



## Legal Claim Filed Against Pelephone

November 11, 2001

**The Securities Authority, Jerusalem, Israel**  
**The Tel Aviv Stock Exchange, Tel-Aviv, Israel**  
**The Registrar of Companies, Jerusalem, Israel**

### Immediate Report – Legal Claim Filed Against Pelephone.

**Dear Sirs,**

- On the afternoon of November 8, 2001, the subsidiary Pelephone Communications Ltd. ("Pelephone") sent to the Company's offices a translation of a claim which was filed in the Ramallah District Court by The General Public Palestinian Communications Co. Ltd. ("the Plaintiff"), inter alia against Pelephone.
- According to the claim, the Plaintiff, which is a company registered with the Registrar of Companies in the West Bank, is involved in the setting up, operation, supply, sale and management of services and stations for telephone communication, both landline and mobile, in the West Bank and the Gaza Strip, except for areas of settlements and IDF installations.
- The Plaintiff alleges in its statement of claim that despite having been awarded exclusivity for providing cellular services in the West Bank and the Gaza Strip, Pelephone provides, among other things, cellular services to the inhabitants of the West Bank and the Gaza Strip without restriction and without a license, thereby breaking the law.
- The Plaintiff alleges, inter alia, that due to these activities of Pelephone, it [the Plaintiff] has sustained and is sustaining extensive damages and heavy losses, and petitions for payment of 676,065,281 NIS from Pelephone, while reserving the right to claim additional amounts from 1st July 2001 up to the date on which Pelephone ceases to provide these services. The Plaintiff also petitions for an injunction against the provision of cellular services by Pelephone.
- **Pelephone is studying the claim, and is unable, at this stage, to estimate its chances, or the actual authority of the Ramallah District Court to hear the claim.**

**Yours sincerely,**

**Shlomo Koppel  
Company Secretary**