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Israel

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Important disclosures appear at the back of this report.

Goldman Sachs Research Comments

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AudioCodes (AUDC): Results in line with preannouncement; lowered estimates (MO)

Check Point (CHKP): 3Q results in line with preannouncement; Reiterate (RL)

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Looking Ahead

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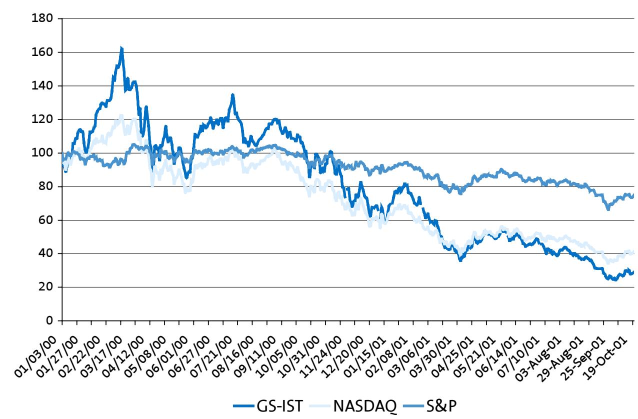
Company	Ticker	Rating	Price	Weekly Change	
Alvarion	ALVR	**MO**	$2.62	15.4%	
Amdocs	DOX	**RL**	$27.17	-5.4%	
AudioCodes	AUDC	**MO**	$2.35	2.6%	
BackWeb	BWEB	**MO**	$1.29	5.7%	
Bank Hapoalim	POLI.TA	**NR**	NIS 8.60	2.5%	
Bank Leumi	LUMI.TA	**NR**	NIS 7.90	-1.3%	
Bezeq	BEZQ.TA	**MP**	NIS 4.83	-1.6%	
Ceragon	CRNT	**MO**	$2.00	0.0%	
Check Point	CHKP	**RL**	$30.03	-3.0%	
Comverse	CMVT	**RL**	$17.48	-10.2%	Ongoing concerns regarding possible preannouncement.
DSP Group	DSPG	**MO**	$22.41	-4.5%	
ECI Telecom	ECIL	**MO**	$2.03	-7.7%	
Gilat Satellite	GILTF	**MP**	$2.49	-2.2%	
Koor	KOR	**MO**	$4.17	-5.4%	
MA Industries	MAIN.TA	**NR**	NIS 8.63	4.4%	
Mercury	MERQ	**RL**	$24.62	-12.0%	Lowered estimates.
NICE Systems	NICE	**MP**	$15.30	5.1%	
Orbotech	ORBK	**MO**	$22.22	-2.3%	
Partner	PTNR	**MP**	$5.30	5.8%	
Radware	RDWR	**MO**	$9.53	5.4%	
Tecnomatix	TCNO	**MO**	$8.90	-0.1%	
Teva Pharm	TEVA	**NR**	$65.25	-2.2%	
Vyyo	VYYO	**MP**	$0.80	-1.2%	

GS Israel Tech Index	**71.75**	**-4.48%**
NASDAQ COMP	**1,671.31**	**-1.88%**
MSCI Israel	**116.82**	**-1.83%**
TA 100	**377.01**	**0.40%**

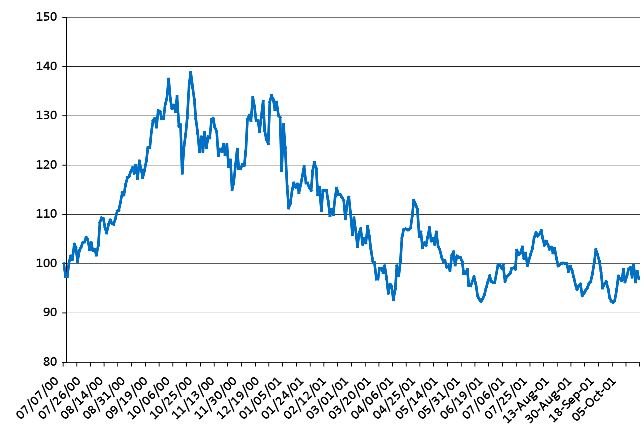
Source: Datastream, Bridge, Goldman Sachs Research estimates

Exhibit 1: Goldman Sachs-IST/NASDAQ/S&P



Source: Datastream, Goldman Sachs Research.

