

ISRAEL HIGH-TECH & INVESTMENT REPORT

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Israel produces an executive airplane

The brand new IS ST-50, a five-seat pressurized executive business aircraft, took to the skies for the first time on May 12 and completed a 60-minute test flight over the Sea of Galilee.

According to veteran test pilot Captain Danny Shapira, the plane performed according to plan. The aircraft was designed and manufactured by Isravation Ltd. of Kiryat Shmona in northern Israel. It is only the

third civilian airplane to be built in Israel's 47-year history. The project was initiated by the company's president and chief pilot, Swiss-born Stephane Juffa.

Management says it has advance orders for the ST-50 (which is priced at \$1.0 million) and expects to attract additional orders at the International Air Show at Le Borget, France in June.

The ST-50 is constructed almost entirely from composite materials, with the exception of its turbo prop engine from Pratt & Whitney, Canada. It will cruise at an altitude of up to 31,000 feet with a speed of 360 miles per hour and with a range of 1,100 nautical miles. Its engine drives a pusher propeller at the rear of the plane. This location greatly reduces engine noise. Its lightweight construction is said to provide the ST-50 with its impressive performance for less than half the price -- and at an operating cost three times lower -- than the competition.

Marketing will be done on a time-sharing basis,

with chosen European landing sites having three planes available for rent at \$500 an hour. The current rental cost for similar private air transportation begins at \$1,500 an hour.

Kiryat Shmona is a development town, and Isravation, founded with funds from European investors, was granted approved enterprise status, which includes government incentives in

terms of grants and loans for up to two thirds of the investment, as well as tax savings and other benefits.

The airport at Kiryat Shmona was built to accommodate Isravation's requirements. The company currently employs 50 engineers and technicians. In 1996 it plans to open its first assembly, producing one plane a week. Deliveries are scheduled to begin that year, and a second assembly line will bring production capacity up to two

planes a week. To produce at that level, personnel will be increased to 160.



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BAR-ILAN PHARMACEUTICAL & MEDICINAL CHEMISTRY CENTER

There is still no effective treatment for over two-thirds of the ailments affecting human beings. Bar-Ilan's world-class chemistry department has recently been designated Israel's "National Research Center," and funds have been made available to purchase a 600 MHz nuclear magnetic resonance spectrometer and a high-resolution mass spectrometer.

BAR-ILAN INNOVATIONS

Special delivery system for drugs

Prof. A. Nudelman and his research team are experimenting with a molecular drug delivery system whereby the therapeutic drug is "wrapped" to evade the body's natural defense mechanisms, and "unwrapped" to deliver the drug at target areas such as brain tumors or central nervous system afflictions.

Bypassing steroid side-effects in fertility drugs and contraceptive pills

The natural steroids used in fertility drugs and contraceptive pills frequently have unpleasant or dangerous side-effects. But an efficient method of preparing synthetic steroids known as "oxasteroids" has eluded research scientists for over a quarter of a century. The Bar-Ilan Oxidative Processes Group has developed such a method, promising a solution to one of medicinal chemistry's most challenging problems.

Computer-aided drug design

Using computer graphics, quantum mechanical calculations, statistical analysis and projections, Bar-Ilan researchers are modeling molecular compounds and predicting their performances as drugs.

Treatment for wounds and burns

A recent immigrant from the former Soviet Union has invented a new medical dressing made by binding bioactive ingredients (antiseptics, antibiotics, enzymes and analgesics) to a cellular-based polymer. Bioactive ingredients are introduced into non-toxic, biodegradable microspheres, bound to a cellulose dressing. The microspheres slowly dissolve into the area of the wound, releasing the encapsulated drug.

Synthetic chemistry

Prominent chemist Prof. Alfred Hassner has gained international acclaim for his development of synthetic techniques and methods for the preparation of biologically active molecules,

including the anti-leukemic agent 'PTILOCAULIN.' The synthesis of naturally occurring substances will decrease the frequency and intensity of side-effects currently accompanying the use of certain life-saving drugs.

