



Israel
Association of
Electronics & Software
Industries

Israel Association of Electronics & Software Industries

Overview 2011



- Population: 7.8 M
- Households: 2.16 M
- Urban Population: 94%
- Area - grand total 22,145 sq. km
- GDP: US \$ ~ 218
- GDP Per Capita: US \$ ~ 28.5

The Electronic Industries in Israel

Beginning: 1967 - after Military Embargo Following the Six Day War

Pattern of Growth: Maintenance → Subcontracting → Build to Print → Build to Specifications → Own R&D

Civilian Equipment: Spin-off from Defense Products & Technologies

Multinationals: R&D Center → Production

Israeli Hi-tech at a Glance

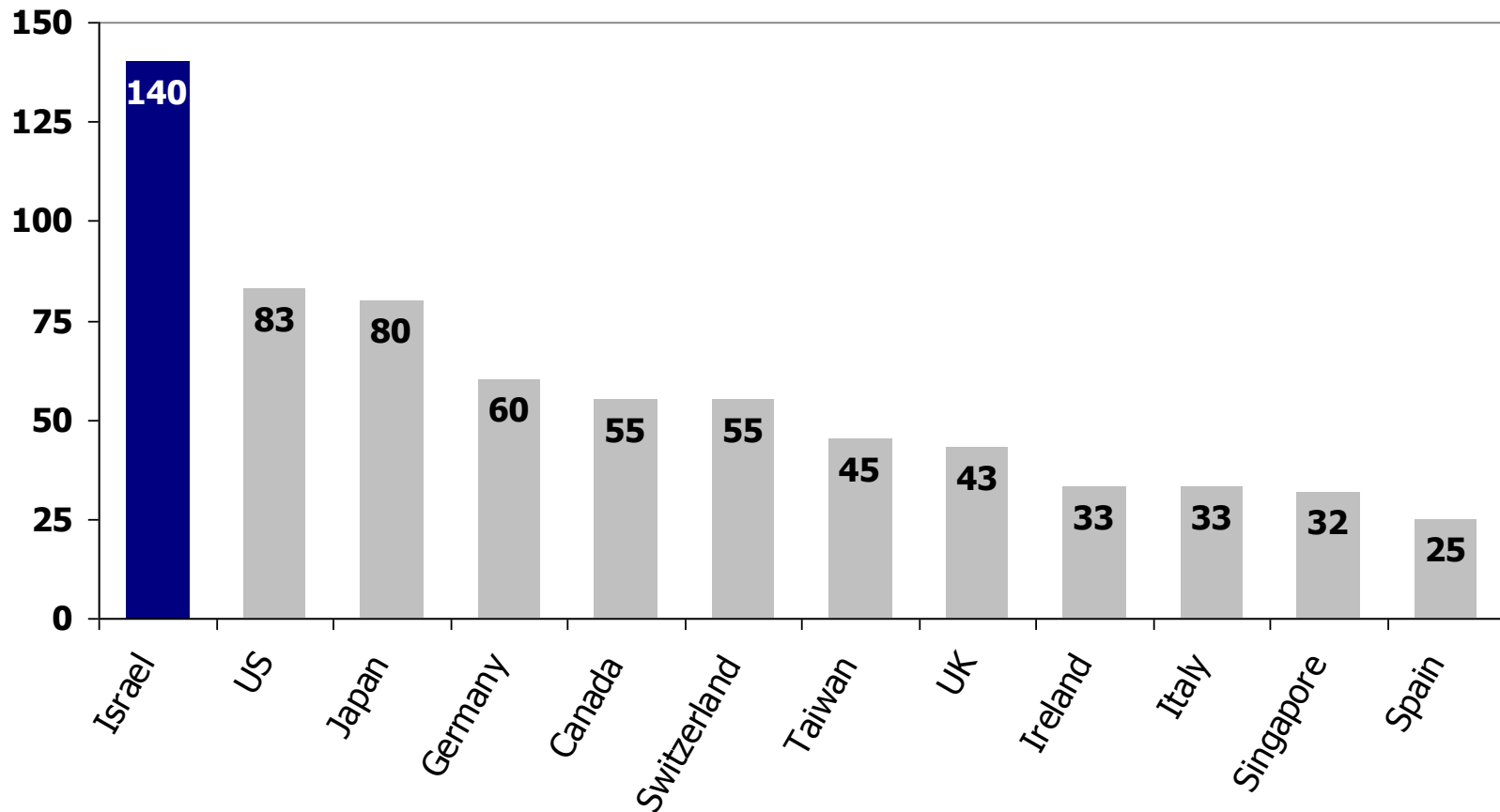
1980 - 2011

- 3,000 technology companies of which more than 500 companies with yearly revenues of more than \$20 million
- 200 new start-ups created every year
- Israel is the 3rd largest non-USA country on NASDAQ – more than 120 Israeli companies listed
- Over 400 Israeli technology companies operate subsidiaries or headquarters internationally
- Over 80 fortune 500 global corporations conduct leading edge R&D in Israel
- The highest per capita US Patent applications in the world

