

Dear debt capital markets expert:

The Israel Electric Corporation became the first Israeli company to issue debt using the Acupay System for cross-border tax relief. The system vets foreign investors so that they can be paid interest exempt from Israeli withholding tax, in accord with the requirements of the Israel Tax Authority.

Since 2005, the Acupay System has been employed on about \$270 billion of cross-border debt and commercial paper issued in Spain, Belgium, Israel, Italy, and Turkey. It permits the creation of true cross border debt without the use of costly SPVs. Equity investors also use the Acupay System to obtain foreign tax relief on dividends paid by corporations located in Germany, Switzerland, Israel, Denmark, Belgium, Spain and Austria.

On the buy-side, the Acupay System is employed by over 2,000 of the world's most important custodian banks on the behalf of over 1.3 million investors located in in 89 nations. Securities have been distributed via many of the strongest global clearing systems including DTC (US), Monte Titoli (IT), CDS (CA), SIX SIS (CH), the ICSDs Euroclear and Clearstream, and their local CSDs (UK, BE, DE and others) .

NEW MARKETS AHEAD: Recent tax law changes in Poland, Colombia, Greece, Russia and Portugal are likely to make those nations next-in-line for Acupay's services.

To explore how the Acupay System can help meet the needs of issuers and investors please contact Co-Presidents Miriam Haniffa or Stef Lambersy in London at +44 207 3982 0340.

Sincerely,



Miriam Haniffa
Co-President, Acupay System LLC



Stef Lambersy
Co-President, Acupay System LLC

Attachments:

- [Abbreviated Offering Circular of the ISRAEL ELECTRIC CORPORATION LIMITED U.S.\\$5,000,000,000 Global Medium-Term Note Program](#)
- [Pricing Supplement for U.S.\\$600,000,000 5.625% Notes due 2018 and U.S.\\$500,000,000 6.875% Notes due 2023 dated June 18, 2013](#)
- [Pricing Supplement for U.S.\\$150,000,000 Reopening of 5.625% Notes due 2018 and U.S.\\$150,000,000 Reopening of 6.875% Notes due 2023 dated July 2, 2013](#)