ISRAEL HIGH-TECH
& INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITIES JOSEPH MORGENSTERN, PUBLISHER
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Shared Values for a Firm Business Foundation

The U.S.-Israel relationship is based on the twin pillars of shared values and mutual interests. Given this community of interests and beliefs, it should not be surprising that support for Israel is one of the most pronounced and consistent foreign policy pillars of the American people.

"Our relationship would never vary from its allegiance to the shared values, the shared religious heritage, the shared democratic politics which have made the relationship between the United States and Israel a special--even on occasion a wonderful--relationship, said former American President Bill Clinton, and a recent visitor to Israel.

The two nations cooperate on a wide variety of projects that reinforce their common beliefs. These shared value initiatives cover everything from science to education to health and to high-tech.

Today's interdependent global economy requires that trade policy be developed at the national and state level. Many American States are realizing significant benefits by increasing trade with Israel.

No fewer than 23 states have cooperative agreements with Israel.

As a result of the recent visits by technology and trade missions to Israel, led by Governors of individual American States, new business ties are being forged.

The American-Israel Chamber of Commerce recently concluded a technology and trade mission to Israel with a delegation of 40 Georgia business leaders. The mission, including Georgia Governor Sonny Perdue, officials from the Georgia Department of Economic Development and business leaders from targeted Georgia industries visited Tel Aviv, Jerusalem, Caesaria, Haifa, Yokneam-Megiddo and Ra'anana. The delegation met with Israeli governmental leaders and potential business investors in the technology and bioscience industries. A number of major business deals were announced during the mission:

"This mission generated new economic activity in Georgia and enhanced our state's position as one of Israel's primary business centers in North America," said Perdue.

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Georgia is a regional or United States headquarters to more than 40 Israeli companies.

Last year, the United States and Israel did $23.7 billion in business, up from $3.5 billion in 1985, the year the two nations signed their first free trade agreement. Moreover, last month two Israel-based technology companies announced that they are shifting headquarters operations to Maryland. Three other companies are opening key offices there as part of the state's push to recruit Israeli high-tech companies, Lt. Gov. Michael S. Steele said in an interview while in Tel Aviv.
Today, it's about technology." said Maryland Governor Steele, who was on a five-day trade mission to Israel

About 30 Israeli companies have operations in Maryland, according to the Maryland/Israel Development Center in Baltimore

As American states like Georgia, Maryland and Virginia lead the way in attracting Israeli companies, Israelis are quick to realize that these states open the portal to the vast American market.

Israeli techies moving key offices to Md.

By William Patalon III
Sun reporter
Originally published November 9, 2005
Two Israel-based technology companies are shifting headquarters operations to Maryland, and three other companies are opening key offices here as part of the state's push to recruit Israeli high-tech companies, Lt. Gov. Michael S. Steele said during a visit a recent visit to Israel
"The prospects for good growth are a key part of the program," said Steele, who was on a five-day trade mission to Israel. "The days of a state landing a major manufacturing plant with 5,000 or 10,000 jobs are over. Today, it's about technology."

State officials, according to William Patalon of the Baltimore Sun, were unable to say how many people the companies will employ in Maryland. The state is offering financial incentives - possibly including such things as rent breaks, financing and work-force development assistance - but it would not discuss the specific packages offered to the companies or to quantify the value of the incentives.
About 30 Israeli companies have operations in Maryland, according to the Maryland/Israel Development Center in Baltimore. The not-for-profit group was created in 1992 to help Maryland and Israel collaborate on business.

Both should benefit in the long run, said Joseph Morgenstern, a business consultant and publisher of Israel High-Tech & Investment Report, a monthly newsletter based in Tel Aviv.

Israel has developed technological strengths in such areas as medicine and biotechnology, data management, network security and surveillance. But the country's small size - its population is slightly more than 6 million - and its inability to market to many of its neighbors means it must export to thrive, experts said.

Israel venture capital survey Q3/2005

In Q3 2005, 90 Israeli high-tech companies raised $336 million from Israeli and foreign venture investors. The figure was 13 percent lower from the $387 million raised by 98 companies in the previous quarter and 23 percent lower than the $438 million raised by 113 companies in the third quarter of 2004. In the first nine months of 2005, capital raised slipped only slightly to

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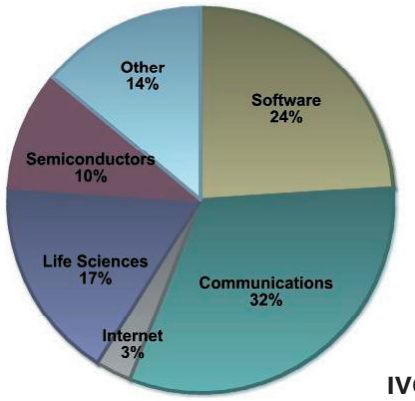
$1.07 billion from $1.10 billion in the same period of 2004. “For the full-year 2005 we foresee stability in investments, leading to approximately $1.4 billion in venture capital raised annually,” reported the Israel Venture Capital Survey

In Q3, Israeli VCs invested $188 million in Israeli companies, compared with $163 million invested in the previous quarter and $194 million in Q3 2004. The Israeli venture capital share of the total amount invested in Israeli high-tech companies rose to 56 percent, from an average of 42 percent over the past five years.

