

## ECI TELECOM - Acquisition Related Questions

### 1. What did ECI announce?

On September 28, 2007, ECI announced that it has completed its acquisition by affiliates of the Swarth Group, and certain funds that have appointed Ashmore Investment Management Limited as their investment manager, in a transaction valued at approximately \$1.24 billion. Following the acquisition, ECI's ordinary shares were de-listed from the NASDAQ Stock Exchange and it is now a privately held company.

### 2. What will ECI's shareholders receive as a result of the acquisition?

Each ECI share outstanding as of the Effective Date (September 28, 2007) has been automatically converted into the right to receive US \$10.00 per share in cash, without interest and less any applicable withholding tax.

### 3. Where can I find a copy of the merger agreement and proxy statement?

The merger agreement and proxy statement were filed with the SEC. Link to the SEC site - <http://www.sec.gov/cgi-bin/browseedgar?company=ECI+Telecom&CIK=&filenum=&State=&SIC=&owner=include&action=getcompany>

The documents are also available on the IR section of ECI's website - [www.ecitele.com/investors](http://www.ecitele.com/investors).

### 4. How do I receive payment for my shares?

#### If you hold an ECI stock certificate

The buyers have appointed The Bank of New York Mellon (BoNY) as the paying agent for the purpose of exchanging certificates representing ECI shares for the merger consideration. BONY will send you a letter of transmittal with detailed instructions regarding the surrender of your share certificates representing ECI shares for the merger consideration. You should not send your certificates representing ECI shares to ECI or anyone else until you receive those instructions. The paying agent will send payment of the cash merger consideration to you on or about the date or dates specified in its instructions, subject to its receipt of your certificates and other required documents, including (where applicable) a tax declaration form.

#### If you hold ECI shares in "street name"

If your shares are held in "street name" by your broker, bank or other nominee you will receive instructions from your broker, bank or other nominee as to how to effect the surrender of your "street name" shares in exchange for the merger consideration.

### 5. Who should I contact if I have questions regarding receiving the merger consideration?

If you hold an ECI stock certificate, you should contact ECI's transfer agent:

American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, NY 10038  
Telephone: (212) 936-5100

If you hold ECI shares in "street name", you should contact BNY (the paying agent):

9 a.m. to 6 p.m. (EST), Monday through Friday (expect for bank holidays):

Toll Free +1 (800) 777-3674 Available from within the U.S., Canada or Puerto Rico

Collect +1 (201) 680-6579 For caller from outside the U.S.

General questions and other inquiries:

Elana Holzman, Vice President for Investor Relations  
Tel: +972 (3) 926-6255  
elana.holzman@ecitele.com

#### **6. Is this a taxable event for US shareholders?**

ECI has obtained a pre-ruling from the Israeli Tax Authority with respect to the withholding obligations relating to the merger consideration. According to the pre-ruling, subject to certain exceptions, ECI shareholders that are "Israeli Residents" (as defined under Israeli law) will be subject to withholding tax at the rate of 16% and ECI shareholders that are "Non-Israeli Residents" (as defined under Israeli law) will be fully exempt from Israeli withholding tax.