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Invest in Israel works closely with potential and current investors before, during and after investment, and serves as a resource for investment related information about Israel.

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ISRAELI ECONOMY RESILIENT IN THE FACE OF GAZA CONFLICT

The impact of Operation Cast Lead on Israel's economy has been fairly limited as most businesses in Israel's southwest near the Gaza strip continue to operate more or less normally, and the center of Israel's financial and industrial community is relatively far from the conflict. As the country's ports are also fully operational there has been no disruption in the flow of merchandise in and out of the country.

In the month leading up to Operation Cast Lead, several large acquisitions took place including St. Jude Medical's purchase of MediGuide for \$300 million, and Johnson & Johnson's procurement of Omrix for \$438 million. Investors also continue to express confidence in the Tel Aviv Stock Exchange as witnessed by gains averaging 10 percent over the past week.

"The global financial crisis will have more of an impact on the Israeli economy than the security situation," Bank of Israel Governor Stanley Fischer said.

"If there is a significant improvement in the security situation following the military operation, it will have a positive effect on the economy and in particular on the scope of investments, both local and foreign," Fischer added.

He noted that the Israeli economy entered the current phase of conflict in relatively strong shape even considering the global financial situation. He said that strict fiscal policy and a slew of privatizations by Israeli governments since 2003 placed the economy in a relatively good position vis-à-vis the crisis.

"My experience with crises over time has taught me to be optimistic. It takes a long time for a crisis to start off. We have known since mid-2007 that a crisis was on its way. In the end a crisis breaks out suddenly, but from my experience crises tend to end faster than expected."

"MOST ADMIRABLE MEDICAL COMPANY" ST. JUDE ACQUIRES MEDIGUIDE FOR \$283 MILLION

"We believe MediGuide's proprietary technology may also extend across a variety of other product categories... We look forward to bringing this technology into our portfolio so that we can further develop and capture these potential opportunities," Daniel J. Starks, chairman, president and chief executive officer of St. Jude Medical, said.

St. Jude Medical, which was named Fortune Magazine's "Most Admired Medical and Precision Equipment Company" for the second year in a row, is acquiring the Israeli medical-technology company MediGuide, which develops technology to guide catheters in minimally invasive medical procedures, for \$283 million in cash.

BID FROM FRANCISCO PARTNERS

BRIGHTSOURCE ENERGY CHOSEN BY WEF AS TECHNOLOGY PIONEER FOR 2009 – THE ONLY SOLAR COMPANY TO WIN THIS YEAR'S PRESTIGIOUS AWARD

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MediGuide's navigation system tracks a tiny sensor mounted on a needle, guide wire, catheter or other medical device placed in the body by a physician during a catheterization or other minimally invasive procedure.

MediGuide was founded in 2001 as an internal division of Elbit Systems, which is one of Israel's largest defense electronics manufacturers. MediGuide developed medical uses for guidance technology that the parent company had developed. Many of the technologies developed by Israel's defense industry are successfully adapted to sectors across the board.

Mediguide has agreements with Medtronic, Siemens, Asahi Intecc of Japan, Boston Scientific, and Philips and will become part of St. Jude's atrial fibrillation division.

Minnesota-based St. Jude focuses mainly on technology to manage heartbeat rhythm, devices for cardiac surgery and implantable neuro-stimulation devices for the management of chronic pain.

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CHECK POINT BUYS NOKIA'S SECURITY APPLIANCE BUSINESS

The acquisition "will add more than \$100 million to Check Point's sales in 2009... it will strengthen us in dealing with the global recession," Gil Shwed, chairman and chief executive of Check Point said.

Israel's Check Point Software Technologies, one of the world's largest Internet and network security companies, is acquiring Nokia's security appliance business for an undisclosed sum. The deal is expected to close in the first quarter of 2009.

Check Point and giant cellular telecommunication equipment maker Nokia have collaborated over the past decade, with most of Nokia's 220,000 appliances installed globally using Check Point's software.

