



## Dear Member,

Mercy time is over – It's been six months since I entered my current position as IATI's CEO – the new manager of an umbrella organization that has just started its way. During those six months the merger between HTIA and ILSI went on the tracks, and now, so to speak, real life started.

And some hectic life it is. IATI is in a frenzy of doing, combining the current activities and events of both original organizations and adding more – on going relations with Israeli and foreign companies, organizations and delegations, business introductions, conferences, seminars, webinars, breakfast club and many more. Activity included also regular IATI forums like the MNC Forum and the VC Forum, as well as many brand new forums that were set this quarter – two of those are the CFO Forum of Mid Stage High Tech and Life Science companies, and The Accelerators Forum.

The 2012 ILSI-BioMed Israel Conference took place in May and was a big success. We are already planning and scheduling the 2013 Conference. Another important international gathering that we look forward to the 2012 HTIA Conference, to take place begin September.

These activities are important, and they will continue to happen stronger than ever before, in order to give you more options and work frames for creating new business development opportunities, contact making, and getting updated on various subjects that concern your company or organization. Our goal is to keep positioning the Industry as the leading sector in Israel.

## Worldwide Co-Operations

Working with the governmental authorities has also been an important aspect of IATI's activity in the past quarter. We have been meeting with government agents in order to be heard and to hear, as well as to assure that essential issues concerning the High Tech and Life Science Industries in Israel will be properly met and discussed. The work side by side with governmental authorities is frequent, includes daily co-work and exchange of information and lectures given by IATI in governmental forums. All this is also manifested through new legislations that keep coming from this direction. IATI is also maintaining on-going relationships and co-operations with many industrial, sectorial and governmental organizations worldwide.



Among other things, we have initiated and help complete the long planned New Cap Regulations under the R&D Law. Other new laws and legislations could be found in the attached document.

### **Media and New Media Presence**

We also activated the media and new media in several ways, initiating stories about IATI and its members in the press, updating our websites (soon to become one unified website) with relevant daily news items and features concerning IATI's members, and promoting your news on IATI's Facebook page and IATI's LinkedIn group. We remind you that you are welcomed to Like us on Facebook (<http://www.facebook.com/IATIsrael>) and to join the IATI LinkedIn group ([http://www.linkedin.com/groups?gid=3620505&trk=hb\\_side\\_g](http://www.linkedin.com/groups?gid=3620505&trk=hb_side_g)).

As the IATI activities go on, we keep getting excellent feedback from all directions, and keep welcoming new members that join the organization. The last quarter saw many brand new names from all sectors.

We welcome you to Join IATI and become influential members. More details could be found here: <http://www.iati.co.il/members/become-a-member> And as said, a new unified IATI website is about to be launched before the end of the year – a site that will be an important portal of the Israeli High Tech and Life Science Industries. An announcement of the new site and its address will be sent later on.

### **2012 IATI Board Elections**

Finally, but very important – On July 3<sup>rd</sup> the first IATI Elections took place. About 100 companies came to vote for their candidates of the various sectors of the Israeli High Tech and Life Science Industries. Two new co-chairpersons will be elected in the end of July. The full list of the newly elected board members could be found here: <http://www.iati.co.il/about-us/board-of-directors>.

### **Keep In Touch!**

We gladly remind you that with any question or matter that you might have, you are most welcomed to me on [Karin@iati.co.il](mailto:Karin@iati.co.il)

Yours sincerely,

Karin Mayer Rubinstein

CEO, Israel Advance Technology Industries



## NEW MEMBERS JOINING IATI

IATI is putting efforts and emphasis on strengthening the organization and is continuously expanding and attracting new members. Here are some of the companies who joined us during the last months:





## IATI'S NEW LAUNCHES AND ON-GOING BUSINESS DEVELOPMENT ACTIVITIES

The IATI is continuously initiating and running relevant and efficient high quality business development activities and events. In this arena IATI has serviced and generated numerous introductions while encouraging collaborations between sectors.