First investments made by Israeli VCs were 41 percent of total VC investments. This compares with 40 percent in the previous quarter and 54 percent in the third quarter of 2004. The average first investment made by Israeli VCs in Q3 2005 was $2.75 million,

Funds Raised by Israeli High-Tech Companies
Q1-Q3 2005



IVC Res.

and the average follow-on investment was $0.92 million.

Israeli VCs invested $20 million in eight foreign companies during Q3 2005, down sharply from the $30 million invested in foreign companies in the previous quarter and $23 million invested in the third quarter of 2004. Two of the 8 investments were first time investments.
The Communication sector, led capital raising in both the third quarter and the first three quarters of 2005. 31 Communication companies attracted $112 million, 33 percent of the total amount raised. The amount compares with $136 million (35 percent) in the previous quarter and $121 million (28 percent) in Q3 2004.

The Software sector followed with 16 companies raising $55 million 16.5 percent of total capital raised. While the Software sector accounted for 18 percent of capital raised in the first three quarters, the sector was outpaced by the Life Sciences for that nine-month period.

Life science capital raising slowed in the third quarter to $53 million, accounting for 16 percent of total capital raised, compared to 24 percent in the second quarter and 21 percent in Q3 2004. The sector succeeded, however, in keeping its position as the second most attractive Israeli sector in the Q1-Q3 2005 period, attracting 22 percent of the capital raised.
Thirteen Seed companies attracted $34 million, 10 percent of the total amount raised in Q3. The amount was a significant advance from the $22 million or six percent raised in Q2, and a slight drop from $36 million in Q3 04. Within Seed companies, three communication firms attracted 30 percent of the investments, and two life science firms captured 27 percent. During the first three quarters of the year, Seed companies attracted eight percent of the total funds, compared with six percent in Q1-Q3 2004.

Fifth Israeli company headed for Nasdaq

Plason Sasa, owned by Kibbutz Sasa in the Galilee, is expected to raise $80 million by the end of the year, at a company value of $300 million.

The Union Bank of Switzerland (UBS) reportedly will lead the issue Investment houses C.E. Unterberg, Towbin; CIBC, and Wachovia Securities will be the secondary underwriters.

If Plason Sasa holds its issue this year, it will be the fifth Nasdaq IPO by an Israeli company in 2005. Shamir Optical, Alon USA Energy Inc. (NYSE: ALJ), Ituran Location and Control Ltd. (Nasdaq: ITRN); TASE: ITRN), and Saifun Semiconductors Ltd. (Nasdaq: SFUN) have already held IPOs in 2005.

Yeda files 53 patents

Yeda Research and Development Foundation, the commercialization arm of the Weizmann Institute of Science, Rehovot, Israel, has had a good year. “In the period of July 2004 to June 2005, Yeda filed 53 patents, signed 26 licensing agreements and established three start-up/incubator companies.

Weizmann Institute is best place to work in academia 2005

The Scientist magazine, in a recent issue, announced the winners of its third annual Best Places to Work in Academia survey. Topping the list in the 2005 survey of US Institutions is Clemson University, located in Clemson, South Carolina. Internationally, Israel’s Weizmann Institute of Science earned top honors, followed by the University of Toronto, and the University of Alberta. Twenty of this year’s top 30 institutions have previously ranked in The Scientist’s Best Places to Work survey series; however, neither of the No.1-ranked institutions-Clemson University and the Weizmann Institute of Science-placed in the top 15 before this year. The more than 2,600 academics who responded to this year’s survey rated relationships with their peers, a sense of accomplishment in their work, and access to research resources as the ingredients that make for a great workplace.

Retalix posts record net and revenues

Retalix Ltd. (Nasdaq: RTLX) a provider of integrated enterprise-wide software solutions for the food and consumer goods retail and distribution industries worldwide, announced record quarterly operating results for the third quarter ended September 30, 2005.

Revenues for the quarter were $52.5 million, an increase of 54.9% from $33.9 million in the third quarter of 2004. The company reported net income for the quarter of $4.7 million, or $0.24 per diluted share, compared to net income of $1.8 million, or $0.10 per diluted share, in the third quarter of 2004, and $4.0 million, or $0.20 per diluted share in the second quarter of 2005.

