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December 20, 2007

Dear Friend:

Here's a "greenie" letter you may have been expecting for quite awhile.

Yes, this is a letter that advises you that we are closing the doors at CEGI on December 20, 2007.

We have now completed 31 years of biweekly green letters to 2,350 business folks in the United States and around the world, as well as 800 quarterly letters to Israeli Managing Directors and 950 quarterly letters to U.S. high-tech corporate CEOs. These were letters I wrote totally to carry out the CEGI mission: "Create an interest in doing business in Israel."

I hope that you will agree with me that it is time for others, such as the American-Israel Chambers of Commerce, etc., to take over and keep these three groups advised as to the advantages Israel offers. The Chambers have gained substantially in strength and ability to service Israeli and American companies.

In closing the doors of CEGI, I have asked myself, "How would Yitzhak Rabin react to this action?" He is the one who asked me, back in March 24, 1976, to set up CEGI.

Here is what he wrote to me at a time when Israel was trying very hard to build its economy and needed help.

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March 24, 1976

Dear Mr. Winter,

The Committee for Economic Development in Israel is the newest and potentially one of the most important economic development tools for building an economically stable and secure Israel.

Your own experience and wisdom in business and devotion to the economic development of the State of Israel assure us success and achievement of our common task.

I am confident that your effort, together with your colleagues in the American business community who share your vision, will bear the desired fruits; namely, a stronger society and economy in Israel. This goal is, itself, an indispensable component of Israel's struggle for peace and security.

For my part, I wish to assure you of our every support and cooperation.

With every good wish,

Sincerely,

/s/ Y. Rabin

Yitzhak Rabin

I willingly accepted Mr. Rabin's challenge!

If Prime Minister Rabin was alive today, I hope that he might say, "Okay, Elmer, you and your associates in CEGI, have carried out the request I made of you to help build Israel's economy. You have done well. I hope others will now take over upon the closing of CEGI to help Israel continue to develop a strong and viable economy for the benefit of all Israelis."

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You might be interested in viewing a photo of Prime Minister Rabin and me shaking hands at the start of CEGI. Notice behind Rabin stands George Romney, father of Mitt Romney. George Romney served as Chairman of the American-Israel Chamber of Commerce back in 1976.

You might ask, "Was it difficult for you to decide to lock the doors of CEGI?" My answer is, "You bet it was!"

From a personal standpoint, I thoroughly enjoyed keeping various U.S. and Israeli companies, as well as many individuals, advised as to the great opportunities that Israel offers. I recall that I first learned of the *Israeli high-tech benefits available to American companies* on my first trip to Israel in 1955 (followed by over 50 additional trips to Israel over the years).

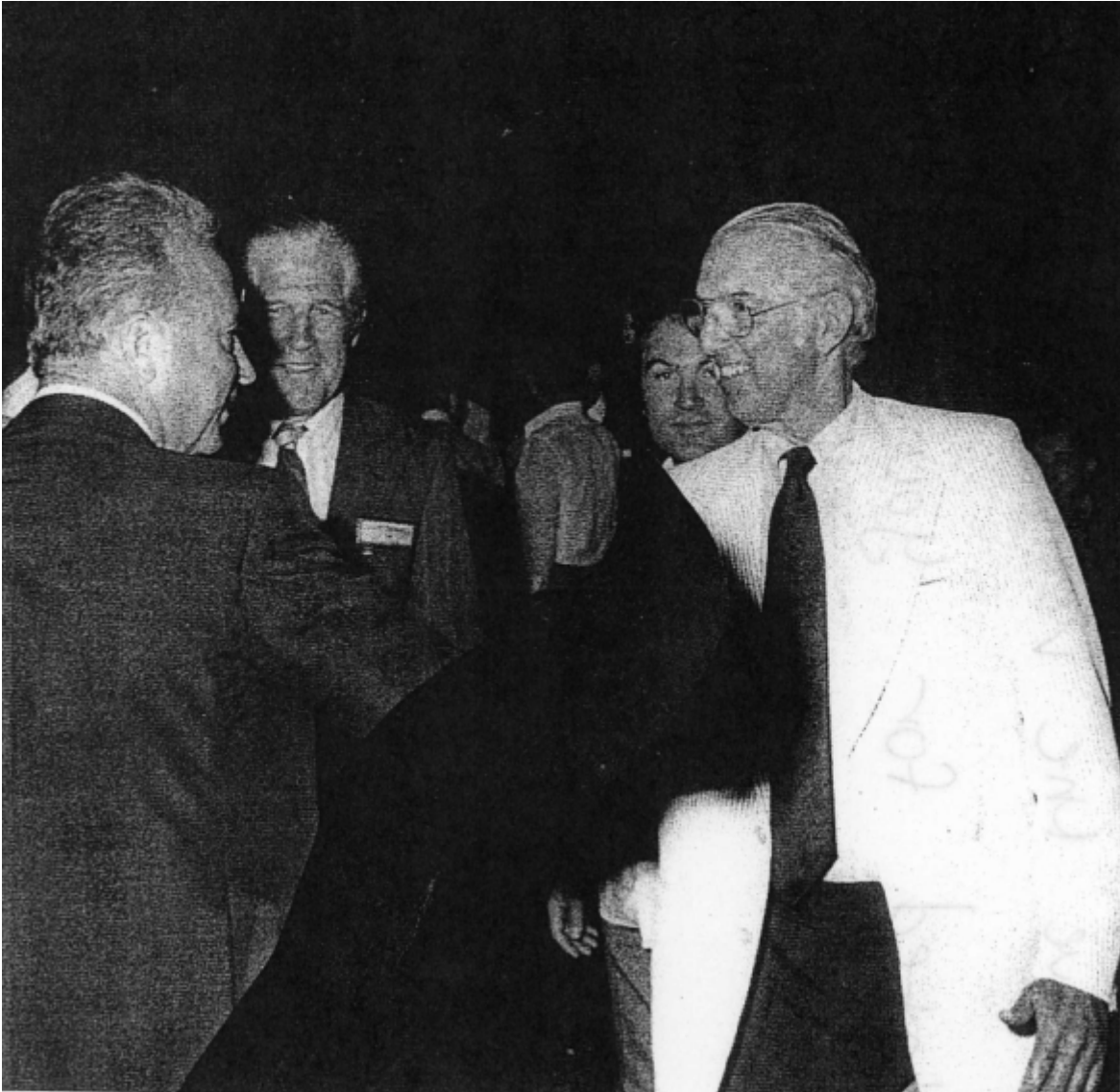
I saw the need to assist Israel. I was determined to use whatever business skills I personally possessed to help improve the quality of life of Israelis by communicating the Israel that I saw to future investors, research organizations, buyers, etc. I brought together a great group of Israelis and Americans to carry out our CEGI mission.

