. Election of directors

=====

The General Meeting approved the candidates listed below as directors:

Miriam (Miki) Mazar
Dalit Braun
Avi Barak
Shoshana Weinshel
Benny Vaknin
Shimon Levy*
Shilo Lifschitz*
Chava Shechter
Azriel Nevo

* Appointed until 17/12/2004, the date of the end of their term of office under their letters of appointment.

The majority required to carry the resolution is 60% of the counted votes.

Number of shares participating in the vote: 1,358,952,519.

Number of shares voting for: 1,351,407,630, which is 99.69% of all the shares included in the count of votes (of which, 1,208,311,449 shares of the controlling interest in the Company, which is 89.13% of all the voting shares counted for the vote).

Number of shares voting against: 4,229,763, which is 0.31% of all the shares included in the count of votes.

The General Meeting did not approve the candidacy of David Assaf as a director.

The majority required for the resolution is 60% of the counted votes.

Total shares participating in the vote: 1,358,952,519.

Number of shares voting for: 143,093,195, which is 10.56% of all the shares included in the count of votes.

Number of shares voting against: 1,212,543,614, which is 89.44% of all the shares counted for the vote (of which, 1,208,311,449 shares of the controlling interest in the Company, which is 89.13% of the shares counted for the vote).

4. Approval of directors' pay

=====

The General Meeting approved the pay for directors (who are not directors from the public) who attend meetings of the Board of Directors and its committees, in accordance with the Government Companies Regulations (Rules for fees and expenses for a director from the public in government companies), 5754-1994, as may be amended from time to time, for a level 10 company. Payment per meeting as at February 2004 is NIS 1,185 (including VAT).

5. Amendment of Article 92(d) of the Company's bylaws

=====

The General Meeting approved the amendment of Article 92(d) of the Company's bylaws so that after the words "on 31.1.99" which appear at the end of the Article, a comma will be added, and the words "except for Article 6(3)."

The majority required for carrying the resolution is 75% of the votes.

Total shares participating in the vote: 1,790,316,718.

Number of shares voting for: 1,506,067,640, which is 84.96% of all the shares included in the count of votes (of which, 1,208,311,449 shares of the controlling interest in the Company, which is 68.17% of all the voting shares counted for the vote).

Number of shares voting against: 266,540,282. which is 15.04% of all the shares counted for the vote.

6. Approval of the fee of the Chairperson of the Board

=====

The General Meeting approved the fee of the Chairperson of the Board as part of its



resolution granting pay to employees who participated in the preparation of a prospectus in May 2004. The fee of the Chairperson of the Board in the amount of two salaries (approximately NIS 90,000) was approved by the Audit Committee and the Board of Directors.

Disclaimer: The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.