For the full year 2005, Retalix reaffirms its updated guidance for revenues to exceed $190 million. The company also expects that net income for 2005 will exceed $15.5 million.

NICE posts record quarter

NICE Systems (NASDAQ:NICE), a provider of advanced solutions that enable organizations to extract Insight from Interactions, announced record results for the third quarter ending September 30, 2005.

Third quarter 2005 revenue was at a company record high of $82.7 million and represents a 30% increase over $63.5 million in the same quarter of 2004.

Pro-forma net income was $9.0 million or $0.43 per fully diluted share in the third quarter of 2005, up from $5.4 million or $0.29 per fully diluted share in the same quarter of 2004.

Saifun soaring 40% at Nasdaq debut

Saifun Technologies (Nasdaq: SFUN) stock is soaring 40% on its Nasdaq debut, to $33 per share. Turnover in the stock was respectable at 1.4 million shares.

The semiconductors company’s share priced at $23.50 per share on Tuesday, well above the forecast range of $20.50 to $22.50. The company, which Boaz Eitan founded nine years before, raised $118 million in an offering that was heavily oversubscribed.

Saifun sold 5 million shares. Sources near the offering said it had been a “hot” one, as could have been expected from the warm responses to its road show. Wall Street liked the company’s management, its technology and the way it presented both, the sources said. Eitan himself was highly impressive and the business model played well in New York.

The underwriters have a green-shoe option to sell an additional 750,000 shares, which should bring the company another $17.5 million.

The Netanya, Israel-based designer of computer memory chips will be using the proceeds to fund research and development, according to a filing with the U.S. Securities and Exchange Commission.

Saifun’s shareholders, led by Boaz Eitan, did not sell

any shares at the offering. But they have become millionaires on paper. Eitan owned 11.5 million shares, or 51% of the company's share capital pre-offering, worth about $270 million at the IPO price.

Other shareholders in Saifun are IDB (TASE: IDBH) group company Clal Industries and Investments (TASE: CII). It owns 2.8 million shares worth $66 million. .

Intel to start producing Israeli-designed chip

The Intel Corporation is set to start production of its Israeli developed chip, the 65 nanometer (one billionth of a meter) multi-core microprocessor, which the company says will revolutionize the capabilities of computers. Speaking last week, Intel vice president and general manager of its mobility group David Perlmutter said that production of the 65-nm. processor would start this quarter. The first wave of products using the new technology would go to market in the second quarter of next year. The 65-nm. Processor is an upgrade from the 90nm dual-core processor and would enable computers to carry out more than one task at the same time with greater efficiency and speed.

Given Imaging reports Q3 results

Given Imaging Ltd. (NASDAQ: GIVN) announced third quarter results for the period ended September 30, 2005.

Sales of the Given® Diagnostic System and Given® PillCam video capsules reached $19.8 million in the third quarter of 2005, a 36% increase over sales of $14.6 million in the third quarter of 2004. Operating income in the third quarter of 2005 was $1.2 million, compared to an operating loss of $256,000 in the same period in 2004. The company recorded a net profit for the quarter of $1.94 million, or $0.07 per share on a diluted basis, compared to a net profit of $114,000 in the third quarter of 2004.

ClickFox opens new facility in Israel

ClickFox, a provider of Customer Behavior Intelligence software that models and analyzes customers' step-by-step actions in self-service environments, has opened a research center in Kfar Saba, Israel.

"We are very excited that our recent growth has enabled us to expand our operations to take advantage of the excellent technology talent pool in Israel," said Tal Cohen, president and co-founder of ClickFox.

ClickFox timed the opening of its Israeli facility with Cohen's participation in the Georgia Technology and Trade Mission to Israel, in November, led by Governor Sonny Perdue, coordinated with the American-Israeli Chamber of Commerce, Southeast Region.

"ClickFox is an Israeli-Georgia success story. This home grown technology company has seen extensive growth, and I am pleased that it will expand into Israel, further strengthening Georgia's business community roots in the region," said Georgia Governor Sonny Perdue.

"From ClickFox's inception, our organization has been instrumental in their success by providing introductions to key Israeli investment firms. We look forward to the Chamber's continued facilitation of profitable Israel-Georgia business relationships," said Tom Glaser, President of the American-Israel Chamber of Commerce, Southeast region.

Amiad Filtration plans London IPO

Israel's Amiad Filtration Systems reported that it intends to go public on London's AIM by the end of the year.

The company is a producer and global supplier of water filters and filtration systems for the industrial, municipal and irrigation markets.

A spokesman said Amiad was seeking to raise about

8 million pounds, which would bring its valuation to above 30 million pounds.

