

CARTER LEDYARD & MILBURN LLP

Counselors at Law

Andris J. Vizbaras
Partner

Direct Dial: 212-238-8698
E-mail: vizbaras@clm.com

2 Wall Street
New York, NY 10005-2072

Tel (212) 732-3200
Fax (212) 732-3232

701 8th Street, N.W., Suite 410
Washington, DC 20001-3893
(202) 898-1515

570 Lexington Avenue
New York, NY 10022-6856
(212) 371-2720

July 22, 2010

Securities and Exchange Commission
Division of Corporation Finance
Office of Mergers and Acquisitions
100 F Street, NE
Washington, D.C. 20549
Attention: Christina Chalk, Esq.
Michele Anderson, Esq.

Re: *Request for exemptive relief from the provisions of Rule 13e-4(f)(2) and no-action relief under the provisions of Rule 13e-4(f)(5) and Rule 14e-1(c) promulgated under the Securities Exchange Act of 1934, as amended*

Ladies and Gentlemen:

We are submitting this request for exemptive and no-action relief on behalf of our client, Radvision Ltd., a company organized under the laws of Israel (the "Company"). The Company intends to commence an issuer tender offer (the "Offer") to purchase 5.0% of its issued and outstanding ordinary shares, par value NIS 1.00 per share (the "Ordinary Shares"). (The exact number of Ordinary Shares sought to be purchased in the Offer will be determined prior to the commencement of the Offer and will be disclosed in the offer to purchase relating thereto.) The Company hereby requests that the Securities and Exchange Commission (the "Commission") grant exemptive relief from the provisions of Rule 13e-4(f)(2), and no-action relief from the provisions of Rule 13e-4(f)(5) and Rule 14e-1(c), in each case promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to allow the Company to conduct an additional offering period as mandated by applicable Israeli law.

Background

The Company

The Company is a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act. The Company is incorporated under the laws of the State of Israel and is headquartered in

Israel. The Company is a designer, developer and supplier of products and technology that enable real-time voice, video and data communication over packet and mobile 3G (Third Generation) networks, including the Internet and other Internet Protocol networks.

The Ordinary Shares are traded under the ticker symbol “RVSN” on the Nasdaq Global Market and in Israel on the Tel Aviv Stock Exchange (the “TASE”). In the United States, the Ordinary Shares are registered pursuant to Section 12(b) of the Exchange Act. As of June 14, 2010, there were 19,518,880 Ordinary Shares issued and outstanding (excluding 2,999,343 Ordinary Shares held as treasury shares).

In 2007, the Company announced that its board of directors had authorized the repurchase of up to \$30 million of the Ordinary Shares in the open market from time to time at prevailing market prices. Given its strong cash position, coupled with management’s confidence in the long term growth prospects of the Company, the Company believes that the repurchase of Ordinary Shares at appropriate price levels is an attractive investment for the Company and is also in the best interests of its shareholders. The repurchase program received the approval of the District Court in Tel Aviv-Jaffa on November 1, 2007 in accordance with the requirements of the Israeli Companies Law, 5759-1999 (as amended, the “Israeli Companies Law”). Since November 2007, the Company has repurchased an aggregate of 2,183,316 Ordinary Shares under the program at a total purchase price of approximately \$16.3 million, or an average price of \$7.47 per Ordinary Share. To date, the Company has conducted its repurchase program by means of a series of open market purchases. For the reasons discussed below, the Company now may continue the program only by means of a tender offer.

Mr. Zohar Zisapel, the Chairman of the board of directors of the Company, currently beneficially owns approximately 24.97% of the issued and outstanding Ordinary Shares (excluding Ordinary Shares held by the Company in treasury, but including options held by Mr. Zisapel, to purchase 45,000 Ordinary Shares, that are exercisable as of today or within 60 days of the date of this letter) and 24.80% of the Company’s voting power. Mr. Zisapel has informed the Company that he does not intend to tender Ordinary Shares in the Offer.

