

## PORTFOLIO COMPANIES

Teuza is currently invested in ten companies:

1. **Nova Measuring Instruments Ltd (“Nova”)**. - A public company traded in NASDAQ (NVMI), in which Teuza holds 7.5% (original stake of Teuza was 30% and the fund sold already a portion of its shares).

Nova develops, produces and markets monitoring and measurement systems for the semiconductor manufacturing industry. The Company has pioneered the innovative approach to integrated metrology for on-line, real-time process control of semiconductor wafers in production. Nova's systems measure film thickness and monitor production processes related to the manufacturing of thin films. The Company's innovative technology delivers the resolution, precision and speed required for effective IC manufacturing.

In April 2000 Nova Measuring Instruments Ltd., in which Teuza's original investment was \$900,000, issued its shares on the USA NASDAQ stock exchange (at a post money valuation of \$285M).

2. **Bioness Inc. (“Bioness”)**- A private U.S. company in which Teuza holds 8%.

Bioness has more than 100 employees and its sales in 2007 were about \$10M

Bioness Holds 100% of Ness Neuromuscular Electrical Stimulation Systems (“N.E.S.S.”), which is a private company located in Israel. NESS recently changed its name to Bioness Neuromodulation Ltd. (“Bioness Israel”).

Ness has about 50 employees and its sales in 2007 were about \$11M

Bioness is marketing Ness products in the USA and has an exclusive worldwide license to market the bionic technology, which provides an electric stimulation in the muscle to assist in the recovery of the function of a paralyzed limb.

Bioness also develops a unique product in the rehabilitation field- a “Stim Router”, which is an implant sensor connected to the neurons, which is used as a receptor for electric stimulating waves.

Alfred E.Mann, who controls Bioness, has committed to invest an additional \$40 million in equity of Bioness, based on \$150 million valuation of the combined companies.

Investment bankers estimate that Bioness will make a revolution in the rehabilitation field and will become very soon to be a company with a worth of several hundred million of dollars.

Bioness Israel brings to the market a revolution in rehabilitation technology. It provides technological solutions that respond to the needs of people suffering from paralysis due to neurological disorders such as stroke, spinal cord and/or head injury, and in some other neurological indications including cerebral palsy and multiple sclerosis. Experts

expect that the Company's products will become a standard of care in the rehabilitation field within a few years.

The company uses the technology of surface functional electrical stimulation (FES) to develop solutions for activating paralyzed muscles. The NESS systems are designed for home use and provide the potential of enhanced function and therapeutically based improvement. The company's first product, the HS200, is a non-invasive system for paralyzed hands. The HS200 system received the CE mark & approved by the FDA for marketing in the U.S.A. The HS200 personal system incorporates and integrates advanced upper limb rehabilitation technologies in a single system for patients' independent use. Bioness Israel has applied this successful rehabilitation concept in other body sites, to offer a full range of products for a comprehensive treatment of the paralyzed body.

Bioness Israel has a subsidiary in The Netherlands and is selling its products very successfully there.

Bioness Israel also finished two new R&D projects, Leg Device and Large HS200, at a total budget of \$6.3M. These projects were financed partly by Bioness and the Office of the Chief Scientist of the Ministry of Industry and Trade of Israel.

The leg device, NESS L300, received the CE mark & approved by the FDA for marketing in the U.S.A.. The NESS L300 is intended to provide ankle dorsiflexion in individuals with drop foot following an upper motor neuron injury or disease.

The leg device is makes a revolution in the rehabilitation field and enables paralyzed people to walk.

3. **Diagnostic Technologies LTD (“DTL”)-** A private company in which Teuza holds 26%.

DTL develops novel devices for monitoring pregnancy- at-risk based on emerging genomic and proteomic research. Combined with home monitoring, DTL's diagnostics can be readily packaged into a treatment plan for pregnant women who are at risk for pregnancy complications. DTL discovered the gene for placenta protein 13 (PP13). Using a simple blood test, DTL developed specific antibodies to detect PP13 in pregnant mother serum, as a new test to diagnose mothers at risk for preeclampsia (PE), intrauterine growth retardation (IUGR) and pre-term delivery (PTD). In cloning the PP13 gene, DTL found it to be a placental specific phospholipase A produced during pregnancy in the placental outer layer and released into the maternal blood stream. The amount of PP13 increases during the normal course of pregnancy as the placenta enlarges. Blood tests of patients with PE and IUGR correlates with a lower than normal level of PP13, whereas higher than normal concentration accompanies PTD

DTL has a CE-Mark regulations approval to market its product in Europe accompanied by specific marketing permits in Germany, the UK, France, Italy, Portugal and the Netherlands.

DTL is working to achieve the FDA approval and finished successfully several clinical studies.

DTL has signed a distribution and co-development agreement with WALLAC Oy (“Wallac”) of Finland, a wholly owned subsidiary of PerkinElmer Inc, USA.

According to this agreement, Wallac will distribute worldwide (except Israel and Portugal) the lead product of DTL – an ELISA diagnostic kit to predict the risk of developing preeclampsia. In addition, Wallac and DTL will develop the next generation of this product to fit robotic platforms of Wallac. DTL has granted to Wallac exclusive license to use its patents to accomplish the co-development and to guide users in the utilization of the diagnostic kits.

In consideration of this agreement, Wallac advanced DTL with a one-time payment of \$3M and in addition will pay DTL percentage of sales in proportion to the volume of sales. In addition, the agreement defines the terms and conditions of the transfer prices of the kits for the robotic platforms.

Wallac is the leading arm of PerkinElmer in genetic and prenatal diagnostics. PerkinElmer is one of the world's biotechnology leaders traded in the New York stock exchange ("PKI") at a \$3 Billion market value and its annual turnover is \$1.7 Billion.

