

## G.ho.st. Wins Computerworld Horizon Award 2007

G.ho.st (Global Hosted Operating SysTem), a virtual computer service, was selected as one of ten winners of Computerworld's prestigious annual Horizon Award. The honor is awarded to the top ten "cool, cutting-edge technologies on the horizon" from around the world. G.ho.st was founded by Zvi Schreiber, a UK-born serial entrepreneur based in Israel.

G.ho.st has developed a next-generation Web Operating System, described by Computerworld as the "Everywhere OS". Computerworld's editors emphasized that the company's free computing environment can be accessed from any browser with a single online file system, single log-in and file sharing capabilities. Other awardees include Hewlett Packard and Stanford University.

## General Motors Plans to Open R&D Center in Israel

General Motors Corporation (NYSE: GM) is in advanced negotiations to establish a R&D center in Ra'anana which will employ hundreds of engineers and researchers. GM is discussing an initial investment of tens of millions of dollars. Research efforts will focus on areas including the development of alternative driving systems, vehicle electronics and communications systems, robotics, advanced materials, imaging systems and safety.

Through a joint venture with GM importer Universal Motors Israel Ltd. (UMI), GM has invested in the development of automotive technologies in Israel since the mid-1990s. GM-UMI funds basic and industrial research, proof of concept, and projects in various development stages.

## Military Technology Program Yields an Entrepreneurial Bonus

Since Israel first gained prominence as a prolific incubator of advanced technologies and start-up companies, Israelis and foreigners alike have been trying to identify the secrets of the country's success. Some attribute it to Israelis' entrepreneurial zeal or to ongoing immigration of well-educated, experienced professionals from around the world. However, many people credit elite Israeli military programs such as Talpiot, with which I've been involved since its inception.

After the Yom Kippur War, many reservists and citizens came forward with suggestions for strengthening the army's and the country's defenses through expert, innovative use of advanced technology. Two physics professors from the Hebrew University approached me with a proposal to create a greenhouse for nurturing military leaders with technological brilliance and an innovative, can-do approach to real-life challenges. This became Talpiot.

Talpiot cadets are carefully selected high-school graduates. They complete an intense, three-and-a-half year, multidisciplinary course of study in science and technology on the Hebrew University campus. Between semesters, they undergo a series of military training courses, starting with basic training and continuing through an officer's course. Rigorous military exercises ensure that they thoroughly understand the operational requirements of the battlefield.

Following training, Talpions serve six years in the Israel Defense Force—twice as long as the normal, mandatory service. They are placed in the military's most advanced technological units and are expected to contribute to Israel's defense primarily through technological innovation.

When Talpiot began, almost thirty years ago, I was a brigadier general and head of defense research and development efforts. I welcomed the Talpiot approach and the critical military technological edge it delivered. Now, as the managing partner of Eurofund, I still regularly see the dividends of the Talpiot program.

Talpions comprise a disproportionately large number of the entrepreneurs who seek funding for their companies from Eurofund. They are among the most creative and accomplished innovators in the most complex and challenging fields, including radar, defense, system biology, telecommunications, network security and others.

Talpions are leaders in the most demanding areas of science and technology, in academia and industry, in Israel and throughout the world. At Eurofund, we are proud that this program, designed to strengthen Israel's defenses, has contributed to the phenomenal growth of Israeli science and technology industries and to advances in cutting edge technologies worldwide as well.