Exhibit 2: Relative Performance MSCI Israel/MSCI Emerging Market Free



Source: Datastream, Goldman Sachs Research.

Significant movers

The GS Israel Technology Index underperformed all other indices last week. The GS-IST decreased 4.5%, while the NASDAQ and the MSCI Israel indices fell 1.9% and 1.8%, respectively. The TA100 beat all other indices by rising 0.4%. Heavily waited, Comverse and Mercury assisted the large drop in the GS-ISST by falling 10.2% and 12.0%, respectively. Comverse saw pressure as a possible preannouncement persists and Mercury fell on negative sentiment and estimate reductions.

Goldman Sachs research comments

(More detailed comments/reports on the GS Financial Workbench)

DSP Group (DSPG): Mixed bag; solid 3Q; revenue shift to hurt profitability (MO)

DSPG reported 3Q rev/EPS of $35 mn/$0.25, above our estimates of $31 mn/$0.23. Management kept 2001 guidance, but altered the revenue mix in favor of lower margin product vs. license sales. Management also guided to 10% growth in both segments in 2002. Accordingly, we have lowered our 4Q revenues/EPS estimates to $29 mn/$0.15 from $33 mn/$0.25 and our 2002 estimates to $125 mn/$0.80 from $140 mn/$1.05. While DSPG appears well positioned longer term and its potential break-up could enhance shareholder value, we see few near-term catalysts.

Slowdown in license revenue will negatively impact bottom line. In 3Q, product sales grew 43% sequentially to $27 mn, driven by the new 900 MHz narrow band chip. The higher margin licensing business grew 7% off a much smaller base to $8 mn. Management indicated that they expect license sales in 4Q to fall to $4-6 mn due to the ongoing weak spending environment particularly in the cellular and broadband markets. Given that licensing boasts 90%+ gross margins vs roughly 40% in the product segment, this decline will negatively impact EPS. While we believe DSPG is building a large base of licensees and revenues should reaccelerate sometime in 2002, visibility into this ramp up is low, and we expect results to suffer while license revenues remain at a reduced level.

Few near-term catalysts; well positioned longer-term. Trading roughly 28x our new 2002 EPS estimate of $0.80 and 22x operating EPS after we back out DSPG's cash, we believe the stock is fully valued in the near- term given our 10% revenue growth and 1% EPS growth estimates for 2002. While DSPG showed impressive growth in 3Q and investors will likely be somewhat placated by the long awaited break up ruling from the IRS, we see few near-term catalysts and expect the shares to be range bound in the near term. Nonetheless, we are impressed that DSPG remains one of the few solidly profitable semiconductor companies and would expect that a solid reacceleration in the license segment revenues and the resulting operating leverage will cause the shares to outperform longer-term.

AudioCodes (AUDC): Results in line with preannouncement; lowered estimates (MO)

On October 22nd, AudioCodes reported 3Q results in line with the higher end of its preannounced guidance and above our estimates. For 3Q AudioCodes reported revenues/EPS of $5.0 mn (down 57% sequentially) and $-0.11 (down from $0.01 in 2Q). The fall-off was a result of a continued slowdown in orders across the board. Management indicated that visibility remains poor though backlog for 4Q is currently 50%. We have lowered our 4Q and FY02 revenues/EPS estimates to $5.1 mn/$-0.15 from $5.0 mn/-$0.12, and $25.3 mn/$-0.55 from $35.5 mn/$- 0.13, though we note that we have near zero visibility into 2002.

Although the next few quarters will likely continue to be challenging, we believe AudioCodes remains well positioned to benefit from the transition from circuit-switched to packet-based telephony networks in the longer term and the company's transition up the value chain to selling full systems.

On the conference call, management said that they still have very limited near-term visibility and do not expect a pick-up in revenues until 2H 2002. They are now expecting 4Q revenues to be between $4.5 mn-5.5 mn, but offered no guidance beyond 4Q. Even though we have continued to see design wins and new products, we expect that revenue could continue at current levels into 1H 2002. Longer-term, we expect AudioCodes to return to its previous high levels of profitability though we will see pressure on the margins in the shorter term due to lower shipments. We believe AudioCodes's highly leveragable model and leading industry position should allow it to post strong revenue and EPS growth once spending on VoP equipment begins to rebound.

