

ISRAEL HIGH-TECH & INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITIES
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The Age of Heroes is Past

The age of heroes is past. The individuals like Efi Arazi, who founded Scitex, Israel's first successful high tech company, Dov Froman, who refused to stay in the United States at Intel and was given the backing to establish Israel's Intel. Fred Adler who was the first to tap Wall Street for finance, Eli Hurwitz, who led Teva to becoming a multi-national.

Dan Tolkowsky who was instrumental in founding Israel's high tech industry./

These individuals added sparkle to Israel's high tech and made it possible to raise capital on Wall Street. These leaders added attention and sparkle

Today it is hard to find the equals of the above mentioned. Gil Schwed, the founder and head of Check Point Software is a great leader but has none of the charm of the others.

And yet there are personalities like the inimitable Yosi Vardi who has become the spokesman of the local high-tech world.

We can only hope that the future will spawn some new heroes.

Varonis doubles on first day on Nasdaq

The company, founded in Israel, provides security solutions.

The share price of Varonis Systems Inc. (Nasdaq: VRNS) doubled, on its first day as a public company, after it held its IPO at a valuation of \$524.4 million. The company sold 4.8 million

shares at \$22 per share. The share price closed at \$44 per share on Friday.

Although the high-tech company is headquartered in New York, it was founded by Israelis, CEO Yakov Faitelson and CTO Ohad Karkus, at it has many employees in Israel. Varonis provides security solutions, focusing on access

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Israel and California sign R&D agreement

Israel Corp's joint venture presented the EBIKE prototype in Geneva.

Israeli Hi-Tech Startups On The Rise Again

Tamar partners in \$750m deal with Delek unit Tamar gas drilling

Stratasys acquires Solid Concepts for \$295m

authorization to an enterprise's files. The company's solution enables enterprises to manage and control access to information files, with an emphasis on sensitive information, and prevent unauthorized access.

According to the filing, Varonis's revenue rose 38% to \$74.6 million revenue in 2013, from \$53.4 million revenue in 2012, and net loss widened to \$7.5 million from \$4.8 million.

Varonis cites a study by IDC, which estimates that the amount of information created and replicated in 2012 alone exceeded 2.8 zettabytes, or trillions of gigabytes, and that this amount will grow at a 39% a year through 2020, for an aggregate 50-fold increase. It also estimates that more than 90% of the data created in the next decade will be unstructured data, which include both human-generated data and machine-generated data, such as log files that servers generate. Often the most valuable and fastest growing asset a business owns is its human-generated data that its employees spend hours creating and refining every day,

Cross-border mergers and acquisitions deals soared in 2013

The year 2013 has been good for the Startup Nation. Entrepreneurs have raked in hundreds of millions of dollars in merger and acquisition deals, more companies have conducted initial public offerings than in previous years and venture capital investment reached its highest level in more than a decade in the final quarter.

Deciding which Israeli startups should be in our top five is tough. There are hundreds of startups out there and more than enough cool ideas. But no Israeli company has made it really big on a global scale - there has not been an Israeli phenomenon like Facebook or Twitter, for example, at least since ICQ pioneered Internet chat nearly two decades ago - and most startups tend to melt in the marketplace. Here are five that have come closest, as well as two promising ones

that flopped badly during the course of 2013. Waze created a navigation app that won over tens of millions users and put paid to the old husband-wife debate about whether to check a map or ask directions. In addition to directions, Waze also provides real-time information on traffic conditions, based on crowdsourcing. Google paid more than a \$1 billion to buy Waze in June, a giant deal that enhanced Israel's place on the global high-tech map.

Mobileye makes the perfect complement to Waze: One gives you directions, the other makes sure you get there in one piece. Mobileye warns drivers that they are coming too close to another car or to a pedestrian, or veering out of lane, and will hit the brakes if necessary. The technology uses sophisticated algorithms that can do the job with a simple single-lens camera rather than the usual and more costly multiple cameras or radar. Mobileye, which expects to sell 1.5 million of the devices this year, raised \$400 million in new capital in July.

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Wix enables people with no knowledge of design or coding to build professional-looking websites using templates and apps. The basic technology is free but, of course, if you want to use more advanced tools there's a charge. The company counts some 40 million users and went public on Wall Street in November, where its share price has since shot up 75%.

Moovit is doing for the bus rider what Waze did for the motorist: Amassing information from users to provide real-time data on bus and train arrivals, crowdedness and getting around stations. Three months ago, it began selling tickets over its app in certain European cities and in Israel. Moovit has three million users around the world and raised \$28 million in December.