Tier II Exemption

A geographical analysis report of the shareholders of the Company as of June 14, 2010 (together with (i) the list of record holders of Ordinary Shares, (ii) a report of Depository Trust Company participants with positions in the Ordinary Shares and (iii) a report of the TASE as to members of the TASE with positions in the Ordinary Shares) showed that at least 6,235,448 Ordinary Shares were beneficially owned by persons resident in the U.S. as of that date. No response was received with respect to 1,632,363 Ordinary Shares, and since all of these Ordinary Shares were held (to the best of the Company’s knowledge) through brokers that had their principal place of business in the U.S., pursuant to Instruction 2(iv) to paragraph (d) of Rule 14d-1, the Company assumes that these Ordinary Shares were beneficially owned by residents of the U.S. On the basis of these facts, U.S. residents beneficially owned 7,867,811 Ordinary Shares, or approximately 40.3%, of the 19,518,880 Ordinary Shares that were outstanding and not held

in treasury at June 14, 2010. The Company therefore has determined that the Offer is not eligible for the “Tier II” exemption under Rule 13e-4(i).

Applicable Israeli Law

Since the Company is organized under the laws of the State of Israel and its Ordinary Shares are traded on the TASE, the Offer is also governed by Israeli law, including the Israeli Companies Law, the Israeli Securities Law, 5728-1968 (as amended, the “Israeli Securities Law”) and the Israeli Securities Regulations (Tender Offer), 5760-2000 (the “Israeli Securities Regulations”). The Israeli Companies Law primarily specifies requirements for matters such as corporate formation, corporate governance and related substantive matters. The Israeli Securities Law and the Israeli Securities Regulations primarily provide the disclosure requirements for public companies that are subject to their provisions.

Section 328(a) of the Israeli Companies Law specifies, *inter alia*, that a purchase of the shares of a public company may not be made other than by means of a tender offer in accordance with Part VIII, Chapter 2 of the Israeli Companies Law (“Special Tender Offer”) if:

- the result of the purchase would be that a shareholder of such company will own more than 25% of the voting power of the company (in general, when computing the ownership percentage of such shareholder, the holdings of his affiliates are aggregated); and
- no other person owns in excess of 25% of the voting power of the company.

The requirements of Section 328(a) of the Israeli Companies Law apply even if the increase in a shareholder's stake to over 25% of the voting power is not caused by such shareholder's direct acquisition of shares but rather occurs as a result of an “indirect acquisition” such as the result of an issuer tender offer.

Since Mr. Zisapel informed the Company that he does not intend to tender Ordinary Shares in the Offer, Mr. Zisapel's aggregate percentage of the voting power of the Company will exceed 25% following consummation of the Offer, and he will hold approximately 26.11% of the voting power of the Company (excluding Mr. Zisapel's options to acquire Ordinary Shares, which are not taken into account for the purpose of Section 328(a) of the Israeli Companies Law). To continue its repurchase program of Ordinary Shares, the Company must comply with the Special Tender Offer requirements.

Based on the Israeli Companies Law, the Israeli Securities Law and the Israeli Securities Regulations, a Special Tender Offer must meet specified conditions which are applicable to all of the Company's shareholders, wherever located, including the following:

- the Special Tender Offer must be made available to all of the Company's shareholders under Section 331(a) of the Israeli Companies Law and Section 5(a) of the Israeli Securities Regulations;