I enjoyed the matchmaking that we all did ... the serving as ombudsmen when problems arose, as well as the opening of many doors for Israeli companies to do business in the USA, etc. I enjoyed every moment of the CEGI journey.

I can't measure our success. We tried hard and you will be pleased to read a recent report:

"One of the things most people don't realize is that there are more than 10,000 American companies doing business in Israel, and it's not because they're Zionists. They're there to make a profit and they do."

"In other words, the Israel/U.S. relationship isn't about what a president says about the peace process. It's 50 states doing business with Israel; it's 22 states that have their own memorandum of understanding with Israel; it's the scientists collaborating on research projects, all sorts of things." (*The Jerusalem Post*)



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Let me add that, in recent years, I pushed hard for a type of Marshall Plan for the Middle East ... a plan that I believed would create tens of thousands of jobs for Israelis and Palestinians. I believe that jobs would provide the cement to hold peace together. I believe the new peace process will move in that direction.

I hope that Israeli business executive, Stef Wertheimer, who is also a strong believer of a Marshall-type Plan, will be called upon to develop a Marshall-type Plan now that a peace process is underway.

Stef Wertheimer has been planning a major project that he says will bring stability to the Middle East ... 100 industrial parks that will employ Israelis and Palestinians.

The parks “will keep people busy with work instead of terror” Wertheimer told *Globes* in a recent interview. “The parks will serve as a five-year incubator for manufacturing and export companies. If aid is obtained, the parks can usher in an era in which production, exports, education and an advanced quality of life can replace terrorism and poverty.”

Do I feel comfortable that the Israeli economy has a solid foundation?

I believe that it has. Here are some recent releases that give me, and should give you, confidence in Israel's economic future:

The Bank of Israel has raised its growth forecast for 2008. “Under the assumption that the repercussions of the sub-prime crisis will be relatively moderate, in accordance with the forecast published by the IMF in October, GDP is expected to expand by 4.4% in 2008 (compared with the previous forecast of 4.1%) and business sector product by 5.3%.”

“With the convergence to full employment, the rise in the number of employees and in productivity will slow and the share of capital in GDP will increase. Unemployment is expected to decline gently in 2008 to 7.3%.”

“The Israeli cabinet is expected to approve shortly the establishment of a ‘negotiations administration’ that will include 14 working groups, before negotiations start on December 12, as announced (yesterday) at the summit.”

The Finance Ministry announced an estimated budget surplus of NIS 7.7 billion for 2007.

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The Bank of Israel reported foreign exchange activity data which showed that nonresidents' investments in Israel continue to be strong, following a trend of large amounts of total direct and portfolio investments which totaled \$22.5 billion in 2006 and \$8.6 billion in 2005.

Jerusalem Global Ventures (JGV) has announced that it is going to raise a new fund and that it will change its business focus. JGV manages \$116 million. The new fund is intended to total \$200 million and will focus on mature Israeli high-tech companies that are expected to go public within three years. The company aims to raise the initial \$100 million by April, 2008.

According to a survey by Deloitte Brightman Almagor, "Israel is one of the four preferred global investment locations for U.S. venture capital funds." The survey was conducted among members of the venture capital associations in the U.S. and Europe ... and 16 other venture capital funds across the world. The survey also found that U.S. venture capital managers gave Israel top rating for quality deals flows. 70% of those polled named Israel as a major source, compared with 21% who named Canada ... 18% for China, 17% for the UK and Ireland and 10% for India.

