

March 25, 2002

The Securities Authority
22 Kanfei Nesharim Street
Jerusalem

Re: Periodic Report for 2001

Company Name: Bezeq, the Israel Telecommunication Corp., Limited

Company No.: 52-003193-1

Address: 15 Hatzvi Street, Jerusalem 91010

Telephone: 02-5395333 (CEO) – Facsimile: 02-5378184

Balance Sheet Date: December 31, 2001

Report Date: (Up to March 31, 2002)
(Regulations 1 and 7)

Regulation 9: The Financial Statements

Attached

Regulation 10: Directors' Report on the State of the Company's Affairs

Attached.

Regulation 10A: Condensed Quarterly Statements of Operation for the Year Ended December 31, 2001 (in millions of shekels)

	2001				
	Total	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Revenues	8,152	2,032	2,027	2,024	2,069
Costs and expenses	7,335	1,863	1,806	1,863	1,803
Operating income	817	169	221	161	266
Financing expenses	144	45	47	(1)	53
Other expenses (income)	101	100	24	(7)	(16)
Company's equity in losses of investee companies	227	136	65	16	60
Net earnings (loss)	121	(42)	7	84	72

Regulation 10C: Use of Proceeds from Securities with Reference to their Designation as per the Prospectus

Pursuant to the prospectus, consideration from the issue of debentures was designated for general corporate purposes, including the possibility of early redemption of existing loans.

Regulation 11: Schedule of Investments in Subsidiaries and Related Companies as at the Balance Sheet Date

Company name	Name of holder	Class of share	No. of shares	Total par value	Rate of holding in %	Adjusted cost in NIS thousands	Adjusted book value in NIS thousands
Pelephone Communications Ltd.	The Company	Ordinary NIS 1	151,230,000	151,230,000	50%	381,275	816,026
Bezeq International Ltd.	The Company	Ordinary NIS 0.1	1,000,000,000	1,000,000,000	100%	452,436	237,064
BezeqCall Communications Ltd.	The Company	Ordinary NIS 1	35,537,220	35,537,220	100%	49,540	61,969
BezeqCall Ltd.	The Company	Ordinary NIS 0.1	400,000,000	400,000,000	100%		3,736
Bezeq Globe Ltd.	The Company	Ordinary NIS 1	1,000,636	1,000,636	100%	16,298	1,902
Aphrodite B.V. Amsterdam	The Company	Ordinary 1,000 gulden	26.64	26,640 Gulden	66.60%	26,359	108,004
D.B.S. Satellite Services (1998) Ltd.	The Company	Ordinary NIS 1	3,000	3,000	30%	731,714	288,714
Bezeq On Line Ltd.	The Company	Ordinary NIS 1	85,000	85,000	100%	23,322	21,958
Infogate On Line Ltd.	The Company	Ordinary NIS 0.1	14,068	1,406.80	28.60%	13,408	7,600
Adanet Business Group Ltd.	The Company	Ordinary NIS 0.001	5,107	5.1	50%	40,220	40,220
Adanet Communications Ltd.	Adanet Business Group Ltd.	Ordinary Class A NIS 1	20,000	20,000	100%		
		Ordinary Class B NIS 1	20,000	20,000	100%	113,000	(3,600)
UDI (Millennium Ltd.)	Adanet Business Group Ltd.	Ordinary NIS 1	1,000	1,000	100%	1,000	(5,869)
Data Sec Ltd.	Adanet Business Group Ltd.	Ordinary NIS 1	500	500	50%	600	(7,928)
		Management NIS 1	600	600	60%		---
Broadsite Ltd.	Adanet Business Group Ltd.	Ordinary NIS 1	10,000	10,000	49.5%	10,000	---
		Management NIS 1	3	3	50%	3	---
KisNet (2000) Ltd.	Adanet Business Group Ltd.	Ordinary NIS 1	7,000	7,000	70%	7,000	(1,933)
Idit Information Technologies Ltd.	Adanet Business Group Ltd.	Ordinary NIS 0.01	50,010	500	50%	500	(446)
GoNext Ltd.	Pelephone	Ordinary NIS 0.1	51,000	5,100	51%	5,312	(1,863)