Exotic research

Prof. Yaakov Krakower is examining novel compounds made from exotic sources such as cacti and tropical plants. While he and his group have worked on steroidal anti-inflammatory agents, male and female hormones, and synthetic fertility control agents, they are now experimenting with compounds to regulate the biosynthesis of cholesterol and the modification of digitalis-type drugs to be used in the treatment of heart disease. Long-term pharmaceutical and medicinal research is being carried out in the university's new center for pharmaceutical and medicinal chemistry.

Medicine from the Bible

Are there medicinal recipes in biblical literature? It appears so. Medicinal plants, spices and perfumes mentioned in biblical literature were used during the Middle Ages as paints, tanning agents, cosmetics, disinfectants, purifiers and ointments. Two doctoral students in the Land of Israel Studies Department have gone over centuries of Responsa Literature, the Cairo Geniza documents and sacred texts, as well as Moslem and Christian texts, in an effort to uncover the natural remedies of yesteryear. They have also interviewed traditional healers in an attempt to identify the animal and mineral sources mentioned in these ancient texts. The academic supervisors of this research feel the project may have practical relevance within the framework of non-conventional drugs and remedies which have become popular in recent years.

ALADDIN KNOWLEDGE SYSTEMS

Summary

Aladdin Knowledge Systems Ltd. NASDAQ: ALDF (May 1 \$12 5/8) is the fastest-growing company in the software protection market, with sales of \$7.4 million in 1994 and net income of \$2.43 million. The company's production facilities and cash position -- more than \$7.8 million in cash and marketable securities -- allow additional sharp growth in 1995. In 1993 the company went public after selling 1.2 million shares at \$7. Since then it has acquired an Israeli company for its client base. The results of the acquired company will be recorded in Q2 1995.

If sales in 1995 grow by their recent annual rate of 59%, they would reach nearly \$12 million and a net income of \$ 3.7 million, or \$0.87 a share. The shares

recently purchased by American investors could reach the low \$20 range in a year.

There are 4.3 million shares outstanding, with 1.2 million held by nearly 1,000 investors. Trading is active, and turnovers of 120,000 shares a day have been recorded.

Aladdin Knowledge Systems was founded in 1985 when Yanki Margalit, now President and CEO, set out to find a solution to the widespread global stealing of computer software. The entrepreneur did not have time to get a university degree after his army service, but he understood computers, and when he found the answer decided to form a company to commercialize the development.

The firm is located in a modern four-story building in the heart of Tel Aviv. Its management, R&D, manufacturing, quality control and marketing departments are situated in cubicles and rooms spread over two floors, and are reminiscent of Silicon Valley.

Aladdin employs more than 70 people, with an average age of under 30. "Twenty-two employees are active in research and development, but few have university degrees. Many of them come to work for us immediately after their army duty.

Those who served in the computer departments in the Israeli Defense Forces make the best workers. There is no clock to punch, and many choose to work late into the night," says Nurit Benjamini, VP Finance.

The main product

The HASP-3, Aladdin's largest-selling product, combines both hardware and software. Typically the client -- a software developer -- licenses the software and buys a HASP key, or as many as may be required. He integrates procedures into his program to confirm that an appropriate HASP key exists in the computer's printer port. Each HASP key contains an application-specific integrated circuit which carries a unique electronic code assigned to the software developer. This code must be verified by the software or the application will not run.

Though the individual parts of the package are not patented, management contends that thousands of man hours of development are needed to duplicate HASP. Each HASP system has its own algorithms and anti-bugging procedures, making it theft-resistant.

The HASP package contains a disk with the software, sets of instruction booklets and a HASP key. The product suits the DOS, Macintosh and NEC environments.