- the Special Tender Offer must result in a purchase of shares representing no less than 5% of the voting power of the Company under Section 332 of the Israeli Companies Law;
- the offer to, and the manner of acceptance by, must be on equal terms for each of the Company's shareholders, under Section 5(b) of the Israeli Securities Regulations;
- the payment of the purchase price must be secured by a guarantee issued by the bidder to a member of the TASE (the "TASE Member") to the satisfaction of the TASE Member under Section 5(d) of the Israeli Securities Regulations, who in turn is required to guarantee such payment under Section 5(e) of the Israeli Securities Regulations;
- as a condition to the completion of the Special Tender Offer, the aggregate number of shares tendered in the Special Tender Offer must exceed the number of shares represented by objections to the Special Tender Offer (under Israeli law, shareholders may accept the offer, not respond to the offer or object to the offer) under Section 331(b) of the Israeli Companies Law¹; and
- upon satisfaction (or, subject to applicable law, waiver by the bidder) of all of the conditions to the Special Tender Offer, the Special Tender Offer is deemed completed and the bidder is irrevocably required to purchase the shares tendered during the initial offer period (subject to proration as described below), except that the bidder must provide a four-calendar day additional offering period, without withdrawal rights for shares tendered during the initial offering period, to allow all other shareholders who have not tendered their shares an opportunity to tender in accordance with Section 331(d) of the Israeli Companies Law and Sections 5(i)(1) and 7(b) of the Israeli Securities Regulations. Upon completion of the additional offering period, the Special Tender Offer is completed and the bidder must purchase all of (i) the shares tendered (and not properly withdrawn) prior to the completion of the initial offering period and (ii) the shares tendered prior to the completion of the additional offering period, subject to proration², if applicable, based on the maximum number of shares sought in the Special Tender Offer.

The Company is attempting to structure the Offer in the United States and Israel such that it complies with the requirements of the Exchange Act as well as the requirements of the Israeli

¹ Pursuant to Section 331(c) of the Israeli Companies Law, in making this calculation, shares held by (i) the bidder, (ii) any party controlling, controlled by, or under common control with the bidder, (iii) anyone acting on behalf of any of the foregoing, (iv) their respective family members and entities controlled by these family members, and (v) shareholders holding 25% or more of the voting power in the target company, are generally excluded.

² The proration factor, if any, is calculated by dividing (x) the maximum number of shares that the bidder is offering to purchase, by (y) the aggregate number of shares validly tendered (and not properly withdrawn during the initial offering period) in the Special Tender Offer during both the initial offering period and the additional offering period.

Companies Law, the Israeli Securities Law and the Israeli Securities Regulations. The Company's Israeli counsel, Goldfarb, Levy, Eran, Meiri, Tzafrir & Co., approached the Israeli Securities Authority (the "ISA") for exemptions from certain aspects of the Israeli Securities Law to enable the Offer to be conducted simultaneously in the United States and Israel. The ISA was asked to grant relief in a number of areas, including that the Offer be conducted as a unified tender offer in both the United States and Israel and that the Company be permitted to distribute an English language offer to purchase in both the United States and Israel in the manner described below in "Proposed Offer Structure." The ISA has granted these exemptions for the Offer.

Proposed Offer Structure

The Company proposes to offer to purchase 5.0% of the issued and outstanding Ordinary Shares in a tender offer to be conducted in both the United States and Israel. (The exact number of Ordinary Shares sought to be purchased in the Offer will be determined prior to the commencement of the Offer and will be disclosed in the offer to purchase relating thereto). The Offer would be conditioned on there being tendered no less than 5.0% of the issued and outstanding Ordinary Shares. If a number of Ordinary Shares are tendered such that, if accepted for payment, the Company would purchase more than the Ordinary Shares sought in the Offer, the Company would purchase a *pro rata* number of Ordinary Shares from all tendering shareholders.

The Offer would be open for an initial offering period of not less than 20 U.S. business days (and, pursuant to Israeli law, not less than 21 calendar days). Under Israeli law, if the applicable conditions to a Special Tender Offer have been satisfied at the completion of the initial offering period, the shareholders who have not yet responded to the Offer and/or who have objected to the Offer must be provided an additional offering period during which they may tender their Ordinary Shares. By 9:00 a.m. Eastern time on the business day following completion of the initial offering period, the Company would announce to the shareholders (i) the results of the initial offering period, including whether or not the conditions to the Offer have been satisfied and the approximate number and percentage of Ordinary Shares tendered to date and (ii) if the conditions to the Offer have been satisfied, that it is extending the offering period following the completion of the initial offering period by an additional offering period. There would be no withdrawal rights during the additional offering period for Ordinary Shares previously tendered in the Offer. The Company would disclose in the offer to purchase that there would be an extension of the initial offering period to provide for an additional offering period following the completion of the initial offering period.

