

ISRAEL HIGH-TECH & INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITIES

JOSEPH MORGENSTERN, PUBLISHER

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How Big? How Strong? How Good?

"How big is the biotech field today, how many biotech firms are out there at the moment? The question was posed to John McCamant, editor of The Medical Technology Stock Newsletter. The MTS newsletter is rated as one of the top five in the United States in its field.

by an interviewer from Forbes magazine. "We believe that there are roughly 300 public biotech companies today. That's our universe. We also track close to a hundred privates, some of which will develop products in competition with those whose stock we track. The US continues to lead the global biotech universe. It boasts some 1,300 biotech-focused companies. Europe, the sector's perennial bridesmaid, has some 1,600 private biotech concerns but only about 100 public companies," explains Mr. McCamant.

He acknowledges that aging baby boomers, now hitting their 50s, will provide unprecedented market demand in this field. He foresees a significant increase in pharmaceutical demand, particularly in the near term, for everything from lifestyle (baldness, male erectile dysfunction) to more chronic conditions (high blood cholesterol, diabetes) to the bigger diseases (cancer, cardiovascular). "Up until now, the big pharmaceuticals have owned the supply side. We believe that in the next two to three years, more than half of the new products will come out of biotech," added

John McCamant. Official figures point to nearly 200 private companies, but *IHTIR* believes that there are at least 50 more companies, in various stages of early development.

The two-day International BioTech 2002 Conference recently held in Tel-Aviv ended on a high note with attendees, guests, presenters and exhibitors expressing satisfaction at the high

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Excerpts from Original Presentations at Biotech 2002

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level of attendance, as well as the quality of the presentations.

IHTIR heard from Dr. David Haselkorn, chairman of the steering committee, that he estimated that 850-900 visitors attended each of the two days of the conference. Many more individuals came to view the tens of companies exhibiting their projects.

"The industry moved very significantly in the last two years, not only overseas but also here in Israel. Obviously, the political situation doesn't help with raising money. The progress is, however, amazing under the difficult circumstances. If the political situation will not clear up, next year will be critical as funds are running out," IHTIR was told by Prof. Haim Aviv, credited as being one of the founders of Israel's biotech industry.

Confirming Prof. Aviv's concern as to the financial viability of this country's biotech industry, a number of managers of young companies participating in the Conference, with whom we spoke stated that cash balances will enable them to continue activities well into 2003. The prospects for the industry, it should be noted, are considerably brighter than a decade ago, when Prof. Aviv spent most of his available time on raising money for Pharmos. (Nasdaq:PARS)

Identifying special skills requires an overview of the industry. One of the most qualified to do that is Prof. Max Hertzberg who gave up an academic career, when he founded Organics, in the early 1980s. From there, he moved on to establish a biotechnology incubator which has served as a spawning ground for fledgling biotech companies. He also heads an investment fund and is now part of a group negotiating with the Office of the Chief Scientist of the Ministry of Industry



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and Trade, to establish an incubator located adjacent to Ben Gurion University of the Negev. "Strong biological skills and strong computational abilities, are in great evidence. This combination between Biology and Information Technology, is being used to predict three-dimensional structures. We will see a lot more activity using computational approaches to drug design," he predicts.

Serono Pharmaceutical Research Institute is one of the world's top three biotechnology companies, with revenues of \$1.38 billion (in 2001).

Serono focuses on three core therapeutic areas: Reproductive Health, Multiple Sclerosis and Growth & Metabolism.

As early as in 1979 the company initiated its cooperative research in immunology with Israel's Weizmann Institute of Science.

InterPharm situated in the science based industries park in Rehovot and adjacent to the Weizmann Institute, is a subsidiary of Serono, whose executive headquarters is in Geneva, Switzerland. InterPharm's leading product, recombinant bulk human interferon-beta-1a, is formulated and marketed by Serono as Rebif(R) for the treatment of Multiple Sclerosis patients in many countries.