The market for anti-theft protection

The Business Software Alliance estimates that 1994

losses from pirated software reached \$15 billion, and the figure has been growing by 25% a year. Estimates of software losses due to theft for individual countries are: US 35%, France 66% and Thailand 99%. Though this alarming condition should attract many newcomers to the software security field, two major producers account for more than 40% of the market: the American public company Rainbow Technologies Inc. had sales of \$38 million in 1994, and German Fast Electronic GmbH had sales between \$10-\$12 million. Aladdin last year accounted for 6% of the global market.

Customers

A third of Aladdin's sales are local, with customers including Magic Computers and Scitex Corp. The balance of Aladdin's sales are exports, and these are projected to increase sharply in 1995. American sales have grown from 2% the company's total in 1991 to 27% last year. Customers include SWIFT, Quark Xpress, IBM, AT&T, NEC, Samsung and Computer Associates.

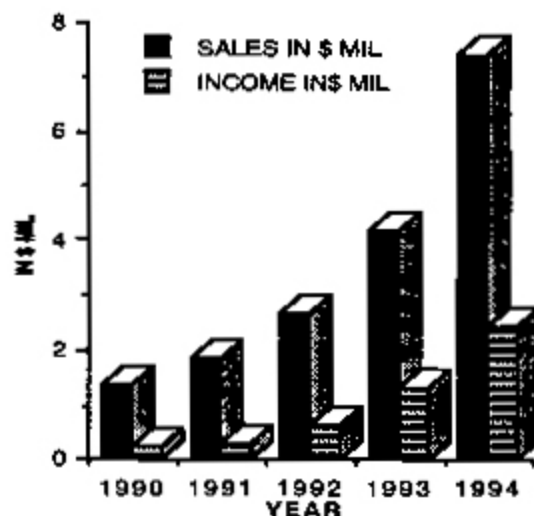
Sales

Sales totaled \$ 7.4 million in 1994. Since 1991 the average annual sales growth has been 59%, with the highest gain, 75%, occurring in 1994. Aladdin has sold its products to more than 8,000 software developers through its distribution channels, which include affiliates in the US, UK and France and 23 distributors worldwide. In 1995, distributors will be appointed in China and in India.

Profits

In the three years since 1991, profits have grown by an average of 97% per year, to \$2.4 million in 1994.

ALADDIN SALES & INCOME



New products

Besides the HASP line, which is expected to dominate total sales for the next two years, new products will include 'smart' cards and a drive which can be recognized by a computer. The company's basic technology of encryption and encoding is being applied to this product.

Genetic engineering for plant survival

Five percent of the world's agricultural land is plagued by parasitic weeds. Two major parasitic plants, broomrape and witchweed, attack the roots of important crops and dramatically reduce crop yield. These weeds remain underground, and only emerge when flowering. Broomrape endangers vegetables and sunflowers in the Mediterranean area. Witchweed attacks and destroys grain crops in Sub-Sahara Africa.

The weeds are susceptible to pesticides -- primarily methyl bromide -- but herbicides damage the crops while destroying the parasitic weeds.

Professor Jonathan Gressel, a Weizmann Institute plant physiologist, and Dr. Daniel Joel initially engineered several crops with herbicide-resistant genes. Tobacco and oilseed rape plants were provided with genetic resistance to herbicide. The use of herbicide left the plant unaffected, but the broomrape was completely controlled.

The genes engineered into tobacco and oilseed rape

plants allowed the enzyme normally effected by the herbicide to resist it. Herbicide applied to fight the weed moved through the plant without affecting it, reached the roots and then attacked the destructive weed.

The study was part of a project backed by the US Agency for International Development Trilateral Egypt - USA - Israel Program.

"The additional yields afforded by control of the parasites will more than offset the added cost of the transgenic seed and the small amount of herbicide needed, even in developing countries," the researchers write in the March 16 issue of *Nature* magazine.

The next stage will be to create resistant genes in other major crops. The resultant seeds will be made commercially available.