1. The entire investment in DBS is in shareholders' loans linked to the CPI, bearing no interest and no repayment date has yet been determined. The Company's holdings in DBS are supposed to increase to 44.9%.
2. Infogate OnLine Ltd. includes an investment of NIS 12,565,000, which was given as a shareholders' loan. The loan is CPI-linked, bears no interest and no repayment date has yet been determined.
3. The entire investment in GoNext Ltd. is in shareholders' loans, unlinked and without a repayment date.
4. Bezeq International Ltd. includes an investment of NIS 159,228,000 given as shareholders' loans linked to the CPI, bearing no interest and without a repayment date.
5. Bezeq OnLine Ltd. includes an investment of NIS 999,000 given as a shareholders' loan. The loan is linked to the CPI and bears no interest.
6. Adanet Business Group includes an investment of NIS 20,818,000 given as a shareholders' loans. The loans are linked to the CPI, and bear interest at 7.25% and 6.25%.

Regulation 12: Changes in Investments in Subsidiaries and Related Companies
During the Report Period

Date of change	Nature of change	Name of company	No. of shares on the stock exchange	Class of shares	Total par value	Nominal cost	Adjusted cost
9.2001	Premium on shares	Pelephone				87,120	86,609
2.2001	Extension of loan	Bezeq International				82,500	84,157
5.2001	Extension of loan	Bezeq International				74,628	75,071
1.2001	Extension of loan	DBS				194	198
3.2001	Extension of loan	DBS				199,879	203,688
4.2001	Extension of loan	DBS				16,708	16,874
5.2001	Extension of loan	DBS				20,665	20,788
7.2001	Extension of loan	DBS				42,000	41,959
8.2001	Extension of loan	DBS				49,985	49,789
9.2001	Extension of loan	DBS				38,358	38,133
10.2001	Extension of loan	DBS				21,600	21,452
11.2001	Extension of loan	DBS				34,377	34,343
12.2001	Extension of loan	DBS				40,889	40,889
3.2001	Purchase of shares	Bezeq OnLine		Ordinary	787	200	202
5.2001	Purchase of shares	Bezeq OnLine		Ordinary	3,152	800	805
6.2001	Purchase of shares	Bezeq OnLine		Ordinary	17,728	4,500	4,513
8.2001	Purchase of shares	Bezeq OnLine		Ordinary	15,757	4,000	3,984
9.2001	Purchase of shares	Bezeq OnLine		Ordinary	47,576	12,077	12,006
6.2001	Extension of loan	Bezeq OnLine				810	807
11.2001	Extension of loan	Bezeq OnLine				1,000	999
5.2001	Extension of loan	Infogate				2,267	2,280
7.2001	Extension of loan	Infogate				1,926	1,924
10.2001	Extension of loan	Infogate				2,270	2,254
12.2001	Purchase of shares	Adanet		Ordinary	5.1	19,402	19,402
12.2001	Extension of loan	Adanet				20,818	20,818
6.2001	Dilution of investment	Walla				(3,470)*	(3,480)*

* Excluding amortization of goodwill.

Regulation 13: Revenues of Subsidiaries and Related Companies and Revenues of the Corporation from them as at the Balance Sheet Date

