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**NEWSLETTER**

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This newsletter is brought to you by **Invest in Israel**, the investment promotion center of the Ministry of Industry, Trade and Labor.

**Invest in Israel** works closely with potential and current investors before, during and after investment, and serves as a resource for investment related information about Israel.

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#### **GERMAN GIANT SIEMENS BUYS SOLEL FOR \$418 MLN**

*"Siemens and Solel are a perfect match. Solel enriches Siemens' capacities... Israeli companies are very successful, backed by years of experience, development and production of field equipment for the creation of solar energy," - Peter Loescher, president and chief executive of Siemens.*

German industrial conglomerate Siemens is buying Israel's Solel Solar Systems Ltd. for about \$418 million so as to expand its business with solar thermal power plants.

It is Siemens second solar power acquisition in Israel. Two months ago Siemens bought 40% of Arava Power for \$15 million.

Solel's products optimally complete Siemens' current offering. With the acquisition of Solel, Siemens significantly expands its access to the product technology necessary for the establishment of solar thermal power plants, enabling it to offer about 70% of the components to its clients

"In the future, we'll be able to offer the key components for the construction of parabolic trough power plants from a single source and to further enhance the efficiency of these plants," Siemens' Renewable Energy division head Rene Umlauf said.

Unlike photovoltaic solar panels, which use the sunlight to create electricity, solar thermal power plants use the sun to heat water which then creates the steam required to power a turbine generator which produces electricity to the grid.

Solel is one of the world's two leading suppliers of solar receivers, - key components of parabolic trough power plants. The company has been active in Spain since 2006, supplying key components for 15 solar thermal power plants with a combined capacity of 750 megawatts. The firm is also active in the US.

#### **ISRAELI SCIENTIST WINS THE NOBEL PRIZE IN CHEMISTRY**

Israeli scientist Ada Yonath was awarded this year's Nobel Prize in chemistry for her groundbreaking work in understanding how cells build proteins. She is only the fourth woman to win the Nobel chemistry prize, and the first since 1964. Yonath is the 9<sup>th</sup> Israeli to receive a Nobel prize.

Yonath, who is head researcher in the field of structural biology and biochemistry at the Weizmann Institute of Science in Rehovot, shares her prize with UK scientist Venkatraman Ramakrishnan and American Thomas A. Steitz.

Yonath, who pioneered research of ribosome crystallography over a 25-year period, has revealed the modes of action of over 20 different antibiotics that target bacterial ribosomes, thereby identifying how bacteria become resistant to antibiotics.

"These models are now used by scientists in order to develop new

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antibiotics, directly assisting the saving of lives and decreasing humanity's suffering," the Nobel committee said.

Yonath has won many prizes for her work including the Israel Prize in chemistry, the Wolf Prize in chemistry, and the L'Oreal and UNESCO Life's Work Prize for women in science. She was also the first Israeli biologist to work with NASA, sending research material to outer space and contributing her expertise on 12 NASA missions.

In 2005, Israeli mathematician, Yisrael Robert Aumann received the Nobel Prize for economics for his work on conflict and cooperation through game-theory analysis

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**IMF SEES ISRAELI GROWTH LEADING THE WORLD IN 2009, 2010**

***Only five other developed economies are forecasted to do better***

The IMF in its World Economic Outlook Update said it expected Israel's gross domestic product to contract by only 0.1% in 2009, and grow by 2.4% in 2010.

Compared with other developed economies, the IMF's forecast for Israel's GDP in 2009 is better than its forecasts for all other developed economies, including the US (-2.7%); the Euro Bloc (-4.2%); Germany (-5.3%); Japan (-5.4%); South Korea (-1%), and Singapore (-3.3%).

For developed economies as a whole, the IMF predicts an overall contraction of 3.4% in 2009.

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**CHIP DEVELOPER SIGMA DESIGNS BUYS COPPERGATE FOR \$160 MLN**

*"Our acquisition of CopperGate's leading home and MDU solutions further strengthens our opportunities in this market ... CopperGate has proven itself a leader in the IPTV market," - Sigma's CEO Thinh Tran*

IPTV chip developer Sigma Designs Inc., of Milpitas, California, is buying Israeli software maker CopperGate Communications Ltd. for \$160 million in cash and stock. The purchase signals the intent of the semiconductor maker to strengthen its presence in the networked home-entertainment market.

CopperGate's systems allow broadband digital content to be distributed over coaxial, phone and power cables in the home. Sigma makes chips for television set-top boxes and Blu-ray DVD players.

The combination of Sigma and CopperGate is expected to yield several potential synergies including synergies from leveraging manufacturing know-how and combined wafer sourcing, further SoC integration and combined research and development.

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**MENTOR GRAPHICS ACQUIRES ISRAEL'S VALOR**

Mentor Graphics Corporation signed a definitive merger agreement acquiring Israel's Valor Computerized Systems Ltd. for \$82 million. Valor is a leading global provider of productivity improvement software solutions for the printed circuit board, or PCB, manufacturing supply chain. Valor's solutions target three key segments in the PCB manufacturing market: design of the physical layout of the PCB, fabrication of the bare PCB, and assembly of PCB components.

Established in 1981, Mentor Graphics Corporation of Wilsonville, Oregon, is a world leader in electronic hardware and software design solutions, providing products, consulting services and support for electronics and semiconductor companies.

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### **ISRAEL SIGNS R&D COOPERATION AGREEMENT WITH NEW YORK STATE**

Minister of Industry, Trade and Labor Binyamin Ben-Eliezer and New York Governor David Paterson signed a memorandum governing an industrial R&D cooperation agreement between Israel and New York State.

