



## Public service venture fund Tmura to benefit from ModemArt exit

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Tmura - The Israeli Public Service Venture Fund today announced its fifth exit event, upon the sale of ModemArt to Agere Systems (NYSE: AGR-A).

ModemArt's option grant to Tmura in March 2004, has generated the fund's largest one-time contribution to date - over \$93,000 in cash and shares (based on Agere's current share price) - that will be allocated to worthy non-profit organizations active in the areas of youth and education.

Agere's acquisition of ModemArt comes on the heels of two other recent exits in the Israeli high-tech industry in which Tmura was involved as well: the sale of Phonetic Systems to ScanSoft (NASDAQ: SSFT) and the sale of Native Networks to Alcatel (NYSE: ALA). Tmura also continues to vest options on a quarterly basis from options that Orckit (NASDAQ: ORCT) granted to Tmura more than two years ago. These grants have generated additional sums for Tmura to allocate to charitable purposes.

Proceeds generated from recent exits have enabled Tmura to fund four more non-profit organizations. Recent Tmura grantees include the Summit Institute, an organization that manages all foster care for the south of Israel, where Tmura's contribution will be helping to support a tutoring program for foster children; the Tel Aviv Rape Crisis Center, where Tmura's contribution is helping to fund an outreach program targeting youth by working in schools and other neighborhood venues; Yedidim, an organization that runs a wide range of programs for at-risk youth; and Tzeva, an organization that runs educational enrichment centers in several cities around the country.

Veritas Venture Partners and Tmura founder Yadin Kaufmann stated, "We are thrilled to have the opportunity to continue supporting worthy non-profit organizations during these difficult times, thanks to the generous grants made by a number of leading high-tech companies, and look forward to having the proceeds from the ModemArt exit put to good use in the community as well."

Tmura also continues to expand its portfolio of equity donors and recently received grants from eight additional high-tech companies. Recent donors are: MGVS, TeraSea, Barnev, Phonetic Systems (recently acquired), CogniTens, Safend, Can-Fite, and nLayers.

Tmura receives grants of stock from high-tech companies and uses the proceeds from successful exits - such as a public offering or acquisition - to fund education and youth-related charitable initiatives in Israel. Each of these companies has allocated a percentage of its equity, in the form of warrants, to Tmura. To date, 46 Israeli and Israel-related companies have granted options to Tmura.

The Naiot Business Incubator also recently joined as a sponsor of Tmura and as part of this relationship, all new companies joining the Naiot incubator will be contributing a portion of their equity to Tmura.

Additionally, the ranks of leading Israeli funds joining the NGO have increased with the inclusion of Fortissimo Capital. Most of the leading active VCs in Israel are members of Tmura, and encourage their portfolio companies to make equity grants to the organization.

Tmura has developed the infrastructure to enable early-stage high-technology companies to support important social causes, by donating a small portion of their equity rather than precious cash resources. This model was pioneered by the Entrepreneurs' Foundation, a non-profit organization that operates in Silicon Valley, Boston, Austin, Texas and other leading US high-tech centers.

Tmura was established as a non-profit organization in 2002, and is supported by leading Israeli venture capital firms as well as other service providers including Veritas, Jerusalem Global, Concord, Gemini, GKH, Giza, IHCV, JVP, Magnum, Mofet, Tamir Fishman, Walden, Genesis, Vertex, Delta, Evergreen, Infinity, Israel Seed, Pitango, Apax, Bowne, Star, ZAG / S&W LLP - now joined by Fortissimo - which fund the organization's operating expenses.

A number of leading professional service firms including the law firms Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co.; Mintz, Levin; and Morrison Cohen, the accounting firms Price Waterhouse Coopers/Kesselman, Shimony & Co., and Sagent Management, the PR firm Ruder Finn Israel, and others, provide pro bono services to Tmura.

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