



Annual General Meeting Resolutions – 4th September, 2007

Below are the resolutions of the Annual General Meeting of Shareholders from 4th September, 2007:

1. Appointment of Somekh Chaikin & Co., as the auditors of the Company for 2007, and authorization of the Board of Directors to set their fee

To approve the appointment of Somekh Chaikin & Co., as the auditors of the Company for the year 2007 and to authorize the Board of Directors to set their fee.

2. Election of directors

Election of new directors to the Company:

Stephen Grabiner
Shlomo Rodav
Elon Shalev

Re-election of the following serving directors:

Ron Gottfried
Michael Grabiner
Zehavit Cohen
Rami Nomkin (employee – director)
Arie Saban
Menachem Inbar
Yehuda Porat (employee – director)
Adam Chesnoff*
Kihara R. Kiarie
Yoav Rubinstein

Note: 1. The election did not include external directors who are elected pursuant to the Companies Law (5759-1999). In addition, the Company's external directors, David Blumberg (Accounting and Financial Expertise) and Eyal Yaniv (Professional Expertise), continue to serve until the end of their terms – 31 January, 2010.

2. Pursuant to the Communications Order (Telecommunications and Broadcasts) (Determination of essential services provided by "Bezeq" The Israel Telecommunications Corp., Limited), 5757-1997, 75% of the directors must be Israeli citizens and Israeli residents with security classifications appropriate for the position, as determined by the General Security Service. The Company is active in maintaining this ratio.

* The beginning of Mr. Adam Chesnoff's new term will be on the date when the term of another classified director not elected in this meeting will begin. An additional General Meeting of Shareholders of the Company for which its agenda includes the election of another director (David Gilboa, CPA) has been set for 19th September, 2007, so that Mr. Adam Chesnoff's term will begin on the date Mr. Gilboa will be elected (if elected).