

Substantial Funds Raised by Xenia's Portfolio Company:

An International Communications Equipment Supplier Leads Round of Investment in Saguna Amounting to over NIS 11 Million

In the last few months Xenia's companies have raised some NIS 35 million

Israel, Kiryat Gat, November 4, Xenia Venture Capital (TASE:XENA) has announced today of a substantial funding round completed by Saguna, a portfolio company. 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.

The fundraising round completed by Saguna amounted to over NIS 11 million, and was led by an international communications equipment supplier. Xenia's share of the round is NIS 1.2 million, and, following the round's completion, Xenia will hold 14.76% of Saguna.

According to Xenia CEO Anat Segal: "We are delighted to announce the completion of Saguna's round of funding led by an international strategic investor which had expressed its confidence in the company's technology. The current round is added to dozens of millions of NIS raised by portfolio companies and reported in the past few months, which provide unequivocal evidence for the added value, technology and financial potential of our companies. We believe that in the coming year we shall continue to announce further achievements, success stories and agreements signed with leading companies which will enhance the performance of our portfolio companies and will create value for our shareholders."

Lior Fite, CEO of Saguna: "We are happy to further strengthen our collaboration with such an important client of the company, who has marketing channels and access to mobile operators throughout the world. In addition, we take pride in the trust exhibited by other company investors, who continue to support us all along the way."

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 (information technology). 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, Xenolith, OrthoSpace, PolyPid, and others. 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. For more information, please visit: www.saguna.net