We contemplate that the Offer will commence on July 27, 2010. On the same date the Company would give its shareholders notice of an extraordinary general meeting to approve the Offer (and such approval will be a condition of completion of the Offer). The minimum notice period for such a meeting under Israeli law is 35 calendar days, and the meeting will be held on August 31, 2010. The initial offer period will expire on Thursday, September 2, 2010, and, if the conditions to the Offer have been satisfied, the additional offering period then will commence and will expire on Tuesday, September 7, 2010.

The Israeli Companies Law specifies that the additional offering period be four calendar days. As outlined above, for the Offer we are proposing an additional offering period of five calendar days (September 2 to September 7, 2010). This is additional day will be necessary so that the expiration dates of both the initial offering period and the additional offering period will fall on a business day in both the U.S. and Israel.³ (Of the five calendar days, only two would be business days in the U.S.) Israeli counsel to the Company has obtained relief from the ISA to allow for a five calendar day additional offering period in the case of the Offer under the circumstances described in this letter.

All conditions to the Offer will be satisfied or waived before commencement of the additional offering period. If the Company waives an Offer condition, the Offer will be extended, and withdrawal rights will be provided, to the extent required under U.S. rules. The Company intends to announce the completion of the initial offer period by distributing a press release to PR Newswire, publishing the announcement in two daily Israeli newspapers, and filing the announcement as an exhibit to the Schedule TO.

The Company would pay for Ordinary Shares that are tendered in the initial offering period and the additional offering period promptly following the expiration of the additional offering period, subject to proration, if any. Such proration would be determined promptly following the expiration of the additional offering period. This information would be prominently disclosed in the offer to purchase distributed to the Company's shareholders. Because of the potential effects of the application of a proration factor based on the combined results of the Offer during the initial offering period and the additional offering period, payments cannot be made for Ordinary Shares tendered during the initial offering period until the results of the additional offering period are available.

Prior to the commencement of the Offer, the Company would engage a TASE Member to act as escrow agent and would deposit cash in an escrow account in an amount sufficient to pay for the Ordinary Shares assuming the maximum number of Ordinary Shares sought in the Offer is tendered. Promptly following the completion of the additional offering period, the Company would determine the appropriate proration factor, if any. The escrow agent would, promptly following this determination, pay the Israeli and U.S. depositaries for the Ordinary Shares tendered and accepted by the Company without further involvement by it, with such depositaries to make appropriate payments to tendering shareholders. We have been advised by the Company's Israeli counsel that under Israeli law, the Company would be required to make payments to shareholders who have tendered their Ordinary Shares in the Offer promptly following the expiration of the five-calendar day additional offering period. The Company

³ Fridays are not business days in Israel. Monday, September 6, 2010 is a holiday (Labor Day) in the U.S. Shifting the dates up to avoid the three-day weekend in the U.S. would conflict with the 35 day minimum notice period for the extraordinary general meeting. Shifting the dates back a week still would require a five day period, because Thursday, September 9 is a holiday in Israel (part of Rosh Hashanah, which extends from September 8 through September 10). Shifting the dates a few days further back still would require a five day period because of another holiday in Israel (Yom Kippur), and shifting any further back would cause the initial offering period to expire on or after September 16, 2010, which would conflict with Radvision's quiet period, which commences two weeks in advance of the end of its fiscal quarter on September 30, 2010.

estimates that shareholders (both in Israel and the U.S.) would be paid no more than five U.S. business days following the expiration of the additional offering period. This payment period will comply with the law and practice in Israel for a Special Tender Offer for equity securities that are traded both in Israel and in the U.S. and represents the Company's best estimate of the minimum time period necessary to pay for securities tendered in the Offer.⁴ Returns, if necessary, will occur promptly as required by Rule 13e-4(f)(5) and Rule 14e-1(c), and no relief is requested with respect to returns.