<u>Company name</u>	<u>Earnings (loss) before tax</u>	<u>Earnings (loss) after tax</u>	<u>Dividend</u>	<u>Management fees</u>	<u>Interest</u>
<u>NIS thousands</u>					
Pelephone Communications Ltd.	(664,256)	(431,439)	0	0	0
Bezeq International Ltd.	(46,996)	(76,683)	0	0	0
BezeqCall Communications Ltd.	5,283	5,682	0	0	0
BezeqCall Ltd.	0	0	0	0	0
Bezeq Globe Ltd.	0	0	0	0	0
Aphrodite B.V. Amsterdam	160,416	159,630	0	0	0
D.B.S. Satellite Services (1998) Ltd.	(839,623)	(839,623)	0	0	0
Bezeq On Line Ltd.	(1,581)	(1,364)	0	0	0
Infogate Online Ltd.	(24,299)	(24,299)	0	0	0
Adanet Business Group Ltd.	(19,348)	(19,348)	0	0	0
Adanet Communications Ltd.	(6,855)	(6,855)	0	0	0
UDI (Millenium Ltd.)	(3,697)	(3,697)	0	0	0
Data Sec Ltd.	(5,156)	(5,156)	0	521	0
Broadsite Ltd.	(471)	(471)	0	0	0
KisNet (2000) Ltd.	(1,837)	(1,837)	0	516	536
Idit Information Technologies Ltd.	(894)	(894)	0	134	0
GoNext Ltd.	(25,926)	(25,926)	0	0	0

Regulation 14: List of Groups of Loan Balances Extended as at the Balance Sheet Date if the Extension of Loans was one of the Corporation's Main Occupations

Regulation 20: Stock Exchange Trading – Listed Shares – Dates and Causes of Halted Trading

		<u>No. of paper</u>	<u>Par value</u>
Convertible debenture	Series 3	2300044	147,562,429
			(Conversion to shares)
Ordinary shares		230011	14,590,161

Regulation 21:**Salary expense****2001****In NIS of December 2001**

Director	1,274,452
VP Corporate Division	728,730
Chairman of the Board	723,809
CEO	719,369
VP Operating Division	706,254

Regulation 22: Salary and Benefits

- (A) Interested parties at Bezeq have not received and are not eligible for any benefits from the Company and from the subsidiaries, except for compensation as described below:
- (B) Members of the Board of Directors who are not employed by the Company and are not civil servants, received compensation, salary and auxiliary expenses in 2001 amounting to NIS 1,344,000.
- (C) The cost of the salary of the CEO and the Chairman of the Board in 2001: NIS 1,443,000.

Regulation 24: Shares and Convertible Securities Held by Interested Parties in the Corporation, a Subsidiary or Related Company, as Close as Possible to the Report Date

As at March 19, 2002

<u>Holder's name</u>	<u>Type of security</u>	<u>Number of convertible securities</u>	<u>Number of shares</u>	<u>Par value in NIS</u>	<u>Rate of holding in control capital</u>
State of Israel	Ordinary		1,317,094,440	1,317,094,440	54.61
Zeevi Group	Ordinary		462,323,633	462,323,633	19.17
Barak Avraham	Ordinary		30	30	
Ilan Biran	Ordinary		9,090	9,090	
Rami Numkin	Ordinary		5,940	5,940	
Yossef Banano	Ordinary		5,232	5,232	

Regulation 26: The Directors of the Corporation

1. (1) Name: **Ido Dissentshik** ID No.: 783178-7
(2) Age: 61
(3) Address: 10 Tolkowsky Street, Tel Aviv
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Marketing and investments, Appointments – Chairman
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: Yes
(8) Year of appointment as a director: 1999.
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
B.A., Hebrew University of Jerusalem
M.A., Columbia University – New York
M.B.A. (Certificate), Tel Aviv University

Telephone Communications Ltd. (since 9/2000), DBS Satellite Services (1998) Ltd. (since 9/2000), Hadar Insurance Company Ltd. (since 1998), Bank Hapoalim (until 9/1999), Aviation Services (until 5/2000), Mercado Software (until 11/1999), IIG Israel (until 8/2000), Dyson Consulting & Investments, Dolev Insurance Company (until 8/1999), Weizmann Institute, The Edmund de Rothschild Fund and Company for the Development of Caesarea, The Davidson Institute for Science Education, The Tel Aviv Municipality Tourism Association.

(10) Related to another interested party in the Corporation: No.
2. (1) Name: **Shlomit Eytan** ID No.: 5724087
(2) Age: 41
(3) Address: 2 Hahalom Upishro, Herzliya
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Issue/Privatization, Chairperson of Marketing and Investment Committee, Billing/Computerization.
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Date of appointment as a director: 2000.
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
B.A. – Economics
M.B.A.