Silentium. From one of the world's noisiest countries comes technology that helps reduce it - not from the guy at the restaurant table next to you, but from electronic equipment. Silentium's chips and controllers reduce the sound of humming and whirring in everything from corporate computer servers to home air conditioners and even automobiles. Silentium products generate an anti-noise to cancel out as much as 90% of a device's unwanted noise.

Two companies that would have been top-five candidates but flopped in a big way in 2013 are:

Better Place raised hundreds of millions of dollars and recruited the French automaker Renault as a partner, with plans to roll out a network of battery-changing stations that would keep electric cars on the road long enough to make them practical. Better Place ran through some \$800 million of investors' cash, but no one bought the cars. It filed for bankruptcy last May.

Babylon parlayed its translating software expertise into a fast-growing online advertising business, with a toolbar that people using search engines could download. The catch was that

Google Chrome users couldn't get rid of the toolbar. Citing that and other user complaints, Google cancelled its contract in the fall, depriving Babylon of close to half its revenues and leaving the company adrift.

With Google's backing, UpWest Labs will invest in female start up entrepreneurs in Israel and Silicon Valley.

Google Inc. (Nasdaq: GOOG) is investing in nurturing Israeli female start up entrepreneurs. UpWest Labs, the Silicon Valley accelerator for Israeli entrepreneurs, announced the new program, financed by Google for Entrepreneurs, which is focused on closing the gender gap in Silicon Valley. The Google for Entrepreneurs initiative, called the '#40Forward: 40 startup communities rethinking the gender gap,' is a \$1 million program supporting the initiatives of like UpWest Labs to increase female representation in the start up community. With Google's backing, UpWest Labs will invest heavily in growing the community of female entrepreneurs both in Israel and Silicon Valley.

The UpWest Labs Female Entrepreneurship Program includes: partnering with key programs in Israel that specifically encourage women to apply to the UpWest Labs four-month accelerator program in Silicon Valley; establishing a network of mentors in Silicon Valley and Israel in order to increase visibility and access to female entrepreneurs; expanding access to a pool of investors motivated by investing in female led startups.

To date, UpWest Labs has supported 33 start up companies, which have raised more than \$20 million in funding. 20% of UpWest Labs companies have included female founders, a level of representation that is four times higher than the average gender ratio.

UpWest Labs co-founder Shuly Galili said,

“Israel leads the world in empowering women to take command. The applicants in this year’s class proved no exception with two female-led companies out of the six companies accepted to our program.”

Galili added, “Building on our success, the goal with Google’s initiative is to further provide support to our female founders with more visibility, tools and mentorship. That has always been the mission of UpWest for all our startups. The backing of such a powerhouse in Silicon Valley, focused on women, will absolutely take our efforts to the next level and help us empower female entrepreneurs.”

206 nanotech start-ups have been founded in the past six years

In the six years since nanotechnology was declared a national research priority, government agencies have invested \$107 million in the industry, says the Israel National Nanotechnology Initiative (INNI) in its first summary of the industry ahead of the Nano-Israel 2014 Conference in late March.

INNI committee member Dan Vilenski says that, in this six-year period, 206 nanotech start-ups have been founded and 860 patent applications have been filed, of which 270 have been approved. There are also 830 joint projects between Israeli academic institutions and Israeli and foreign companies in the field.

In addition, 101 world-class nanotech scientists have immigrated to Israel, joining university faculties, and there are 220 post-doctoral fellows, 750 doctoral students, and 850 M.Sc. students. In the past six years, more than 7,500 scientific papers have been published, of which 1,500 papers were based on inter-university research.

INNI has not disclosed comparative figures with any preceding period, but in absolute terms it seems that the government support

has generated big activity. “Nanotech companies are working in a range of fields, exploiting the unique characteristics of nanotechnology to improve their current products and to enter new fields. There are 10-15 fairly large companies with nanotech activity, such as Elbit Systems Ltd. (Nasdaq: ESLT; TASE: ESLT), Rafael Advanced Defense Systems Ltd., Israel Aerospace Industries Ltd. (IAI) (TASE: ARSP. B1), Israel Chemicals Ltd. (TASE: ICL), Applied Materials Inc. (Nasdaq: AMAT), Intel Corporation (Nasdaq: INTC), armor kits maker Plasan Sasa Ltd., and Keter Plastics Ltd., and Vulcan Batteries Ltd. (TASE:VCLA). There are also small and mid-sized businesses that are sharing the pie that is projected to grow in the coming years as nanotech matures and develop seeks industrial applications.”

INNI says that nanotech’s industrial scale is still minute, at only a few million dollars, but that with the right support, it believes that Israel can become a leader in a \$1 trillion market. Israel’s High-Tech Boom

While the American economy has been hurt in recent months by the subprime crisis and the resulting ripple effect into other parts of the global economy, some sectors have still profited. Notably, oil and other commodities have made handsome gains. Surprisingly, spring 2008 witnessed a better-than-expected earnings season for some high-tech stocks, too.

