



Immediate Report - Results of tender for issue of debentures registered for trading on the Tel Aviv Continuous Institutional Trading System (TACT)

July 10, 2019

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Tel Aviv, Israel – July 11, 2019 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announced today that further to the immediate report concerning a possible issue of debentures (series 11 and 12) ("Debentures") to institutional investors on July 7, 2019, the Company hereby announces the result of the tender for the private issue of the Debentures that will be registered for trading on the TACT for institutional investors, as detailed below:

1. Details of the results of the tender for the Debentures (Series 11):

- 1.1 427,891,000 Debentures (Series 11) of the Company with a par value of NIS 1 each, registered and unlinked (principal and interest) to any index ("Debentures (Series 11)"). The principal of the Debentures (Series 11) will be repaid in five equal payments, to be paid on June 1 of each of the years 2026 to 2030 (inclusive), each representing 20% of the principal of the Debentures (Series 11).
- 1.2 The Debentures (Series 11) will bear an annual interest rate of 3.6%, as stipulated in the tender ("Interest of the Debentures (Series 11)").
- 1.3 The first interest payment of the Debentures (Series 11) will be made on December 1, 2019 for the period that commences on the first trading day after the tender day (namely July 10, 2019), and that ends on the last day before the date of the first interest payment (namely, November 30, 2019) (inclusive), calculated based on the number of days in this period on the basis of 365 days in a year ("First Interest Period Set for Debentures (Series 11)"). Accordingly, the interest payment that will be made for the First Interest Period Set for Debentures (Series 11) is 1.42027%.
- 1.4 The semi-annual interest rate that will be paid on the unpaid balance, as it shall be from time to time, of the principal of the Debentures (Series 11), which will be paid on December 1 of each of the years from 2019 until 2029 and on June 1 of each of the years from 2020 until 2030 (inclusive) is 1.8%.
- 1.5 On June 25, 2019 confirmation was received regarding the rating of Debentures (Series 11) and Debentures (Series 12), in an overall amount of NIS 600 million, of AA.il/Negative by Standard & Poors Maalot, and a rating of Aa2.il/Negative by Midroog, Ltd. On July 10, 2019 confirmation was

received from these rating agencies that the above ratings would apply to the issue in an overall amount of up to NIS 1 billion par value.

- 1.6 The overall (gross) consideration received by the Company for the Debentures (Series 11) that will be registered for trading on the TACT amounted to NIS 427,891,000.
- 1.7 The Debentures (Series 11) will be registered for trading on the TACT of the Tel- Aviv Stock Exchange ("TASE"), and to this end the Company submitted an application for approval of registration for trading on the TACT as stated.
- 1.8 In the event of registration for trading of the Debentures (Series 11) on the TASE's main list, the interest rate that will be paid for the balance of the principal of the Debentures from the date of registration on the TASE main list will be reduced by 0.4%.

2. Details of the results of the tender for the Debentures (Series 12):

- 2.1 461,740,000 Debentures (Series 12) of the Company with a par value of NIS 1 each, registered and linked (principal and interest) to the Consumer Price Index (CPI) for May 2019 that was published on June 14, 2019 ("Debentures (Series 12)"). The principal of the Debentures (Series 12) will be repaid in five equal payments, to be paid on June 1 of each of the years 2026 to 2030 (inclusive), each representing 20% of the principal of the Debentures (Series 12).
- 2.2 The Debentures (Series 12) will bear an annual interest rate of 2.1%, as stipulated in the tender ("Interest of the Debentures (Series 12)").
- 2.3 The first interest payment of the Debentures (Series 12) will be made on December 1, 2019 for the period that commences on the first trading day after the tender day (namely July 10, 2019), and that ends on the last day before the date of the first interest payment (namely, November 30, 2019) (inclusive), calculated based on the number of days in this period on the basis of 365 days in a year ("First Interest Period Set for Debentures (Series 12)"). Accordingly, the interest payment that will be made for the First Interest Period Set for Debentures (Series 12) is 0.82849%.
- 2.4 The semi-annual interest rate that will be paid on the unpaid balance, as it shall be from time to time, of the principal of the Debentures (Series 12), which will be paid on December 1 of each of the years from 2019 until 2029 and on June 1 of each of the years from 2020 until 2030 (inclusive) is 1.05%.
- 2.5 On June 25, 2019 confirmation was received regarding the rating of Debentures (Series 11) and Debentures (Series 12), in an overall amount of NIS 600 million, of AA.il/Negative by Standard & Poors Maalot, and a rating of Aa2.il/Negative by Midroog, Ltd. On July 10, 2019 confirmation was received from these rating agencies that the above ratings would apply to the issue in an overall amount of up to NIS 1 billion par value.
- 2.6 The overall (gross) consideration received by the Company for the Debentures (Series 12) that will be registered for trading on the TACT amounted to NIS 461,740,000.
- 2.7 The Debentures (Series 12) will be registered for trading on the TACT of the Tel- Aviv Stock Exchange ("TASE"), and to this end the Company submitted an application for approval of registration for trading on the TACT as stated.
- 2.8 In the event of registration for trading of the Debentures (Series 12) on the TASE's main list, the interest rate that will be paid for the balance of the principal of the Debentures from the date of registration on the TASE main list will be reduced by 0.4%.

The Company thanks the institutional investors for their participation in the tender.

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.