The most important innovation center outside of the USA

Israel's "Formula": A Heaven of Innovation

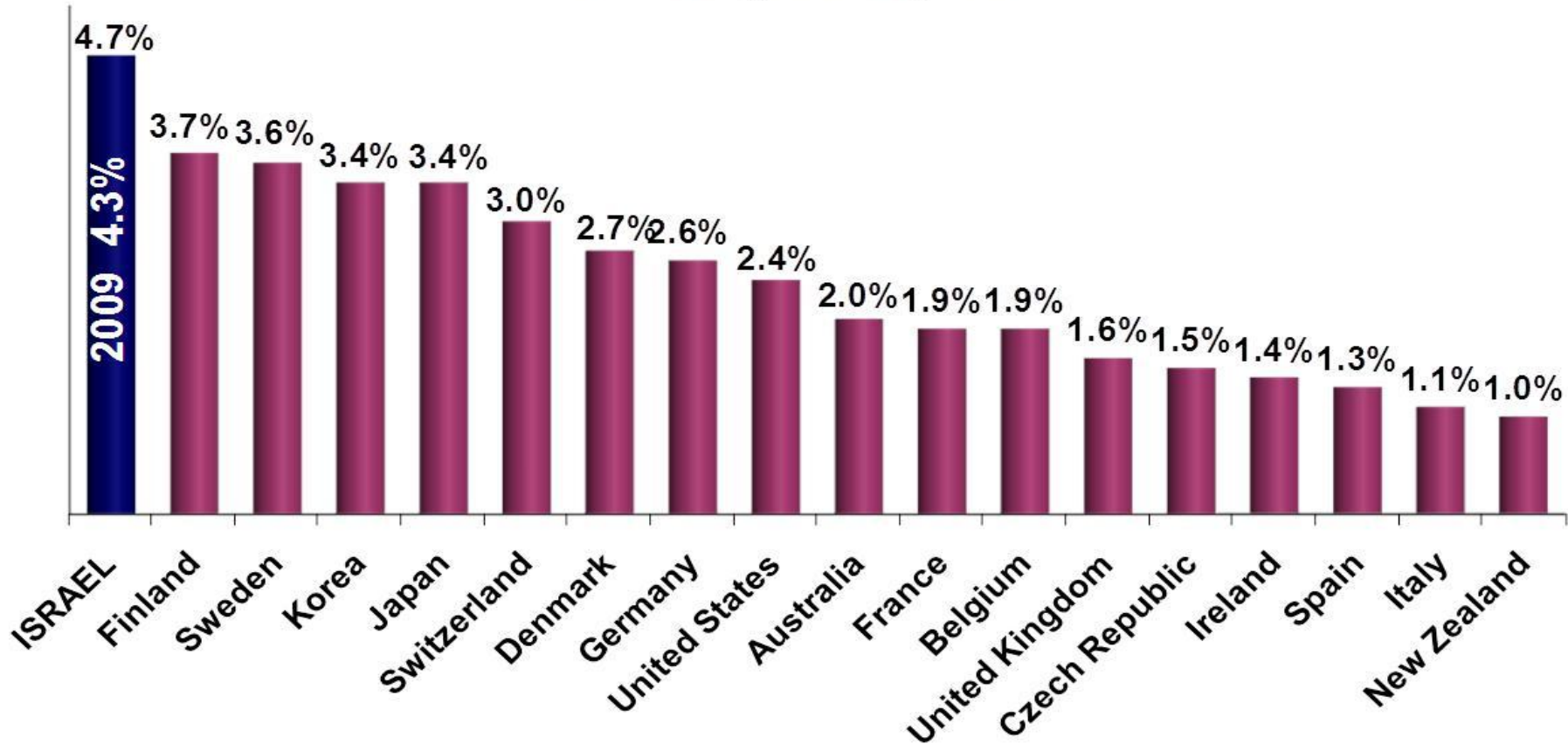
Scientists & Engineers per 10,000 pp



***Highest number in the world
of scientists and engineers per population***

World Leadership in Civilian R&D Investments