Treasury seeks new avenues of financing

The Treasury will shortly announce new steps to raise capital in the international markets. Some possibilities include Eurobonds, or the floating of bonds on capital markets like Japan's. Estimates are that Israel will use only \$1 billion in US government guarantees this year.

Novel treatment causes pregnancy

Although blood tests and examinations of his testicles indicated that he was completely unable to ejaculate sperm, a novel treatment using healthy sperm has allowed an apparently barren man to impregnate his wife. With the subject under anesthesia, Drs. Abbie Levin and David Weiss of the Hadassa Medical Center used a fine needle to extract a number of healthy sperm. The sperm were injected into four eggs which had previously been removed from his wife. As a result, one embryo formed and was returned to the woman's womb. The childless couple, in their 30s, had been married for 10 years. The wife is now in her third month of pregnancy.

Dun & B's high-tech companies among the 15 with the highest export growth in 1994
(companies marked by an asterisk are public companies)

Rank	Company	Growth	Export in US\$Mil	Business
1.	Telrad	91.9%	165.0	Telecommunications
2.	Tower Semiconductor	56.7%	57.7	Semiconductors *
3.	ECI Telecom	52.0%	266.0	Telecommunications *
5.	Efrat Technologies	44.2%	53.4	Voice messaging *
9.	Laser Industries	37.9%	29.4	Medical Lasers *
10.	Intel Israel	32.6%	61.0	Computer chips
12.	Elco	29.6%	5.5	Electronics
15.	Elbit Computers	26.3%	621.0	Defense and imaging *

Dun & B's high-tech companies among the 15 with the highest exports in 1994
(companies marked by an asterisk are public companies)

Rank	Company	Export in US\$mil	Business
4.	Tadiran	390	Electronics *
5.	Scitex	309	Graphics *
6.	Intel Israel	303	Computer chips
7.	ECI Telecom	266	Telecommunications *
11.	Motorola	211	Computer-irrigation and telecom. *
14.	Telrad	165	Telecommunication.

Plant conquest of hostile terrain explained

The Dead Sea, one of the most saline bodies of water on earth, has been steadily shrinking due to the extremely arid conditions in the area and extensive exploitation of the Jordan River. This has led to the exposure of new sea shores, where the water in the soil has a salt concentration three times higher than that of ocean water. Although vegetation in this extremely arid region is sparse, several species of desert plants have taken root -- a phenomenon explained for the first time in the April 27, 1995 issue of *Nature*. This research, which offers new insights into how plants can gain a foothold in extremely hostile environments, was conducted by Dr. Dan Yakir of the Weizmann Institute and Dr. Yoseph Yechieli of the Geological Survey of Israel.

Drs. Yakir and Yechieli analyzed the isotopic composition of water in the plants' roots and stems, and found that this water was different from the salty water in the surrounding soil. The only water that matched the isotopic signature of the liquid inside the plants was that of elusive winter floods which occasionally reached the area from the Judean hills. This led Drs. Yakir and Yechieli to conclude that the plants did not use the highly saline water in the soil surrounding their main root systems. Instead, they periodically and discriminately absorbed the less salty floodwater. "Such a capability," the scientists write, "may be a prerequisite for successful plant innovation in highly stressful environments."

Weizmann Institute collaborates with the Poles

The upgrading of biomedical, biotechnological and genetic research in Eastern Europe has been advanced by a UNESCO workshop organized by the Weizmann Institute of Science and the Institute of Biochemistry and Biophysics of the Polish Academy of Sciences. The two institutes have worked together for two years in the field of bioinformatics -- the computer-based discipline allowing biologists to conveniently search, access, and graphically manipulate genetic and protein structures.

Researchers from Eastern European countries including Lithuania, Latvia and Slovakia have now been offered the chance to access this know-how. The knowledge so gained should allow researchers from those countries to contribute more actively to the Human Genome Project, the 15-year-old, \$3 billion international undertaking aimed at unraveling and deciphering all the genes in human cells.