In our view, although the stock will likely experience some near-term pressure given the continued lack of visibility, and no near term catalysts, we believe the stock is near its bottom given its current cash balance of $133.7 mn ($3.38/share) which we consider to be ample for AudioCodes to weather the current storm. Longer term, when visibility and the spending environment improves, we remain confident that AudioCodes will be a solid outperformer.

Check Point (CHKP): 3Q results in line with preannouncement; Reiterate (RL)

On Oct. 18th, Check Point reported 3Q revenues/EPS of $118 mn/$0.29, in-line with the top end of preannounced guidance. Profitability remained outstanding and operating margins achieved record levels of 65%. In line with guidance, we are slightly reducing 4Q revenue estimates to $123 mn from $127 mn but are leaving EPS at $0.29. We have lowered 2002 revenues/EPS to $585 mn/$1.30 from $622.5 mn/$1.35 in light of the current macro environment and weak near term visibility. In our view, Check Point remains very well positioned to benefit from solid growth in the VPN market once spending trends improve.

Management gave guidance for 4Q to revenues of $120-125 mn and EPS of $0.28-$0.29. We believe this guidance could be conservative though clearly visibility remains very low. Our recent channel checks suggest that some of the deals pushed out in September have started to close in 4Q. Management also indicated that overall trends have improved steadily since late September.

NG and VPN appliances are gaining traction. Early in 3Q, Check Point released its NG platform, which we believe offers a significant step-up in VPN manageability, scalability and throughput. According to management, initial interest has been strong, and that in September 15% of sales were for NG. Management also highlighted that over 15 hardware vendors now offer Check Point based VPN appliances; some of the newer appliance should begin to impact revenues in 4Q. We believe that Check Point's strategy of partnering with a range of hardware OEMs (NOK, CPQ, IBM, Alteon, Intel, etc) will be a key growth driver and help bolster Check Point's competitive position as dedicated appliances become an increasingly important segment of the VPN market.

Valuation compelling. We believe current valuation, even on now significantly reduced estimates, offers an attractive entry point. Check Point is currently trading roughly 24x our 2002 EPS estimates. We stress that the current valuation represents a dramatic discount to the overall infrastructure/ security software group (of which Check Point it is the most profitable, and we expect this to continue), with Check Point trading at roughly 0.5X the group.

Mercury (MERQ): 3Q Results announced; bringing down estimates (RL)

Mercury reported 3Q revenues of $84 mn ($51.2 mn in licenses) and EPS of $0.11. These results fall within the range pre-announced on 10/1 of $82 mn - $84 mn in revenues and EPS of $0.10-$0.12. Since the economic environment continues to languish and Mercury's testing business remains soft, we are taking down estimates for 4Q and 2002. In 4Q, we are lowering estimates to $84.3 mn/$0.11 from $89.4 mn/$0.13. In 2002, we are reducing estimates to $370 mn/$0.60 from $400 mn/$0.75. Given the recent run up in the stock we would not be surprised to see a pullback given valuation concerns.

Business trends. Management noted the challenging environment created by the September 11 attacks. Business effectively ceased for ten days, and has subsequently been followed by slack demand both geographically in New York City as well as vertically, in the financial services, insurance, travel and tourism industries. The company stated that they had seen more delayed purchases than normal, as customers take a 'wait and see' approach to technology spending. While we believe that some deals that slipped into the December quarter will close by the end of the year, we believe that some of those deals will be pushed out indefinitely.

Overall thoughts. Mercury continues to be the leader in the application testing/monitoring market. The Company has a diversified product line that extends well into infrastructure management, a market that should provide some buffer to the slowdown in new application licenses. Given 40% of Mercury's revenues is derived from recurring streams and its large and diverse group of customers (including BMW, Pfizer, Wal-Mart and the US Navy) representing over 18 industries, we believe that investors should recognize and reward the relative stability provided by the Company.