Amiad said in a statement that it generated revenues of $37 million (21 million pounds) in 2004 and posted a pro forma after-tax profit of $3 million. The company noted that it sells its products to 60 countries across the Americas, Africa, Europe, Asia and Australia. More than 85 percent of sales are outside Israel.

"The directors believe Amiad is well placed to benefit from the rising demand for cleaner water due to greater water quality regulation, ever growing population and continued industrialisation," the company said.

It added that a public listing will enable the development of sales and increase marketing capabilities with a focus on high-growth areas such as China, India, Mexico, Africa and Eastern Europe. It will allow the company to target new high growth markets like ballast water, pre-filtration and oil and gas sectors.

Amiad would join a growing number of small Israeli companies in opting to go public on London's AIM.

Fourth largest police department in U.S. adopts NICE

NICE Systems (NASDAQ: NICE), the provider of advanced solutions that enable organizations to extract Insight from Interactions announced that the Philadelphia Police Department, the fourth largest metropolitan police agency in the United States, has selected NICE to capture and analyze its emergency communications. The implementation of the NICE solution is part of a complete upgrade of the Philadelphia Police Department's center, the main Public Safety Answering Point, for the City of Philadelphia. IHTIR has featured NICE Systems as one of its favorites.

AudioCodes reports Q3 2005 with sales and profits higher

AudioCodes (Nasdaq: AUDC), a provider of Voice over Packet (VoP) technologies and Voice Network products, also a favorite of IHTIR, announced that revenues for the quarter ended September 30, 2005 were $29.7 million compared to $28.5 million for the quarter ended June 30, 2005 and $23.1 million for the quarter ended September 30, 2004. Net income for the third quarter of 2005 was $3.5 million, or $0.08 per diluted share, compared to net income of $1.6 million, or $0.04 per diluted share, for the corresponding period last year.

Revenues for the nine months ended September 30, 2005 increased 48% to $85.2 million, up from $57.5 million for the first nine months of 2004. Net income for the nine months ended September 30, 2005 increased to $9.5 million, or $0.22 per diluted share, from $2.4 million, or $0.06 per diluted share, for the first nine months of 2004.

CheckPoint reports better results

Internet security software maker Check Point Software Technologies Inc. posted an 18 percent increase in quarterly profit on Friday, boosted by higher sales of network security products.

Third-quarter net income reached $78.7 million, or 31 cents a share, versus $66.8 million, or 26 cents, a year earlier.

Excluding charges, the profit amounted to 32 cents. Analysts on average expected Check Point to report 31 cents a share, according to Reuters Estimates.

Revenue increased 9 percent to $141.1 million.

The US Department of Homeland Security has certified a mass evacuation system designed for skyscrapers, granting the makers indemnity from most lawsuits.

Escape Rescue System for evacuating high rise buildings wins approval

The Escape Rescue System is a building-wide solution for safe, external evacuation of building tenants and quick transporting of rescue personnel to elevated floors. The building-wide system is composed of (at least) two devices; each is an array of five collapsible cabins. The system is permanently stored on the roof in a folded position.

Upon deployment, each array is lowered to the ground. It then unfolds, enabling emergency responders to board the cabins. It travels upwards until it stops opposite five elevated floors simultaneously, enabling 300 occupants to enter through specially configured exit windows (150 people from 5 floors into each array). Each array is then lowered to the ground and tenants

exit as it refolds. The system repeats this cycle, transporting responders up and into the building and evacuating tenants as required.
Each array includes the rooftop devices - storing and deploying mechanism, drive system, cabin array, independent power source; command and control mechanisms; (re) configured windows on each floor, as emergency exits (and boarding ramps); and wind stabilization mechanism.
Two arrays on a building are able to evacuate some 2,000 people per hour, the company says.

The department has the authority under the SAFETY Act to designate a technology or service as a "Qualified Anti-Terrorism Technology".

The SAFETY Act defines anti-terrorism technology very broadly as any product, equipment, service or device, "designed, developed, modified or procured for the specific purpose of preventing, detecting, identifying or deterring acts of terrorism or limiting the harm such acts might otherwise cause".

To be certified, products must work as intended, and be as safe as possible.
Under the act, suits against qualified technologies arising out of terrorist acts cannot be brought in state courts, where some critics of tort law argue that judges and juries are too favorable to plaintiffs and too generous with awards.
Instead anyone wanting to sue the makers or sellers of such products would have to use the federal courts.
In addition, the act eliminates punitive damages - designed to punish guilty defendants - from such cases and expands the so-called "government contractor defense" to anyone making or selling anti-terror equipment, even if their customers are all in the private sector.