PEC recommended

Eliot Prince, analyst for Smith Barney investment

bankers, has published an in-depth report on PEC Israel Economic Corporation (IEC: NYSE). He suggests that PEC shares are one of the best ways to participate in the growth of the Israeli economy.

Pharmos enters marketing agreement with Bausch & Lomb

Pharmos Corporation (NASDAQ: PARS) has signed a letter of intent with Bausch & Lomb Pharmaceuticals, a Tampa, Florida-based subsidiary of Bausch & Lomb (NYSE: BOL), to market Lotemax, a site-specific ocular anti-inflammatory agent for which the company recently submitted an NDA to the FDA.

Under the agreement, Bausch & Lomb Pharmaceuticals will provide Pharmos with up to \$4 million in cash advances over the next 12 months. Bausch & Lomb will also collaborate on the development of the Lotemax line of extension products by funding 50% of Pharmos' Phase III clinical trial costs for these products.

Xenograft Technologies

The company (IHTIR 9/1994) is working on transplanting human antibodies into mice. The resultant antibodies are expected to offer greater efficacy than other monoclonal antibodies in the treatment of autoimmune diseases.

"We have recently isolated and cloned monoclonal antibodies for hepatitis B, which proves without any doubt the feasibility of our technology. Toxicity tests are proceeding, and development work is being done to upscale the process," reports General Manager Dr. Zachi Berger.

While this activity is progressing, management is negotiating alliances with a Canadian and an American pharmaceutical company for the supply of animal models and the carrying out of tests for efficacy with specific diseases. The procedure is aimed at shortening the time required to bring a molecule into the market. When concluded, the company will begin to benefit from payments for joint research and development, and from royalties for testing the models on a variety of diseases. Xenograft, in the process of a new round of financing, is opening negotiations with venture capitalists and other prospective investors aimed at raising \$3.5-\$5 million.

Xenograft Technologies began its activities in June 1994, utilizing technology developed by Weizmann Institute's Prof. Yair Reisner, an internationally known specialist in marrow transplantation. Dr. Shlomo Dagan serves as scientific director, and the company has acquired the services of Martin Becker, as president, and whose professional experience includes employment with Syntex.

Tecnomatix announces higher sales and profits

Tecnomatix Technologies Ltd. (NASDAQ-NM Symbol TCNOF) has announced that sales for the first quarter of 1995 increased by 40% to \$6.85 million from \$4.89 million for the same period the previous year. Net income totaled \$506,000 compared to a net loss of \$3.5 million.

The company is active in Computer-Aided Production Engineering. Its three main lines involve software for manufacturing processes, for quality engineering, and for the assembly of printed circuit boards.

"We are very proud of having been chosen by Volkswagen to handle the design, simulation and programing of its automated production lines worldwide" said Shlomo Dovrat, the company's CEO.

Walden Israel commits \$6.2 million to DSP Solutions

The Walden Israel venture capital fund, part of the international Walden Group which has \$500 million under management, has completed its largest single investment in the high-tech field. Since its founding a year and a half ago, Walden Israel has invested \$5 million in four companies, including Ornet, Aisys, Peptor and D-Pharm. In the current investment in DSP, Walden Israel acted a leader of a group of Walden funds and Far Eastern funds, stated Eyal Kaplan, joint general manager of Walden Israel. DSP Solutions is active in the development and marketing of chips used in multi-media, and has recently signed a contract with Sony.

Walden Israel's venture capital fund totals \$35 million

Opal goes public and shares surge

The company manufactures systems used to measure critical dimensions of integrated circuits (IC) in semiconductor manufacturing. Feedback from the system, which is fully automatic, allows the manufacturer of ICs to maximize and sustain yields at the highest level at which his production line is capable.

The company has replaced the traditional equipment, which uses optical microscopes, with electron microscopy. This creates a qualitative advantage for users. Optical microscopy was incapable of measuring integrated circuits of less than 0.8 microns, while the trend in semiconductor manufacturing is towards sub-micron-sized circuits. Opal's headquarters are in Santa Barbara, and its R&D and manufacturing facilities are in Israel -- Opal Technologies Ltd.