Michael Milken, who is visiting Israel to foster ties between the Milken Institute and Israeli life sciences and cleantech industries, stated they were sitting on an invisible gold mine ... human capital. He noted that global trends were operating in favor of Israel's economy, adding that the country should let human capital flourish and should foster it and that, if it does, Israel will become an economic powerhouse within a few years.

It has been reported that, if the Israeli Government continues investing in marketing overseas, Israel will see 2.7 million tourists in 2008. It has been predicted that hotels will add 23,000 jobs as a result. Also, four million tourists will visit in 2011 and hotel employment will increase by 75,000 to 172,000 persons. It is predicted that tourism will generate \$7.5 billion in revenue.

It is important to note also that Tony Blair announced an array of new economic projects aimed at generating jobs for tens of thousands of Palestinians, revitalizing the occupied territories and creating momentum for the peace talks.

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The creation of two industrial zones in the West Bank, one at Jericho and the other near Hebron, are going ahead without the involvement of Blair's new committee, fully funded by Japan and Turkey.

Lehman Brothers gives Israel a score of zero ... the top rating ... in its 10th annual Damocles Index for Emerging Markets. The Damocles Early Warning System helps identify the risk of external financial crises in 26 emerging markets.

General Motors Corporation is in advanced negotiations to establish an R&D center in Israel with an initial investment of tens of millions of dollars. The center is expected to employ hundreds of engineers and researchers in various fields related to GM's activities worldwide.

It is important to note that:

Secretary of State Condoleezza Rice announced the launching of the U.S. Palestinian Public-Private Partnership promoting economic and educational opportunities for the Palestinian people with the goal of improving the Palestinian economy, building institutions and helping to educate Palestinian youth in good governance and good citizenship.

Also important to note:

Walter Isaacson, President and CEO of the Aspen Institute, will chair the partnership with co-chairs, Sandy Weill, Chairman Emeritus of Citigroup; Lester Crown, Chairman of Material Service Corporation; Jean Case, CEO of the Case Foundation and Ziad Asali, MD, President of the American Task Force on Palestine will serve on this committee.

Goldman Sachs Group, Inc., (NYSE:GS) will lend Israel Electric Corporation (IEC) \$1 billion for 20 years.

Don't you agree that Israel's economy has made great strides ... giving us reason for future optimism?

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Conclusion:

In closing the doors of CEGI, let me say that, while we covered a lot of ground over the years, there is still much work to be done to advise companies of the miracle of Israel.

There are still many countries that do not recognize the existence of Israel and do not take advantage of Israel's high-tech capability. I hope that the

Annapolis meeting will shake up the 40 representatives of Arab countries who attended the meeting to a point where they will recognize Israel's economic advantages that could be theirs if they start doing business with Israel.

One further thought: I hope that the many more of U.S. Jewish billionaires (some 342 in number) will develop a further interest in Israel.

Now wait just a minute.

I want to tell you that, while the doors of CEGI will close on December 20th, I personally will take pen in hand in the future to write to those who I believe are injuring Israel's economy. Examples can be the Israeli Government acting unfairly against a U.S. company's interests. Also, I would contact U.S. officials if they are putting undue and unfair pressure upon U.S. or Israeli companies.

While I won't be involved in political matters affecting Israel, I won't be sleeping at the switch if economic problems could use my voice. I will write op-ed pieces and send out press releases in my name. I won't sit idly by while any rules of the game affecting U.S. or Israeli companies are being hurt or destroyed. These will be my personal reactions. Is that okay with you?

We have been a rather unique nonprofit organization ... funded by Manpower International, several dozens of contributions (top gift \$1,000) and me personally.

We will drop future membership dues. I thank you for your past contributions to CEGI. The amount in the treasury is \$6,178.14 which I will turn over to those who helped me with secretarial and mailing help.

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I hope that you understand my thinking and are in accord with “our closing the doors” of CEGI at this time. I have no successor to suggest. I have no organization with which to merge.

Let me conclude by saying, “Thanks for being with us in our serious effort to improve the lives of the Israelis through economic development.” Let’s hope that the Israelis and Palestinians, in searching for peace, will use “job creation” to provide the cement to hold the peace process together (provided a peace agreement will be signed, sealed and delivered).

If you have any comments you would like to send on to me, my mailbox is 100 Manpower Place, Milwaukee, WI 53212-4030. The “in box” is wide open to you.

Best wishes! Be well! Again, “Thanks”.

Elmer

Elmer L. Winter
Chairman

ELW:ca/mg/bd

P.S.: Perhaps my reaching the age of 95 helped persuade me that the time was right to take this action.

P.P.S.: A final word: “The price of those wonderful jelly donuts that flood the marketplaces in Israel at Chanukah has doubled.”

PLEASE NOTE: All information contained in this report has been obtained from sources believed to be reliable, but the accuracy, completeness, timeliness or correct sequencing of the information is not warranted by the Committee for Economic Growth of Israel (CEGI) or Elmer Winter, or the information providers.

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