

**CONVENING OF AN EXTRAORDINARY GENERAL MEETING OF THE  
SHAREHOLDERS OF THE COMPANY FOR THE APPROVAL OF A  
GOING PRIVATE TRANSACTION**

On December 21, 2005, the Tel Aviv District Court, Israel ordered the convening of an extraordinary general meeting of shareholders of the Company, in order to approve a going private transaction (the "**Transaction**") under Section 350 of the Companies Law, 1999 (the "**Companies Law**"). Accordingly, we hereby announce the convening of such an extraordinary general meeting at the Company's offices at 22 Einstein St., Science Park, Building 22, Kiryat Weizman, Nes Ziona 74140, Israel, on February 26, 2006 at 11:00AM (Israel time) (the "**Extraordinary Meeting**"). Pursuant to the terms of the Transaction, certain named controlling shareholders and officers of the Company and certain of their affiliates shall not participate in this Extraordinary Meeting.

The proposed Transaction requires the affirmative vote of the majority of the shareholders present in person or by proxy and participating in the voting, and holding shares representing in the aggregate at least 75% of all the voting power present at the Extraordinary Meeting. In addition, because the Transaction will be funded by a controlling shareholder of the Company, the provisions of the Companies Law require that it will also be subject to the approval of at least one-third of all of the votes cast by the shareholders who are represented in person or by proxy at the Extraordinary Meeting and do not have a personal interest in the Transaction; alternatively, the votes cast against the Transaction must not exceed 1% of the outstanding shares.

The determining date for the shareholders' eligibility to participate and vote at the Extraordinary Meeting is January 24, 2006.

Additional information regarding the Transaction and the Extraordinary Meeting can be found in the proxy statement (the "**Proxy Statement**") which has been sent to the Company's shareholders. Any shareholder, who has not received a copy of the Proxy Statement and a voting proxy card may request copies by contacting Mr. Daniel Yelin, the Company's Chief Financial Officer at the Company's offices.

Proxy voting cards should be delivered to Mr. Daniel Yelin prior to the Extraordinary Meeting.