Unbeknownst to many investors, Israel has played a significant role in recent tech gains. Intel’s new micro processing chip is being made in Israel, not California. Silicon Valley-based multi-national giants like Google, Oracle, and Applied Materials now maintain facilities in Israel that are integral to their operations. Fueled by venture capital investment in industries like communications, information technology, pharmaceuticals, medical devices, biotechnology, alternative energy, and cleantech, Israel’s

high-tech industry is not just booming, it is a worldwide leader.

A Global Competitor

The global financial community is beginning to see the benefits of investing in Israeli industry. In 2006, foreign investment in Israel totaled \$26 billion. Real Gross Domestic Product (GDP) growth has averaged a staggering 5 percent over the last three years. According to Morgan Stanley, “high technology goods and services have developed beyond the wildest projections and now account for about one-third of GDP and 75 percent of industrial exports,” making Israel “one of the most competitive economies in the world.”

Global competitiveness indices support this statement. The World Economic Forum ranks Israel second in the world for the amount of funds raised by technology start-ups, following only the U.S. Israel ranks first in Research and Development (R&D) expenditure as a percentage of GDP, third in skilled labor availability, and fourth in quality of scientific research institutions. This is remarkable for a country that is only 60 years old with 7 million residents, hostile neighbors, and limited natural resources.

Israel is starting to receive the recognition it deserves in world economic forums. Last year, the Organization for Economic Development and Cooperation (OECD) invited Israel to commence the process for accession to the organization. Through its decision to include Israel, the OECD acknowledges that Israel’s economic and fiscal policies comply with the highest international standards.

Intellectual Capital

Israel’s success, to a certain extent, stems from its history, geography, and visionary government leaders. Waves of immigration, first from Eastern Europe and later from the former Soviet Union, led to the development of an exception-

ally educated and skilled workforce. According to Larry Ellison, the CEO of Oracle, “What’s really different about Israel compared with other places we do business is the number of partners we have in the technology area. Israel has always had a wealth of intellectual talent.” Presently, Israel has more scientists and engineers, proportional to its population, than any other country — 145 for every 10,000 people.

Faced with multiple military threats, Israel’s scientists and engineers have developed sophisticated military technologies. Fortunately for Israel, many of these technologies have important commercial applications. The lack of natural resources has also led Israeli scientists to find innovative solutions for irrigation and solar power.

A seemingly limitless supply of high-tech talent at below U.S. market salaries has made Israel an attractive site for multinational R&D labs. “The cost of an Israeli engineer is still about 80 percent of his counterpart in Silicon Valley,” notes Moshe Zviran, an Israeli expert who tracks high-tech manpower.

This competitive advantage is diminishing, however, as the shekel gains against the U.S. dollar. Wages have increased annually for the last three years, and Israel now faces mounting competition from India and China, where wages are almost 80 percent lower than in Israel.

Incubators

Attracting high-tech multinationals

Many global corporations have come to Israel, either to benefit from its intellectual capital or its acquisition opportunities. General Electric was among the first international companies to establish a presence in Israel. In 1970, NBC Universal, a GE subsidiary, opened its Tel Aviv office, and by 1984, the Israel Defense Force (IDF) was buying GE engines for its F-16 aircraft. GE solidified its presence in Israel in 2002

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through GE Healthcare Israel Ltd., which revolutionized healthcare in producing the world's first miniature, portable cardiac ultrasound system; the first combined nuclear and CT imaging scanner; and a new generation CT reconstruction engine.

SAP, the German-based business software developer, which has more than 33,200 customers in over 120 countries and employs more than 36,600 people in 50 countries worldwide, made its initial investment in the Israeli company OFEK-Tech, which in 2000 became a SAP subsidiary called SAP Labs Israel. SAP Labs Israel is the company's fourth largest development center worldwide. Today, the R&D facility in Carmiel employs around 800 people.

The Next Silicon Valley?

Can Israel compete with high-tech centers in the U.S. like Silicon Valley for venture capital investment? In absolute terms, Israel's venture capital market is significantly smaller than the U.S. market. Still, Israel is growing and attracting new investment, particularly in the area of seed stage development.

Israel's venture capital industry equals roughly 7 percent of the U.S. venture capital market. In 2007, 462 Israeli high-tech companies raised \$1.7 billion from local and foreign investors compared to 1,169 California companies that raised \$10.8 billion. But, venture capital investment in Israel continues to grow year over year, and seed stage investment in Israel is roughly equal to the U.S.—\$88 million in Israel compared to \$110 million in the U.S. at the end of 2005. In 2006, Israel's Mergers and Acquisition (M&A) activity hit an all-time high with 84 transactions aggregating more than \$10 billion. In 2007, mergers and acquisitions of high-tech companies totaled \$3.2 billion. There were 60 Israeli company acquisitions totaling \$2.5 billion, while 27 companies raised \$701 million in IPOs.

