



Immediate Report - Distribution of Bonus Shares

January 21, 2001

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**The Securities Authority
22 Kanfei Nesharim St.
Jerusalem
Fax: 02-6513940**

**The Tel Aviv Stock Exchange
54 Ahad Ha'Am St.
Tel Aviv
Fax: 03-5105379**

**The Registrar of Companies
P.O.B. 28178
Jerusalem
Fax: 02-6247874**

Dear Sirs,

Further to the Company's Immediate Report of the 23rd of November 2000 regarding the decision of the Special General Shareholders' Meeting to distribute bonus shares, an Immediate Report is hereby given as follows:

After receiving approval from the Government of Israel for an increase in the Company's authorized share capital, the Company's Board of Directors decided, in its meeting on the 18th of January 2001, on the following dates for the distribution of bonus shares:

- "Effective date" for the distribution of bonus shares - Tuesday, the 13th of February 2001.

- "Ex-date" for the distribution of bonus shares - Wednesday, the 14th of February 2001.

- Allocation of bonus shares will be on Thursday, the 15th of February 2001.

In accordance with the decision of the above mentioned Special General Shareholders' Meeting, 1,600,000,000 bonus shares will be distributed so that for each share of NIS 1 par value, two bonus shares of NIS 1 par value each will be distributed.

Yours sincerely,

Shlomo Koppel
Corporate Secretary