The agreement, which is the first of its kind ever made by New York State, sets up a financing mechanism for joint R&D projects between Israeli and New York companies, thereby establishing an incentive for partnerships.

Objectives of the agreement include the strengthening of knowledge and technology ties between Israel and New York State, the broadening of bilateral commercial relations, and help for ventures to obtain financing.

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### **UN ACKNOWLEDGES ISRAEL AS INTERNATIONAL PATENT CENTER**

*Patent applications recognized in Israel will be accepted internationally as well*

The World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, has recently recognized Israel as an international center for the search and testing of patents. Israel will be added to the list of 15 leading countries in this field.

The decision, which constitutes an international recognition of Israel's abilities in the field of technology, will help promote important international projects, allow groups outside of Israel to apply for patent testing in Israel and, upon approval, receive international recognition for the patents.

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### **CHIESI GROUP SUPPORTS COMMERCIALIZATION OF HTL PRODUCT FOR PRETERM NEWBORNS**

European pharmaceutical company Chiesi Group is supporting Israeli lipid molecule developer High Tech Lipids (HTL) to help commercialize an innovative lipid emulsion HTL developed for preterm newborns.

"We are confident that, once fully developed and registered, this innovative lipid emulsion will significantly contribute to the improvement of clinical nutrition of preterm newborns," said Dr. Paolo Chiesi, Chiesi Group Vice President and R&D Director.

The new lipid molecule is an advanced solution to the problem of intravenous lipid infusions as it prevents severe side effects and meets all of the premature infant's nutritional needs.

HTL was founded in 2004 by experts in biotechnology research and clinical nutrition. The Company operates within the framework of the Misgav Venture Accelerator technology incubator and has received funding from the Office of the Chief Scientist of the Israeli Ministry of Industry, Trade and Labor, the Trendlines Israel Fund and private investors.

The Chiesi Group was founded in Parma, Italy in 1935 and is a research-focused international company developing innovative pharmaceutical solutions.

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#### **CANCER TREATMENT FIRM NOVOCURE SECURES INVESTMENTS FROM PFIZER AND JOHNSON & JOHNSON**

NovoCure, Ltd., an Israeli medical device company focused on non-invasive cancer treatment, recently received financial funding from Pfizer Inc, Johnson & Johnson Development Corporation and Index Ventures.

Pfizer previously made a direct investment in Quark Pharmaceuticals Inc., and also established several joint ventures with Israeli diagnostic companies.

Johnson & Johnson Development Corporation has already invested in several Israeli medical devices start-ups, including Mazor Surgical Technologies Ltd., Medigus Ltd., Aposense Ltd., BrainsGate Ltd., and Omrix Biopharmaceuticals Inc., which it acquired last year at a value of \$465 million.

NovoCure will use the proceeds to finance the continuation of the trial of its Novo-TTF device, a non-invasive portable medical device for the treatment of cancer. The device is being tested as a treatment for a type of brain cancer.

The Novo-TTF device is a unique cancer treatment that uses specially tuned, low intensity electrical fields (Tumor Treating Fields or TTFs) to disrupt cell division. Rapidly dividing cancerous cells are affected by the TTFs while healthy, non-dividing cells are not affected, yielding a targeted treatment with minimal side effects.

"The NovoCure TTF therapy is a completely novel approach to fighting cancer," said Bill Burkoth, Director of Pfizer Ventures. "Pilot clinical trials suggest that TTF therapy plus chemotherapy has the potential to significantly improve patient survival."

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#### **DEUTSCHE TELECOM CEO SAYS INTENDS TO INCREASE R&D INVESTMENT IN ISRAEL**

*"As opposed to others who ask what Israel can do for them, I ask what we can do in order to better exploit Israel's innovative and technological potential. How could we make faster use of the technological innovations here so as to mutually profit. We would like to contribute more to Israeli start-ups as we are very satisfied with the level of innovation here" Obermann said.*

Deutsche Telekom Chief Executive René Obermann said his company planned to expand its R&D center in Israel and increase its investment in Israeli companies. Deutsche's Israeli R&D center is its second largest R&D center in the world.

"We are interested in expanding our R&D center at Ben Gurion University. We intend to double our R&D fund in Israel – the results here are very encouraging," said Obermann. "In addition we have three projects with young technology start-ups. We are delighted with the projects that come out of Israel and are seeking innovation in the fields of network security and IPTV technology," said Obermann.

Deutsche will increase its R&D staff to at least 150 employees and relocate to the new high-tech park being build in Beer Sheva. Many companies are expected to follow suit driven by among others a new framework through which the government now also provides employment grants for foreign-owned R&D centers and large enterprises established in the Galilee and Negev.

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### THREE ISRAELI ARTISTS LISTED AMONG WORLD'S TOP 100

Three Israeli artists working internationally were included in Flash Art magazine's list of the "Top 100 Emerging Artists" in the world. Keren Cytter, a visual artist who works in Berlin, is ranked number 2, while Elad Lassry, who works primarily in film and photography in Los Angeles, shares the sixth position with a Georgian artist. Ohad Meromi, an Israeli who resides in New York, is ranked at 89. The October issue of the magazine also includes extensive coverage of Israeli art, and features works by Israeli artists commissioned exclusively for the magazine. According to the magazine's critics, Cytter's narratives, although extremely fragmented, have a tendency to embody the post-modern self-awareness of the characters in her films, which have been shown in museums and galleries around Europe. The photographs, films, and collages of Elad Lassry are warm and direct, generic, clean, and above all open to interpretation. The list was compiled from answers to a questionnaire sent to over 100 museum directors, curators and critics.

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