Prof. Timothy NC Wells of the Serono Pharmaceutical Research Institute, Switzerland delivered a major address in which he stated:

"At Serono, our traditional therapeutic focus has been to identify and produce proteins which can be used pharmacologically to control endocrine functions - from reproductive endocrinology, through metabolic endocrinology. (e.g. our work on growth hormone) In the early days, these proteins were identified in natural extracts - growth hormone from pituitaries, beta interferon from

human fibroblasts, FSH from urine. The first generation of biotech products was geared to produce these proteins as recombinant molecules. Our long collaboration with the Weizmann Institutes of Sciences, has given us a second platform of proteins in the area of immunology, cytokine binding proteins which were initially isolated from natural sources by protein biochemistry".

Israel's international reputation in this field, and indeed her first major financially successful biotechnology product, began in 1978, with the formation of Interpharm Laboratories. Interpharm developed and marketed the world's first commercial, recombinantly-derived human beta-interferon. Interpharm's R&D efforts have resulted in a variety of other cytokines, such as recombinant human interleukin-6. The company uses large-scale, commercial cultures of mammalian cells, often genetically-engineered Chinese hamster cells, rather than bacteria.

UltraShape Aims at Non-invasive Sculpting the Human Body

In December 2001 IHTIR first reported about the work of Dr. Ami Glicksman who is pioneering the use of ultrasound as a substitute for invasive surgery whereby unwanted fat deposits are sucked out of the body. Such surgical procedures are generally carried out by means of a procedure known as liposuction. which first breaks up the unwanted fat before it is removed from the body with the use of suction.

IHTIR visited UltraShape headquarters, just outside of Tel-Aviv to learn more about the procedure and the company's business goal and mission. According to Dr. Glicksman the application of ultrasound has allowed him to develop a technique that "combines the safety and simplicity of non-surgical methods, with the effectiveness of surgical methods that



ensure effective body contouring". Dr. Ami Glicksman is a senior attending plastic surgeon at the Tel-Aviv Sheba Medical Center, with ten years of medical device development in the field of plastic surgery.

Working with him is Yoram Eshel, a specialist in non-invasive high power ultrasound clot lysis.

Ultrasound, whose use is primarily in imaging as well as breaking up clots in blood vessels

has been harnessed and is being applied to "the selective lysing of fat cells without damage to surrounding tissues". A development program, explains Dr. Glicksman, has resulted in a completely non-invasive, safe procedure. Moreover, it is claimed that the procedure, termed "body sculpting", is "accurate in that it can focus on a predetermined layer within the body". Volumes of 500 cc are naturally cleared by the human body. Larger volumes can be treated in multiple sessions at one month intervals or in one session ending with draining of the lysed fat.

Dr. Glicksman points out UltraShape's appeal includes ease of application as the procedure may be performed by an assistant under a physician's supervision. Patients rapidly return to all activities within days (rather than 3-4 weeks). This is also a significant selling point. Human experiments are now in progress and within a year multi-center clinical trials will be started in Europe.

The expectations are that in 2004 the FDA will

THE ANSWER UNTIL NOW --- LIPOSUCTION

The concept behind liposuction seems almost too good to be true: However, it isn't an easy fix. The American Society of Plastic Surgeons (ASPS) warns that liposuction is a serious surgical procedure, that involves a potentially painful recovery and risks of rare but serious complications.

A decision as to whether to undergo liposuction, according to the American Mayo Clinic, should be considered very carefully. Nevertheless, liposuction is a popular choice.

