



December 13, 2017

**Immediate Report**

**Petition to Approve Class Action in USA**

An Immediate Report is hereby provided that on December 12, 2017 the Company received notice from B Communications Ltd ("B Com"), the Company's controlling shareholder, that on December 11, 2017 a petition for approval of an amended class action was filed in the USA pursuant to a similar petition originally filed against B Com and its officers. As part of the amended claim ("the Claim"), a list of respondents was attached for the first time, *inter alia*, also including a subsidiary of the Company, D.B.S Satellite Services (1998) Ltd ("DBS"), and the officers (past and present) of DBS and the Company (the Company itself was not attached to the proceedings). It should be noted that to the best of the Company's knowledge, the Claim has not yet been served on the respondents attached to the Claim.

The Claim was filed in the name of holders of securities of B Com and in it there are alleged false and misleading declarations made by the respondents concerning the transaction in 2015 in which the Company acquired from Eurocom DBS Ltd (a company controlled by the Company's controlling shareholders) the balance of DBS shares it held ("the Transaction"), including in connection with the second contingent consideration paid by the Company in accordance with the terms of the Transaction. According to the claimants they were made aware of this matter after the opening of the public investigation by the Israel Securities Authority on June 20, 2017 and the price of the B Com securities dropped significantly from that date until September 7, 2017. Accordingly the claimants have petitioned the court to order the respondents to compensate the group members for the losses caused them as a result of the foregoing.

The Company is unable at this stage to assess the Claim's chances.

*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.*