In relative terms, Israel's performance statistics in venture capital investment are nothing short of impressive. Israel's ability to raise funds was outmatched in the U.S. only by Silicon Valley and Boston. Israel has raised more venture capital investment than any European country by a margin of 20 percent. Israel reported 20 venture-backed public offerings in 2006 and 26 in 2007 compared to 57 and 86 for the same years in the U.S.

With 1,800 active start-ups—the highest seed stage investment levels since the dot com boom of the 1990s—and a diversified high-tech pipeline spread out evenly over the communications, life sciences, semi-conductors, and internet technologies fields, Israel is poised for greater growth as a venture-backed economy. In early 2008, IBM and Microsoft made acquisitions in Israel aggregating in excess of \$300 million.

Israel's Economic Outlook

Even as the global economy continues to take investors on a wild ride, many economists predict that Israel's economy will continue to grow steadily in 2008, despite a crippled U.S. dollar. Much of this is due to the success of Israel's high-tech investments and development in recent decades.

Israel's success is also based on attitude—a unique combination of curiosity and chutzpah. During Larry Ellison's recent trip to Israel, he attributed Israel's success to the constant questioning of conventional wisdom.

“Businessmen are successful when they question the norms that conventional wisdom espouses,” Ellison said. “That is where innovation comes from—finding errors in conventional wisdom. That is what my company is built upon and that is why I think Israel will continue to be innovative.”

Israel's level of investment may not match Silicon Valley dollar for dollar, but Israel has outperformed the rest of the world in a global marketplace. Indeed, despite the fact that the Jewish state has been forced to expend much of its energy battling for its own security over the 60 years since it declared independence, Israel continues to demonstrate its strength as a formidable candidate.

Israel and California sign R&D agreement

The agreement signed by Benjamin Netanyahu and Jerry Brown covers water technology, cyber security, energy and storage technology.

Prime Minister Benjamin Netanyahu and California Governor Jerry Brown have signed a Memorandum of Understanding (MOU) for R&D cooperation between Israel and California. The agreement stresses four main areas: water technologies, energy, storage technologies and cyber security through collaboration between research institutes in Israel and California.

Brown said stressing Israel's ability to help California overcome its drought, "10% of San Diego's water will be a result of this collaboration and an outcome of Israeli technology."

Netanyahu said, "Our population has grown and the rain we receive has decreased but we have no water problems, because we are number one in the world in recycling wastewater, and we have done exceptional work with desalination, and developing innovative technologies in the area of drinking water."

In storage technologies and energy, Brown and Netanyahu also detailed the joint achievements of Israel and California. Netanyahu said, "There is no limit to our ability to renew, invent and refresh, and if we work together this collaboration is good news for the world. As a graduate of MIT myself, I am aware of the importance of education here in the US and the important role

of academic institutions in promoting and developing technology. It is a matter of great pride that leading research institutes led by Stanford University are included in this agreement."

Brown stressed the importance of cyber security, "We can develop no end of inventions and innovations in water and energy but if we cannot make this secure then it is worthless. Israel's ability in the field of cyber security is exceptional, and we are happy and grateful for the opportunity to use these capabilities, and contribute our abilities."

During his speech Netanyahu also stressed the need for the establishment of direct flights between Tel Aviv and San Francisco.

Netanyahu had come to California after meeting with President Obama in Washington on Tuesday. Later Wednesday, he met Apple CEO Tim Cook and other senior executives from the company, and proposed they increase their presence in Israel. Netanyahu's entourage described the meetings as "friendly and productive."

Israel Corp's joint venture presented the EBIKE prototype in Geneva.

Israel Corporation (TASE: ILCO) and China's Chery Automobile Company Ltd. joint venture Qoros has unveiled a prototype of a smart electric bicycle - EBIKE - at the Geneva International Motor Show. The bike, one of the most advanced electric bicycles ever developed, is equipped with a large battery, electric motor, touchscreen display and traditional pedals.

Israel Corp.'s Qoros opens first European car Combining the motor with physical pedaling, the bicycle can reach 60 kilometers per hour and a range of 120 kilometers before the battery needs recharging.

The EBIKE also features a 5-inch touchscreen

display mounted on the handlebars, which connects to the Qoros platform for route planning, navigation, and other apps.