As Percentage of GDP, 2008



Industrial R&D Cooperation Agreements



Austria



USA



Sweden



Belgium



Ireland



UK



Canada



Italy



India



China



Korea



Spain



France



Netherlands



Finland



Germany



Portugal



Singapore



Hong Kong



Czech Republic



Slovenia

Industrial R&D Cooperation Agreements



Brazil



Uruguay



Hungary



Turkey



Argentina



Denmark



Greece

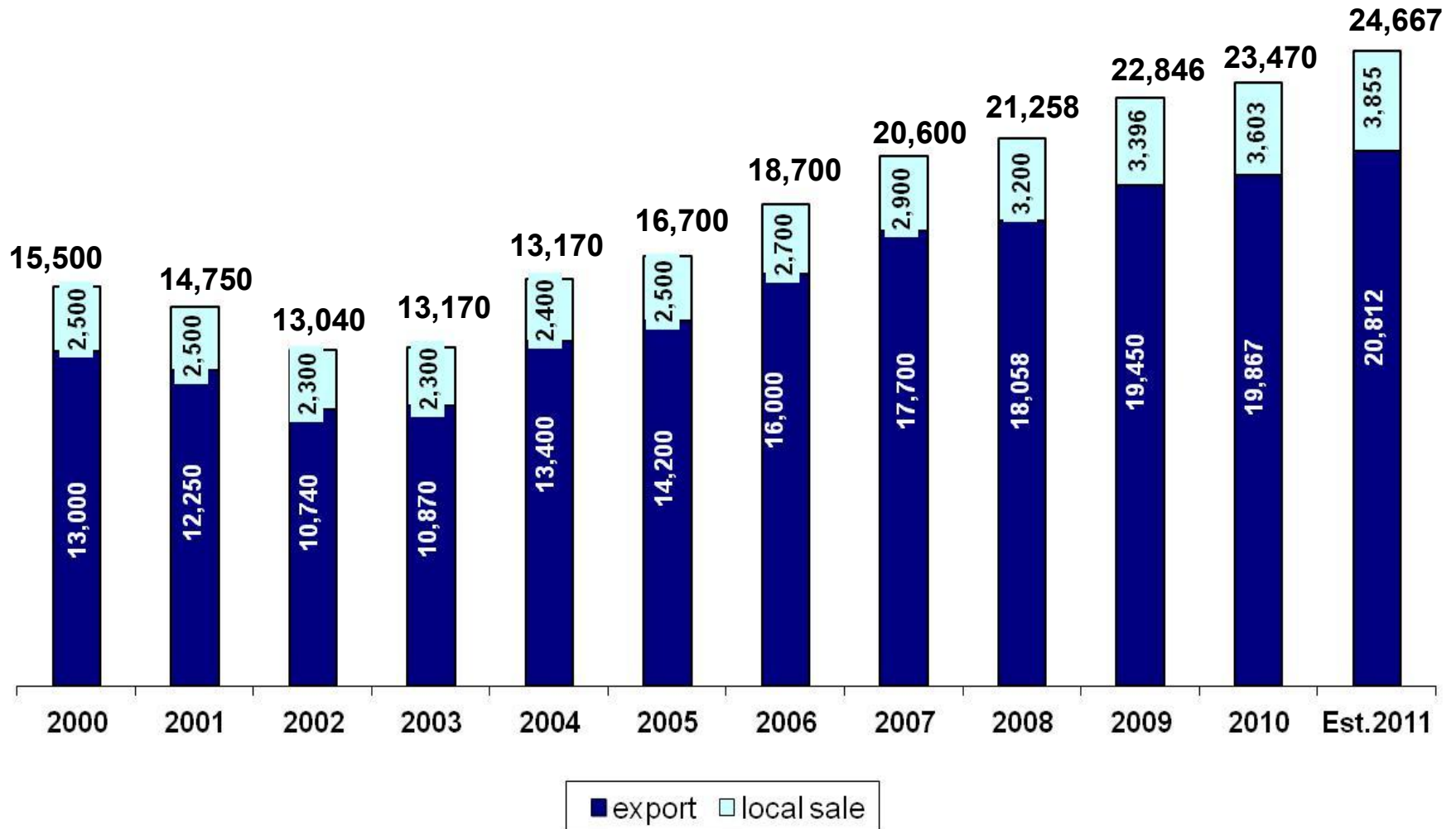


Maryland

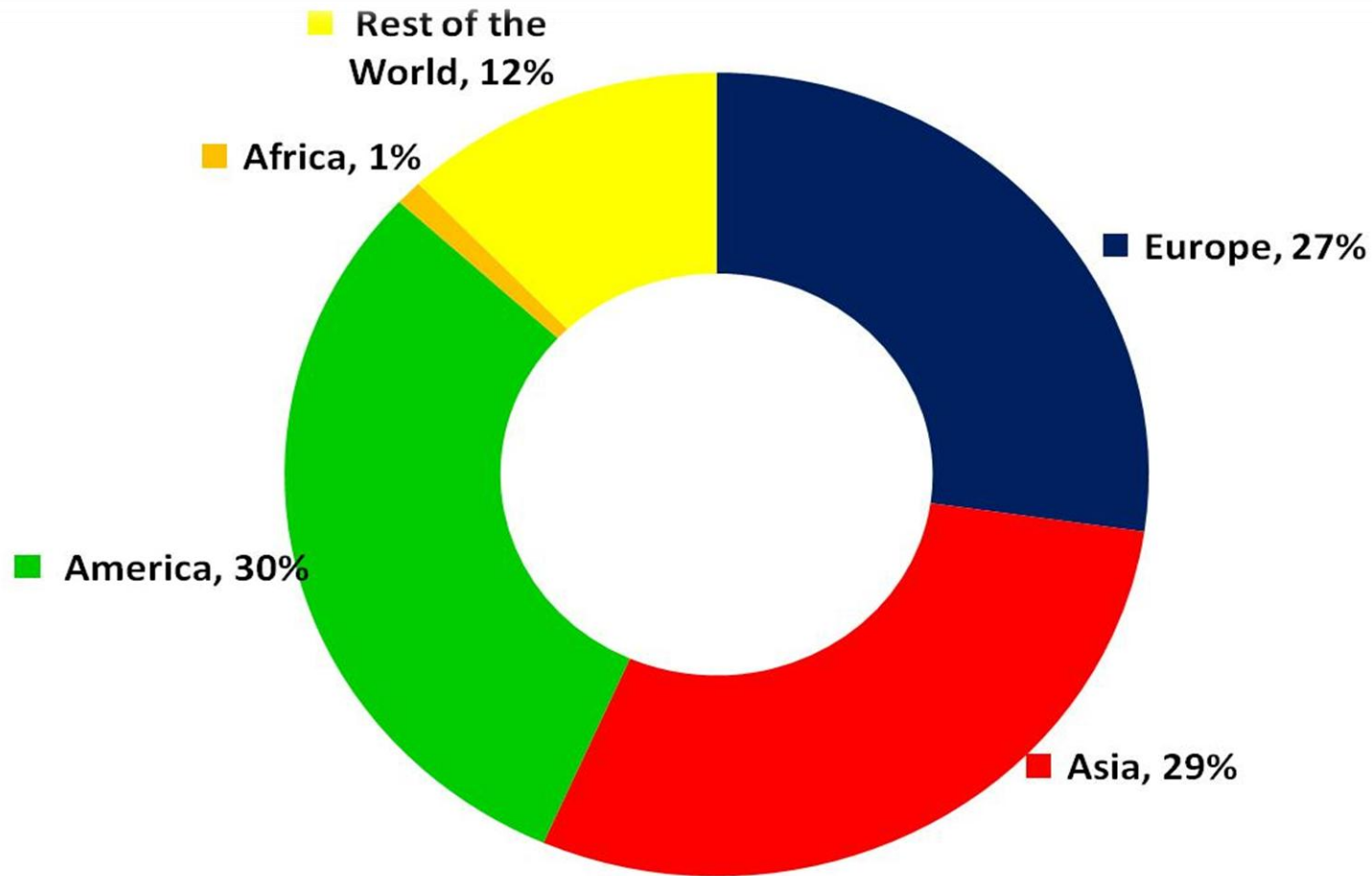
ISRAEL Electronics & Software Industry 2011