In addition, IATI is partnering with groups operating in the industry to support their endeavors and also provide a service to our members. We have provided a range of support initiating these events, providing panels and speakers, collaborating on events and distribution to IATI members.

Activities during this quarter include (click on the events to view links):

1. **A dedicated seminar for Early Stage Startups**

Organized in collaboration with Deloitte, over 50 young startups attended and received helpful information and insights.

2. **Do's & Don'ts in Investment Term Sheets for Entrepreneurs**

70 high tech and life science participants enjoyed pizza & beer, as well as guidelines re Investment Term Sheets at an event produced in collaboration with APM & Co. law firm.

3. **Speed dating: Dupont**

In a one-day marathon seat, 7 High tech and Life science companies presented to Dupont's Dr. Simone Arizzi (Innovation Leader, EMEA). The Companies had a very unique chance to present to Dupont, which in its turn had a very successful and effective opportunity to be exposed to relevant and interesting Israeli companies.

4. **Breakfast Club**

In association with Bank Leumi, over 30 Life Science companies attended a breakfast followed by a presentation and conversation with Anat Naschitz, of Orbimed.



5. **From Idea to the Biopharmaceutical Product**

This event, produced in collaboration with Deloitte, Nextar and GKH Law Firm provided its 60 attendants with professional in-depth explanations about the different stages of developing an idea into a product.

6. **Webinar - FDA User Fees**

A complimentary, one-hour webinar, which is designed to help life science executives appreciate the value of user fees in an FDA-regulated world.

7. **TASE Healthcare companies Analysts Course**

In collaboration with TASE.

8. **Webinar - Patent Reform Changing Life Sciences**

How to Survive – A webinar covering the reforms related to the recent, historic passing of The America Invents Act, H.R. 1249. The impact of the sweeping changes to the U.S. patent system is especially significant for life sciences companies whose survival is almost completely dependent upon the value and protection of their intellectual property and patents.

9. **Ogen Relocation Conference**

A conference focusing on the various aspects of relocating from Israel to U.S.A.

10. **Innovate Israel - UK**

UK conference connecting innovative Israeli web, mobile & digital entrepreneurs & businesses with their UK & European counterparts.

At the conference IATI, represented by IATI Board member Yahal Zilka of Magma Ventures, signed an MOU with BVCA - British Private Equity and Venture Capital Association, creating a partnership to facilitate collaboration in the areas of training, events, research and public affairs between the two entities.

11. **Webinar: Ensuring Successful FDA Meetings**

A complimentary, one-hour webinar: "Ensuring Successful FDA Meetings" is designed to help life science executives understand how to maximize success when meeting with FDA regulators.

12. **2012 Venture Capital Global- Survey**

The IATI and Deloitte are pleased to have worked together on our annual 2012 Global Venture Capital survey which focuses on confidence levels for global investing, fundraising and capital markets.



13. **Israel Mobile Challenge 2012**

The Communication System Engineering department at Ben-Gurion University arranged the third Israeli Mobile Challenge competition. In this year's competition the challenge was about disruptive services, cutting-edge technologies and innovative apps for mobile devices - smartphones and tablets. The challenge is open to student teams from all academic institutes in Israel. The top 5 winners received a 1 year IATI membership as well as free entrance to our HTIA 2012 yearly conference.

14. **Turning U.S. Patents into Money**

A seminar produced in collaboration with The Israel-America Chamber of Commerce in which U.S. Experts and Israeli companies discussed how they did it! The seminar was very successful and attracted many participants.

15. **Free Money Looking for an Idea**

Produced in collaboration with Yigal Arnon & Co. Law Firm, Luzzato & Luzzato and BDO - Ziv Haft.

16. **The New York Venture Summit-NYC**

Presented by YoungStartup Ventures the summit is a premier industry gathering where startups meet venture capitalists, angel investors, Corporate VCs and investment bankers.

17. **Lunch conference**

of "Invest in Israel: Opportunities and Challenges", in association with Largillière Finance and Ulys was a conference breakfast participating IATI CEO Karin Mayer Rubinstein and Madam Edith Cresson, formerly Prime Minister of France.