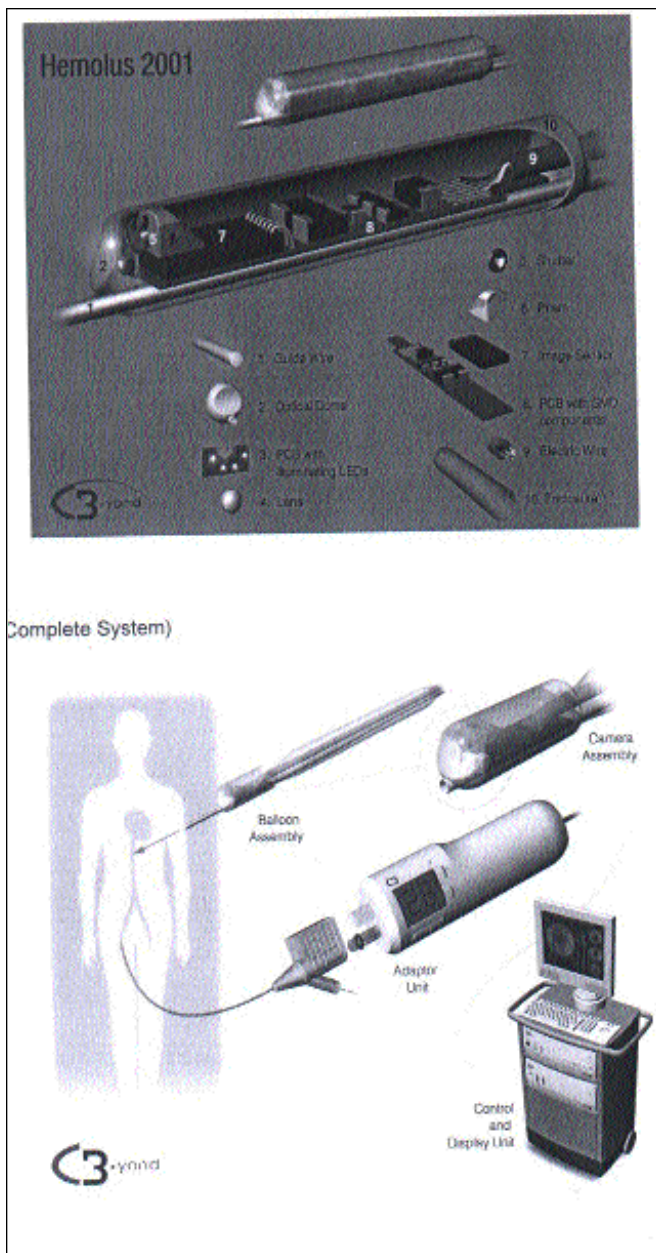
Since instant fat reduction holds great appeal, liposuction has become the most common cosmetic procedure performed in the United States. According to the American Society of Plastic Surgeons (ASPS), the number of liposuction procedures performed increased by 386 percent from 1992 to 2000. More than 350,000 liposuction procedures were performed in 2000.

The American public spend an estimated \$2 billion for these operations.

The basic technique involves inserting a narrow tube (cannula) under the skin through tiny incisions and manipulating the cannula to break up and suction out fat cells. The procedure injures other local tissue, causing temporary bruising, swelling and blood loss. The areas most commonly treated are the outer thighs and abdomen in women and the flanks or "love handles" in men. Liposuction can also remove unwanted fat from hips, buttocks, knees, upper arms, chin, cheeks, neck and other areas.

approve the procedure. Sales are expected to start in 2003 and profitability is projected for 2004.

The company is raising capital to see it through the multi-center clinical study.



The components and a schematic representation of the CByond System for Visualization of Cardiac Vessels

Improving Visualization Allows Seeing into the Unseen

Laparoscopic surgery and minimally invasive surgery have become a reality through the progress achieved in creating new technologies. These include the development of the charge coupling device chip (CCD) that allowed high resolution video images, to be transmitted through an optical scope to a surgeon; high intensity xenon and halogen light sources that improved visualization of the surgical field; and improved hand instrumentation designed for endoscopic approaches.

The challenge that a small Israeli company has set for itself, is to enhance digital images by improving visualisation. Interventional cardiologists agree that the results of angioplasty would take a quantum leap forward if they could get an accurate view of the patient's blood vessels and of the plaque embedded in the vessel walls while doing the procedure. Neither is it too far-fetched to suggest that, with the ability to see inside the cardiac blood vessels, some malfunctions could be repaired by means of a catheter, instead of open-heart surgery. Not the least of the benefits would be the possibility to establish stent size, in terms of its length and diameter.

Cardio-vascular procedures are common, they are major income producers for the healthcare sector; but they are critical for the patient. Any improvement in the procedure results in a better quality of life. Among the barriers faced by practitioners is the opacity of blood. It has prevented real-time visualization inside the heart and vessels. This obstacle is likely to be removed as a result of innovative technology developed by two Israeli

engineers. Together they have more than 30 years of experience in medical imaging. In 1999 they joined forces to develop the world's smallest camera, small enough to be fitted onto a catheter tip, that would traverse cardiac blood vessels and provide a picture from the inside. The larger scale technological evaluation prototype is complete. Additional engineering efforts should bring the camera to the clinical starting line.