That being said, we worry that the application testing business could still be hurt in the next few quarters as the slowdown in spending on new applications finally reaches Mercury. (There is a lag between when a company purchases a license for a new app and when it tests the app using Mercury). Since pre-announcing results, the stock has appreciated approximately 50%. At $27, the stock trades with a 2002 PE of 45 and a PEG of 2.3, assuming a 20% growth rate. While we believe that Mercury deserves a premium to the rest of the infrastructure software group, we believe that a PE in the low 30s (implies a stock price in the low 20s) represents a much better buying opportunity.

Company/Industry News

Check Point (CHKP): VPN Conference: Marco trends pointing in CHKP's favor

Last week, we attended VPNcon, a leading conference geared toward educating potential customers about the VPN market. Presenters included VPN solutions providers, MSPs, and market research firms. Our main takeaways from the conference, expanded upon below, were that most enterprises have only begun to use VPNs and are considering implementing VPNs more widely within their organizations and that Check Point is clearly viewed as a leader within the VPN market and is well positioned to capitalize on the major trends in the market.

Key points from VPNcon:

Although according to industry research a large portion of enterprises have implemented remote access or site-to-site VPNs, the majority of these implementations have been limited in nature and represent only a small portion of their potential use. This suggests that enterprises are growing more familiar with the benefits of VPN technology, but are likely in the trial or initial roll-out stage. This also appears to confirm our belief, and what most market research suggests, that the VPN market remains very underpenetrated.

There are currently numerous multi-million dollar RFPs for site-to-site and remote access VPN rollouts. The use of VPN technology has received growing attention in large organizations over the last six months primarily as a cost cutting communication tool. Since September 11, VPNs have moved even higher up the IT priority list as a solution for both remote and mobile workers as well as potentially displaced employees.

As a result, many organizations are considering multi-million dollar VPN implementations which will likely be rolled-out beginning in 2002.

Security needs to be an integral part of VPN implementations. Over the last six months, we have seen a number of announcements of VPN offerings from a variety of companies; however, many of these solutions merely provide tunneling protocols and lack key security elements. A dedicated VPN without data encryption and a firewall (in front of, behind, parallel or integrated with the VPN) is critical to ensuring security. We expect that as enterprises realize that security is an integral part of VPN implementations they will likely turn to providers offering a secure VPN solution.

Political issues seem to be the biggest hindrance of near-term VPN implementations. Specifically, many organizations cannot decide whether VPN purchase decisions implementations should be handled by the networking team (mostly familiar with Cisco), the security team (mostly Check Point proponents due to firewall experience), or the phone/communication team (proponents of VPNs in general to enable lower communications costs). We believe that all have incentives to push for the implementation VPNs. However, as more and more critical information can be access via VPNs and, as mentioned above, security becomes an integral part of VPN implementations, the security teams will likely lead the decision making process.

Although we have heard a variety of criteria used to choose a VPN vendor, many VPNcon attendees cited financial stability and long-term viability as perhaps the major concern of most enterprise and MSPs. Over the past 12 months, we have seen a number of new entrants in the VPN market offering solutions. Although some of these new entrants arguably have compelling offerings, we expect the market leaders to gain share, as enterprises grow more wary of investment in technology from less secure companies.

Wireless VPNs gaining significant momentum. The growing use of wireless devices to access corporate networks increases the entry points to critical corporate data and the need for security solutions. As a result, we expect that wireless VPNs could become a large growth opportunity within the VPN market.]

Some incremental data points on Check Point. At VPNcon, we also were able to check with a number of Check Point channels. The key information we gleaned was that some of the deals pushed out following September 11 have started to close and that some of the appliances released in the past few months incorporating Check Point VPN software are beginning to gain some traction.

Also, Check Point remains well entrenched at Fortune 100 companies and in the Fortune 100 clients has been the performing strongly for Check Point in 2001. We attribute this to the low penetration rate of VPNs within most large enterprises, and increased interest in VPN implementation driven by both cost cutting and strategic needs. We also believe that some large institutions are beginning to deploy extranet VPNs to enable secure communications with customers and suppliers using the public infrastructure.