18. **The Israel Conference-Los Angeles**

Meeting with the top minds of the movers and shakers of companies with the most forward-thinking technology and products in the world. Attendees gain an insider's understanding of the growth of dynamic Israel-facing companies.

19. **Bio-Boston:Life Sciences Competition**

The 2012 BIO International Convention brought Keynote Luncheon speakers from world politics, Super Sessions led by major companies and Breakout Sessions with topic experts.



20. **Israel Mobile Summit 2012**

The summit is an annual event of the mobile ecosystem in Israel, and it features keynotes from top speakers, panels about the hot mobile topics, an innovation showcase and contest of the hottest Israeli mobile startups and of course a lot of networking opportunities!

21. **SwSTE 2012**

The various aspects that “the way to the cloud” affects the software industry.

22. **Com.vention NY 2012**

Life Technologies Corporation (NASDAQ: LIFE) and BioSante meeting Israeli biotech companies in BioMed 2012.

23. **U.S. National Venture Capital Association’s Annual Conference**

The NVCA Annual Meeting is the largest annual gathering of U.S. based venture capital professionals and a terrific opportunity to connect with venture professionals around the globe.

24. **Telecom & New Media Roadshow**

Roadshow of French innovative companies – UBIFRANCE Israel and in Paris Region Economic Development Agency invite to a roadshow.

## GOVERNMENT

The IATI regularly meets government officials and senior personnel to maintain the infrastructure and strengthen the relationship between the IATI and regulatory bodies. Directors, foreign and economic attaches from such offices as Ministry of Finance, Ministry of Foreign Affairs, Ministry of Industry, Trade and Labor, Office of Chief Scientist, Science, Justice, Education and Communication are in dialogue with the IATI as we initiate and push through legislation that promotes the investment and regulatory needs of the life sciences (in areas such as clinical trials and investments) and high tech industries. These include:



### **The new amendment of the R&D law is finally approved**

We are very pleased to inform you that the Office of the Chief Scientist (OCS) office has finally released the amendment to the R&D law which determines the cap on the amount to be returned to the OCS in the case of M&A.

The new amendment calls for a cap on the amounts to be paid to the OCS in the case of M&A – 3X in the event that the company's activity remains in Israel and 6X in the event that there is no continuation to the Israeli operation.

The amendment removed a major stumbling block that for many years (i) prevented or negatively affected venture capital firms' decisions to invest in start-up companies that received OCS funding; and (ii) in numerous cases prevented international companies from buying Israeli companies that received support from the OCS.

Special thanks to Mr. Robert Ilatov, Member of the Knesset and to Ms. Esti Peshin, General Manager of the High Tech Lobby in the Knesset that worked hard to turn the amendment into the new law.

We are very pleased with the final result and hope that it will help young companies to get greater funding from investors around the world, and will no longer be an issue in M&A transactions.

We have initiated a thorough memo along with **HFN** Law Firm about the "New Caps Regulations in R&D law", to read it please click [here](#).

### **Round Table: Investment by TASE**

Senior industry representatives met with Government officials to discuss the viability and necessity to promote public investment and initial public offerings in the High Tech and Bio-medical industries. This is an initiative led by the IATI, Esti Peshin, Director General of the Israeli Hi-Tech Caucus at the Knesset and MK Robert Ilatov.

### **Incentives for employment of 45+ aged technological employees**

Strongly supported by **IATI**, MK Robert Ilatov, Chair of the Israeli Knesset Hi-Tech Caucus, and Ms. Esti Peshin, General Manager of the High Tech Lobby in the Knesset, submitted a legislation initiative, aiming to incentivize employers to employ older employees (45+), with technological expertise, at a fair salary, befitting their experience and capabilities.





### **OCS budget and funding**

IATI members initiated activity to increase the Office of Chief Scientist government funding. In the past decade the OCS budget was reduced by over 40%. A delegation of 10 industry leaders had a round table meeting with the minister of Industry, Trade and Labor together with the OCS in order to present the situation and to find ways for increasing the funding to the industry.