"Our main advantage is in the smallness of size. The concept is different from anything else done in the field. The miniaturization, the 3D imaging and seeing through blood, are the unique qualities that differentiate our endoscopic viewing systems from anything else available," explains Ofer Pillar, CEO and co-founder of CByond. The other co-founder is Doron Adler, a lifelong friend and fellow graduate from Israel's Technion Institute of Technology. Adler is an expert in camera technology and has served as a consultant to an Israeli company that recently electrified the medical world by marketing a "camera pill" which photographs the small intestine, an area previously not available to be assessed without invasive procedures.

CByond's technology aims to facilitate Minimally Invasive Surgery procedures by delivering a 2mm diameter stereoscopic camera with a clear, high-quality image and the power to "see" capability through body fluids, primarily blood.

Taking pictures "through blood" has previously been impossible because of the problematics of absorption and scattering of light.

CByond's camera is backed by a high-energy

light, which allows it to photograph through blood.

The first product, now being prepared for clinical trials, is a general-purpose Minimally Invasive Surgery catheter, and system, that will serve as an integrative operative diagnostic viewing device with disposable components.

The currently, unmet urgent need is to more accurately visualise and evaluate small arteries in the cardiovascular system. When this capability is achieved it will assist with the early diagnosis and treatment of coronary artery disease. The company believes that it is on the verge of completing the design and development of cost-effective, disposable, miniaturized intra-vascular catheters with see-through-blood capabilities.

Premier of Plastic Fiber Optics

Greater power to transfer information using affordable materials is a prerequisite of progress in the telecommunications industry. Now a high-tech idea that may come true and be affordable, is based on a recent development by Technion scientists, together with scientists at the Hebrew University, using organic light-emitting diodes. This scientific breakthrough was published on February 22, 2002 in the prestigious journal, Science.

"The problem of getting plastic to emit near infra-red was thought as 'impossible', now it can be done!" says Dr. Nir Tessler, of the Technion - Israel Institute of Technology.

The race has long been on to find cheaper, easier and more efficient ways to transfer vast quantities of information to meet the present and future demands of every household in the advanced world. At the

Technion's Faculty of Electrical Engineering Dr. Nir Tessler sees a future in which every home will have its television, internet, video-phone, and other yet to be dreamed of inventions, connected to at least one fiber-optic transmitter which will open the doors to global networks. Thanks to the recent breakthrough with near infrared light-emitting diodes, future fiber optic communication may work easily and affordably with totally organic or plastic materials.

In a discussion held two years ago between Nir Tessler and his colleague Uri Banin, a scientist at the Hebrew University of Jerusalem, they came up with the type of nano-particle structure that was demanded to make the polymer give off "near infra-red" light, a feat considered by many in the organic ("plastic") and telecom experts, to be impossible. These nano-particles, which are chemically synthesized in Banin's lab, are grown with a protective shell and thus can survive in a fiber-optic system. At the Technion, Vlad Medvedevm the lab engineer, mixed the nano-particles with conjugated polymers to form the active region of the light emitting diodes.

The Technion team, with Hebrew University colleagues, is now developing a second generation of more efficient devices, one which is 10 fold more powerful and with an extended wavelength range.

Future applications of the polymer could include ink-jet printing by semiconductor transmitters, a computer terminal and screen you can roll up and put in your wallet, a new class of chemical and biological sensors and far more.

"This is where nano-electronics and nano-science meet to contribute to every day life," says Dr. Tessler

The Outlook for Given Imaging

Given Imaging's it would seem, is betting that at some point in the foreseeable future it will sell close to 1.0 million capsules a year. The company is not making any predictions, but several months ago Haa'retz, a daily Hebrew language newspaper, published some interesting figures. At the time of the writing Given's production capacity was 1.400 pills a month. At \$450 per pill the monthly production was valued at over \$600,000 or more than \$7.0 million a year. By the end of March 2002 the production was supposed to be geared up to 9,000 pills a month or \$4.0 million a month, approaching \$50 million a year. Furthermore, the additional surprising statistic made available by Ha'aretz was that the production would be further increased, by the end of 2002 to 80,000 units a month valued at \$36 million per month: more than \$430 million a year. (IHTIR believes these projections to be overgenerous) Our own conclusion is that the company will not be limited to the current single application for imaging the lower intestine, and will find other end uses, with a resulting lower per unit cost.