Electronics Industry & Software International & Local Revenue

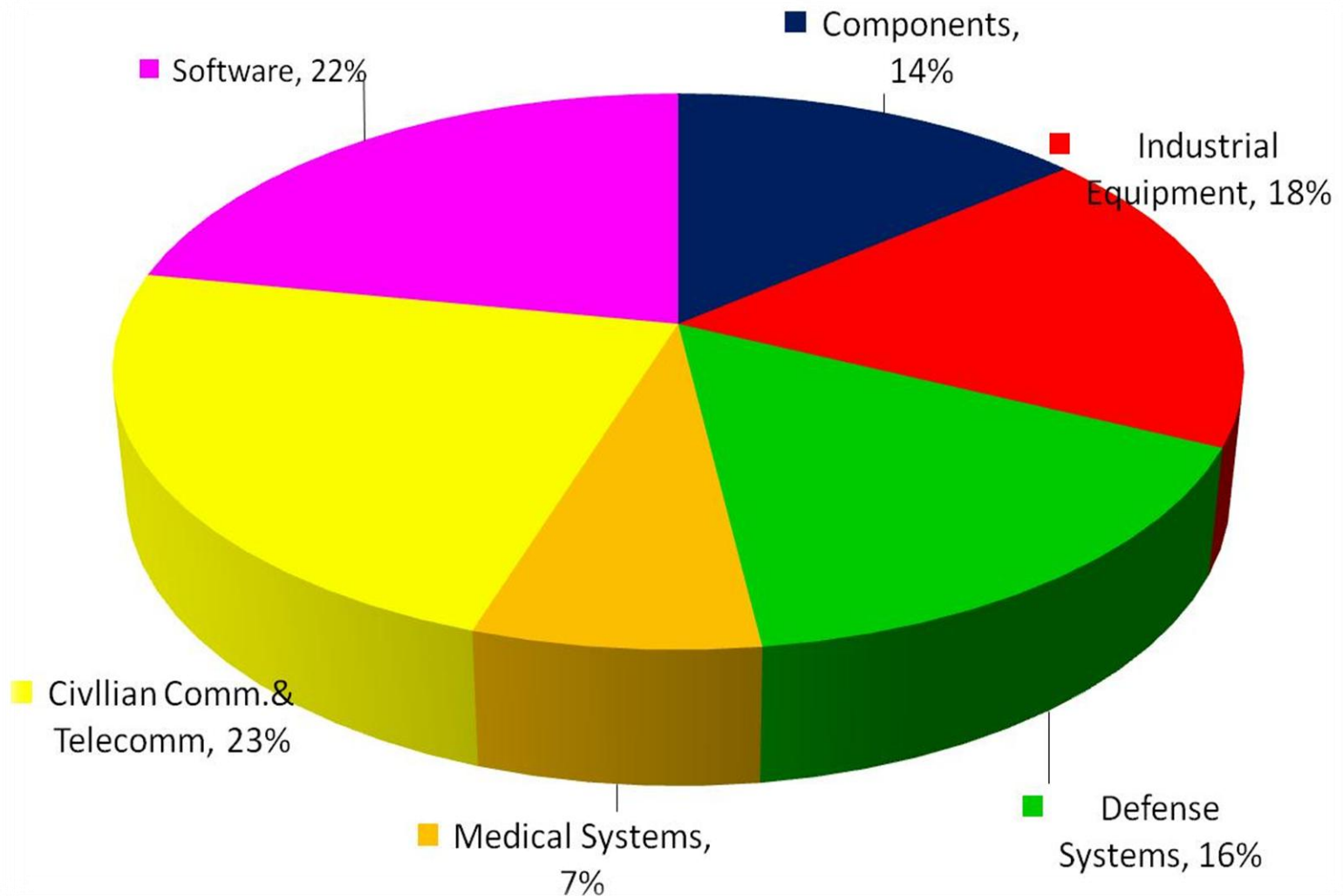
(\$ million)