"Trapped" Capital in Israel of MNCs

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IATI was actively involved in the public discourse within the different media channels and government forums. The IATI stressed the contribution of the MNCs to the Israeli economy and the acute need to assist the MNCs through tax reductions. IATI chairman was quoted in different articles on the matter, for example :<http://www.themarket.com/news/1.1720441>

Aaron Mankovski was quoted: MNCs should receive up to 50% tax cut on capital that is "trapped" in Israel. It's true that these companies knew the tax laws, but I believe that since then and over the years the rules of the game have changed.

### **Patent Law**

The United States Trade Representative (USTR) has published the annual "special 301 report" leaving Israel on the "priority watch list", pertaining to the Government of Israel's breach of its commitment to improve intellectual Property legislation. The implementation of the 2010 agreement that has been continuously delayed focused on 3 main issues: Lengthening the period of data exclusivity for pharmaceuticals (passed); Requiring publication of patent applications after 18 months with infringement allowing for reasonable royalties (ongoing in Knesset); Improvements in patent term extension legislation (no advance).

### **Medical Device Registration**

On May 5, 2012 the Israeli Knesset has favorably voted for the new, first ever, legislation on medical device regulation. Finally, after 16 years of debates, Israel has established a formal law stating the requirements for medical device approval and then postmarked surveillance procedure for a device that is on the market. From the day of ILSI establishment, ILSI –IATI board members highly contributed in this long and cumbersome process. We presented our comments at the numerous meetings and discussions held with the authorities (e.g. ministry of health representatives, Knesset committee). The entering law is then



the result of a long process yet to be accomplished with the approval of a series of accompanying executive rules. IATI members are again involved in discussing these rules with the authorities to allow for a manageable process in line with the procedures and legislation established in other recognized developed countries (EU, US, Canada, etc.)

## YEARLY CONFERENCES

### **ILSI Biomed 2012, 21st-23rd May 2012**

ILSI-Biomed Israel is the leading international conference covering the fast-growing field of innovation in the biomedical, health care and life sciences industries, where industry and academia join hands to learn about the latest and future developments, explore opportunities for new business ventures, meet up with old colleagues and make new contacts.

This year, the event drew about **4,000 visitors** – corporate managers and CEOs, scientists and investors, entrepreneurs, academy researchers, opinion leaders, VC funds managers and private angels - including more than 1,000 guests from different countries.

The conference was opened by The Honored President of Israel, **Mr. Shimon Peres**, who was granted a special reward by the conference organizers, to cherish his activity for developing, supporting and encouraging the Israeli Life Science Industry over his many decades of public service. We are now already scheduling the 2013 Biomed Israel conference.

We would like to thank Ruti Alon and Benny Zeevi for all their great support and hard work in preparation of this conference.

### **HTIA2012 10-12th September**

IATI Team are working hard and putting efforts together with the IATI Conference Committee, into building the strongest line-up of keynote speakers and panels, and visited by high-profile international delegations. To date, the



HTIA2012 promises to be an outstanding conference, which will be taking place in Haifa and Jerusalem. Visit [here](#) for details.

### **MNC Forum Annual Conference, January 2013**

In this annual conference, the Multi National R&D Centers in Israel meet and present their latest R&D projects, in order to open the path to collaboration and cooperation between MNCs. The Companies will also hear guest speakers relevant to the industry and to MNC activities in Israel. The IATI Team is putting great effort into producing a professional and fascinating conference.

## FORUMS & COMMITTEES

**MNC Forum** led by Yoram Yaacovi, Microsoft and Mickey Steiner, SAP.

This eminent Forum incorporates Managers of the leading Multi-National R&D centers in Israel to promote common interests of Multi-National R&D centers in Israel. For more information about the Forum please visit [here](#). Many new MNCs are joining the Forum and its valuable activities.

This Quarter, Forum representatives met with The Marker reporter Inbal Orpaz for a Panel Interview about MNC advantages and challenges in Israel. The article can be viewed [here](#).

