

Xenia Portfolio Company Raises a Significant Round of Investment:

A Global Telecommunications Provider Leads a NIS 11 million Investment in Saguna

During the past few months, Xenia Venture Capital's portfolio companies have raised approximately NIS 35 million

Israel, Kiryat Gat, November 4, 2012, Xenia Venture Capital (TASE:XENA), announced today that Saguna, one of its portfolio companies, has completed a significant round of investment. Saguna has developed systems which significantly improve the transfer of rich content (videos, music and games) over mobile networks, making it more efficient and less expensive to do so. Saguna's innovative systems enable Mobile operators to provide rich content to a wide audience, using a profitable business model.

Saguna raised over NIS 11 million in the current round, which was led by a global telecommunications provider. Xenia contributed NIS 1.2 million of the funds. Following the investment, Xenia will hold 14.76% of the company.

According to Anat Segal, CEO of Xenia Venture Capital: "We are happy that the round has been completed, and that it was led by an international strategic investor whose investment constitutes a vote of confidence in the company's technology. The current round joins other investments valued at millions of NIS – in our portfolio companies, which we have reported over the past few months, and which attest to the undisputed added value of the technology and economic potential of our companies. We believe that over the next year we will continue to report achievements and successes by our portfolio companies, as well as agreements with leading companies, which will push the companies forward, creating value for our shareholders".

According to Lior Fite, CEO of Saguna: "We are happy about the growing cooperation with a significant client, which has access and marketing channels to mobile operators worldwide. In addition, we are proud of the vote of confidence by the rest of our investors, who have continued to support all along".

About Xenia Venture Capital:

Xenia Venture Capital (TASE: XENA) is a publically traded investment company that invests in seed stage startups, nurtures, and escorts and them through their various stages of development, leading them to become viable, independent and successful high-tech companies in the areas of IT, Internet, mobile and Medical Devices. Xenia invests first via its technological incubator, benefiting of funds from the office of the chief scientist of the State of Israel (OCS), and then via follow on investments in its portfolio companies. Xenia's goal is to increase value of its holdings, to successfully materialize its investments, and to continue to create new startups, in an evergreen model.

Among Xenia's founders and main shareholders C. Mer Industries, Mivne Taasia (of Fishman Group), leading institutional investors including IBI, Menora Insurance Group, Dash Apex, Anat Segal (CEO), and others. Xenia's Board of Directors and Advisory Board comprise of



POWERHOUSE OF THE ENTREPRENEURS

highly successful entrepreneurs, academia and high-tech industry executives, including Tal Menipaz, Haim Mer, Dr. Orna Berry, Prof. Gaby Barabash, Roni Einav, Aki Ratner, Gideon Mantel, Dr. Yafit Stark, and others

Since its inception in 2003, Xenia Venture Capital has invested in more than twenty five companies, many of which have completed follow-on investment rounds, launched products in global markets, reached significant sales and profitability, and formed valuable strategic partnerships. Leading IT portfolio companies include, among others, Arcos, BandWD, Safepeak, Superfish, M-Photo, Intuview, Playcast, SAManage, BookPulse and Saguna. In the medical device field, Xenia has invested in BioProtect, NeatStitch, Medi-tate, Polypid, ActiVein, Xenolith, and OrthoSpace. For more information, Please visit our website at: www.xenia.co.il.

About Saguna:

Saguna has developed systems which significantly improve the transfer of rich content (videos, music and games) over mobile networks, making it more efficient and less expensive to do so. Saguna's innovative systems enable Mobile operators to provide rich content to a wide audience, using a profitable business model.

Please visit our website at: www.saguna.net