Overall, we continued to discover that the overall pipeline for large VPN implementations (100s-1000s of VPN gateways) continues to grow despite the current slowdown in IT spending. While these deals typically have longer sales cycles given their size, we do believe that Check Point is building a strong base of these large deals upon which it will be able to capitalize when enterprises grow more willing to spend on large projects. Perhaps more importantly, interest in these deals in our opinion is indicative of both the low penetration rate of VPNs as well as the strong growth prospects in this market.

Another company to dual-list on the TASE

When analyzing the effect of dual-listing Israeli companies on the TASE, two things become clear:

1) Partner and Blue Square's rise is attributable almost solely to the fact that they were included in the MAOF (TA-25). Local fund managers that mirror the TA-25 were required to re-balance their funds in order to accurately track the index. After the initial jump in share price at the time of its inclusion, these stocks traded relatively in line with the TA-100. The TA-25 index includes those companies that are the largest of the TA-100. Of the current 14 companies that have dual listed only Partner and Blue satisfy these requirements.

2) In general, the tech companies that have been dual listed have been underperforming and struggling. These companies often choose to dual list in order to increase investor exposure. Prior to and following inclusion, they have underperformed the more balanced TA-100 that includes not tech companies. Additionally they are largely effected by the tech-heavy NASDAQ and their individual operating performance.

Exhibit 3: Effect of dual listing on TASE listed shares

Tel Tech	TA-100	TA-25		Ticker	Mkt Cap ($mn)	Date Included	Performance since inclusion	Performance relative to TA-100
	x	x	Partner	PTNR	948.1	Jul 3, 2001	5.8%	16.4%
	x	x	Blue Square	BSI	576.0	Nov 19, 2000	25.4%	48.0%
			Alvarion	ALVR	139.3	July 26, 2001	-32.2%	-18.7%
x	x		Scitex	SCIX	133.4	Jan 7, 2001	-53.9%	-34.1%
x	x		Tower	TSEM	104.4	Jan 10, 2001	-41.4%	-21.6%
			AudioCodes*	AUDC	94.0	Oct 21, 2001	NA	NA
			Magal	MAGS	73.6	Jul 1 2001	57.4%	68.0%
x	x		Paradigm	PGEO	52.9	Feb 19, 2001	-35.9%	-15.2%
			Magic	MGIC	52.1	Nov 16, 2000	-57.2%	-35.9%
x	x		Metalink	MTLK	40.7	Dec 3, 2000	-76.6%	-55.8%
x			Jacada	JCDA	38.8	Jun 18, 2001	-45.3%	-38.5%
			Crystal	CRYS	23.8	Jan 21, 2001	-68.0%	-48.9%
			ViryaNet*	VRYA	12.9	Oct 22, 2001	NA	NA
			Tioga	TIGA	11.2	Jul 19, 2001	-35.7%	-24.1%

** ViryaNet and AudioCodes were added this week. Magal (a company that deals in security) has increased significantly since Sept. 11.*

Macro/Politics

Exhibit 4: Key Current Economic Data

GDP ($bn)	107.0	Key BoI Rate (%)	6.3
GDP per Capita ($'000)	16.8	Exchange Rate NIS/$	4.29
Unemployment (%)	8.9	GDP Growth 2001E (%)	1.6
Inflation - 2001E (%)	2.3	GDP Growth 2002E (%)	3.5
Inflation - 2002E (%)	2.8	Current Account Deficit 2001E (% of GDP)	-3.0

Source: Goldman Sachs research, Bank of Israel.

An update on the security front

Following the escalation last week, Labor and Likud members took opposite views regarding the course of reaction. Labor cabinet members announced that they might reconsider supporting the National Unity government if the IDF remains in PA areas. On the other hand, Likud figures like former ambassadors to Washington Zalman Shoval, and Moshe Arens - both in the U.S. - were stating opposite views from those presented by Labor officials. Foreign Minister Peres is due to meet US Secretary of State Colin Powell on Tuesday to discuss the next steps to be taken.