A Forum meeting took place on early July, hosted by SAP and featuring guest speaker Mr. Haim Shani, (Previously Director General of the Ministry of Finance and CEO of NICE systems).

Workgroups in the fields of Government, Academia, Collaborations and Communications continue to operate.

**VC Committee**, led by Avi Zeevi, Carmel Ventures

Israel's VC funds meet to address challenges and issues affecting the industry. Currently creating a presentation showcasing VC activity in Israel.



At the VC Committee meeting in May 2012, many VCs attended a Presentation by Oren Bar-On (Senior Partner, Hi-Tech Dept.) and Yoram Tietz (Managing Partner) of Ernst & Young Israel - about "*Trends in international and Israeli VC industry and Issues Raised by the Tax Authorities in Recent M&A Transactions*".

### **High Tech and Life Science Industries CFOs Forum**

Run in collaboration with Deloitte and Bank Leumi. Guest speakers were Ran Metuki, CFO at Better Place and Itai Talgam, Philharmonic Conductor. Over 70 CFOs attended and enjoyed an overview of the various missions of CFOs and a presentation comparing the job of an orchestra conductor to that of a business manager.

### **Accelerators Forum** led by Hanan Lavy, Microsoft Azure Accelerator

The Forum held its first meeting this quarter, hosted by Pitango. The participants, representing 9 Accelerators, presented various models for supporting early stage startups and shared their operating models with each other. The Forum identified potential areas for collaboration. The next meeting of the Forum is planned for Q3.

### **Conference Committee**, led by Yahal Zilka, Magma Ventures

Planning for content and production for the HTIA2012. Co-chaired by Aaron Mankovski, Yahal Zilka and Yossi Vardi.

### **IP Transfer Forum**, led by Ehud Hausman, Reinhold Cohn

The IATI has taken steps to bring together industry and academia to increase the ease of IP licensing and encourage investment in initiatives and commercial opportunities.

### **EU Committee**, led by Edouard Cukierman, Catalyst

The Committee is focusing on attracting MNCs and Private Equity Funds from EU to get involved in the Israeli High-Tech and Life Science arenas.



## Media and New Media Presence

Since the forming of IATI, we have strongly activated the use of media new media in several ways: we have initiated news items and feature stories about IATI and its members in the press; we updated our two websites (soon to become one unified website) with relevant daily news items and features concerning IATI's members; and we continuously promote news and updates that regard IATI members on IATI's Facebook page and IATI's LinkedIn group. Thanks to all those ongoing practices, IATI and its members enjoy a visible position in the press and new media. You are welcomed to follow our content and donate your own: by clicking Like on our Facebook page (<http://www.facebook.com/IATIisrael>) and by joining the IATI LinkedIn group ([http://www.linkedin.com/groups?gid=3620505&trk=hb\\_side\\_g](http://www.linkedin.com/groups?gid=3620505&trk=hb_side_g)).

## FOREIGN DELEGATIONS & COLLABORATIONS

Throughout the year the IATI receives, and initiates, visit requests from delegations across the globe who wish to collaborate and learn more about Israel's innovation, investment and funding. These delegations are introduced to industry-leading IATI members such as startups, incubators, VCs, growing companies and service providers who represent and promote the life science and high tech industries.

These include: **Finland, Australia, USA, United Kingdom, France, China, Brazil, Greece, Cyprus, Italy and more.**

**In addition the IATI has collaborated with many non-profit groups including:**

TAMID Internship Program - IATI currently hosts an intern during the summer; Worldwide VC Associations; Worldwide Chambers of Commerce; TASE and foreign stock exchanges; Central Israel Chambers of Commerce; Matimop; Technion; Electronic Industry; Bio-executives, Export Institute, Manufacturers Industry Association; CII-India's largest Manufacturer Association; Arab organizations; UK Israel Business; Pharma Israel; Young VC Forum; University Entrepreneur groups (Biztech, TAUtech, etc)