Since 1993 – Manager of the Economics department at the Israel Export Institute.

(10) Related to another interested party in the Corporation: No.

3. (1) Name: **Amal Ass'ad** ID No.: 5376288
 (2) Age: 46
 (3) Address: Ussifiya 30090, P.O. Box 1261
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Finance, Multi-year planning and strategy, Organization, Billing.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 2001
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 B.A. in Humanities – General history
 M.A. in Political science – the Middle East and national security.

 1997–1999 – Head of the security coordination and cooperation with the Palestinians.
 1994–1997 – Deputy commander of the liaison unit with Lebanon.
- (10) Related to an interested party in the Corporation: No.
4. (1) Name: **Moshe Bloomkin** ID No.: 01089579-5
 (2) Age: 67
 (3) Address: 15 Pitchiya Street, Tel Aviv
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Finance, Organization, Multi-year Planning and Strategy, Billing/Computerization – Chairman, Marketing and Investments and Articles of Association.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 1997
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 Academic, Engineer

 1994–2001 – Manager of MDBC Ltd. (a consulting firm)
 Until 1994, Deputy CEO of Israel Aircraft Industries Ltd.
- (10) Related to an interested party in the Corporation: No.

5. (1) Name: **Yosef Banano** ID No.: 5289492
 (2) Age: 48
 (3) Address: 4 Meir Ya'ari Street, Be'er Sheva
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Finance, Multi-year Planning and Strategy, Property, Issue/Privatization, Billing/Computerization, and Marketing and Investments.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: Yes – Employee Director.
 (8) Date of appointment as a director: 23.7.1998.
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 Manager of Network Operating District, Be'er Sheva.
 Deputy Mayor of Be'er Sheva.
 (10) Related to an interested party in the Corporation: No.

6. (1) Name: **Avraham Barak** ID No.: 3055795-3
 (2) Age: 52
 (3) Address: 11, Tidhar Street, Ramat Gan
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Multi-year Planning and Strategy, Audit, Finance – Chairman, Property, Appointments
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 1997
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 Academic education.

Since 2001 – CEO of Yisum – Research and Development Company of the Hebrew University of Jerusalem; as CEO of Yisum, he serves as a director in Medibar, Nanoptics, Novagali, OVCure, Oxon Medica, RTR, S.B.T., Syndromex, Vaccine Y&Y, Yisum T.A.T.

1995 – 1999 Private business.

Director at Melrose Investments (Israel) Ltd., Kayakei Hagoshrim Ltd., Newport Orchards Ltd., Ilanot Carmel Ltd., Ilanot Carmel Investments (1993) Ltd., Avraham B.A.rak & Co. Consulting Services Ltd., Extra Maofim Ltd., Extra Capital Markets Ltd., Emerald Management & Underwriting Ltd., Lightcom (Israel) Ltd., Lightcom S.A.

Outside Director – Aspen Construction & Development Ltd., DBS Satellite Services (1998) Ltd.

- (10) Related to an interested party in the Corporation: No.

7. (1) Name: **Israel Hasson** ID No.: 6802734
(2) Age: 46
(3) Address: 26 Remez Street, Kiryat Tivon
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Appointments
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Year of appointment as a director: 2000.
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
B.A. in Political science

Prime Minister's Office, Security services

(10) Related to an interested party in the Corporation: No.

8. (1) Name: **Shilo Lifshitz** ID No.: 054924196
(2) Age: 44
(3) Address: 12 Zvi Segal Street, Ramot, Jerusalem
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Market Risks – Chairperson, Finance, Issue/Privatization, Multi-year Planning and Strategy, Billing/Computerization.
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Year of appointment as a director: 2001
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
B.A. - Economics – Hebrew University of Jerusalem.
M.B.A. – Hebrew University of Jerusalem.