As described above, subject to the exemptive and no-action relief requested herein, it is intended that the Offer will be structured as a single offer made in both the United States and in Israel. The Offer would be made in the United States and in Israel pursuant to an English language offer to purchase. In addition, Israeli shareholders would also receive a Hebrew language cover page complying with the Israeli regulations. A translation to English of the Israeli cover page would be filed as an exhibit to the Schedule TO. The consideration offered, and all other terms of the Offer, would be identical for all holders of Ordinary Shares.

Except for the relief requested in this letter, the Offer will be conducted in accordance with the Exchange Act and all applicable rules promulgated thereunder.

Conflict Between Israeli Law and U.S. Law

Israeli Law

We have been advised by the Company's Israeli counsel that under Section 331(d) of the Israeli Companies Law and Section 5(i)(1) of the Israeli Securities Regulations, if a Special Tender Offer has been accepted (*i.e.*, all the conditions to such Special Tender Offer, including the minimum condition, have been satisfied) at the end of the initial offering period, a bidder is required to publicly announce, by 10:00 a.m. Israel time on the following business day (i) the results of the initial offering period and (ii) that all of the shareholders that have not responded to the Special Tender Offer or have objected to the Special Tender Offer will be provided an additional offering period (counted from the end of the initial offering period) during which they may tender their shares. As outlined above the Israeli Companies law specifies that the additional offering period be four calendar days, but Radvision has obtained relief from the ISA to allow for a five-calendar day additional offering period in the case of the Offer.

In accordance with the prevailing interpretation of Section 331(d) and pursuant to the provisions of the Israeli Securities Regulations, during the additional offering period, no withdrawal rights are applicable to shares previously tendered. Further, once a bidder has announced at the end of the initial offering period that the Special Tender Offer has been accepted, no further conditions to the Special Tender Offer apply and such bidder becomes irrevocably bound to purchase, subject to proration, the shares tendered in the Special Tender Offer (*i.e.*, in both the initial offering period and the additional offering period). The purpose of

⁴ Normally, four U.S. business days would suffice for the payment period. We are instead proposing five U.S. business days for the payment period because of the three day holiday in Israel (Rosh Hashanah) that would start on the day after the final expiration date.

this requirement under Israeli law is to provide shareholders with additional protection by allowing the shareholders the opportunity to wait and see if the Special Tender Offer is indeed accepted (*i.e.*, all of the conditions to the Special Tender Offer have been satisfied) and only then decide whether to tender their shares. It also enables shareholders who initially objected to the Special Tender Offer during the initial offering period to tender their shares during the additional offering period once it is clear that the Special Tender Offer will be successfully completed. If withdrawal rights were to be permitted, withdrawals during the additional offering period of shares previously tendered could cause the minimum condition to become unsatisfied (despite previously having been satisfied upon the completion of the initial offering period). According to the Company's Israeli counsel, all Special Tender Offers are structured without withdrawal rights during the additional offering period with respect to shares previously tendered.

We have also been informed by the Company's Israeli counsel that under the Israeli Companies Law, the Minister of Justice may adopt regulations, including regulations which provide general exemptions from provisions of the Israeli Companies Law. The Israeli Companies Law does not, however, grant the Minister of Justice or any other governmental body the authority to grant exemptive relief on a case-by-case basis. While the Minister of Justice has adopted certain regulations under the Israeli Companies Law, none of them are applicable to the Offer.