The battery takes 80 minutes to fully recharge from any regular electricity connection and it is expected to cost around €5,000

Israeli Hi-Tech Startups On The Rise Again

Acquisitions and bids at unseen levels since 2000 dotcom bubble burst, hi-tech sector attracting growing international attention.

Israeli hi-tech startups have sparked a flurry of mergers, acquisitions and investment bids unseen since the dotcom bubble burst in 2000, reports AFP. In the third quarter of 2013, Israeli new ventures raked in \$660 million, up from \$488 million the year before, according to IVC Research Center.

Yosi Vardi, a prominent Israeli hi-tech entrepreneur, praised the trend, remarking that “the sector as a whole is growing briskly, particularly in the United States where the Nasdaq is well up, and significant funds are invested in hi-tech.”

In particular, interest among US and international hi-tech giants in innovative Israeli companies appears to be growing. Vardi comments that “the big players in the market are in fierce competition with one another. They are looking for innovative new companies and come to Israel to find and buy them.”

From 2003 to 2011, nine Israeli startups were bought, whereas six have been sold already this year, the most recent sale being that of 3D motion-sensor developer PrimeSense to Apple for roughly \$350 million.

Other recent acquisitions include Facebook’s \$150 purchase of Onavo, IBM’s purchase of security software provider Trusteer for \$1 billion in September, and Google’s purchase of map

application Waze by Google for \$1.3 billion.

Companies such as Intel, IBM, Microsoft and Yahoo have established offices around the Technion technological institute in Haifa, recruiting students and turning the area into a “second silicon valley.”

While some analysts posit that that acquisitions of startups by large foreign corporations limits the hi-tech sector’s positive impact on the broader Israeli economy, IVC director Koby Simana comments: “in most cases entrepreneurs who managed to get a startup on its feet (and sell it) have then restarted the cycle, creating positive fallout for the Israeli economy.”

Meanwhile Microsoft’s Ventures Accelerator program in Tel Aviv is encouraging new startups, with five of the ten startups graduating the program’s most recent batch receiving an average of \$1 million in funding or proposals.

The women of startup nation

Kira Radinsky, co-founder and chief technology officer of Israeli startup SalesPredict, is something of an anomaly among the leaders of Israel’s proud “startup nation.” And not just because she was a child prodigy who started her computer science career at the Technion - Israel Institute of Technology at age 15. Rather, it’s that she’s a woman.

At 26, the dark and stunning Russian-Israeli entrepreneur has locked down a doctorate in computer science from Technion, built an award-winning data-mining system for Microsoft Research and started her own company, a cloud-based application that helps other companies predict customer behavior. In August, the MIT Technology Review took notice, recognizing Radinsky as the youngest of 10 women in its annual crop of “35 Innovators Under 35.”

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In person, she's petite and ultra-chatty, trading the hoodies and jeans of her eight male staffers for a ripped T-shirt and capris held up by a chunky white belt. According to Radinsky, it hardly ever crosses her mind that she's a woman in a sea of men — but there are always those odd moments of self-awareness, like when someone assumes she's the SalesPredict secretary or human-resources girl, or when, during a photo shoot for Israeli magazine *Lady Globes*, she's dolled up in thick makeup and Dolce & Gabbana and told to “look powerful.”

“Here in Israel, no one really talks about” the absence of women in high tech, said Ranit Fink, vice president of business development for hot Israeli startup Cellrox — another rare female success story in the startup nation. “It's just not on the agenda.”

According to Israel's Central Bureau of Statistics, women make up about 35 percent of the nation's high-tech workforce, a statistic that hasn't budged for the last decade. (It also doesn't illustrate how many of these women are filling low-level and nontechnical positions within the high-tech sector.) And although Israel's Ministry of Industry, Trade and Labor could not provide more specific data on the male-to-female ratio within the nation's high-tech startups by press time, various company heads and investors in Israel — when interviewed by the *Journal* — agreed that they very rarely see a female face within the upper ranks of the Israeli tech world.

A review of the management teams for “20 Israeli startups to look out for” — published this spring in Israeli economic journal *The Marker* — shows that a mere 8 percent of team members are female. A representative for the Israeli venture capital firm The Trendlines Group said that of its 60 current portfolio companies, only about three are run by women. And over the last five years as a senior associate at Israeli venture

capital firm JVP, Evelyn Rubin, now a vice president at crowd-funding venture OurCrowd, said that she “could probably count on one hand” the total number of women who have passed through the JVP offices.

“I remember this crazy sense of having seen almost zero female entrepreneurs,” Rubin said. “Of course you're not going to see 50/50, but you would expect to see at least 15 percent.”

At OurCrowd, too, Rubin guessed that in the last six months, the deal flow team has encountered only about seven female entrepreneurs, out of the 80 to 100 startups it sees per month. (OurCrowd, though it boasts three women on its management team, has yet to fund a female-run startup.)

