



October 10, 2015

Immediate Report

Wholesale market - intention to publish a hearing regarding fixed telephony

Pursuant to the Company's immediate reports with respect to the Israeli High Court of Justice case in the matter of the wholesale market, and pursuant to the description provided in Section 1.6.3 of the Company's periodic report for the year 2014, the Company hereby reports that on October 8, 2015, the Ministry of Communications ("MOC") notified the court, that without prejudice to its position, it is of the opinion that in light of the importance attributed by the MOC to the ability of the service providers to offer their subscribers, a service package which includes the telephony service, and in order not to allow any further delay in the provision of this service, the MOC is preparing a hearing document which it intends to make public soon, regarding the obligation of the Company to offer to the service providers a telephony service, by way of a resale arrangement, and to prescribe the maximum tariffs for the provision of such service.

In its notice, the MOC stated that this was a different wholesale service which, in accordance with the Company's own line of argument, does not require any preparation or modification to be performed in its engineering systems, and therefore could be offered immediately, and that this offer was proposed as an interim solution for a limited period of one year.

The MOC's notice stated that there are grounds to allow the parties to exhaust the proceedings described in the notice and file to the court a notice of update after the hearing is concluded.

The effect of the notice is depended on the details of the hearing and on its outcome which, at this point in time, the Company is unable to predict.

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.