In contrast, the Israeli Securities Law empowers the ISA or its Chairman to grant exemptions and other relief with respect to disclosure matters relating to tender offers and the related offering materials, but not with respect to the provisions of the Israeli Companies Law. The position of the staff of the ISA as communicated to us by the Company's Israeli counsel is that the correct interpretation of Section 331(d) of the Israeli Companies Law is that no withdrawal rights are applicable to the previously tendered shares during the additional offering period and that, consequently, the staff of the ISA will not recommend to the ISA to grant the Company exemptive relief from the Israeli Securities Regulations on this matter. Moreover, even if the ISA were willing to grant exemptive relief from the requirement under the Israeli Securities Regulations that the additional offering period be conducted without withdrawal rights, the ISA's exemptive authority (as the ISA previously noted) does not extend to matters governed by the Israeli Companies Law. In fact, there is no Israeli regulatory body or other governmental body that has statutory authority to grant such exemptions on a case-by-case basis.

U.S. Law

Rule 13e-4(f)(2) under the Exchange Act requires a bidder in an issuer tender offer to permit securities tendered pursuant to the tender offer to be withdrawn (i) at any time during the period that the tender offer remains open and (ii) if not yet accepted for payment, after the expiration of 40 business days from the commencement of the tender offer.

In order to permit the Company to conduct the additional offering period in accordance with Israeli law, the Company must extend the offering period following the completion of the initial offering period. In accordance with the prevailing interpretation of Section 331(d) of the Israeli Companies Law and pursuant to the provisions of the Israeli Securities Regulations,

during such additional offering period, which would extend for five calendar days in the case of the Offer, no withdrawal rights are available to such holders who have previously tendered their Ordinary Shares during the initial offering period. Accordingly, the Company is requesting exemptive relief from the provisions of Rule 13e-4(f)(2)(i) in order to permit it to extend the offering period following the completion of the initial offering period by the additional offering period as required by Israeli law without offering withdrawal rights during such additional offering period to shareholders who have previously tendered their Ordinary Shares in the Offer. The Company also requests exemptive relief from Rule 13e-4(f)(2)(ii) insofar as that rule would allow tendering holders to withdraw their Ordinary Shares at any time which is both (a) after 40 business days from the commencement of the Offer and (b) during the five-calendar day additional offering period.

Subject to the relief requested herein, the extension of the initial offering period to provide for the five-calendar day additional offering period will constitute an extension of the initial offering period. It will not be a separate tender offer in respect of which a new offering period with a minimum duration of 20 business days must be provided in accordance with Rule 14e-1(a) under the Exchange Act. The Company's purchases during the five-calendar day additional offering period will constitute purchases pursuant to its issuer tender offer and therefore will not be deemed to be made in violation of the requirement of Rule 13e-4(f)(6) that the Company not make any purchases of its Ordinary Shares until the expiration of at least 10 business days after the date of termination of its issuer tender offer.

Pursuant to Rule 13e-4(f)(5) and Rule 14e-1(c) under the Exchange Act, a bidder making an issuer tender offer is required to pay the consideration offered promptly after the termination of the offer. As explained above, as a result of the requirement of Israeli law to provide the additional offering period, the Company expects the proration, if any, to be determined, and the payment for the tendered Ordinary Shares to be made, within no more than five U.S. business days following the completion of the additional offering period. The Company is requesting no-action relief from the provisions of Rule 13e-4(f)(5) and Rule 14e-1(c) to the extent that the above contemplated payment schedule does not satisfy the requirement of prompt payment. In seeking this relief, we note that (i) an amount sufficient to pay for the maximum number of Ordinary Shares sought in the Offer will be deposited in an escrow account with a TASE Member prior to commencement of the Offer and the offer price for Ordinary Shares that are validly tendered, subject to proration, will be paid as soon as practicable following the five-calendar day additional offering period, and (ii) the payment for the Ordinary Shares tendered in the Offer, subject to proration, will be made as promptly as practicable following the expiration of the additional offering period taking account of applicable Israeli law and payment practices in Israel and the U.S.