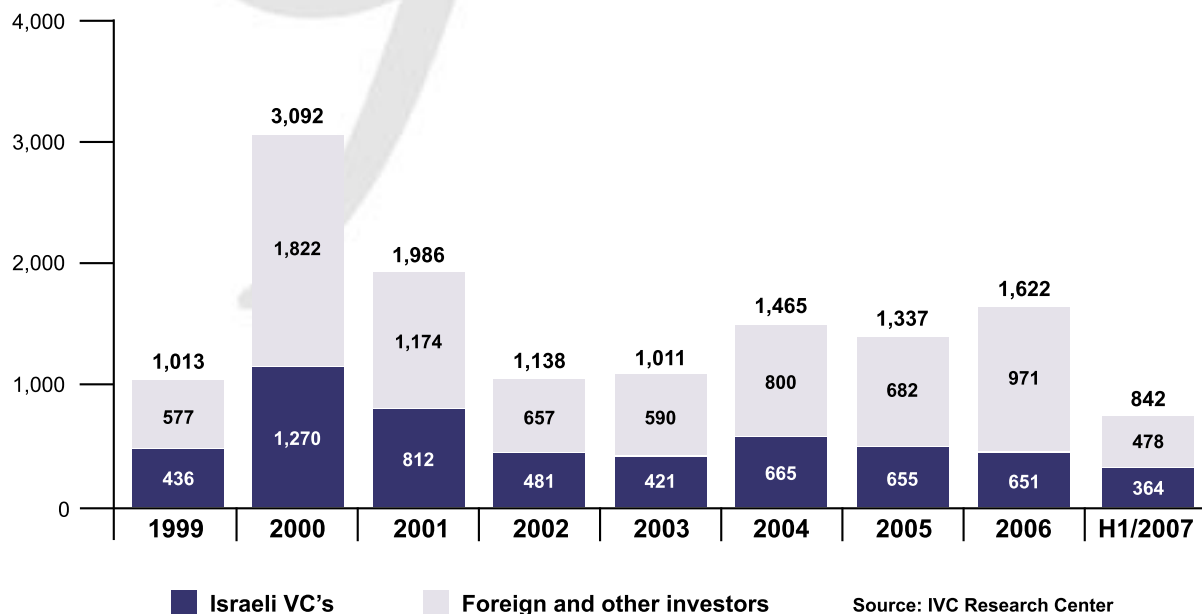
Yours sincerely,



Aharon Beth-Halachmi

# israel investment news

## Amount Raised by Israeli High Tech Companies (\$M)



Capital raised by Israeli high-tech companies in H1/07 reaches \$842 million, up 10% from H1/06

### Israeli High Tech Start-Ups Continue to Thrive

Israeli start-ups financed by venture capital reported \$2.5 billion in exits (buyouts or share issues) in the first half of 2007. According to figures published by accounting firm Ernst and Young and research firm VentureOne, this amount was almost as much as the total for the entire 2006.

Purchases of Israeli start-ups for the first six months of 2007, excluding stock issues, were \$1.015 billion, according to figures from IVC-Online. Ernst and Young estimates that the total for 2007 will reach \$3.2-3.5 billion, representing a 25% increase over 2006 and making it the best year since 2000.

In the second quarter of 2007, 118 Israeli high-tech companies raised \$436 million from local and foreign venture investors.

### Turning your E-mail Into a Phone

Yoomba, an Israeli company founded in 2006, has developed an on-line service that can make

web-based calls to anyone who has an e-mail address. Using Yoomba technology, subscribers can make phone calls through their e-mail. "It won't be long before you hear people saying 'Give me a call on my e-mail,'" says 36-year-old CEO Elad Hemar. "If you Yoomba-enable your e-mail, it becomes like a phone number. You don't have to register a new identity or learn new applications. The software works in Outlook, Outlook Express, Microsoft Hotmail, Yahoo Mail and Google. With one click of a button you can call anyone, even if they do not have Yoomba software. It's as simple as sending an e-mail."

### Nice to Acquire Actimize for \$280 Million

Nice Systems Ltd., a maker of digital recording systems, purchased Actimize Ltd. for \$280 million in cash and shares to boost sales in the financial services sector. Actimize, based in Petah Tikva, develops software that helps detect fraud. Actimize's products enable Nice analytical systems to alert users to

possible fraud. The joint product will initially be marketed to the financial services industry.

### PowerID Raises \$12 Million

PowerID Ltd. develops battery-operated, passive radio frequency ID solutions for freight, chemicals, metals and paper. PowerID's labeling technology tracks high-value assets in conditions where passive UHF technology fails. The company's patented label technology is based on thin, flexible, environment-friendly printable energy cells. The company raised \$12 million in a financing round led by Partech International, together with existing shareholders including Amadeus Capital Partners, Apex Partners, Clal Industries and Investments Ltd. (TASE: CII), and Israel Infinity Venture Capital. CEO Erez Kahani said, "Over the past year, we have shown that battery-assisted passive RFID address a large market need. We will continue to address this need while expanding into new opportunities."