Gates, Sharon launch National Plan to provide computer skills for 250,000 youths

Microsoft Chairman Bill Gates met with Prime Minister Ariel Sharon on a recent visit to Israel. The two announced the launch of a national plan to provide computer skills for 250,000 poor Israeli youths in a bid to "lessen the digital gap."
"I see great importance in the fact that Microsoft, a leader in its field, invests in Israel," Sharon told Gates. "Israel is a powerful country with regards to technology and computers, something which is pinned in the Jewish history of this small nation," Sharon said.

Gates signed a cooperation agreement between Microsoft and the Chief Scientist at the Ministry of Science and Technology. Under the agreement, funds provided by the giant software provider will be allocated to start-up companies, who will receive assistance in developing new ideas, manufacturing new products and eventually launching them on the international markets.

Among other things Israeli start-ups will receive special technological advice on Microsoft products as well as early exposure to new products.

The car that makes its own fuel

Engineuity, an Israeli company, is developing an innovative system intended to produce hydrogen inside a car using common metals such as magnesium and aluminum. The system aims to overcome the obstacles associated with the manufacturing, transporting and storing of hydrogen for use in cars. The expectations are that the system will be incorporated into cars that will cost about the same as existing ones, and will be emission free.
Amnon Yogev, one of the founders of Engineuity, and a retired Professor of the Weizmann Institute, suggested a method for producing a continuous flow of hydrogen and steam under full pressure inside a car.

The hydrogen car that Engineuity is working on will use metals such as magnesium or aluminum, which will come in the form of a long coil. A device called a metal-steam combustor that will separate hydrogen out of heated water will replace the gas tank in conventional vehicles. The tip of the metal coil is inserted into the metal-steam combustor together with water where it will be heated to very high temperatures. The metal atoms will bond to the oxygen from the water, creating metal oxide. As a result, the hydrogen molecules are free, and will be sent into the engine alongside the steam.

Refuelling the car based on this technology will also

be simple. The vehicle will contain a mechanism for rolling the metal wire into a coil during the process of fuelling and the spent metal oxide, which was produced in the previous phase, will be collected from the car by vacuum suction.

Beside the planned advantages of the system, such as the inexpensive and abundant fuel, the production of hydrogen on-the-go and the zero emission engine, the system is to be more efficient than other hydrogen solutions as a result of the improved usage of heat inside the system that brings that overall performance level of the vehicle to that of a conventional car.
A car based on Engineuity's system is claimed to be able to travel about the same distance between refuelling as an equivalent conventional car. An appealing aspect of the system is its running cost. According to Yogev, the overall running cost of the system should be equal to that of conventional cars today.

Identify negotiating $150m acquisition by BMC Software.

BMC has been interested in Identify for a long time. BMC tried to invest in Identify's most recent financing round in early 2004, but the round was closed.
Sources close to Identify said that the talks with BMC were taking place simultaneously with consideration of a possible IPO on Nasdaq over the next eighteen months and extension of Identify's strategic agreements with larger companies, including Microsoft (Nasdaq: MSFT). The sources added that, at this stage, negotiations had not achieved an agreement that could be implemented in the near future.

A group of former Mercury Interactive Corporation (Nasdaq: MERQE) employees founded Identify in 1996. The company develops optimization solutions for support processes in enterprise applications.
Identify's Black Box Application Flight Recorder technology makes it possible to monitor activity by users of a company's software, thereby keeping track of malfunctions and problems.

Prayer, reading and writing delay Alzheimer's

Prayer, gardening, reading and writing are activities that delay the development of Alzheimer's disease. These are some of the findings of a comprehensive research project carried out at the Technion, Israel's Institute of Technology in cooperation with researchers from Boston and Case Western Reserve University in Cleveland, and with the support of the US National Institute of Health (NIH).
The research recently was presented at a special international conference held in Istanbul with the participation of neurologists from Israel, Turkey, Iran, Iraq, Syria, the Arab Emirates, Lebanon, India and Qatar.
Alzheimer's disease is a degenerative brain disease that is accompanied by loss of memory, poor judgment, language difficulties and a decline in spatial awareness. The disease generally develops after the age of 60, but can also develop at much younger ages.
The research checked 600 persons over the age of 65 living in the central region of Israel.
"The connection between leisure time activities and damage to brain capabilities has already been explored in a number of research projects," explains Dr. Riva Inzelberg of Technion's Rappaport Faculty of Medicine and the Hillel Yaffe Medical Center in Hadera. "It is known that active intellectual activities can delay the development of Alzheimer's. We, in our present research, also checked the influence of more passive activities like watching TV and other leisure time activities for ages 20 to 60."
From the research it arises that active intellectual activities, such as reading, writing and even prayer, can prevent development of the disease while watching TV, which is a completely intellectually passive activity, can "encourage" its development.

