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## Israel Startups Raise \$1.62B

**Israel Roundup:** *Tech startups snag highest amount in five years; Actelis, Wikio, Multipon, and Yoggie complete rounds; Intel confirms closure of Jerusalem plant.*

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By **Neal Sandler**

Israeli high-tech startups raised \$1.62 billion in 2006, the highest amount in five years.

The figure represented a 21 percent rise over the previous year. An Israel Venture Capital (IVC) Research Center survey noted that 402 companies raised funds from foreign and local venture investors. Life science startups raised \$369 million last year, a record since the survey began in 1999.

'Israeli high tech is regarded as a key part of the global technology sector, even with the growing activity in China and India.' -Zeev Holtzman,  
Giza Venture Capital

In the fourth quarter of 2006, local high-tech firms raised \$477 million, a 25 percent increase over the previous quarter. The rise was particularly noteworthy as it followed this summer's war along Israel's northern border.

"Foreign participation in investments in Israeli companies increased in 2006, since Israeli high tech is regarded as a key part of the global technology sector, even with the growing activity in China and India," said Zeev Holtzman, chairman of IVC Research Center and of Giza Venture Capital.

### Companies Complete Rounds

Actelis Networks has raised \$22 million in a fifth financing round. The company has raised \$120 million to date.

The round was led by Adams Street Partners and included previous investors ATA Ventures, Global Catalyst Partners, DuPont Capital, Carlyle Group, Qwest Communications International, Vertex Venture Capital, Walden International, and Independent Venture Fund.

Founded in 1998, Actelis develops "first mile" Ethernet communications systems. The company's DSL technology allows broadband transmission over existing copper loops.

Web 2.0 startup Wikio has raised \$5.3 million in a first round of financing from Lightspeed Venture Partners, along with Gemini Israel Funds (see [Europe's Wikio Gets \\$5.3M](#)).

Launched in France last June, the company also operates sites in the United States, Germany, Italy, and Spain. Plans call for opening a web site in the United Kingdom during the second quarter of this year. Wikio operates personalized web information pages and is the first European blog and media search engine.

Data protection startup Yoggie Security Systems has raised \$1 million from **Silicom Ventures**, EarlyBird Ventures, and private Israeli investors. The company has raised \$2 million to date.

Founded in 2006 by serial entrepreneur Shlomo Touboul, Yoggie is developing technology that can provide security for mobile devices and employees working outside the office.

MultiPON has received an unspecified amount of seed funding from Vertex Venture Capital. The company is developing a component for passive optical networks (PON) that enables multiple channels to be carried on a single channel. The startup is part of Maayan Ventures, a technology incubator located near Beer Sheba, in southern Israel.

#### **Intel Confirms Closure of Jerusalem Fab**

Intel has confirmed it will close down its vehicle component factory in Jerusalem (see [Intel Noncommittal on Flash Sale](#)).

"Intel made a strategic decision 10 years ago to exit the vehicle market and will shut down the production line at the end of 2007," said Alexander Kornhauser, general manager of Intel Israel.

He added that Intel would offer the 300 Jerusalem employees alternative employment at its other facilities throughout Israel.

#### **Hot Applies for Virtual Cellular License**

Hot Cable Systems Media has applied to Israel's Communications Ministry for a license to operate the country's first mobile virtual network operator (MNVO).

The company said it would provide cellular service within a year of obtaining a license and cellular prices would be 30 percent lower than current levels.

#### **Optier Signs with Sun**

Enterprise transaction management start up OpTier has signed a strategic agreement with Sun Microsystems.

Under the terms of the agreement, OpTier will integrate its CoreFirst software in Sun's Solaris 10 operating system.

#### **Lilly to Support OBEcure Drug Trial**

Eli Lilly will support Phase II clinical trials by Israeli biotechnology startup OBEcure for its OBE101 drug.

The trial in Canada will examine the effectiveness of the drug in preventing weight gain as a side effect of use of Eli Lilly's anti-psychotic blockbuster drug Zyprexa.

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