



Immediate Supplementary Report – MOC intention to impose financial sanctions

August 9, 2018

Immediate Supplementary Report

Tel Aviv, Israel – August 9, 2018 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announced that further to the Company's Immediate Report dated October 22, 2017 concerning the final review by the Ministry of Communications regarding implementation of the wholesale telephony service and the announcement by the Ministry of Communications of its intention to apply financial sanctions on the Company concerning implementation of the wholesale telephony service ("the Notice"), and further to the description in section 1.7.3.5 of the Description of the Company's Business in the 2017 Periodic Report, an Immediate Supplementary Report is hereby provided that on August 8, 2018 the Company received from the Ministry of Communications a "Supplementary Supervisory Report to the Final Supervisory Report Concerning Non-implementation of the Wholesale Telephony Service" and an "Updated Notice of the intention to apply financial sanctions on the Company concerning implementation of the broadband reform" ("the Updated Notice"), in which the Ministry of Communications announced its intention to apply financial sanctions on the Company of NIS 11,327,540 (a similar amount to the one stated in the Notice above). It was also stated in the Updated Notice that it was the Ministry's intention to apply additional enforcement processes if the violation continues.

The Company has the right to present its arguments against the intention to apply financial sanctions and against the amount, within 30 days from date of delivery of the Updated Notice.

The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.