The company sells through representatives in the US, Taiwan and Korea, and through distributors in Europe and Japan.

Financial information is available since 1990. In 1992 the company became profitable. Sales have risen from \$7.6 million in 1991 to \$24.6 million in 1994. In the first quarter of 1995, sales rose by 60% to \$8.3 million from \$5.2 million in the first quarter of 1994. From 1992 the annual profits rose from \$7,000 to \$4.1 million in 1994, and \$1.6 million in the first quarter of 1995.

In the years 1992, 1993 and 1994 the company has achieved a 3%, 12% and 18% share respectively of the world market.

Customers who have bought more than one system include leaders in semiconductor manufacture: Advanced Micro Devices, Atmel, IBM, Macronix, Micron, Moses Vitele, Motorola, National Semiconductors, Thomson, Siemens and Texas Instruments.

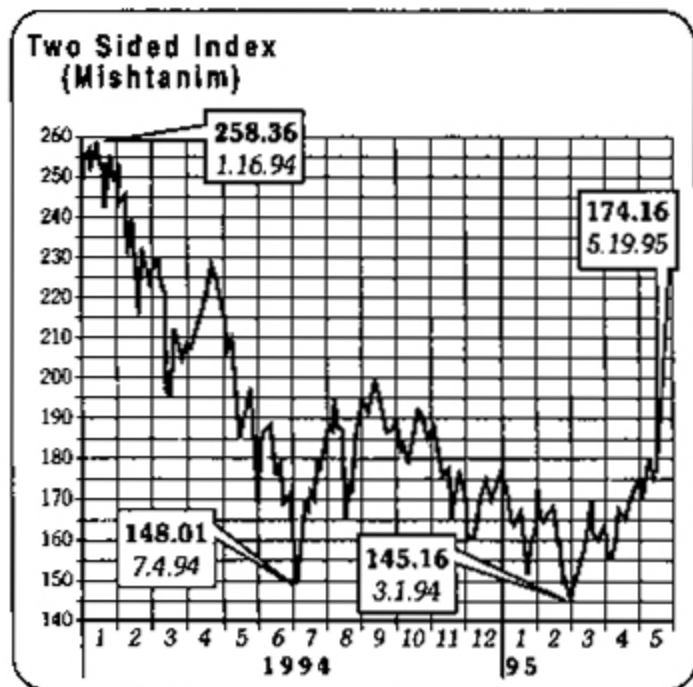
Opal sold two million shares at \$13 per share. Of the proceeds, \$1.5 million will be used to redeem preferred stock and the balance will be used for general corporate purposes. On the first day of trading it reached as high as \$20 before settling back to \$18.

Major shareholders include Clal Electronics of Israel (38%) and Orbotech Ltd. (19.8%). Less than 10% is owned by three American venture capital groups, including TA Associates of Boston.

The offering

Shares are being offered at a PE Ratio of 20 times 1994 earnings, but the ratio will be considerably lower when taking into account the rapidly rising 1995 earnings.

The technology specialist investment bankers, Hambrecht & Quist, and the well-known Wall Street firm Oppenheimer & Co. -- both active in the Israeli



market -- served as underwriters for the issue. The rapid sales and earnings growth are appealing to followers of high-tech companies, but the issue carries a number of risks, including the possible appearance of a new technology which will replace Opal's systems, the vagaries of the semiconductor industry (at present experiencing good times), and the ability of management to deal with the challenges of running a rapidly growing business in a highly competitive industry. The issue is traded on NASDAQ with the symbol OPAL.

AG Associates reaches Wall Street and gets premium

The issue described below was priced at \$11 and began trading on May 16. It was very well received, and closed the first day of trading at \$16 1/8, for a \$5 1/8 advance over the issue price on a turnover of 2.38 million shares.