Some encouraging steps for women in Israeli high tech have made the news in recent months. Thousands of female Charedi Jews, for example, are being employed as coders and software testers across Israel, and are — as touted in a *Haaretz* headline — “closing the high-tech gender gap in Israel.”

“The Charedi education system is geared toward encouraging women to pursue lucrative careers,” said Rubin, who works with women in the ultra-Orthodox community. (However, she added that “it's a bit of a different model. These are mostly software development businesses, not your typical high-risk companies like Waze,” the navigation app company recently purchased by Google.)

In addition, more life-science-oriented branches of the tech industry in Israel, such as biotechnology and medical technology, are actually dominated by women: According to the online news magazine *Israel21c*, a full 65 percent of Israel's biotech workers are female.

“When I first took a position in med-tech,

women felt more comfortable to come and to try, because it was dominated by females,” said Nitzza Kardish, who now runs Israeli startup incubator Mofet Venture Accelerator. “It created this ecosystem where we were comfortable.”

But Israel’s most prized economy — its buzzing collection of 1,000 or more trendy tech companies, all built from scratch — is overwhelmingly male. There’s a reason that Tel Avivians often jokingly profile the stereotypical “startup bro”: because so many of them fit the bill.

Experts have presented a few different theories as to why women like Radinsky and Fink are so rare.

One common narrative is that women are less likely to take large financial risks or make big life changes for their job, which can conflict with the traditionally female responsibilities of family and home. “Almost 100 percent of the women entrepreneurs that I meet, if they’re married, will base their ability to do what they’re doing on support from their partner,” said Lesa Mitchell, a vice president at the U.S.-based Ewing Marion Kauffman Foundation and author of a recent report on the challenges for female entrepreneurs. And Daphne Koller, the Israeli co-founder of booming U.S. startup Coursera, attested that: “For me, the biggest challenge is trying to juggle family commitments with an ever-increasing workload.”

Rubin of OurCrowd said that, in her experience, “It’s not a question of the actual time commitment, just an element of an appetite for risk. An ability to say, ‘I want to take \$10 million to fund this business’ ” — not knowing if it will necessarily succeed.

Another theory is that from a young age, girls don’t see computer science and technology as subjects in which they are most likely to succeed — partly because of the low visibility of female role models in the field.

For men, Rubin said, “They see that a guy named Gil who lives around the corner was able to do it, so why can’t they do it? There are women who have built successful companies, but they’re not at the forefront.”

Radinsky, the CTO of SalesPredict, said she has observed other women shy away from the field because they are worried that they aren’t “technical” enough or as obsessed with gadgets as their male peers. She credited her own high-tech confidence with her upbringing in a Russian family that held more communist values of gender equality, wrote simple computer programs with her as a kid and valued computer science above other subjects. Radinsky said she never saw herself as less cut out for the field than any man.

“Until I went to the army, I never knew I was a minority in anything,” she said.

Indeed, the male-dominated technological units of the Israel Defense Forces (IDF) have come to serve as incubators for the cliques that eventually become Israel’s hundreds of tech startups, according to Radinsky and others familiar with Israel’s startup culture.

“[Israeli] men will not be shy to pick up the phone,” said Helena Glaser, former president of the Women’s International Zionist Organization. “Men will feel obligated to help one another — and it starts in the army. Women in general don’t have this network. And this is a network of getting jobs.”

According to statistics provided to the Journal by the IDF, as of last year, only 16.8 percent of soldiers serving in technological positions in the IDF were women. And that’s a huge step up from a decade before, when the IDF reported that “the percentage of woman serving in these positions had reached 7 percent at most.”

Said Fink of Cellrox: “In Israel specifically, people are recruiting people based on the army. And in my generation, women couldn’t do everything in the army.”

From a funding standpoint, investors might also be more likely to stick with the kind of startup that has worked for them in the past.

“Part of the issue now in Israel, is that funders tend to fund experienced entrepreneurs,” said Rubin, an experienced investor in Israeli startups. “So, because there hasn’t been a first generation of women entrepreneurs, they’re up against that barrier against men who have already [seen success].”

Even once a woman has networked her way into the high-tech bubble, the workplace environment isn’t always welcoming.

Fink said that as a female in Israel’s high-tech sector, she has received dozens of “horrible comments — really horrible things” relating to her gender, both from outside businessmen and her own colleagues.

On blogs and forums online, much has been written about a similar male-to-male network in the Silicon Valley — a “bro-grammer” culture that keeps men in tech’s top positions and sometimes makes the workplace uncomfortable for women.

