



Monday 15 May 2000

To Whom It May Concern at Clifford Chance

Dear Sir / Madam,

I understand that Clifford Chance is currently seriously considering engaging Mr Doron Biran as a consultant to Clifford Chance with the mandate of assisting Clifford Chance to develop its Israeli practice and in this connection has requested Mr. Biran to provide two references.

My own background is as follows

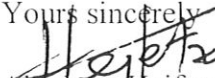
- 1986-1998 Deputy C.E.O of Bank Leumi of Israel,
  - 1998-1990 CEO of Bank Igud of Israel,  
1992-1994 General Manager of the Economics and Planing ministry of the Israeli government.
- Ongoing: C.F.O of Paz Oil Company Ltd.

I have known Mr. Biran for the past 30 years on a personal basis and have followed his business career for some 12 years with enthusiasm and consequently know him very well indeed.

You probably know that Mr Biran served as a commando officer in the Intelligence Corps of the Israeli Army. He owned and managed his own insurance brokerage for medical malpractice and life insurance as an underwriter for Lloyd's Insurance Company. In the UK he completed a LLB in business law and invested in property development and long term investments. Over the last the past two years, Mr. Biran has invested in Israeli hi-tech ventures in both Israel and America. Mr. Biran remains active in the insurance, property and hi-tech industries.

I can confirm that Mr Biran is of the utmost integrity and has a high reputation of standing in Israeli political, business and legal circles. I have no hesitation in strongly recommending him to your firm as a consultant.

Please do not hesitate to contact me if you would like any further information or would like to discuss the points made above.

Yours sincerely  
  
Abraham Heifetz



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Private Banking

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david.zelouf@ubs.com

www.ubs.com

TO WHOM IT MAY CONCERN

13<sup>th</sup> January, 2004

Dear Sirs,

We refer to our clients request and are pleased to give you the following information, which we would ask you to accept in confidence and without responsibility on the part of this bank:

**Re: Mr Shimon Twersky, Mr Doron Biran/Landmark**

You are informed: -

Subjects are known to us and have maintained satisfactory account relationship in excess of USD10m with us since May 2003. They can be considered trustworthy and reliable and we do not feel that the subjects would enter into any commitment that they could not fulfil.

WITHOUT OUR RESPONSIBILITY

**It is understood that the name of the Bank will not be disclosed in the event of our report being passed onto your client.**

**This bank is not a credit reference agency within the terms of section 145(8) of the Consumer Credit Act 1974. Disclosure of the content and source of this opinion is NOT required by that Act.**

Yours faithfully,

David Zelouf  
Director

Scott Oliphant  
Associate Director

# JERRARD SAUNDERS DONN

Solicitors

Second Floor, 22 Grosvenor Square, Mayfair, London W1K 6LF  
Telephone: 020 7518 9848 Facsimile: 020 7491 1744 DX: 44620 Mayfair

The Compliance Officer  
Messrs Clifford Chance  
DX 606  
LONDON CHANCERY LANE

our ref : 1 JSD MISC

your ref :

20 December 2000

Dear Sir,

**Re : Doran Biran**

Mr Biran was introduced to this firm more than a year ago. We have acted for companies with whom he has been involved on large transactions where, as far as we are concerned, he has been a large participant and player from whom we have sought instructions.

Whilst we have not personally been involved, Mr Biran has kept us abreast of other and very substantial transactions in which he is participating.

From these experiences of Mr Biran and the way he works, we have no doubt that he is a man of high integrity and that he is respectable, honest and honourable.

Neither do we doubt his business acumen.

We would say that he is a man with whom we would wish to continue to do business and we would wish the opportunity to continue to represent him where this is possible.

In accordance with our usual practice, this reference is given in the strictest confidence and without incurring responsibility or liability on the part of this firm or the writer.

Please do not hesitate to contact us if you wish to.

Yours faithfully

**JERRARD SAUNDERS DONN**

Warner L Jerrard

Consultants: Julian J Donn LL.B. Steven K Jerrard Michael Hudson Michael Jaye Mark Barron

Associate: Jonathan P G Longhurst

This firm is regulated by the Law Society in the conduct of investment business  
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Telephone: 00 61 3 9629 1022 Facsimile: 00 61 3 9629 5507 DX: 592

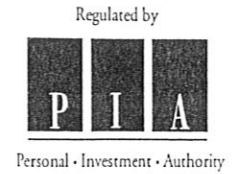


# STATE OF ISRAEL BONDS

DEVELOPMENT COMPANY FOR ISRAEL (UK) LTD

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Clifford Chance  
Limited Liability Partnership  
200 Aldersgate Street  
London EC1A 4JJ

20th December 2000

## TO WHOM IT MAY CONCERN

Dear Sir/Madam,

I have known Doron Biran and his family as close friends for many years.

