



STATE OF ISRAEL
MINISTRY OF FINANCE

SPOKESPERSON OFFICE

INTERNATIONAL AFFAIRS
DEPARTMENT

November 10, 2009

Press Release

**Finance Ministry and Ministry of Industry, Trade and Labor Issue Tender for
Establishment and Management of Investment Funds in the Area of Life
Sciences**

The Ministry of Finance and the Ministry of Industry, Trade and Labor today issued a tender for the establishment and management of investment funds in the field of the life sciences, with an emphasis on investment in bio-pharmacology. The decision to establish the funds is based on more than a year of on-the-ground Ministry work along with research which indicated that the Israeli bio-pharmacology market holds vast potential that has not yet been realized.

The investment funds will be established in a standard venture capital fund format, and each fund will be managed by a professional managing body with extensive experience in bio-pharmacology investment both in Israel and abroad. The manager will be selected by the State in a two stage process. The first stage – the preliminary selection stage – will ensure that only first rate teams will be chosen as the funds' managers.

The managing body will be granted independence in its management of the fund and decision-making. The government, which will invest \$80 million in the venture, will act as a limited partner in the funds alongside private investors from Israel and abroad. Apart from the economic potential inherent in investment in the life sciences industry in Israel, embodied in the funds' structure are government incentives that enhance the attractiveness of the alternative of investment in Israel for both local and foreign capital.

The main reason for the joint venture, which was announced today, is Israel's excellent bio-pharmacology industrial infrastructure. This infrastructure is not currently operating at full capacity because of, among other reasons, the large-scale investment and long time horizons that ordinarily accompany innovations in this field. The investment funds are designed to address these financial obstacles and to help enable this sector to expand and reach its full economic potential.



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The investment funds are being established as part of the Finance Ministry's effort to promote a growth-oriented policy. The funds are expected to help maintain Israel's status as a technological power and increase its GDP.

Those interested are invited to review the Prequalification for Participation in Tender document (PDF format) located here:

<http://www.financeisrael.mof.gov.il/FinanceIsrael/Pages/en/General/tender200911.aspx>