Check Point said it would continue to look for acquisition opportunities. The Check Point customer base includes 100 percent of Fortune 100 and 98 percent of Fortune 500 companies.

Nokia's security appliance business provides purpose-built security platforms optimized for Check Point firewall, virtual private network (VPN) and unified threat management (UTM) software.

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LEADING FRENCH ELECTRONICS COMPANY THALES ACQUIRES CMT MEDICAL TECHNOLOGIES FOR \$30 MILLION

"The acquisition of CMT will enable us to combine the capabilities of both our companies to provide our OEM customers with an expanded range of medical imaging products." said Thales' EVP Olivier Houssin.

France's Thales SA, a leading electronics and systems company, is acquiring Israeli medical imaging equipment manufacturer, CMT Medical Technologies, for \$29.96 million. Following the acquisition, CMT will become an entity in the Thales Group business line, augmenting Thales' portfolio in the medical imaging sector with new products and pipeline potential.

CMT, located in Yoqneam Illit, is a major supplier of imaging products to medical equipment OEMs in Asia and the United States. CMT generated approximately \$22 million in revenues in 2007. Thales develops and deploys field-proven mission-critical information systems addressing defense, aerospace and security markets worldwide. Thales employs 68,000 people in 50 countries with 2007 revenues of \$17.2 billion.

Thales joins other international giants who are investing in Israel's medical industry. In November health care company Johnson & Johnson said it was buying Omrix Biopharmaceuticals for \$438 million in cash.

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HARMONIC BUYS SCOPUS FOR \$51 MILLION.

Harmonic Inc, a digital video and broadband optical networking systems provider, is acquiring Israel's Scopus Video Networks Ltd, a maker of digital video technology, to boost its international video broadcast market and video processing technology.

The deal is considered highly complementary as about 50 percent of Scopus' revenue comes from companies in the broadcast market, an area in which Sunnyvale, California-based Harmonic is trying to expand its presence. Scopus' customers include satellite and cable operators, telecom service providers and terrestrial broadcasters.

Scopus, based in Tel Aviv, Israel, reported sales for the first nine months of the year totaling \$55.4 million, with three-fourths of its revenue from outside the United States and significant contributions from emerging markets such as India and Russia.

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U.S. -ISRAELI BIRD FOUNDATION TO INVEST \$9 MILLION IN 12 PROJECTS

The Bi-national Industrial Research and Development Foundation (BIRD-F) will invest \$9 million in 12 joint projects between Israeli and U.S. companies. The projects' aggregate budget is \$28 million.

The approved projects include investments in life sciences, communications, and nanotechnology and three projects in the area of energy. Among the Israeli companies are Aposense, Oree, PowerPaper, and TransBioDiesel.

BIRD-F said that it has received a record number of requests for funding in 2009, and expects that the trend will continue because of the global economic situation. "Cooperation with U.S. companies accelerates market penetration, as is necessitated by the global economic situation," said Eitan Yudilevich, BIRD's executive director.

One of the firms chosen by BIRD, Mediguide, was recently acquired by medical equipment giant St Jude Medical for \$283 million in cash. During its 31 years of existence BIRD has approved over 780 projects in which it invested over \$260 million, and which have generated an estimated \$8 billion in sales.

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STATS ACQUIRES CNN "HOLOGRAM" DEVELOPER SportVU

The strategic initiative is designed to create new business opportunities and will greatly expand existing partnerships in all sectors of our business - STATS Chief Executive Gary Walrath said.

Sports data provider STATS, which is jointly owned by Associated Press and News Corp, has acquired motion capture technology provider SportVU for an undisclosed sum.

SportVU is famous for providing CNN's hologram technology which enables the news provider to beam its reporters and guests into the studio from remote locations. Its proprietary technology was also used successfully in the last U.S. Presidential election.