Hebrew University of Jerusalem, The Jerusalem College, Derby University, The Institute for Forward Transactions and Options Ltd., Bank Mizrahi.

(10) Related to an interested party in the Corporation: No.

9. (1) Name: **Shimon Levy (Police Commander, Ret.)** ID No.: 061137741
(2) Age: 55
(3) Address: 1 Shlomo Adani Street, Be'er Sheva
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Audit, Property, Organization, Billing/Computerization.
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Year of appointment as a director: 2001.
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
B.A. in History and Jewish Philosophy

Since 2001 – Security advisor for Le'umit Health Fund.
Since 1999 – Chairman of the Society for the Elderly – Ofakim.
- (10) Related to an interested party in the Corporation: No.

10. (1) Name: **Miriam (Miki) Mazar** ID No.: 007160179
(2) Age: 66
(3) Address: 29 Lessin Street, Tel Aviv
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Organization, Property, Billing, Appointments, Finance, Appointment of Legal Counsel, Articles of Association – Chairperson.
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Year of appointment as a director: 1999
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
Law Degree

Director at El Al, Dan Cities Association, Ohel Shem, Performing Arts.
Since 1996 – Chairperson Dan Cities Association for Sewerage and the Environment.

Since 1994 – Chairperson of the Tel Aviv – Yaffo City Council.

Chairperson of the Emitel Supervisory Committee in Hungary.
- (10) Related to an interested party in the Corporation: No.

11. (1) Name: **Azriel Nevo** ID No.: 00391730
 (2) Age: 54
 (3) Address: 9 Yasmin Street, Mevasseret Zion
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Audit, Finance, Marketing and Investments, Organization, Appointment of Directors to Subsidiaries, Articles of Association.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 1996
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 B.A. – Social sciences

 1993–1996 – Israel's military attaché in Britain
 Director at The New Tel Aviv Central Bus Station Company (outsider director),
 Pelephone, Israel Electric Corporation, EDS Israel.

 (10) Related to an interested party in the Corporation: No.
12. (1) Name: **Amnon Neubach** ID No.: 343243-2
 (2) Age: 58
 (3) Address: 12 Ha'maagal Street, Kiryat Ono
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Multi-year Planning and Strategy, Marketing and Investments, Issue/Privatization.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: Yes
 (8) Year of appointment as a director: 2000.
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 B.A. – Economics and Business Administration
 M.A. – Economics

 Chairman of the Board of Pelephone Communications Ltd.

 Consultant to Goldman Sachs in Israel, economic consultant, Chairman of Yozma and Deputy Chairman of the Bnei Brak Appointed Committee.

 Boards of Directors: Arad Towels, Zika, Maritime Bank, Direct Insurance, Yarden Investments.

 (10) Related to an interested party in the Corporation: No.

13. (1) Name: **Rami Nomkin** ID No.: 042642306
(2) Age: 53
(3) Address: 126 Mohliver Street, Yehud
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Property, Finance, Privatization/Issue, Billing/Computerization, Marketing and Investments.
(6) Outside Director: No
(7) Employee of the Corporation, subsidiary, related company or interested party: Yes – Employee Director.
(8) Year of appointment as a director: 1998.
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:

Deputy Manager of the Lev Tel Aviv Neighborhood and manager of Bezeq's Systems Department.

- (10) Related to an interested party in the Corporation: No.

14. (1) Name: **Michael Perry** ID No.: 006195432
(2) Age: 63
(3) Address: 39 Merkaz Baalei Melacha Street, Tel Aviv
(4) Citizenship: Israeli
(5) Membership of Board of Directors Committees: Audit, Finance, Issue/Privatization, Multi-year Planning and Strategy – Chairman.
(6) Outside Director: Yes
(7) Employee of the Corporation, subsidiary, related company or interested party: No.
(8) Year of appointment as a director: 2000
(9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:

Ph.D. – Business Administration, Columbia University, New York.

LL.M. in Law

M.A. in business administration, Hebrew University in Jerusalem.

CEO – Mitzuv

Lecturer, Haifa University.