Importance of Requested Relief to the Company

Requiring an additional offering period without withdrawal rights for shares previously tendered is a critical protective feature provided to shareholders under Israeli law, for which no Israeli exemptive relief is available under the Israeli Companies Law. In order for the Company to purchase Ordinary Shares in a transaction that may result in any person owning more than

25% of the Company's voting power, the Company must conduct a tender offer that complies with this requirement. Based on the above, there is a direct conflict between the requirements of Israeli law and the requirements of U.S. law. Without obtaining the exemptive and no-action relief requested herein, conducting the Offer in a manner that would allow withdrawal rights during the additional offering period for Ordinary Shares previously tendered in the Offer (as would otherwise be required by U.S. law) may run afoul of Israeli law.

Granting of Requested Relief will not Compromise the Protection of U.S. Shareholders

The additional offering period under Israeli law is designed to provide additional protection to shareholders. Shareholders would be afforded the right to wait and see if all conditions to the Offer have been satisfied prior to tendering their Ordinary Shares or to seek to defeat the Special Tender Offer by objecting to the Offer during the initial offering period with the knowledge that they will be able to tender during the additional offering period if the Offer is nonetheless successful. The Company would disclose its intention to extend the initial offering period by disclosing its intention to provide an additional offering period in the offer to purchase related to the Offer. U.S. holders of the Ordinary Shares who are concerned about tendering their Ordinary Shares in a manner that will leave them without withdrawal rights during any part of the Offer can wait until the initial offering period has ended before tendering their Ordinary Shares in the additional offering period.

As described above, (i) the Company will deposit an amount sufficient to pay for the maximum number of Ordinary Shares sought in the Offer in an escrow account with a TASE Member prior to commencement of the Offer, (ii) once the Company has announced at the end of the initial offering period that the Offer has been accepted, no further conditions to the Offer apply and the Company would become irrevocably bound to purchase, subject to proration, the Ordinary Shares tendered in the Offer, and (iii) the offer price for Ordinary Shares that are validly tendered (subject to proration) will be paid as soon as practicable following the five-calendar day additional offering period without further involvement of the Company. Such payment procedures, coupled with the irrevocability of the Offer following its acceptance at the end of the initial offering period, ensure that the Company will not be able to capitalize at the expense of the Company's shareholders on market information that becomes available following the completion of the initial offering period. Because all of the conditions to the Offer are irrevocably satisfied prior to the commencement of the additional offering period, the Company is not able to exercise any discretion that would allow it to shift the economic risk of ownership of the Ordinary Shares (by either waiving conditions or deeming conditions to not have been fulfilled) to shareholders who may have tendered their the Ordinary Shares in the Offer.

Further, we submit that the direct conflict between Israeli law and U.S. law is not otherwise resolvable absent a grant of the requested relief from the Commission. As discussed above, no Israeli regulatory body or other governmental body has statutory authority to grant exemptive relief on a case-by-case basis from the requirement of the Israeli Companies Law to provide the additional offering period without withdrawal rights.

In light of the foregoing, we believe that the relief requested herein is consistent with the guidance contained in the Commission's release: Cross-Border Tender and Exchange Offers, Business Combinations and Rights Offerings, Securities Act Release No. 33-7759 (October 26, 1999) (the "Cross-Border Release")⁵. The Cross-Border Release provides that "[w]hen U.S. ownership is greater than 40 percent, the staff will consider relief on a case-by-case basis only when there is a direct conflict between the U.S. laws and practice and those of the home jurisdiction. Any relief would be limited to what is necessary to accommodate conflicts between the regulatory schemes and practices."⁶ As described above, a direct conflict between U.S. and Israeli law does exist and the relief sought is limited to what is necessary to accommodate conflicts between the U.S. and Israeli regulatory schemes and practices.