COMMENT: The only common message laid in repeated assurances from both sides of the political spectrum that Israel had no intention either of targeting Arafat for assassination, or in remaining indefinitely in PA-controlled areas the army invaded and blockaded in response to the killing of Tourism Minister Rehavam Zeevi last Wednesday. In fact, following the Zeevi's killing it appeared that the government had a common view under which it would aggressively act against the PA, holding it responsible for the killing. If the National Unity government holds, the chances of further escalation into an all-out war are now slimmer compared to a week ago. However, the deterioration of the National Unity government cohesion could trigger more uncertainty on the fiscal front, possibly causing an early election to kick in during the Budget 2002 approval process between December and March.

BOI: companies' survey hinting further activity weakness

According to the companies' survey conducted the BoI's Research Department, most sectors stated that activity dropped sharply in the third quarter. The activity slowdown was even worse than that recorded in the previous recession, in 1999. Regarding demand, most sectors showed a substantial drop in both external and domestic demand. Factory orders remain weak showing that activity weakness is expected in the fourth quarter as well.

COMMENT: Most of the decline was due to the security situation. According to latest balance of payments data, tourism earnings declined 49% in the first half of 2001, against the first half of 2000. In USD this corresponds to a USD 1.1 billion decline, or 1.0% of GDP. Total exports of services dropped 9.2% in USD, indicating that exports of services excluding tourism actually increased. The decline in exports of goods was

somewhat milder, at 4.7%. We maintain our GDP growth forecast for 2001 at 1.6%, against 1.0% for consensus. The main driver being some stabilization in the export front and assuming tourism earnings cannot drop further. The current account deficit would reach 3.0% of GDP, from 1.3% in 2000. On the financing front, FDI and portfolio inflows halved in the first half compared to the first half of 2000, but were substantially above the second half of 2000, at USD 1.8 billion and USD 0.2 billion, respectively.

Looking Ahead

Exhibit 5: Earnings Calendar

Release Dates	Company	Cur. Est. Q3 '01 EPS	Year-ago EPS	Consensus EPS	Cur. Est. (mn) Q3 2001 Revs.	Year-ago Revs. (mn)
October 24, 2001	**BackWeb**	($0.16)	($0.01)	($0.15)	$4.5	$11.7
October 25, 2001	**Ceragon**	($0.22)	($0.04)	($0.22)	$3.5	$8.3
October 30, 2001	**NICE**	($0.47)	$0.58	($0.35)	$30.0	$44.7
October 31, 2001	**Radware**	($0.18)	$0.10	($0.17)	$8.0	$11.0
October 31, 2001	**Teva**	NA	$0.36	$0.52	NA	$450.1
November 1, 2001	**Partner**	(NIS 0.22)	(NIS 1.26)	NA	NIS 817	NIS 585
November 5, 2001	**Orbotech**	($0.07)	$0.63	($0.01)	$59.8	$95.7
November 6, 2001	**Amdocs**	$0.34	$0.25	$0.35	$415.0	$315.0

Source: Goldman Sachs Research and estimates.

Exhibit 6: Conference Call Information

Company	Stock Rating	Conf. Call date	Time	Call #	Password Int'l Call #	Password/ for replay	Replay
Precise	NR	**October 23, 2001**	17:00 (EST)	1 719 457 2733		750666	1 719 457 0820
BackWeb	MO	**October 24, 2001**	14:00 (PST)	1 415 228 3886			1 402 998 1728
Ceragon	MO	**October 25, 2001**	17:00 (EST)	1 415 537 1886	19767707		
NICE Systems	MP	**October 30, 2001**	08:30 (EST)	1 877 370 1460 972 3 925 5910			1 888 269 0005 972 3 925 5950
Radware	MO	**October 31, 2001**	08:45 (EST)	1 800 230 1766			1 800 475 670
Orbotech	MO	**November 5, 2001**	09:00 (EST)	1 712 271 0888	Q3		1 402 998 1647

Source: Goldman Sachs Research and company information.