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LEADING US RESEARCH INSTITUTE MRI AND ISRAEL'S ROTEM INDUSTRIES PARTNER IN DIMONA

Scientific research giant Midwest Research Institute (MRI), renowned for its innovation of the cooling mechanism for NASA astronauts' suits, and Israel's Rotem Industries, which evaluates, prepares, and commercializes seed technologies, are jointly establishing a renewable energy technological center (RETC) in the Rotem Industrial Park located in Dimona. The center is anticipated to open in January 2009.

Kansas City-based, not-for-profit MRI and Rotem will leverage their collective scientific and technological expertise and utilize RETC as a center to identify, evaluate, and support the development and commercialization of promising new technologies for the global marketplace

"MRI's and Rotem's capabilities complement each other," said MRI Vice President Roger Starnes. "By working together through the Center we will be able to accelerate the advancement of these technologies."

MRI, founded in 1944, has 30 years of experience in renewable energy research and is one of the U.S.' leading independent research institutes innovating breakthroughs in the areas of national security and defense, energy and environment, life sciences, food and agriculture, and transportation safety. Rotem Industries was established in the early 1980's to implement and commercialize state-of-the-art marketable innovations.

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MA INDUSTRIES TO BUY COMPANIES IN POLAND AND SERBIA FOR \$20 MILLION

Israel's MA Industries, the world's largest producer of generic agrochemicals is acquiring 90% of Polish agrochemical company Rokita Agro from Germany's PCC, as well as Magan Yu, a distributor of agrochemical products, located in Serbia. The deals are expected to be completed in the first quarter of 2009.

The acquisition of Rokita Agro, which has annual sales of \$50 million, will enhance MA Industries' product line and expand its activities in Poland and Central Europe, a high growth region. Its main product is 2,4-D, a herbicide sold around the world.

The purchase of Magan Yu, which has annual sales of \$15 million, will enable MA Industries to leverage its marketing ability in the fast growing Serbian market.

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DMATEK ACCEPTS \$77.6 MILLION BID FROM FRANCISCO PARTNERS

The cash offer was 82 percent above the closing price the day before it announced bid talks with another party.

Israel's Dmatek Ltd, a leading global provider of remote people monitoring technologies, said it had agreed to be bought for \$77.6 million by an investor group led by private equity fund Francisco Partners. The transaction is expected to close by the end of March 2009.

"We believe that Dmatek has a highly talented and committed team and we look forward to working with them to help the company achieve its full potential," Deep Shah of Francisco Partners said

Dmatek's systems are used by private operators and government agencies in over 25 countries worldwide. The company was founded in 1990 and is based in Tel Aviv, Israel.

With nearly \$5.0 billion of committed capital, Francisco Partners is one of the world's largest technology-focused private equity funds. The principals of Francisco Partners have a proven track record, having invested in excess of \$3.0 billion of equity capital in over 50 technology companies.

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BRIGHTSOURCE ENERGY CHOSEN BY WEF AS TECHNOLOGY PIONEER FOR 2009 – THE ONLY SOLAR COMPANY TO WIN THIS YEAR'S PRESTIGIOUS AWARD

Particularly in this challenging climate BrightSource "will contribute to the next wave of growth, with the innovative and entrepreneurial spirit that characterizes them." Andre Schneider, managing director and chief operating officer of the WEF said.

BrightSource Energy, Inc., an Israeli-American developer of large-scale solar thermal energy plants, was the only solar company to win the World Economic Forum's (WEF) prestigious 2009 Technology Pioneer Award. BrightSource Energy is being recognized for helping global utility and industrial customers reduce their dependence on fossil fuels by providing clean, low-cost and reliable solar energy through an environmentally friendly process.

The Technology Pioneers program identifies companies that have improved the state of the world through the development of life-changing technology innovations.

The company, which has operations in the United States and Israel, based its large-scale solar energy system on its proprietary Luz Power Tower technology, which was developed in Israel.

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