Sarel – Member of the board of directors

- (10) Related to an interested party in the Corporation: No.

15. (1) Name: **Blanche Kay** ID No.: 048202717
 (2) Age: 65
 (3) Address: 10 Mania and Israel Street, Tel Aviv
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Audit, Property, Marketing and Investments, Organization, Articles of Association, Appointment of Legal Counsel,
 (6) Outside Director: Yes
 (7) Employee of the Corporation, a subsidiary, related company or an interested party: No.
 (8) Year of appointment as a director: 2000.
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 Law Degree

 2000 – Director in the Dead Sea Shore Development Company.
 1995–1998 – Founder and president of the Israel-Jordan Chamber of Commerce, now a member of management.
 1973–1994 Judge (early retirement)

 Chairperson of the Public Committee for Investigation of the Role of the Second Authority for Radio and Television.
- (10) Related to an interested party in the Corporation: No.
16. (1) Name: **Rachel Kremmerman-Meridor** ID No.: 00146403
 (2) Age: 64
 (3) Address: 36 Be'eri Street, Tel Aviv
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Issue/Privatization, Multi-year Planning and Strategy, Organization.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 2001
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:
 MB.A. in the Social Sciences, General history – Haifa University.

 Veneered Wood Concern
- (10) Related to an interested party in the Corporation: No.

17. (1) Name: **Hava Shechter** ID No.: 051907178
 (2) Age: 47
 (3) Address: 11 Ahimeir Street, Tel Aviv
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Finance, Multi-year Planning and Strategy, Appointments, Issue/Privatization – Chairperson.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 1999.
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:

MB.A. – Tel Aviv University
 B.A. Tel Aviv University – Economics

1999 – H. Schechter & Co. Investment House Ltd.
 1996–1999 – Ramot Shechter & Co. Investment House Ltd.
 1987–1995 – Tzmicha Investment House Ltd.

- (10) Related to an interested party in the Corporation: No.

18. (1) Name: **Aliza Shloss** ID No.: 05184851348
 (2) Age: 48
 (3) Address: 43 Shoeva Street, Shoeva
 (4) Citizenship: Israeli
 (5) Membership of Board of Directors Committees: Audit – Chairperson, Assets, Finance, Issue/Privatization and Articles of Association, Business Risks Management.
 (6) Outside Director: No
 (7) Employee of the Corporation, subsidiary, related company or interested party: No.
 (8) Year of appointment as a director: 2000
 (9) Education and employment during the past five years and details of the corporations in which served (or serves) as director:

Ph.D. – Political science and public administration
 M.A. - Public administration, M.A. – Political science
 B.Sc. – Biology

Currently – 2000 PB Lemelacha Ltd. - outsider director
 Lahak –Mutual Fund Management – outsider director,
 Ben Yakar Gat – Engineering & Construction – outsider director.

1997–1999 – CEO – General Cooperative Workers Company in Israel Ltd.
 CEO – Histadrut Property (Real Estate) Ltd.
 CEO – Histadrut Welfare Fund Ltd.
 Chairperson of the board of directors of Hevrat Ovdim Investment Fund Ltd. and subsidiaries

1996 - 1997 Director General of the Office of the General Secretary of the New Histadrut

1994 - 1996 Director General of the Comptroller of the Histadrut

- (10) Related to an interested party in the Corporation: No.

Regulation 26A: Senior Officers of the Corporation

1. (1) Name: **Ilan Biran** ID No.: 006900997
(2) Age: 55
(3) Position in the Corporation: CEO
(4) Position in a subsidiary of the Corporation or of an interested party therein: None
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
B.A. – Economics and Business Administration

Since November 1996 – Director General – Ministry of Defense.
1996 – Chairman of the board of directors of Oil Refineries
1994 - 1996 Commanding Officer – Central Command

(7) Date of appointment: November 1, 1999

2. (1) Name: **Shlomo Koppel** ID No.: 09073867
(2) Age: 55
(3) Position in the Corporation: Company Secretary
(4) Position in a subsidiary of the Corporation or of an interested party therein: None
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
B.A. – Political science – Hebrew University of Jerusalem

CEO of Cost – Economic Consulting, Management and Promotion of International Projects.