AG Associates Inc. designs, manufactures and

markets advanced single wafer rapid thermal processing equipment used in the manufacture of integrated circuits. The company's products use high-intensity light to precisely heat a single silicon wafer, resulting in the chemical process required to produce an integrated circuit.

In terms of sales and earnings, AG Associates is a leader in its field. It introduced the production of wafers by rapid thermal processing (RTP), which eliminates the traditional use of a batch furnace. The company is developing additional applications for RTP, and has transferred chemical vapor deposition technology to its subsidiary, AG Associates (Israel) Ltd., for development of this technology.

In the US the company markets its products in-house, and with sales representatives. Canon distributes in Japan, while other companies distribute in Europe and Korea.

The company markets to most semiconductor manufacturers worldwide, including Intel, IBM,

FINANCIAL RESULTS, FIRST QUARTER 1995

	1995	1994		1995	1994
ALADDIN KNOWLEDGE SYSTEMS			INDIGO		
Sales	\$2.6 Mil	\$1.5 Mil	Sales	\$42.5 Mil	\$7.6 Mil
Net income	\$811,000	\$525,000	Net income	(\$0.745) Mil	(\$12.7) Mil
AMERICAN-ISRAEL PAPER MILLS			LANNET DATA COMMUNICATIONS		
Sales	\$90.0 Mil	\$63.4 Mil	Sales	\$21.9 Mil	\$12.5 Mil
Net income	\$5.4 Mil	\$1.6 Mil	Net income	\$2.4 Mil	\$1.2 Mil
(convenience translation to US \$)			MAGAL SECURITY SYSTEMS		
ECI TELECOM			Sales	\$4.3 Mil	\$2.9 Mil
Sales	\$107.3 Mil	\$84.7 Mil	Net income	\$260,000	\$61,000
Net income	\$20.5 Mil	\$17.9 Mil	ORBOTECH		
ELBIT COMPUTERS			Sales	\$29.4 Mil	\$27.6 Mil
Sales	\$225.1 Mil	\$159.5 Mil	Net income	\$2.2 Mil	\$1.7 Mil
Net income	\$4.5 Mil	\$7.0 Mil	SCITEX CORP.		
ELSCINT LTD			Sales	\$172.8 Mil	\$163.9 Mil
Sales	\$61.3 Mil	\$54.2 Mil	Net income	\$15.7 Mil	\$15.2 Mil
Net income	\$2.2 Mil	\$3.1 Mil	TELEDATA COMMUNICATIONS		
GEOTEK			Sales	\$5.0 Mil	\$9.4 Mil
Sales	\$19.2 Mil	\$15.6 Mil	Net income [Loss]	(\$2.7 Mil)	\$2.0 Mil
Net income	(\$13.7) Mil	(\$7.1) Mil	TEVA PHARMACEUTICAL		
GILAT SATELLITE COMMUNICATIONS			Sales	\$152.7 Mil	\$136.7 Mil
Sales	\$7.6 Mil	\$4.3 Mil	Net income	\$18.9 Mil	\$17.0 Mil
Net income	\$1.2 Mil	\$920,000	TOWER SEMICONDUCTOR		
HS INTELLIGENT INFORMATION SYSTEMS			Sales	\$20.8 Mil	\$11.9 Mil
Sales	\$19.3 Mil	\$22.2 Mil	Net income	\$3.7 Mil	\$1.6 Mil
Net income	(\$1.54) Mil	\$1.0 Mil			

Micron Technology, Motorola, Taiwan Semiconductor and Hyundai Electronics. As sales grew slowly at first, the company had losing years of \$7.2 million in 1992 and \$9.5 million 1993, when its sales were \$23 million. In 1994, sales rose to \$40.2 million, with earnings of \$3.2 million. The thermal processing market grew by 25% that year, but AG Associates' sales increased by 36%. In the six-month period ending March 31, 1995, its sales were \$26.2 million, with profits of \$3.2 million.