Israel Aircraft Industries Posts Record Profits

Israel Aircraft Industries' (IAI) net profit in 2001 reached a record high of \$101 million, as compared to \$84 million in 2000, an increase of 20 percent. These figures include a capital gain of \$28 million from the sale of Galaxy Aerospace, IAI's business jet subsidiary, to Gulfstream.

Mr. Moshe Keret, President and CEO of



Israel Aircraft Industries, reported the results to the company's Board of Directors. The Board chaired by Gen. (res.) Ori Orr, reviewed and approved the results of the 2001 financial statements in its March meeting.

In 2001, IAI signed new contracts worth \$2.88 billion, as compared to \$2.6 billion in 2000, an increase of 11 percent. Backlog for the end of 2001, reached a record high of \$3.8 billion.

Company sales in 2001 were \$2.09 billion, as compared to \$2.19 billion in 2000, a decrease of 4.5 percent.

Exports in 2001 were approximately \$1.60 billion, as compared to \$1.69 billion in 2000, a decrease of 5 percent.

IAI's financial figures also include the financial figures of Elta Electronics Ltd., a wholly owned subsidiary of IAI. Elta's net profit (before tax) in 2001 reached \$14.8 million, as compared to \$23.8 million in 2000, a decrease of 38 percent.

Elta's sales for 2001 reached \$386 million, as compared to \$460 million in 2000, a decrease of 16 percent.

Elta's exports in 2001 reached approximately \$320 million, as compared to \$388 million in 2000, a decrease of 18 percent.

In 2001, Elta signed new contracts worth \$365 million, as compared to \$500 million in 2000.

Ori Orr, IAI's Chairman of the Board said, "The company achieved new records in net profit, in new orders and its backlog, in spite of rough market conditions."

During his presentation to the Board of

Directors, Mr. Keret said, "In the year 2001, IAI dealt successfully with the slowdown in commercial aviation. Company's sales to the civilian market accounted for 38 percent of its turnover, and despite the market's weakness, IAI's sales in this field decreased only slightly. We also achieved a net profit that crossed the \$100 million line for the first time."

In his remarks on IAI's 2001 financial statements, Dr. Abraham Knobel, Vice President for Finance, said, "during 2001, IAI continued to reinforce the company's financial structure. Equity level reached \$351 million (19 percent of assets) as a result of profit accumulated in the last years. IAI continued to reduce its outstanding debt to the banks, which came down to its lowest level in the last decade. These figures prove IAI's strength, for both today and the future."

Is the J-10 Chinese or Israeli?

"Jane's Defence Weekly" reported that China will shortly reveal the J-10 warplane, knicknamed the "Chinese Lavi" because of its apparent resemblance to the Lavi plane developed for the Israel Air Force by Israel Aircraft Industries (IAI). At the end of the



1980s the development of the Lavi fighter plane was halted by the Israeli government. because of cost overruns and pressure from the US, which financed part of the development. The Lavi was the last warplane developed in Israel. Foreign reports in recent years stated that IAI had delivered the Lavi manufacturing plans to China.

The J-10. Is being produced by the Chinese Chengdu Aircraft Industrial Corporation.

The US criticized Israel in the late 1990s. when it claimed that Israel was delivering advanced aviation technology to China. At America's insistence Israel canceled the sale of the locally developed Phalcon plane to China.

The US administration asserted that its sophisticated radar, developed by Elta Electronic Industries of the IAI group, was based on technology developed with US financing.

"Jane's Defence Weekly" added that the J-10 also carries Israeli-manufactured armaments. The armaments in question are likely to include Rafael (Armament Development Authority)-manufactured air-to-air missiles of the Python family.

Kidum Means Advancement

Kidum R&D Applications, is an autonomous unit within the Agricultural Research Organization of Israel (ARO), dedicated to the management of ARO's business-related activities. The ARO employs 300 researchers, holders of advanced degrees and divided within five institutes that are supported partially by the government and from income derived from development contracts from local and foreign companies. Some of the research originates from the experienced staff while other is driven by the demand from companies seeking

solutions to agricultural problems.