(7) Date of appointment: November 6, 2000

3. (1) Name: **Raz Heiferman** ID No.: 67614339
(2) Age: 53
(3) Position in the Corporation: Vice President of Information Technologies
(4) Position in a subsidiary of the Corporation or of an interested party therein: Chairman of Bezeq OnLine Ltd., Director at Adanet
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
Academic - Business Administration, Economics and Statistics.

1992-1997 – Contahal Ltd. Last position – Head of the Technology and Software Engineering Division.

(7) Date of appointment: March 16, 1997

4. (1) Name: **Paul Weissbach** ID No.: 14919013
 (2) Age: 57
 (3) Position in the Corporation: Vice President of Engineering and Planning, Deputy CEO.
 (4) Position in a subsidiary of the Corporation or of an interested party therein: Director at Bezeq International Ltd., Adanet
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Academic and engineering

 1994-1996 Vice president of Operations at Telephone Communications.
 1991-1993 Deputy Vice President of Engineering for Integrated Planning
- (7) Date of appointment: June 1, 1996
5. (1) Name: **Avi Gabay** ID No.: 059777920
 (2) Age: 35
 (3) Position in the Corporation: Vice President of Economics
 (4) Position in a subsidiary of the Corporation or of an interested party therein: Member of the board at DBS, Goldnet Communications
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 M.B.A.
 B.A. – Economics

 1994-1998 – Coordinator of communications and computerization in the Budgets Division at the Ministry of Finance.
 1998-1999 – Senior assistant to CEO of Bezeq
 7/199 - 1.2000 – Vice President of Management Division at Bezeq.
- (7) Date of appointment: January 13, 2000
6. (1) Name: **Pnina Shenhav** ID No.: 535650230
 (2) Age: 46
 (3) Position in the Corporation: Vice President of Sales and Marketing
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 M.B.A.
 B.A. – Life sciences (biology)

 1995–2000 – Vice President Marketing Plans at Tevel.
 1993–1995 – Manager of Marketing Division at Tevel.
- (7) Date of appointment: May 21, 2000

7. (1) Name: **Oren Lieder** ID No.: 009153800
 (2) Age: 53
 (3) Position in the Corporation: Chief Financial Officer
 (4) Position in a subsidiary of the Corporation or of an interested party therein: Director at Pelephone Communications Ltd., DBS Satellite Services Ltd.
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Academic.

 1989 - 1996 – Chief Financial Officer at Zim – The Israel Maritime Company Ltd. (Zim).
 Director and chairman of the board in a number of Zim subsidiaries.
- (7) Date of appointment: September 1, 1997
8. (1) Name: **Bosmat Chelouche** ID No.: 05259266
 (2) Age: 47
 (3) Position in the Corporation: General Counsel
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Academic – Law degree

 1994-1998 – General Counsel and Corporate Secretary at Tadiran Ltd.
- (7) Date of appointment: September 1, 1998
9. (1) Name: **Zvi Shapira** ID No.: 0101339
 (2) Age: 56
 (3) Position in the Corporation: Internal Auditor
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Academic
 Since 1984 – Internal auditor at Bezeq
 (7) Date of appointment: February 1, 1984

10. (1) Name: **Nati Bialostock Cohen** ID No.: 02283744
 (2) Age: 35
 (3) Position in the Corporation: Internal Compliance Officer for the Anti-Trust Law, 5748 - 1988.
 (4) Position in a subsidiary of the Corporation or of an interested party therein: Director at Bezeq Call Communications Ltd.
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Academic

 1993 - 1999 Privatization economist at the Government Companies Authority.
 Director in the Company for the Development of Tourist Enterprises.

