



April 21, 2016

Supplementary Immediate Report

Approval of a settlement agreement

Following the immediate report of the Company dated February 7, 2012, and further to the description in sections 2.18.A and 3.17.1B of the Company's periodic report for the year 2015 regarding the lawsuit and the request to approve it as a class action against the Company, the subsidiary company Pelephone Communications Ltd. ("**Pelephone**"), and against two other cellular companies (together: "**The Respondents**"), in the District Court in Jerusalem, in which it was claimed that the respondents do not offer accessible devices and services to handicapped people in a decent manner, the Company is pleased to report that the Company and Pelephone have received a judgment dated April 19, 2016 approving the compromise agreement signed between the parties, which has procedural and operational significance for the respondents, for the Company and for Pelephone, and which does not have significant costs.

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.