Ellen Ullman, a high-profile U.S. software engineer turned author, said that in America, she has witnessed an unhealthy “boys in a treehouse” attitude propagate itself among the nation’s techies, both at the academic and industry levels. “A woman walks into this culture, and she gets the worst of it: She’s more visible, scrutinized more closely and will not feel welcome,” Ullman said. She added that from the perspective of many venture capital-

ists, “Everyone’s got to be a kid in a hoodie. If you don’t look like Mark Zuckerberg, maybe you’re not right for it.”

So what does high tech stand to gain from a larger pool of female leaders?

A Dow Jones report in 2012 surveying 20,000 startups across the United States, showed that “companies have a greater chance of either going public, operating profitably or being sold for more money than they’ve raised when they have females acting as founders, board members, C-level officers, vice presidents and/or directors.”

Mitchell cited the study, saying that in order to move forward, both men and women in high tech “need to acknowledge this data and create solutions themselves by changing the networks” of entrepreneurs and investors.

With a stronger female presence in high tech, the possibilities for modern technology are vast, said Weili Dai, co-founder of global semiconductor company Marvell Technology Group and a speaker at this year’s Israeli Presidential Conference: “We need more women to participate because technology is becoming part of our lifestyle,” she said. “I see this as a duty, to reflect the natural talent of women in the high-tech industry.”

And the startup nation may never reach its full potential without the talents of this untapped population. New research coming out of the Reut Institute, a widely respected policy group created to advise the Israeli government, suggests that the linear, non-inclusive model of startup nation as we know it — which has, up to this point, underutilized not only women but ethnic and religious minorities as well — may only succeed for so long.

Orna Berry, Israeli venture capitalist and

laser-based defense system against rockets, mortars and airborne attacks will shortly be unveiled by Rafael Advanced Defense Systems

The high energy laser (HEL) system, called Iron Beam, will be unveiled at next month's Singapore Air Show.

Iron Beam will complement the battle-proven Iron Dome short-range rocket defense system by assisting in intercepting very-short-range rockets fired at Israel.

The system will add an extra dimension to Israel's missile defense program, according to Israel Defense website. The future full lineup will comprise Iron Beam (very short-range,) Iron Dome (short-range,) David's Sling (medium-range) and the Arrow 2 and Arrow 3 (long-rang

Intel Israel is holding its annual press conference against the backdrop of pending negotiations with the government over a huge grant to build a new fab with new technology in Kiryat Gat. Intel will reportedly submit its official request for the grant in a few months, and the Ministry of the Economy and the Ministry of Finance will consider whether to award the grant, which could reach \$900 million, spread over several years.

Intel is also at a crossroads over its strategic development. Without question, the company missed change in direction in the computer industry, where growth is mostly not in PCs, where Intel dominates, but in mobile devices, especially tablets. Intel is still not there, but it plans an aggressive entry into the market this year and to reach sales of 40 million units based on its processors, about 15% of the projected market in 201

original female entrepreneurs of startup nation, likewise warned that in order to remain competitive in the global market, the Israeli high-tech

oneofthe economy needs to see greater participation from a workforce made up of varying genders, age groups and backgrounds.

"If you team up with people who come from the same mold, and you're choosing only people who you know what their path was and what their intellectual style is, it is somewhat restrictive in my mind ... and it is a limiting factor in the scale-out element," she said. "This is not just a matter of social justice."

Tamar partners in \$750m deal with Delek unit Tamar gas drilling

The partners in the Tamar natural gas field have signed another contract, this time with IPP Delek Sorek Ltd., controlled by Delek Group Ltd. (TASE: DLEKG). In a notice to the Tel Aviv Stock Exchange (TASE) this morning, Tamar's Israeli partners - Avner Oil and Gas LP (TASE: AVNR.L), Delek Drilling LP (TASE: DEDR.L), Isramco Ltd. (Nasdaq: ISRL; TASE: ISRA.L), and Alon Natural Gas Exploration Ltd. (TASE: ALGS) - announced that they had committed to supply IPP with 3.3 billion cubic meters (BCM) of natural gas.

The gas supply contract will come into effect in the first quarter of 2016 and end after 15 years, or when the buyer consumes the entire contracted amount of gas, whichever comes first. The parties have the right to extend the gas supply agreement by two more years, if after 14 years from the start of commercial gas flow, the buyer has not consumed all the quantities set in the agreement.

IPP was given an option to reduce the minimum amount of gas delivered annually by 50% of the average gas flow in the three years preceding the exercise of the option, subject to adjustments set out in the agreement. With the reduction in the minimum annual amount of annual gas, the other quantities stated in the agree-

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ment will be reduced accordingly.

The partners in Tamar estimate that the cumulative revenue from the sale of natural gas to IPP could reach \$750 million.