Exhibit 7: Valuation Table

52-wk range					Price as of	YTD	Earnings Per Share			Est. LT. EPS	P/E Ratio			P/E-to-Growth		
High	Low	Company	Symbol	Rating	19-Oct-01	Return	2000A	2001E	2002E	Growth	2000A	2001E	2002E	2000A	2001E	2002E
		Traded in the US														
118.6	19.6	**Check Point**	CHKP	**RL**	30.03	(66.3%)	0.84	1.28	1.60	35%	35.8	23.5	18.8	1.0	0.7	0.5
88.8	24.5	**Amdocs**	DOX	**RL**	27.17	(59.0%)	0.96	1.23	1.61	30%	28.3	22.1	16.9	0.9	0.7	0.6
162.5	18.7	**Mercury**	MERQ	**RL**	24.62	(72.7%)	0.70	0.58	0.60	25%	35.0	42.4	41.0	1.4	1.7	1.6
124.8	17.6	**Comverse Tech**	CMVT	**RL**	17.48	(83.9%)	1.47	1.10	1.30	25%	11.9	15.9	13.4	0.5	0.6	0.5
35.8	7.6	**Radware**	RDWR	**MO**	9.53	(43.5%)	0.35	0.40	0.60	35%	27.6	23.6	16.0	0.8	0.7	0.5
64.8	13.8	**DSP Group**	DSPG	**MO**	22.41	6.5%	1.04	0.79	1.05	20%	21.5	28.2	21.3	1.1	1.4	1.1
66.9	17.4	**Orbotech**	ORBK	**MO**	22.22	(40.4%)	2.40	0.78	0.95	20%	9.3	28.5	23.5	0.5	1.4	1.2
32.9	2.0	**Ceragon**	CRNT	**MO**	2.00	(83.4%)	(0.21)	(0.74)	(0.35)	30%	NM	NM	NM	NM	NM	NM
19.0	2.8	**Tecnomatix**	TCNO	**MO**	8.90	69.5%	(0.66)	(0.56)	0.10	22%	NM	NM	85.9	NM	NM	3.9
68.3	1.6	**AudioCodes**	AUDC	**MO**	2.35	(82.7%)	0.62	(0.19)	(0.13)	30%	3.8	NM	NM	0.1	NM	NM
53.1	1.6	**Alvarion**	ALVR	**MO**	2.62	(81.7%)	(0.00)	(0.21)	(0.00)	35%	NM	NM	NM	NM	NM	NM
39.9	2.0	**ECI Telecom**	ECIL	**MO**	2.03	(85.5%)	(0.47)	(0.90)	0.21	15%	NM	NM	9.7	NM	NM	0.6
26.3	0.5	**BackWeb**	BWEB	**MO**	1.29	(80.9%)	(0.21)	(0.70)	(0.52)	35%	NM	NM	NM	NM	NM	NM
7.7	3.5	**Partner**	PTNR	**MP**	5.30	(8.1%)	(4.30)	(1.45)	(0.57)	35%	NM	NM	NM	NM	NM	NM
82.3	2.4	**Gilat Satellite**	GILTF	**MP**	2.49	(90.2%)	2.04	(1.42)	0.95	15%	1.2	NM	2.6	0.1	NM	0.2
87.6	8.9	**NICE Systems**	NICE	**MP**	15.30	(23.7%)	0.11	(2.24)	0.35	25%	143.6	NM	43.5	5.7	NM	1.7
37.6	0.7	**Vyyo**	VYYO	**MP**	0.80	(87.7%)	(0.61)	(0.77)		30%	NM	NM	NM	NM	NM	NM
		Traded on the TASE (Values in NIS)														
8.6	4.6	**Bezeq**	BEZQ	**MP**	4.87	(31.5%)	(0.22)	0.05	0.07	32%	NM	97.4	69.6	NM	3.0	2.2
407.7	**61.7**	**GS Israel Tech Index**			**71.75**	**(51.8%)**										
3,868.0	**1,423.2**	**NASDAQ COMP**			**1,671.31**	**(32.3%)**										
236.2	**103.2**	**MSCI Israel**			**116.82**	**(40.4%)**										

Bezeq assumes 2004 consolidation of Pelephone. Doesn't include VYYO 3Q numbers

Source: Goldman Sachs Research estimates, company data.

Investment ratings:

RL: Recommended List	**LL:** Latin America Recommended List	**TB:** Trading Buy
MO: Market Outperformer	**MP:** Market Performer	**MU:** Market Underperformer
Legal/Policy ratings:		
NR: Not Rated	**CS:** Coverage Suspended	**NC:** Not Covered