Recently DTL raised \$2.4M in a private placement according to a pre-money valuation of \$12.4M.

4. **Sagantec Israel Ltd ("Sagantec")**.- A private company in which Teuza holds 44.3%, has subsidiaries in Holland and in the US. The company develops and sells software tools for the design of Electronic Components.

Sagantec caters to the emerging need of the semiconductor industry to 'port' existing chip designs to new process technologies. Since 1993 the company has steadily expanded its Product Lines and its market presence to the point where today Sagantec is recognized as a leading supplier of electronic design automatic software, which enables IP re-use and optimization of silicon-proven Chip design and process migration through layout manipulation. Sagantec's broad array of compaction engines, Dream, Hurricane and SiClone makes it possible for Sagantec customers to keep pace with a market demand that is moving at a "whirl- wind" pace. The key to surviving in this fast moving environment is the ability to reuse and optimize "silicon proven" chip designs or part of chip designs in the new Deep-Submicron environment where "System- on Chip"/products are beginning to dominate the market place. The re-use of the layout data, which is made possible through application of Sagantec's compaction engines also enables the re-use of the micro-code which was generated in the using Hard IP gives Sagantec's customers a substantial advantage in meeting "time-to-market" demands. The customer's manpower requirements are also reduced.

The company built a worldwide base of prestigious customers such as Intel, Motorola, Lucent, ST, Connexant and each quarter important new customers are added to the "customer list".

5. **Qualion Ltd. ("Qualion")**.- A private company in which Teuza holds 25%. The company develops and sells NMR (Nuclear Magnetic Resonance) systems for checking various liquid contents, during manufacturing processes.

The company's equipment is currently deployed in more than 20 refineries worldwide: in the US, Europe, and in the Far East, including in China and India.

Qualion has recently established a marketing office in China, whose market is very large and includes more than 100 refineries

6. **Rotlex (1994) Ltd. (“Rotlex”)**- A private company in which Teuza holds 38.6%. The company develops manufactures and sells products used in the QA process of the manufacture of glass lenses and hard and soft contact lenses. Rotlex has a wide range of products designed to ensure quality and improve yield in the manufacture of spectacle, contacts and intra ocular lenses. The Company's products, based on proprietary Moiré Deflectometry technology, allow for the inspection of the entire lens area within a number of seconds and the detection and identification of any existing distortions. Rotlex is a pioneer in lens measurement and inspection innovations and has created industry standard producing formats and measurement systems.

The key to profitability in the lens manufacture and eyewear retail industries is the ability to control the quality of lenses and the fitting of lenses to the patient's eyes. Until recently the industry has used a lens meter, a measurement device introduced in the 1920's. Despite the introduction of extremely sophisticated lenses, there has been a gap in advances in measurement and quality control devices. Rotlex is the leader in state-of-the-art lens measurement devices and is pioneering in lens fitting innovations.

The company's equipment is sold to some of the world's leading manufacturers including Bausch and Lomb, Vistacon (from the J&J group) and Ciba Vision.

7. **Pegasus Technologies Ltd. (“Pegasus”)**- A private company in which Teuza holds 2%. Specializes in Handwriting Capture input products and devices based on ultrasound technology. These products are used as data input tools into a variety of devices such as Computers, PDA's and Cellular Phones.

The User of Pegasus products can write naturally on any piece of paper, while his/her handwritten message is digitized into the platform and then can easily be stored, faxed, or e-mailed.

The company utilizes its position as a leader in the field of ultrasonic real time 3D/2D positioning and tracking technology to leverage its patented core technology into innovative applications.

Pegasus' handwriting input technology operates both Infrared and Ultrasonic signals to locate and track the 2D position of an object (specifically the tip of a pen), which, in conjunction with special processing algorithms, transforms any existing surface into an active digital writing environment.

Based on its patented, proprietary technology, the Company has developed an innovative handwriting input product line that allows for the electronic capture of handwritten notes thereby enabling interaction with computerized systems such as PCs, PDA's and cellular telephones. Pegasus' new generation of interactive digital office automation products address the needs of various markets for a more natural and effective means to capture, share and coordinate information.

8. **An Neng Telecommunication Technology Co (“ANTT”)**- A private company located in China, in which Teuza holds 28%.

ANTT is developer and provider of solutions and applications for the Chinese telecommunication market focusing on Revenue Assurance and VAS (value added services) solutions as well as 3rd parties products.

The company is also active as a leading Gateway between overseas companies and the Chinese Communication market with the capabilities and experience to overcome such penetration obstacles and that has some proven remarkable achievements since its foundation.

ANTT have already install bases with China Mobile, China Telecom and China Netcom and has signed cooperation agreements with leading integrators - Motorola China, IBM, Bearing Point and Digital china.

9. **Monitel A.N. Technologies Ltd (“Monitel”)**- A private company in which Teuza holds 28%.

MoniTel A.N. technologies Ltd. is a leading provider of probing systems and probe-based applications that enables Value-Added-Services (VAS) based on signaling network monitoring.

MoniTel has developed several applications such as real time location information (positioning, user status) for Location Based Services (LBS) applications, revenue assurance (such as billing verification, prepaid fraud) and roaming (such as advanced routing, missed call notification).

10. **Media Boost Ltd (“Media Boost”)**-a private company in which Teuza holds 12.4%.

Media Boost develops and markets real-time decision-making software for Auction-based online advertising.

Auction-based online advertising (such as pay-per-click sponsored links served by search engines) is a rapidly growing market. In 2006, it surpassed \$14 billion, showing an annual growth of more than 41%.

Media Boost provides software services (SaaS) that apply an empirical and analytical approach to media buying in auction-based ad markets. It integrates the advertising channel (such as Google) with the advertiser’s business process, thus improving bottom line profit generated from online campaigns.