



December 24, 2017

Supplementary Immediate Report

Application to Join as Party in Liquidation Proceedings

Further to the Company's Immediate Report of December 20, 2017 concerning an application filed by the banks for the liquidation of Eurocom Communications Ltd ("Eurocom Communications") and for an interim injunction for the appointment of officials / observers who will provide support to Eurocom Communications in selecting the processes of disposal of assets and servicing debt, a Supplementary Report is hereby provided that on December 24, 2017 the Company filed an application to join as a party to these proceedings since the Company is a material creditor of Eurocom Communications in the sum of NIS 119 million.

This is an amount that the Company paid to Eurocom DBS Ltd ("Eurocom DBS") as an advance payment conditional upon terms in the agreement for the purchase of shares of Eurocom DBS with a subsidiary of the Company, D.B.S Satellite Services (1998) Ltd. The advance payment has been demanded, plus interest as stipulated in the agreement, following data in the possession of the Company that the targets which would enable Eurocom DBS to receive the said amount were not clearly achieved, thereby requiring the return of all the amount or the overwhelming majority, and noting that the effective date for determining whether Eurocom DBS is entitled to such payment is the end of this year.

In this respect see also the update to section 1.1 of the chapter, Description of the Company's Business in the Company's Quarterly Report as of September 30, 2017.

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.