# portfolio company spotlight



**Company name:** BeInSync, Ltd.

**Brief description:** Enables individuals and small to medium businesses to take control of their data and content, and easily sync, share, remotely access and backup online all types of digital content including documents, pictures, video and music.

**Established:** 2002

**Headquarters:** Tel Aviv, Israel

**Additional offices:** Sunnyvale, CA

**Key executives:**

CEO, Motti Vaknin

CTO, Sharon Carmel

**Website:** [www.BeInSync.com](http://www.BeInSync.com)

BeInSync was established in 2002 with the goal of providing new solutions to stubborn data management problems—keeping documents in sync across multiple computers; sharing documents with co-workers, partners, and customers; accessing documents and digital assets remotely; and protecting documents from loss.

Today, businesses are dependent on easy, reliable access to huge amounts of data and content. Information needs to be safely stored and easily accessible. In addition, user mobility, the tendency of professional users to actively use multiple computers and related devices such as PDAs, and the dynamic networking environment are all forcing organizations to look for coherent, simple and affordable solutions for synchronizing and sharing information across devices.

BeInSync provides solutions across two main customer segments: professional single users and small and medium sized businesses (SMB). BeInSync Business™ is designed for the SMB market and is intended for multiple users. This new product delivers easy and secure backup, synchronization, sharing and access of user data for organizations. BeInSync's comprehensive solution is particularly suitable for companies with limited IT resources, since it eliminates the need to deploy and maintain many individual solutions or to invest in expensive enterprise hardware and software.

The company's solution is based on patent-pending private data network and synchronization technologies. The service includes network management center software installed at a hosted service and monitored 24x7, as well as a client software application that resides on users' computers and web-based storage service based on Amazon S3.

Many SMBs seek affordable solutions that can be installed and managed easily, leading to rapid growth of managed services such as Virtual Private Networks (VPN). BeInSync's innovative managed services offer significant benefits above and beyond a VPN offering. The solution can be quickly and inexpensively deployed to make accessing, sharing and protecting user data simple, quick and affordable. Users are soon at ease with the service with relatively little training.

Key features provided by BeInSync Business include:

- Central management of user accounts and settings from a web console.
- Online backup leveraging Amazon's S3 storage infrastructure to provide trustworthy, scalable, online back-up at an off-site location.
- File sharing enables documents to be shared and kept in sync at

all times for mobile workforces or geographically dispersed teams.

- Computer synchronization facilitates telecommuters and allows mobile users to access and sync their data across different computers and locations.
- Remote file access allows data residing on remote computers to be accessed securely and intuitively from any web browser.
- Premium support via phone and email.

The company recently signed an agreement with a leading mobile storage provider that anticipates selling at least a million units with BeInSync embedded during 2008. This strategic initiative is expected to provide access to mass markets with attractive opportunities.

"BeInSync is experiencing significant traction, with over four million consumers and professionals utilizing our solutions to-date. We are now seeing strong demand from larger businesses as well," said Motti Vaknin, CEO of BeInSync. "Online backup of user data, data availability and data sharing with small teams, customers or partners are crucial to businesses of any size. With BeInSync Business we can offer a unique combination of services that meets the needs of organizations of any size."

Many companies are not yet aware that such a solution exists and educating the market is a challenge for BeInSync. However, the company is starting to make an impact. "We recognize the need for tools in the industry that allow businesses to keep their user data available and protected," said Paul Jackson of Sigma Software Distribution, a BeInSync distributor. "BeInSync Business is the only solution that completely addresses this need and provides users with an enterprise-class solution at an affordable price point. We believe that BeInSync offers critical value to our customers."