Turkey to apply Israeli technology in fight against fuel fraud

Global Fluids International won a €30 million Turkish government tender for marking all the fuel in Turkey.

The Energy Market Regulatory Authority (EMRA), which regulates fuel in Turkey, has chosen Israeli technology for combating fuel fraud. Global Fluids International SA (GFI) won a €30 million Turkish government tender for marking all the fuel in Turkey.
GFI has an exclusive franchise to market technology developed by ISORAD Ltd. for detecting fraud in fuel products. ISORAD is the commercial arm of Israel's SOREQ Nuclear Research Center.

GFI invested $6 million in development of the technology. ISORAD will received 6% royalties, and

has an option to buy shares in GFI.

Wrist Video used by Israel's army

A new communications technology that delivers video to a receiver one-fifth normal size allows Israeli troops to see what may be just over the hill or around the next corner.

The V-Rambo system, which was recently presented in Tel Aviv, is a three-inch, wristwatch-sized LCD screen that enables ground troops and pilots to view real-time video images taken by Unmanned Combat Air Vehicles.
Itzhak Beni, CEO of Elisra Group's Tadiran Electronic Systems and Tadiran Spectralink Ltd., who makes the product, says V-Rambo gives soldiers an aerial view of combat areas, which is particularly important in a dense urban landscape where military forces may not have a clear line of sight in combat zones.

V-Rambo shortens the amount of time it takes to identify and strike a target. "Before it was minutes, 10 to 12 minutes. Now it's a matter of seconds," Beni said. "

The Israelis, like military forces from other countries, have been collecting video from unmanned vehicles for two decades -- but that information was sent to one central location where it was displayed on larger receivers before it could be disseminated to ground troops or pilots who could then use that data.

Until recently, it was not feasible to send information directly to the individual soldiers or units because the technology needed wasn't rugged enough for military use, and was too costly. Also, there was a risk that by sending disparate feeds collected by different reconnaissance vehicles directly to the troops, soldiers in harm's way would be saddled with information overload
Now the technology is affordable, about $50,000 for a full system that would include a receiver, transmitter and battery
Being able to marry aerial surveillance to technology which can convey pictures and global positioning location to the front lines directly significantly improves an army's chances for success.

"Instead of coordinating by voice with a central command, soldiers can see behind the hill and around the corner," says Beni.
Reducing the size of the receiver -- and ultimately the transmitter -- down to the size of a wristwatch was the major challenge in developing the technology, says Beni.
Now, the receiver, rechargeable battery and flexible antenna that actually receive the images over digital radio bands weighs two pounds and can be carried in a jacket pouch or vest pocket -- an important component for soldiers toting heavy weapons.

Beni says the company hopes to reduce the combined weight to about 1.5 pounds in the near future, making them even easier for troops to handle.

Although they have kept their use of this portable communications system under wraps, the video receivers have been used by Israeli attack helicopter pilots for nearly a year and ground troops on foot and in tanks started using them more recently.

Yissum names new chief

Ms. Nava Swersky Sofer has been appointed the new chief executive officer of Yissum, the technology transfer company of the Hebrew University of Jerusalem. Swersky Sofer is a seasoned venture capitalist who has managed funds in both Israel and the United States.

Ten years ago she left Ciba-Geigy, where she was a member of senior management at the company's headquarters in Switzerland and in the U.S. She serves on the boards of many companies, primarily in the biomedical field, and has actively led the successful development of start-up companies in this field.

Yissum had revenues of $37 million in 2004, placing it seventh worldwide among university research technology transfer companies.

Airport lie detectors

Nemesysco, an Israeli company has developed technology that allows it to detect how a person feels by analyzing his voice. The same technology can also be used to tell whether somebody is lying and maybe eventually replace the existing polygraph technology.

Being able to tell whether somebody is lying is more

critical then ever for. Identifying terrorists, catching criminals and even knowing the intentions of business partners. These are various areas that can benefit from a new lie detection technology developed in Israel.
Until recently the only technology able to detect whether somebody was lying was Polygraph. Although Attempts to correlate blood pressure and respiration rate with lying had been made since the late 19th century the first practical polygraph was made by John A. Larson, medical student at the University of California in, 1921. Since then the "lie detector" as it was called, came under tremendous amount of criticism and although used rather extensively by the police, government agencies and commercial companies it didn't get to serve as evidence in court.
All this might change due to a new algorithm developed by Amir Liberman who founded "Nemesysco" in August 2000. Nemesysco focuses on developing voice analysis technology that could replace the untrustworthy polygraph. By analyzing many different voice parameters, the system can give information about the person being recorded including his "state of mind" - excited, confused, stressed, aroused, embarrassed, as well as the basic truth/lie indicator.
The company has already developed a wide variety of products based on this technology.
The company's system are already installed in airports, banks in Russia and Britain.