Doron has become a well-known investor in Israel, with activities focusing on property development and the high tech sector, stretching geographically from the UK and Spain, to Israel and the USA.

He has connections with top Israeli People in business and political circles and is well regarded as acting with the utmost integrity in all of his dealings.

Since his early 20's, when he completed 4 years of army service as an officer in Israel's top commando unit, he has achieved significant success and is now of substantial financial means.

As Managing Director of State of Israel Bonds I fully recommend Doron Biran to you as someone who has the talent and energy to significantly develop a business.

I am aware that Doron recently became a consultant to your firm with a special interest in developing the Israeli market; I can not think of a more appropriate person to assist you in this venture.

Please feel free to contact me for a further verbal reference either at the office on 020 7405 6222 or on my mobile 0403 194 084.

Yours faithfully,

Moshe Levy  
Managing Director

*Visit our website with the latest information: [www.israelukbonds.com](http://www.israelukbonds.com)*



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david.zelouf@ubs.com

www.ubs.com

TO WHOM IT MAY CONCERN

6<sup>th</sup> July, 2004

Dear Sirs,

We refer to our clients request and are pleased to give you the following information, which we would ask you to accept in confidence and without responsibility on the part of this bank:

**Re: Mr Shimon Twersky, Mr Doron Biran/Landmark**

You are informed: -

Subjects are known to us and have maintained satisfactory account relationship in excess of GBP10m with us since May 2003. They can be considered trustworthy and reliable and we do not feel that the subjects would enter into any commitment that they could not fulfil.

WITHOUT OUR RESPONSIBILITY

It is understood that the name of the Bank will not be disclosed in the event of our report being passed onto your client.

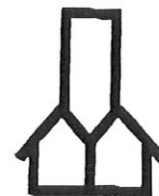
This bank is not a credit reference agency within the terms of section 145(8) of the Consumer Credit Act 1974. Disclosure of the content and source of this opinion is **NOT** required by that Act.

Yours faithfully,

David Zelouf  
Director

Scott Oliphant  
Associate Director

**התאחדות הקבלנים והבונים בישראל**  
**ASSOCIATION OF CONTRACTORS AND BUILDERS IN ISRAEL**



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To Whom It May Concern at Clifford Chance

Dear Sir / Madam

I understand that Clifford Chance is seriously considering engaging Mr Doron Biran as a consultant with the mandate of assisting Clifford Chance to develop its Israeli practice and in this connection has requested Mr. Biran to provide two references.

I have been of close acquaintance to Mr Biran for many years Mr Biran acted as a commando officer in the Intelligence Corps of the Israeli Army. In the UK, he completed an LLB in Business Law with Honours. Mr Biran. As an entrepreneur, invests in the property market in both the UK and Spain He owns an insurance brokerage for medical malpractice and life insurance as an underwriter for Lloyd's Insurance Company. Furthermore, He is strongly involved in Israeli high tech ventures across the world with a particular focus on Israel and America.

As the vice president of Society of Israeli Property Contractors which consists of over two thousand companies. I can confirm that Mr Biran is of the utmost integrity and of the highest possible standing in Israeli political, business and legal circles. Consequently, I have no hesitation in strongly recommending him to your firm as a consultant.

Please do not hesitate to contact me if you would like any further information or would like to discuss the points made above/

Yours sincerely

Yoram Schechter

*[Faint handwritten notes and scribbles at the bottom of the page]*



21<sup>st</sup> September 2005

**To Whom It May Concern:**

Dear Sir/s,

**Mr Doron Biran**

I confirm that I have known Mr Doron Biran of Flat 4, 33 Ferncroft Avenue, London NW3 7PG for four years as a business associate and friend.

I have always found him to be honest, reliable and very able in all his business dealings.

Yours faithfully,

Daniel Auerbach

**Daniel Auerbach & Company LLP**

Chartered Accountants and Registered Auditors

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Registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work

Members: Daniel Auerbach FCA / Naren Mistry BA FCA / Open Shah BSc FCA  
Manager Douglas Pound / Consultant Martin Bronkhorst FCA

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this year. For example, Bankhaus Woelbern and KGAL bought Woolgate Exchange, EC2, and 6-8 Bishopsgate, EC2, for £295m and £107m respectively. Meanwhile, open-ended German funds are saying farewell to several trophy buildings in London because of the outflows of capital that resulted from the underperformance of German property. And, in many instances, it's their closed-end compatriots that have been buying them.