 (7) Date of appointment: September 15, 1998
11. (1) Name: **Yotam Yakir** ID No.: 058330911
 (2) Age: 39
 (3) Position in the Corporation: Company spokesperson
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Political Science

 Herzliya Interdisciplinary Center - Vice President – Development, Headquarters Director.
 Formerly Israel's representative to the Jewish Federation in Columbus, Ohio.

 (7) Date of appointment: January 30, 2002
12. (1) Name: **Avraham Shlomowitz** ID No.: 017257411
 (2) Age: 54
 (3) Position in the Corporation: Head of Operating Division for Tel Aviv and Sharon Area
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 M.A. - Electricity and Electronics

 Since March 1998 – Deputy Head of Tel Aviv and the Sharon Operating Division
 March 1993-March 1998 – Manager of System Planning in the Tel Aviv and Sharon Area

 (7) Date of appointment: May 1, 2000

13. (1) Name: **Yossi Malka** ID No.: 005521190
(2) Age: 55
(3) Position in the Corporation: Head of Northern Operating Division
(4) Position in a subsidiary of the Corporation or of an interested party therein: None
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
M.A. – Political science and Sociology.

January 1999 – January 2000 – Head of Galil District in Haifa and the North.
April 1998 – December 1998 – Head of Infrastructures Department.
1995 - 1998 – Deputy Head of Operating Division, Haifa and the North

- (7) Date of appointment: January 31, 2000

14. (1) Name: **Gidon Kadusi** ID No.: 057362548
(2) Age: 40
(3) Position in the Corporation: Vice President of Management Division
(4) Position in a subsidiary of the Corporation or of an interested party therein: Member of the board of Bezeq Call Communications Ltd.
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
B.A. – Electronic engineering
Teaching certificate

April 1999 – January 2000 – Head of Central Operating Division
1996 - 1999 – Manager of the Shfela district
1993 - 1996 – Department manager in switching

- (7) Date of appointment: January 13, 2000

15. (1) Name: **Rafi Rahat** ID No.: 006801237
(2) Age: 57
(3) Position in the Corporation: Head of Central Operating Division
(4) Position in a subsidiary of the Corporation or of an interested party therein: None
(5) Related to an interested party in the Corporation: No.
(6) Education and business experience during the past five years:
B.A. – Industrial Engineering and Management, The Technion.

From 1999 - 2000 – Manager – Shfela district
From 1998 - 1999 – Manager – Petach Tikva district
From 1991 - 1998 – Manager – Private customers sector in the Marketing Division.

- (7) Date of appointment: January 13, 2000

16. (1) Name: **Avinoam Menahem** ID No.: 50004084
 (2) Age: 51
 (3) Position in the Corporation: Head of Jerusalem and the South Operating Division
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 B.A. – Economics and Labor studies
 M.A. – Public Administration
- 1998 - 2000 – Manager – Sharon district
 1997 - 1998 – Manager – Yarkon district
 1964 - 1996 – Manager of Kiron District
- (7) Date of appointment: August 29, 2000
17. (1) Name: **Michal Even-Chen** ID No.: 56595739
 (2) Age: 41
 (3) Position in the Corporation: Vice President of Business Development
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 B.A. – Economics and International Relations
 M.A. – International Relations
- 1996 - 2000 – Vice President of Marketing at Golden Lines
- (7) Date of appointment: July 1, 2000
18. (1) Name: **Zalman Kodan** ID No.: 30544381
 (2) Age: 52
 (3) Position in the Corporation: Advisor to the CEO for operational control
 (4) Position in a subsidiary of the Corporation or of an interested party therein: None
 (5) Related to an interested party in the Corporation: No.
 (6) Education and business experience during the past five years:
 Industrial and management engineering
 B.A. – Business Management
- 1992 - 1999 – Head of Jerusalem and the South Operating Division
- (7) Date of appointment: January 1, 1999

Regulation 27: The Corporation's Auditors

Somekh Chaikin (a member of KPMG International)
Certified Public Accountants (Isr.)
17 Ha'arbaah Street
Millennium Tower
Tel Aviv 64739
Tel: 03-684-8000

Shlomo Koppel, Corporate Secretary