

Xenia and Salesforce.com cooperate to encourage and accelerate the growth of Israeli startup companies

New initiative will help Israeli entrepreneurs build successful Software as a Service (SaaS) companies, utilizing Salesforce.com enterprise cloud computing leadership and Xenia top-notch technological incubator

Kiryat Gat, Israel, March, 2012 - Xenia Ventures Capital [TASE: XENA], an Israeli-based investment company, announced today that they will be cooperating with Salesforce.com, the leading enterprise cloud computing company, to encourage and accelerate the growth of start-up companies, while setting the best technological and business environment to assist the evolution of innovative companies. This announcement follows the acquisition of the Israeli startup Navajo Systems and the establishment of a Salesforce.com development center in Tel Aviv.

As part of the new collaboration, selected projects will enjoy material benefits from the two companies: Xenia will provide initial funding of about \$550K in the framework of Xenia's technological incubator, professional mentoring, marketing, business and strategic counseling and active assistance in additional fund raising. Xenia will also provide a package of peripheral services including office space, bookkeeping and financial management. Salesforce will provide assistance in product and application definitions, insight into market trends, as well as exposure to Salesforce's global distribution channels. Salesforce.com will also share its expertise in multi-tenant architectures, subscription-based revenue recognition models, managing a business using the Salesforce Force.com platform and CRM applications in addition to other proven strategies, tips, and techniques prevalent through each phase of the new cloud-based venture lifecycle.

"The collaboration between Salesforce and Xenia will enable Israeli early stage start-ups in the SaaS field to enjoy a powerful combination of professional 360 degree support including finance, structure, services, technological, marketing, strategic guidance Xenia provides with an opening to Salesforce.com as a market leader in enterprise cloud computing and its groundbreaking partnership program, " **said Mike Rosenbaum, SVP of Force.com operations and the AppExchange at salesforce.com.** "At the same time, Xenia and Salesforce will thrive to create a collaborative environment between both organizations, which will include ongoing exchange of information, contacts, and ideas regarding high-potential start-up companies and new technologies, for the benefit of Salesforce commercial and technological interests and Xenia's current and future portfolio companies."

Anat Segal, Xenia's CEO said: "We are very excited to be joining forces with a global SaaS leader such as Salesforce.com. This alliance has allowed us to establish the best infrastructure for start-up companies and entrepreneurs in Israel. These initiatives will enjoy the full support of our finance and fund raising capabilities, professional consulting services by hi-tech veterans, and well experienced entrepreneurs, and the exclusive information and ideas of a leading

technology company. Salesforce.com has a deep understanding of the market and the customers' needs, as well as diverse marketing channels. This unique agreement will enable start-up companies to reduce their time-to-market, while increasing their chances of success".

About Xenia Venture Capital:

Xenia Venture Capital (TASE: XENA) is a publically traded investment company that operates a technological incubator and owns a franchise that entitles it to benefit from financing by the Office of the Chief Scientist of the State of Israel. Xenia Venture Capital specializes in investments in start-ups in the fields of IT, Internet, Communication and Medical Devices. Among Xenia's founders and main shareholders are Anat Segal (CEO), C. Mer Industries, leading institutional investors including IBI, Menora Insurance Group, Dash Apax, Mivne Taasia (of Fishman Group), and others. Xenia's Board of Directors and Advisory Board comprise of highly successful entrepreneurs, academia and high-tech industry executives, including Haim Mer, Tal Menipaz, Dr. Orna Berry, Roni Einav, Aki Ratner, Gideon Mantel, Dr. Yafit Stark, Prof. Yossi Shaham, and others. Xenia's goal is to jump-start and support entrepreneurs so as to increase their chances of success in global markets and enhance the realization of their companies' business potential. Since its establishment at the end of 2003, Xenia Venture Capital has invested in more than twenty 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, Correlix, 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. Please visit our website at: www.xenia.co.il