Kidum holds title to ARO's inventions and has the right to file patents and to register Breeder's Rights on behalf of its parent organization. Kidum is also authorized to negotiate agreements, to sign contracts and to establish partnerships, joint ventures and other business enterprises.

"The whole attitude towards our efforts is changing. In the past ARO concentrated wholly on the needs of the Israeli farmer. Today we believe it is the customer who should generate our programs," says Dr. Itamar Glazer, Kidum Director.

Among the outstanding achievements has been the work related to imbue the tomato with greater nutritional content. " We wanted to make the consumer "healthier, younger and happier" explains Dr. Glazer. In this instance, without any genetic modification, a tomato species was developed with antioxidant qualities. The substance was then extracted and provided to the market.

Kidum deals with all aspects of technology transfer, such as promoting contacts between ARO's researchers and potential clients, presenting business opportunities to interested parties and matching client needs to the available projects, products and expertise. Dr. Glazer would not cite a specific figure but Kidum's earnings, from its various commercialization activities, including royalty income is in the order of millions of dollars a year. Some of the products have earned international fame. The Galia melon, for one example is sold in Europe and the United States under its own brand name.

Kidum also initiates and coordinates the execution of industry-sponsored research and services carried out in ARO's laboratories.

These may include:

- * *Research & licensing of proprietary know-how*
- * *Joint ARO/industry R&D projects*
- * *Mono & multi-disciplinary R&D*
- * *Contract research*
- * *Evaluation and feasibility studies*
- * *Laboratory and field testing*

Compugen and Millennium to Cooperate

Compugen Ltd. (Nasdaq:CGEN) announced an agreement with Millennium Pharmaceuticals, Inc. (Nasdaq:MLNM) to co-develop software tools to assist in the prediction of protein pathways for use in drug discovery and development.

The two companies will share the costs of the project and the rights to certain aspects of the technology, developed as a result of the collaboration.

This collaborative agreement combines Millennium's knowledge of applying high-throughput genomics technologies, especially transcriptional profiling, for drug discovery and the development of personalized medicines, with Compugen's strength in predictive biology, accomplished through the merger of its computational technologies for molecular biology and medicine. The agreement provides for setting up a multidisciplinary research and development team, combining molecular biologists, mathematicians and computer scientists from both companies, to pursue the objective of advancing the understanding of protein pathways through the analysis of the results of selected Millennium DNA chip data.

Heard at the Biotech 2002 Conference

Genzyme VP for international business development, James Geraghty, told us that

Genzyme is strongly committed to Israel and will continue to invest in Israel companies.

MPM Capital Management general partner, Ansbert Gadicke, said he is in Israel to find suitable Israeli companies to invest in.

IHTIR has received a just-off-the-press copy of the BioMoney Directory - a guide for life science companies seeking equity capital. Economist Joel Bailey, has put together a guide for start-ups and others in need for capital. The handy guide identifies private equity companies that specialize in funding life science projects. The Directory is priced at an affordable \$50.-

Parthus in talks with DSP

Dublin-based London-listed chip designer Parthus Technologies is conducting talks about a merger with a division of DSP Group Inc, a US-based chipmaker with development facilities in Israel.

DSP Group had previously announced a contemplated spin-off, of its chip licensing business, and this is the division which could be merged with Parthus. The DSP Group (Nasdaq:DSPG) is said ready to announce its plans to acquire Irish company Parthus Technologies (Nasdaq: PPTH) in a transaction reflecting a \$365-380 million value for Parthus, at a 26-32% premium over the Irish company's market value the past two months. The deal will apparently be carried out in cash and stock.

The deal brings DSPG's intellectual property unit, which sells licenses for DSP Cores, closer to being a one-stop shop for customers by offering comprehensive solutions. After the acquisition, DSPG will apparently resurrect previous plans to spin-off the IP unit, and take it public, possibly by transferring DSPG's

technology into Parthus, since is already listed on the Nasdaq.

DSP has been working along similar lines to Parthus for some time and concentrates on "phone-on-a-chip" products. It has also been working in the area of Bluetooth telephony.