# portfolio news

• **ColorChip.** Together with Molex<sup>®</sup> Incorporated (NASDAQ: MOLX), ColorChip is co-developing next generation pluggable PLC transceiver platforms for the FTTH and datacom markets. Using proprietary PLC technology and integration from ColorChip and interconnect packaging technologies from Molex Incorporated, the platforms will provide the telecom and datacom markets with a highly reliable and low cost transceiver product line for use in both indoor and outdoor conditions. The platforms will support applications for SFP, XFP, SFP+, QSFP and other pluggable transceiver MSA packages.

“We plan on delivering the industry’s premier pluggable transceivers based on our efforts. This product platform opens market opportunities for ColorChip’s PLC-based transceivers to be used in other telecom and datacom market segments that require pluggable MSA-based packages,” said Moshe Price, CEO of ColorChip Inc.

[www.color-chip.com](http://www.color-chip.com)

• **CyOptics.** CyOptics recently announced the availability of its 1310nm Fabry-Perot (FP) and Distributed Feedback (DFB) TOSAs (Transmit Optical Sub-Assemblies) for 10Gbps applications. The lasers are designed as a ridge waveguide structure and contain InAlGaAs-based multi-quantum well (MQW) active layers for superior static and dynamic performance over temperature. The TOSA products incorporate an integrated InGaAsP monitor photodiode and are packaged in a TO-header with a receptacle for uncooled use over

an operating temperature range of -25°C to 90°C and transmission rates of up to 10.7Gbps.

The introduction of these new products completes the CyOptics 10Gbps product portfolio and enables the company to serve as a one-stop shop for FP, DFB, and EML TOSAs as well as PIN and APD ROSAs (Receive Optical Sub-Assembly).

“We have already proven our market leadership position in 10Gbps TOSAs by supporting higher performance applications with our uncooled 1.3um EML TOSA as well as our 1.5um EML based TOSAs with thermo-electric coolers (TECs) in support of 40km, 80km and DWDM applications,” said Kou-Wei Wang, VP and GM InP OEM Business. “With the addition of these low-cost solutions we have one of the industry’s broadest 10Gbps TOSA product offerings.”

[www.cyoptics.com](http://www.cyoptics.com)

• **MobileAccess.** Earlier this year, MobileAccess, in partnership with GE, released the CARESCAPE portfolio, which provides clinicians with a new approach to patient monitoring. GE CARESCAPE Enterprise Access is built on the MobileAccess technology platform and facilitates the coordination, management and distribution of critical patient data. Recently, Sprint (NYSE: S) and GE Healthcare announced that they are collaborating to offer in-building wireless communications to hospitals in North America.

Historically, the use of mobile

phones in hospitals has been limited due to unreliable wireless support and the risk of wireless technologies interfering with medical equipment. This solution will provide hospitals with a comprehensive platform for voice and data communications over secure cellular, Wi-Fi and telemetry infrastructure.

“We are very excited to partner with GE Healthcare to provide differentiated and innovative mobile solutions that are critical for every business. This new solution facilitates constant communication of secure information amongst hospital staff, an aspect very critical to patient care,” said Darlene Braunschweig, Vice President of CNS at Sprint.

[www.mobileaccess.com](http://www.mobileaccess.com)

• **Radwin** was awarded a prestigious contract to connect multiple schools in the Emek Yizrael school district in northern Israel. RADWIN’s WinLink(TM) 1000 wireless broadband solutions will be deployed to bring high-speed broadband services to schools in remote areas that are out-of-reach of wired broadband infrastructure.

Doron Rahamim, Project Manager & IT System Administrator for the school district said, “RADWIN’s wireless broadband solutions deliver an unmatched combination of high performance, cost-effectiveness and ease-of-installation. This one-time investment enables us to deliver greater bandwidth and improved services for students and staff, and empowers us to own and control our own network.”

[www.radwin.com](http://www.radwin.com)

**About Eurofund** Eurofund is an early-stage venture capital firm focused on investments in Israeli and Israeli-related high growth companies operating in the fields of telecommunications, information technology, the internet and semiconductors. Eurofund focuses on working with portfolio companies to ensure long-term value creation through innovation and disciplined execution.