"The high-profile deals at the moment are all being done by the closed-end funds," says Savills' head of City investment, James Crawford. "There is still other money, such as Irish, floating around. It's just that the closed-end Germans funds are being more aggressive." He says that sub-5% yields could be achieved if there is a rental growth potential, recalling that yields hit 4.8% at the top of the market in 1986.

But while German open-ended and closed-ended funds trade London property between each other, two of the most interesting sales of the year have ended up going to funds that are placing large bets on an occupational recovery.

In June, ING REIM bought 25 Copthall Avenue, EC2, for close to £80m on behalf of the Starwood Capital fund. At the time, the purchase raised more than just a few eyebrows. ING REIM effectively bought a near vacant 158,000 sq ft office block that had struggled to let since Morley Fund Management finished its refurbishment in July 2003.

#### Investors snap up empty buildings

Later that month, UBS and Exemplar paid £50m for the vacant Milton Gate on Moor Lane, EC2. The 167,000 sq ft office block has sat empty for three years. The jv intends to refurbish Milton Gate speculatively, believing there will be more demand for office space when it is ready at the end of 2006.

"In an overheated market, more investors are looking at buying void risks," says Stephen Bennett, a partner of GVA Chapman Swabey. "The big pull is that you could get a decent return on it. But instead of buying at current rents, a lot of investors are buying empty buildings at future rents, pushing prices up.



Copthall Avenue, EC2: sold in June for £80m. ING REIM expects better luck with its mainly empty building

The Bank of England sold 1 Lothbury, EC2, on an estimated rental value of £52.50-£55 per sq ft. It would only get about £45 per sq ft if it was let at today's prices. The question is, what happens if rents don't get to that figure?"

Bennett cites lawyer Clifford Chance's former headquarters at Little Britain, Aldersgate Street, EC1, as the "biggest risk in the market". The Little Britain complex was sold by Canary Wharf to little-known Israeli firm Landmark Group, which joined forces with a Deutsche Bank opportunity fund and "Black Jack" Dellal's Allied Commercial. They paid more than £110m for a vacant 474,000 sq ft office block held on a long leasehold to the Corporation of London, and plan a £40m refurbishment to be ready for tenants by 2007.

It is a gamble, says Bennett, "but potentially, a high reward. There's a lot of risk, but if they have done their figures on a sensible basis, and rents take off, they could do well."

But there is another risk that investors are taking. According to Robert Buchele, a partner at Cushman & Wakefield Healey & Baker, there is so much competition for prime offices that unsuccessful bidders are targeting secondary stock. "The yield gap between grade A and secondary stock has never been so close," he says. "Normally, it's 200 basis points. It's now at around 150 basis points."

He adds: "While the occupational market for grade A space is coming back, there is no certainty that there will be the same demand for grade B and grade C space. I suspect there are some jilted funds who are coming third or fourth on buying grade A space, so they are going guns blazing for grade B buildings."

#### Risky business

It was this keen demand for any City property that led Savills' Newsom to imply that the top of the market had been reached. He warned that this compression between prime and secondary property was a "classic feature of an overheated market", which was risky, as secondary property had greater exposure to weak occupational markets.

But Michael Edwards, head of City investment at CB Richard Ellis, says that a crash is unlikely in the immediate future because of the continued demand. "There is still a lot of private investors' money in property that isn't going anywhere else yet," he says. "The money is either in syndicates or within institutions."

But he does warn that there could be a long-term concern for property if other asset classes start showing results. "If the equities markets show signs of performance, where investors can get 20% growth, then it will have a knock-on effect, and some of the money will move on elsewhere," says Edwards.

Still, Savills' Crawford remains optimistic. "We think there is occupational interest in every grade A building in the City," he says. "If that is the case, then at some point we are going to see competition for space, which will eventually lead to rental growth."

And as rental growth begins, investors will continue to spend their money. This could well mean that 2006 will be a third successive record-breaking year.

### Investment highlights

Private investors and German funds have led many of the sales this year

Building	Size (sq ft)	Vendor	Purchaser	Price
Woolgate Exchange, EC2	352,000	Consensus Group	Bankhaus Woelbern	£295m
Peterborough Court, EC4	350,000	Goldman Sachs	Tishman Speyer	£280m
30 Gresham Street, EC2	376,000	Land Securities	GIC Real Estate	£274m
6-8 Bishopsgate, EC2	143,000	Difa	KGAL	107m
Senator House, EC4	155,000	Consensus Group	Sachsen Group	£105m
100 Leadenhall Street, EC3	110,000	CGI	Nord Capital	£92m
Procession House, EC4	91,000	Tom Quinn, Donal O'Mahony	Real IS	£70m

Source: Estates Gazette