

Xenia and the Van Leer technological incubator of Dutch investment group Docor unite forces and form a partnership jointly bidding in the Chief Scientist's incubator tender

The Xenia-Van Leer Partnership will Bid in a Tender to Run a Technological Incubator in the Jerusalem District

Israel, Jerusalem, September 2012, Xenia Venture Capital (TASE: XENA), the Van Leer Ventures Jerusalem incubator and Docor International Management, a subsidiary of the Dutch Van Leer Group, have announced today that they have formed a new partnership held by the Van Leer incubator – 50% (held by Docor International Management in collaboration with the Jerusalem Development Authority) and by Xenia – 50%. The partnership has filed an application as part of the competitive procedure for obtaining a license for a Chief Scientist technological incubator in the Jerusalem district. The new entity will be named Van Leer Xenia. The Partnership was founded as part of a strategic collaboration between Xenia and Docor, according to which the Partnership shall provide a platform for technological incubator activities and a source of seed investments to be utilized by each partner. The partnership will invest and facilitate hi tech ventures in technological fields (communications, internet, software), medical devices, materials and industrial applications in Jerusalem.

According to Alon Dumanis, CEO of Docor International Management and chairman of the Partnership: "By uniting the Van Leer incubator and Xenia, two well-seasoned entities, we are empowering the vision of Docor and the Van Leer Group in Israel – the establishment of a leading international center in Jerusalem dedicated to the founding and fostering of innovative and global technological companies. We intend to make sure that the Van Leer Xenia incubator will function as the strongest gravitational force in the country for every Israeli entrepreneur and investor. The joint partnership further reinforces the Van Leer Group's policy of investing in technological companies of various stages of maturity, from seed investments to well-established industries -- private equity."

According to Anat Segal, Xenia's and the Partnership's CEO: "Today we are launching a new and significant entity in Israel dedicated to high tech investments. The Partnership will be a true game-changer for the industry as a whole and for the seed investments industry in particular. The union of Docor and Xenia combines decades of experience in know-how management, the facilitation of managerial excellence, the enhancement of existing companies and their progress into advanced stages of strategic collaborations, sales, profits and exits. We consider the strategic partnership with the Van Leer incubator and Docor a tremendous achievement for our shareholders, portfolio companies and the Israeli incubator industry. Here we are dealing with a first-class, financially robust partner who perfectly understands the incubator industry, knows well how to support rising entrepreneurs, and possesses an impressive track record of success."

Segal further adds: "With this union we have formed an experienced consortium of shareholders, executives and a variety of experts, who will all join forces in their push for success. The shareholder consortium includes Docor International B.V., the Jerusalem

Development Authority, the shareholders of the Van Leer incubator, the Mer Group, the Fishman Group, and leading institutional investors who are rank among Xenia's shareholders. Together we combine a tremendous amount of power, power which we will utilize to generate value for our shareholders."

About Docor:

Docor International B.V. is an Israeli investment company owned by the Dutch Van Leer Group Foundation. The company works in collaboration with the Jerusalem Development Authority in managing, inter alia, Van Leer Ventures Jerusalem, a technological incubator. Docor International B.V. maintains a highly-variegated investment portfolio, which includes companies involved in industry, medical devices, biotechnology, communications, software, materials and the internet at every stage of corporate life, beginning with seed investments and culminating with fully-established industrial companies. Docor has been active in Jerusalem for many years and oversees an extensive collaborative enterprise with the Jerusalem Development Authority, the Hebrew University and the College of Engineering. Docor is managed by Dr. Alon Dumanis. For more information, please visit: www.docor.com

About Xenia Venture Capital:

Xenia Venture Capital is a publically traded investment company which operates a privatized technology incubator that invests in seed stage start ups and initiatives in the fields of medical devices and IT. Among Xenia's founders and main shareholders are the Novacom Group and C. Mer Industries, leading institutional investors such as IBI, Menora Insurance Group, Dash Apax, Mivne Taasia (of the Fishman Group), Anat Segal (CEO), as well as additional hi tech and industry figures. Xenia's Board of Directors and Advisory Board comprises highly successful entrepreneurs and high-tech industry executives, including Haim Mer, Tal Menipaz, Dr. Orna Berry, Prof. Gaby Barabash, Roni Einav, Aki Ratner, Gideon Mantel, Dr. Yafit Stark, Prof. Yossi Shacham, and others. The aim of the company is to jump-start and accompany start up companies in the field of technology and medical devices, striving to increase the companies' chances to succeed and realize their business potential. Since its inception in 2003, Xenia Venture Capital has invested in more than 20 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 with leading players in their fields. Leading IT portfolio companies include, among others, Arcos, BandWD, M-Photo, SafePeak, Saguna, BookPulse, SAManage, SuperGish, Intuview, and Playcast. In the medical device field, Xenia has invested in BioProtect, NeatStitch, Medi-tate, Polypid, ActiVein, Xenolith, OrthoSpace, PolyPid, ActiVein and others. Please visit our website at: www.xenia.co.il