Government to invest $30m. in biotechnology research at BGU

Vice Prime Minister, Minister of Finance and Minister of Industry, Trade and Labor Ehud Olmert announced the Israeli government's commitment to provide $30 million towards a $90 million research fund for the National Institute for Biotechnology in the Negev (NIBN) at Ben-Gurion University of the Negev. The Government decision is part of a comprehensive $3.6 billion, 10-year comprehensive plan to bring development to the Negev region

The NIBN is the brainchild of Swiss banker Edgar de Picciotto, who has provided the incentive, financial support and vision to found the innovative scientific research institute. On Sunday, November 20, 2005, de Picciotto declared his intention to continue investing in the Institute's second stage of growth. Together with the government, the University and competitive funding from outside sources, the NIBN will have the resources to take a leading role in biotechnology research in Israel and the world.Located in the heart of the Negev desert, the NIBN – under the leadership of its Director, Prof. Irun Cohen – has been structured to maximize its scientific and technological potential, while benefiting from the support of internationally-recognized scientists and industrialists. The Institute was established to create a more effective academic platform for the emergence of a successful applied biotechnology industry in the Negev in particular and in Israel in general. Focused on very specific research goals, the NIBN includes an extensive system of peer review and critique to ensure standards of academic excellence and commercial viability.

The Government decision follows a proclamation of Prime Minister Ariel Sharon in 2001 to create the NIBN and announcement made in 2005 by then Vice Prime Minister and Minister of Industry, Trade and Labor Ehud Olmert to create the fund. "While in the past, the Negev was Israel's backyard for traditional industry, the Negev of the future will be Israel's showcase for cutting-edge technology," he declared at the University's Board of Governors meeting last June. He passed the initiative today in his capacity as Minister of Finance and reiterated that the country is united in that it sees the "primary priority of the Negev."

"The University applauds the Government's decision to invest in excellence," said University President Prof. Avishay Braverman. "BGU is proud to lead the technological revolution in the region." He also lauded Edgar de Picciotto for his unwavering dedication to initiating and advancing biotechnology research.

The International Advisory Board includes leading global businessmen and international luminaries in the field of biotechnology such as Nobel laureates Prof. Sir Aaron Klug of Cambridge University and Prof. Aaron Ciechanover of the Technion; Prof. Raymond Dwek of the University of Oxford and Prof. Philip Needleman of the Washington University Medical School, and is supported by Nobel laureate Prof. Baruch Blumberg of the Fox-Chase Cancer Center; President of Scripps Research Institute Dr. Richard Lerner; and President Emeritus of Memorial Sloan-Kettering Cancer Center Dr. Paul Marks.

Prof. Avishai Braverman leaves BGU for politics

During Prof. Avishai Braverman's tenure as President of Ben-Gurion University the University became a top level academic institution. The Board of Directors

includes two Nobel Prize winners and leading international businessmen. Under Braverman's leadership the University's infrastructure was rebuilt and the school began to attract first rate teachers.

Prof. Braverman recently announced his intention to leave the University and to enter politics with Israel's Labor Party. Political analysts have suggested that should the Labor Party form the next Government Prof. Braverman will be named Finance Minister. Prior to assuming the post at BGU Prof. Braverman served at the World Bank for nearly a decade.

Vigilant Technology to float to Aim

An Israeli company which has developed a CCTV system which can alert its operator when a rucksack is left unattended in a train station, is to float shortly on the junior Aim market.
Vigilant Technology, which will be valued at up to $33m (£19m) when it lists, is hoping to exploit a market which is rapidly expanding on the back of fears of terrorist attack.
Its technology is already used by several UK customers, including Hackney Council in London.

The software in Vigilant's systems can be tweaked to identify particular threats, such as discarded luggage in crowded public areas or vehicles approaching a parked aircraft. It can then highlight the potential threat to an operator who might be monitoring dozens of screens at once.
The technology can also count the number of people coming in and out of a building and also respond to unusual noises, such as a gun shot.

Shore Capital is advising Vigilant and pre-marketing ahead of the listing will begin tomorrow.

Moshit Yaffe-Blushinsky, the chief executive of Vigilant and a former officer in the Israeli navy, said: "The market in the UK is very developed. We see a big opportunity here."