Israel High-tech International Revenues by region 2011



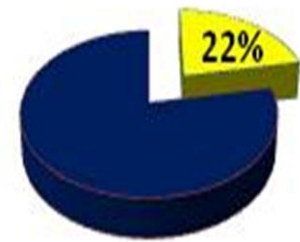
Israeli High-Tech Companies by Product



Product fields

Software

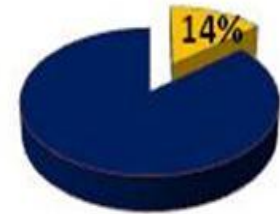
- **Internet**
- **Multimedia**
- **Software – Products**
- **Billing**
- **Security**
- **Management**
- **Software – Turnkey Projects**
- **Software – Subcontracting**



Electronic Components

Active Components

- Tubes
- Power Supplies
- Oscillators
- Detectors
- Microelectronic Components
- Microwave Components



Semiconductors

- Design Centers
- Manufacturing Facilities

Passive Components

- Resistors & Networks
- Capacitors
- Transformers
- Batteries
- P.C Boards

HOME

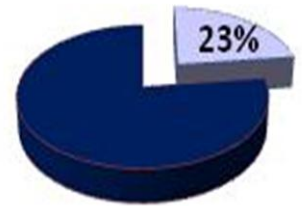
- **Wired**
- **Wireless**
- **Voip**

Access & Premises

- **Wired**
- **Wireless**

Core Networks

- **Wired (Backhaul)**
- **Wired (Metro Ethernet)**
- **Wireless (Backhaul)**
- **Wireless (Metro)**

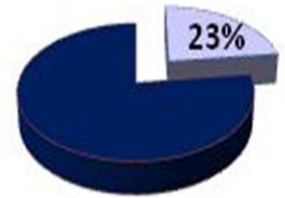


Enterprise Network

- IP
- Infrastructure
- Access & Premises Network
- Enterprise Application

Head End

- Supporting Services (Monitoring Provisioning)
- Service Creation
- Revenue Assurance
- Content Delivery & Management
- Broadband Optimization
- Billing & Payment



Telecommunications Equipment Broad Casting

User

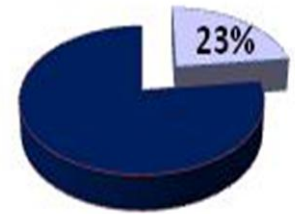
- Media
- Infrastructure

Head End

- Media
- Data com

Core Network

- Infrastructure

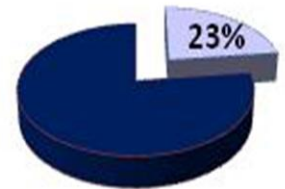


Cour Networks

- Gateways & Signaling Equipment
- Indoors & Coverage Solutions
- Networks Software

Mobile Applications

- Web Applications
- Messaging
- M-Commerce
- Entertainment
- Data & Voice
- Community & Messaging



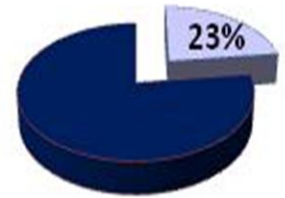
Telecommunications Equipment Mobile

Head End Management

- Billing & pricing
- FMC
- Security
- Service and Content Creation

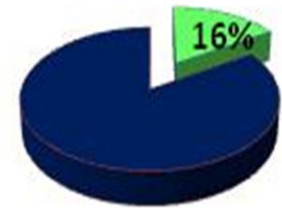
Handheld Components

- Wireless Broadband Connectivity
- Audio GPS
- Handwriting & Keyboard
- Operating Systems
- Screen
- Security
- Storage
- Video & Image
- Wireless Broadband Connectivity