Israeli Technology a New Step in Finding a Parking Spot

Introducing Anagog, a revolutionary parking technology, which helps you find open parking spots — in real time

Israeli developers have introduced the newest parking solution on the market.

Anagog, an Israeli location-based technology company, unveiled on Monday an automatic algorithm that can analyze and identify where and when a parking space will be available.

Unlike other services, Anagog company says the technology's automatic nature will update the user instead of the user having to update the system.

The launch for the innovative system included an announcement of cooperation with PARX, the owner of Easy Park, which will allow Easy Park users in 130 countries to receive updates except for reminders to pay parking fees.

The company calls it “the first living parking map of an urban center,” and says that its data has just been built into the Easy Park app.

The technology can interface with navigation systems, cellular service and map providers, car makers, municipalities, transportation offices and more.

“We all saw what crowdsourcing did for traffic and navigation, and we are excited to see this concept brought to the world of parking,” said Parx’s CEO, Ofer Tziperman, referring to another Israeli startup, Waze, a navigation system which was recently bought by Google for

about \$1.3 billion.

Anagog has a variety of apps such as FindMyCar, 2Park, OTO, StopPark, and ParkDroid, which help people find their car again after parking. The data accumulated by those types of apps feeds into the open parking spot database, as does data from EasyPark and other partners. Altogether, Anagog says it has about 500,000 users, which enables it to do this:

Palo Alto paying \$200m for Cyvera

This morning, New York time, IT security company Palo Alto Networks Inc. (Nasdaq: PANW) announced that is acquiring Cyvera Ltd. for \$200 million, most of which is in shares. According to the filing with the US Securities and Exchange Commission (SEC), 56%, or \$112 million, of the acquisition is in Palo Alto shares, and the rest is in cash.

Although Palo Alto Networks was founded by an Israeli, Nir Zuk, who serves as its CTO, the acquisition will enable it to open its first development center in Israel.

Although this is not an especially big deal, it can be seen as representative of the current cyber market. Cyvera was founded less than three years ago, has almost no income, and raised some \$13 million, some of which is probably still in its reserves. Its main investors are Blumberg Capital and Battery Ventures, as well as strategic investor EMC Corporation (NYSE: EMC). The most prominent private investors are Prof. Ehud Weinstein and Dr. Ofir Shalvi, two of the three founders of Anobit, which was sold to Apple Inc. (Nasdaq: APPL).

Cyvera was founded by co-CEOs Netanel Davidi and Uri Alter, and Moshe Ben-Abu. The company focuses on the hotter side of information security, advanced persistent threats (APT) or zero-day attacks. These are threats that are inserted into computers by countries or terrorist

or criminal organizations, and are not usually identified by traditional information security systems.

Stratasys acquires Solid Concepts for \$295m

The 3D printer maker has also acquired parts production company Harvest Technologies.

3D printer maker Stratasys Inc. (Nasdaq: SSYS) has acquired two companies: Solid Concepts Inc. for up to \$295 million, and Harvest Technologies Inc., for an undisclosed amount.

Stratasys will merge the two companies with digital manufacturing service business, RedEye, which already partners with Solid Concepts, to create a single additive manufacturing services business unit. Solid Concepts president Joe Allison will head this unit. It says that the acquisitions will create a strategic platform focused on meeting customers' additive manufacturing needs through an expanded technology and business offering by adding significant manufacturing and end-use parts production capabilities.

Solid Concepts specializes in medical and aerospace, and Harvest Technologies specializes in parts production and materials and systems knowhow. Together with RedEye, they strengthen Stratasys' direct digital manufacturing and parts production expertise.

California-based Solid Concepts was founded in 1991, and has six facilities in the US with 450 employees. It had \$65 million revenue in 2013. The company has PolyJet, stereolithography, plastic and direct metal laser sintering, fused deposition modeling (FDM), QuantumCast, cast urethanes, CNC, tooling and injection molding for low to high volume production of plastics, urethanes, and metals directly from design

data.

Texas-based Harvest Technologies, was founded by in 1995, and has 80 employees. It has 40 laser sintering (LS/SLS), direct metal laser sintering, FDM, and stereolithography machines.

"These transactions are consistent with our core strategic imperatives and M&A strategy, which is focused on acquiring leading companies to support our goal of continued leadership in the segments in which we operate, as well as reaching new niche verticals," said Stratasys CEO David Reis.

"With Solid Concepts and Harvest Technologies, together with RedEye, we expect to create a strategic platform to meet our customers' additive manufacturing requirements by significantly expanding our offering, targeting new applications, and strengthening our customer relationships. As our customers' requirements continue to expand, we must evolve to create full service offerings that provide a variety of technologies



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