InSightec Partners With American College of Radiology

InSightec Ltd. announced that it is partnering with the American College of Radiology Imaging Network (ACRIN) to enroll patients in a Phase II study assessing how effectively the ExAblate(R) 2000 technology can ablate, or destroy, cancerous breast tumors.
If effective, this outpatient procedure could become a potential non-invasive treatment alternative to lumpectomies or surgical removal of breast tumors and the surrounding area of normal tissue.
The ExAblate 2000 combines magnetic resonance imaging (MRI) with highly-focused ultrasound to non-invasively thermally ablate (destroy) tumors in the body. Currently, the technology is used to treat uterine fibroids.

Israel's Technology to Modernize Nepal's Farms

Israel's experience, technology and cooperation are very important for the modernization and commercialization of Nepal's traditional farming system, stated the president of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

"Israeli technology is very important for developing and expanding farming of fruits and medical plants, developing solar energy and developing human resources as per need of the agriculture and industry sector of Nepal," said Chandi Raj Dhakal, president of FNCCI, the largest non-governmental federal organization of Nepal.
Efforts are needed to make through economic diplomacy in order to increase trade between the two countries and attract Israeli investment and tourists to Nepal, Dhakal said at a meeting of FNCCI office-bearers and Israeli Ambassador to Nepal Dan Stav.

Highest Number of Engineers

The Ministry of Industry and Trade recently conducted a "State intellectual capital balance" survey in order to examine Israel's global ranking among developed countries. The study reveals that the number of engineers in Israel is the highest in the world: 135 engineers for every 10,000 workers. The United States is ranked second with only 70 engineers, followed by Japan (65), Holland (53) and Switzerland (38). Israel is also ranked first in the world in the number of scientists and technicians, with 140 for every 10,000 workers. The U.S. is way behind with 83 scientists and technicians, followed by Japan (80), Germany (60) and Switzerland (55).

Rafael Unveils SkyLite B Mini-UAV

RAFAEL Armament Development Authority Ltd recently conducted a demonstration of its new tactical mini-UAV, SkyLite B, for the Israel Defense Forces (IDF.

The new UAV is part of the SkyLite family of mini-UAVs that gather intelligence for field and Special Forces using an electro-optic sensor. This family includes the SkyLite A, a canister-launched mini-UAV, and the SkyLite B mini-UAV, which is man-portable and enables long periods of reconnaissance and surveillance. Both mini-UAVs utilize an electro-optic payload that is stabilized and outfitted with gimbals.

The SkyLite B is mainly intended for use by infantry forces deployed up to battalion level and is capable of staying aloft for more than one-and-a-half hours and handles weather changes well.

A major innovation of the new mini-UAV is its immediate reusability, which is enabled by landing the vehicle with a parachute and air bag and launching it using a catapult. In addition, the SkyLite B is characterized by simple operation of advanced command modes from a ground station.

The SkyLite B system was especially designed to provide a solution for gathering intelligence in a variety of complex mission scenarios such as continuous tracking of a static target, surveillance of a crowded urban area, scanning an axis, accompanying a combat force, tracking personnel and vehicles, as well as directing a combat force to its target.

During the demonstration, the IDF was shown the new mini-UAV's capabilities to provide real-time quality intelligence to a deployed infantry unit, and its potential to deal with various mission scenarios, such as on-going urban security, as well as scenarios occurring in traditional warfare situations. This was achieved within the required data flow, accuracy and picture quality ranges. The demonstration was carried out in harsh weather conditions consisting of rain and strong winds.

Israel's per capita GDP in 2006 - $18,680

Israel's GDP will reach $132 billion in 2006, GDP per capital of $18,680, an all-time peak, states "The Economist" in its "The World in 2006" annual global survey, published this week. This represents substantial improvement, above all forecasts, both in Israel's international financial standing, and in the standard of living of Israel's citizens, compared with 2003.

"The World in 2006" states that Israel's GDP per capita will rise by a cumulative 19.2%, or $3,000, between 2003 and 2006, from $15,600 at the beginning of 2003. Israel's GDP is projected to rise by 25.7%, in 2003-06, up $27 billion from $105 billion at the beginning of 2003.

"The World in 2006" predicts that Israel will achieve 4.1% growth in 2006, and that inflation will be 2.1%, in the middle of the government's inflation target range. This is an improvement on the 2.8-3.2% inflation forecast for 2005

Compared with India and China, which are projected to achieve 7% and 8% growth, respectively, the projected growth rate for Israel is low. However, Israel's projected growth rate is higher than that projected for most countries in the world, especially the US, Japan, and European countries. "The World in 2006" predicts projects 2.9% growth for the US, France - 1.7%; Germany and the UK - 1.6%, and Japan - 1.3%. Ireland is projected to achieve 4.7% growth.

An analysis of the figures indicates that "The World in 2006" used a conservative growth estimate for Israel. Unofficial growth estimates in Israel, including those by government ministries, range between 4.5% and 5%.