The conflict between U.S. and Israeli law described above has been the subject of relief requests relating to at least one issuer tender offer⁷ and five third party tender offers⁸. The relief that we request with respect to Rule 13e-4(f)(2)(i), Rule 13e-4(f)(5) and Rule 14e-1(c) is consistent with the relief granted by the Commission in response to each of those requests. We are not aware of a request for relief from Rule 13e-4(f)(2)(ii) (which would require the Company to permit withdrawals during the additional offering period to the extent it occurs more than 40 business days after the Offer commences) in a cross-border context similar to the Offer, but the Commission has granted exemptive relief from Rule 13e-4(f)(2)(ii) in other contexts⁹, and has granted exemptive relief from the comparable 60-day provision in Exchange Act Section 14(d)(5) to ameliorate cross-border conflicts of laws in a number of transactions¹⁰.

If the Company were organized under Delaware law (for example), it probably would buy back its Ordinary Shares in open market purchases or a block purchase. The Israeli Special Tender Offer provisions require the Company instead to conduct a formal tender offer, which provides all holders with additional disclosure, procedural fairness and price certainty. The relief that we request is necessary to those benefits.

Requested Exemptive and No-Action Relief

Based on the foregoing, the Company respectfully requests exemptive relief for the Offer from Rule 13e-4(f)(2) (which requires a bidder in an issuer tender offer to permit securities tendered pursuant to the tender offer to be withdrawn (i) at any time during the period that the tender offer remains open and (ii) if not yet accepted for payment, after the expiration of forty business days from the commencement of the tender offer) and no-action relief for the Offer

⁵ See fn 41 to the Cross-Border Release and accompanying text.

⁶ Fn 41 to the Cross-Border Release.

⁷ Scitex Corporation Ltd. (June 14, 2004). The relief in this letter, and the similar letters cited in footnote 7 below, in each case related to a four-calendar day additional offering period and a four-business day payment period.

⁸ Zohar Zisapel (April 13, 2009); Retalix Ltd. (December 15, 2008)(relief sought from Rule 14d-7(a)(1) only); Elron Electronics Industries Ltd. (May 15, 2008); Clal Industries and Investments Ltd. (March 3, 2008); and Discount Investment Corporation Ltd. (June 14, 2004).

⁹ See, e.g., General Motors Corporation (May 15, 2009); and Microsoft Corporation (October 15, 2003).

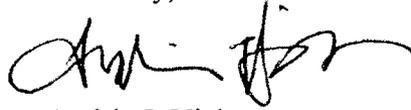
¹⁰ See, e.g., Barclays PLC tender offer for ABN AMRO Holding N.V. (August 7, 2007); Royal Bank of Scotland Group plc tender offer for ABN AMRO Holding N.V. (July 23, 2007); Endesa, S.A. (July 3, 2007); E.ON Aktiengesellschaft (December 6, 2006); and Bayer AG (April 28, 2006).

from Rules 13e-4(f)(5) and 14e-1(c) (which require a bidder making an issuer tender offer to pay the consideration offered promptly after the termination of the offer) to allow it to conduct a five-calendar day additional offering period following the completion of the initial offering period during which no withdrawal rights will be available and to pay for Ordinary Shares tendered during the initial offering period and additional offering period, subject to proration if any, within five U.S. business days of the expiration of the additional offering period.

Please note that the factual representations and conclusions in this letter, as well as the representations as to Israeli law, contained herein, have been provided to us by other parties and we have not undertaken any independent investigation of these matters. The representations in this letter as to Israeli law, regulation and practice applicable to the Offer are based upon discussions with Goldfarb, Levy, Eran, Meiri, Tzafir & Co., Israeli counsel to the Company. We have attached a letter from such firm confirming their view as to the accuracy and completeness of this information.

In light of the Company's short timetable, we respectfully request that the requested exemptive and no-action relief be issued as soon as practicable. If you require any further information or have any questions or comments with respect to this matter, please call me at 212-238-8698. If for any reason you do not concur with any of the views expressed in this letter, we respectfully request an opportunity to confer with you prior to any written response.

Sincerely,



Andris J. Vizbaras

AJV:ajv
Attachment