However, the US is still some way behind Europe in Bluetooth technology and Parthus' lead in Bluetooth chip design would combine well with DSP's presence in the US market for handheld devices. Société Générale said that demand for Bluetooth chipsets could accelerate to more than 50m chipsets in 2002 and to 500m-plus by 2005.

Collgard in Multi-million Deal with US Concern

Collgard Biopharmaceuticals has signed a multi-million dollar deal with an undisclosed US medical devices company, but generally assumed to be one of the three largest stent manufacturers worldwide. The US company will develop a stent coating that will include the drug Halofuginone, developed by Collgard, . Collgard Biopharmaceuticals and Medica Venture Partners chairman Dr. Ehud Geller said that the agreement includes a multi-million dollar equity investment in Collgard that will be paid as development milestones are achieved, plus royalties on sales of stents, that include Collgard's drug.

Geller said that the payments could total \$38 million. Development of the joint product could take two years. Collgard will nevertheless still have to hold another financing round, in the next quarter.

Halofuginone is designed to prevent the in-stent restenosis following the treatment in coronary and other arteries including the development of blood clots after the insertion of stents.

Venture Capital Clippings

QuantomiX raises \$10m

Pitango Venture Capital, which invested in the biotechnology start-up's seed stage, also participated in the current financing round.

Data retrieval company InfoCyclone raising \$6-8m

The company received a \$2 million bridging loan from Gemini Israel Fund and Intel Capital. A beta product may be launched in the next quarter.

Unicorn raises additional \$2.7m in first round financing

Other terms were not disclosed, but were unchanged from the earlier \$6.1 million investment that was announced in late 2001.

Incubator Cooperation agreement Finalized between Institut Pasteur, Israel Biodiscovery

The Israel Biodiscovery Fund is the venture capital mutual fund of the Compagnie Financiere Edmond de Rothschild Banque.

Elron leads \$30m round for Galil Medical

The round was held at a company value of \$60 million. Galil Medical develops technology for treating cancer.

IT management company ProSight raising \$8m

The company value for the round is \$25 million, before money. The company denies it is raising funds.

Excerpts from Original Presentations at Biotech 2002

A novel computational technology that enables the prediction of the 3D structure of G-Protein Coupled Receptors, one of the most important drug target groups; in-silico targeted screening technology for the rapid screening of millions of molecules; and use of a 3D model structure approach to speed up drug optimization.

--Dr. Oren Becker, Predix Pharmaceuticals, Israel

The discovery of two novel prostate-specific proteins encoded by alternative mRNA splice variants of the genes for prostate specific antigen (PSA) and its related protein, human kallikrein 2 (hK2). The novel transcripts were predicted using Compugen's proprietary LEADS computational biology platform and then verified in Compugen's molecular biology laboratory

--Dr. Mor Amitai, Compugen Ltd., Israel

How AstraZeneca integrates high speed technologies and large genomic drug discovery programs, combinatorial and computational chemical platforms in identification of chemical leads, and integrative pharmacology for selection of therapeutic concepts.

--Dr. M. Dohlsten, AstraZeneca, Sweden

A breakthrough in schizophrenia drug research. For the first time certain genes have been identified as schizophrenia risk factors. This breakthrough is based on a technology

for identifying disease risk factors in a general population, developed utilizing the high level of genetic homogeneity among the Ashkenazi Jewish population.

--Dr. Ariel Darvasi, IDgene Pharmaceuticals, Israel

Computational tools that show how genes influence other genes via proteins. This innovative system was developed to detect the influence on known genomic networks and pathways as a result of the introduction of certain putative genes.

--Prof. Ron Shamir, Tel Aviv University

New structural bioinformatics tools for in-silico target detection and drug screening, in particular algorithms for detection of novel structural and functional motifs, protein active sites and prediction of protein-binding characteristics. These tools speed up drug discovery by minimizing the number of drug candidates that need to be tested in the lab and on patients.

--Prof. H. Wolfson, Tel-Aviv University

The Weizmann Institute Genome Center as a model for combining gene discovery, integrated database development and DNA microarrays. All three activities revolve around the development of a strong capacity in computational genomics and bioinformatics.

--Prof. D. Lancet, Weizmann Institute of Science