Oppenheimer & Co. and Needham & Co. Inc. served as the underwriters. The approximate evaluation of the company is \$63.4 million, based on a possible IPO price of \$11.00 or a PE ratio of 20 based on 1994 profits. The public is being offered 1,800,000 shares, and after the issue there will be 5,500,000 shares outstanding. Arnon Gat and family will own 20.2% after the offering. Arnon Gat, the founder, received his B.Sc. in Electrical Engineering from the Technion and his Ph.D. from Stamford. He was a consultant with Coherent, the laser specialists. Prior to 1981, he did research at Stanford on lasers, and the work there led him to use the technology developed at Stanford to start the company. Clal Electronics Israel is acquiring 9.9%, and Asian companies such as Canon Sales, Nippon Typewriter and Appex will own nearly 50%.

AG Associates appears to have made a strong entry into the wafer manufacturing industry, and is positioning itself for a new technology entry known as CVD. However, the company could become vulnerable to just such innovative technology, and to the vagaries of the semiconductor market. After the completion of the IPO, the shares will be traded on NASDAQ under the symbol AGAI.

JERUSALEM COLLEGE OF TECHNOLOGY

Incubator Projects

The projects listed below were all spawned from the PARTIR Incubator linked to the Jerusalem College of Technologies. While most incubator "eggs" take up to three years to "hatch," the majority of these projects were commercialized at a much earlier stage.

Visionix Ltd., a recent start-up, has been established to develop and manufacture sensors and imagers for the Three Dimensional (3D) Vision market. To date, Visionix's main product development is its fast-3D vision camera, based on licensed 3D optical radar technology. The camera is expected to find a home in industrial robotics and virtual reality. The company is now ready to negotiate with potential investors for an initial placement of \$500,000.

Omat Ltd. has signed a partnership agreement with

Cincinnati Milacron, the result of which is that Milacron will distribute several of Omat's products through the former's extensive sales network. Omat produces adaptive control systems to optimize Milacron's CNC (computerized numeric control) machines. The Opti-Mil improves machine production by 30 - 40% while saving on machine costs and reducing the likelihood of breakage. The Opti-Mil line of products includes models that are built in to new machines or retrofitted into existing ones. Omat has recently signed a major marketing and sales agreement with Benchmark Technologies of Los Angeles.

Cefar Digital Vision has signed an agreement with Sanders Division of Lockheed-Marietta of New Hampshire, and with Op-Gal Optronics of Carmiel, Israel. Cefar develops both image-processing hardware and software.

Zamir Ltd. has announced that VISA headquarters in Givatayim, Israel, has installed Zamir's Centurion, the access control system for vehicles. Centurion has been signed exclusively to Custodia S.A. for distribution in Spain. The company is closing distribution deals in England and Germany, and is making a popular debut at various international exhibitions.

Sophisview Technologies Ltd. (SVT), involved in intelligent imaging, celebrated its first birthday as an independent company last March. It is marketing its newly designed medical station for the early detection of breast cancer. In Europe, SVT made its first debut in conjunction with the Israel Export Institute at the largest exhibition of European medical equipment -- the Medica Show at Dusseldorf, Germany. SVT is hoping to start late spring sales in the US after receiving FDA approval. Two of SVT's founders presented the firm at the recent radiological show sponsored by the Radiology Society of North America in Chicago, Illinois, and it is expected that STV will soon establish a new database in the Department of Radiology of the Montefiore Medical Center in New York.

Driver Safety Systems Ltd., capitalized by a major Canadian investment company, has impressed the British Police with the potential of its Marom traffic enforcement system for detecting speeding and tailgating. The system has successfully demonstrated its ability to reduce front-to-back collisions by 40% in tests conducted by the Israel Police.

Nanonics Lithography Ltd. has secured a \$1 million investment from the Gemini & Euro fund for 37% of the company. The firm's first product, Nanolith 100, is an optical lithography system used for product design and manufacturing in numerous fields.