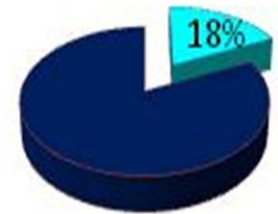
Major Military Systems

- **Missile and Guided Weapons**
- **Anti Aircraft and Anti Missiles Systems.**
- **Radars – Airborne, Naval, Ground**
- **EW Equipments**
- **Routers, Load balancing**
- **Test Equipment, Quality Monitoring of Net work**
- **3G Application**
- **Home Networks**
- **Storage Area Networks**
- **Wireless Local Loop, Microwave**
- **VPN, Firewalls**
- **Video – Compression, Video-Conferencing & Video Networks**



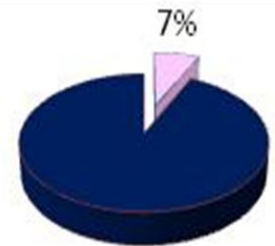
Major Industry Equipment

- **Computerized Production Equipment**
- **Computerized Control Systems**
- **Test Equipment**
- **Training and Education Systems**
- **Consumer Products**
- **Security Equipment**



Major Medical Equipment

- **Imaging and Diagnostic Equipment**
- **Surgical and Treatment Equipment**
- **Monitoring Systems**



Main Fields of Activities:

Telecommunications

Information Technologies

Semiconductors for...

Medical

**Mobile, 3G, Lte, Broadband,
Wi Fi, Internet, Data Comm.
Security, wi Max...**

Fabless

**New Applications to
Reduce Health – Care Cost**

Conversion of Military Technologies to Civilian Products.

High Tech Characteristics in Israel

Within 60 years, Israel has developed from a mainly agriculture economy to a global technology leader and pioneer

Strengths:

- ***Entrepreneurial Spirit***
- ***Highly Qualified Scientists & Engineers***
- ***Proven Track Record***

Engines:

- ***Government Support (R&D, Investment)***
- ***Venture Capital***

Results:

- ***Strong R&D***
- ***New Technologies and Applications***
- ***Numerous New Start-ups***
- ***International Involvement (Acquisitions & Subsidiaries)***

Highlights in Israeli Innovation

- Pentium – (Intel)
- Centrino – (Intel)
- Telecom Billing (Amdocs)
- Call Center Logging (Nice / Verint).
- Voice Mail (Comverse)
- Instant Messaging (ICQ Ubique)
- PC Board Inspection (Orbotech)
- VoIP (Vocaltec)

Highlights in Israeli Innovation

- Two – bit per cell Flash Memory (Saifun)
- Disk on Key (M-systems)
- Firewall – (Checkpoint)
- Sw Performance (Mercury Interactive)
- Anti Virus (Alladin, Commtouch..)
- Virtual Colonoscopy (Given Imaging).

Major Multinational Companies with a Design Centers in Israel



Never stop thinking.



Some of Israel's Visible Companies

amdocs

Orbotech

RADVISION

EMC²
where information lives[®]

GIVEN[®]
IMAGING

Lipman
Transaction Solutions[®]

COMVERSE

Gilat[™]

radware
availability | performance | security

MERCURY[™]

RAD
data communications

scitex

VERITAS

ZORAN

AudioCodes

Precise

alvarion
We're on your wavelength.

NICE[®]

creo

Retalix

Check Point[®]
SOFTWARE TECHNOLOGIES LTD.
We Secure the Internet.

TEVA[®]
TEVA PHARMACEUTICAL INDUSTRIES LTD.

Bill Gates, the Microsoft CEO, made his first trek to



“Considering the density of Israeli start-ups and local successes, Israel is like a bit of Silicon Valley”.

CRAIG BART: former Intel CEO (visiting Israel)



“Apart from the 6,000 jobs that we have provided here, in my opinion the contribution to Israel lies in the fact that Intel has attracted other companies to invest in Israel and to create an entrepreneurial environment. Globally speaking, Israel is in 3rd place in terms of IP and is a very good place for opening businesses. The level of education in Israel has helped us expand. Israel’s ability to supply very good scientists has helped us, and the government’s positive attitude has helped us attract investments.”

Buffett Takes a Cut of Iscar
The Israel-based manufacturer, with estimated revenues of \$1.4 billion, enters the limelight thanks to an acquisition by Berkshire Hathaway



Asked how come he chose Israel as his first investment outside America, Buffett's response was: "Some Americans came looking for oil, so they didn't stop in Israel. We came looking for brains, so we did stop in Israel."

Thank you