

INTERNET GOLD GOLDEN LINES LTD  
Form 6-K  
April 11, 2005

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**F O R M 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of April 2005**

**INTERNET GOLD-GOLDEN LINES LTD.**  
(Name of Registrant)

**1 Alexander Yanai Street Petach-Tikva, Israel**  
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

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Internet Gold-Golden Lines Ltd.

6-K Items

1. Form of Immediate Report filed with the Israel Securities Authority re Tender Offer Results dated April 7, 2005.
  2. English translation of Prospectus used in Israel.
  3. Press Release re Internet Gold Completes Oversubscribed Sale of Convertible Bonds and Warrants, Raising NIS 220M dated April 11, 2005.
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**INTERNET GOLD - GOLDEN LINES LTD.**

**(the "Company")**

April 7, 2005

To

Israeli Securities Authority

To

Tel-Aviv Stock Exchange Ltd

Pursuant to the Company's prospectus dated March 31, 2005 (hereinafter - the "**Prospectus**"), the Company offered to the public NIS 220,000,000 par value Debentures (Series A) along with 1,500,000 Share Purchase Warrants (Series 1), along with 2,500,000 Share Purchase Warrants (Series 2). All the aforementioned securities were offered to the public in 100,000 units (hereinafter -the "**Units**") by way of a tender on the interest rate for the Debentures (Series A) which shall not be lower than 4% and shall not exceed 5%.

101 institutional investors have undertaken to order 80,000 units of the all Units being offered to the public.

The list of subscriptions for the Units offered to the public was closed on April 7, 2005.

**After processing of the data, the results were as follows:**

In the tender, 4,710 offers for the purchase of 38,071,822 Units were received (including orders from Institutional Investors), in the total amount of approximately NIS 83,758 millions. The over-subscription in the offering was approximately 380 times the amounts offered.

The interest rate that was determined in the tender was 4% (hereinafter - "**the Determined Interest Rate**"), which was the minimal interest rate.

123 orders for the purchase of 13,362 Units stating an interest rate that is higher than the Determined Interest Rate were not accepted.

101 orders of Institutional Investors for the purchase of 80,000 Units, which stated an interest rate that was equal to the Determined Interest Rate were accepted in part, so that each Institutional Investor placing an order received 50% of its order (rounded down to the nearest Unit), and altogether 39,975 Units. This is due to the over-subscription in the offering that exceeded 5 times the amount offered, which requires according to the TASE directives, to allot to the Institutional Investors 50% of their orders.

2,671 orders from the public for the purchase of 37,742,460 Units stating an interest rate equal to the Determined Interest Rate were accepted in part, so that each applicant received 0.1578% of his order (rounded down to the nearest Unit).

1,815 orders for the purchase of 236,414 Units stating an interest rate equal to the Determined Interest Rate but were, each, for less than 317 Units, were not accepted due to the over-subscription and the low allotment rate that was determined in the tender.

INTERNET GOLD - GOLDEN LINES LTD





English Translation

**INTERNET GOLD - GOLDEN LINES LTD.**

**(the "Company")**

**PROSPECTUS**

Offer to the public of

220,000,000 registered debentures (Series A) of NIS 1 par value each, repayable in eight equal annual installments on April 1 of each of the years 2008 to 2011, bearing interest at a rate to be determined in the tender and which shall not be lower than 4% and shall not exceed 5%, with principal and interest linked to the CPI for February 2005. The interest on the balance of the debentures (Series A) which has not been repaid shall be paid once every twelve months, on April first of each of the years 2006 to 2015. The debentures (Series A) may be converted into ordinary shares on any trading day beginning on the date they are registered for trade on the stock market and through March 31, 2015 (inclusive), with the exception of March 19 through April 1 of each of the years 2008 to 2014, such that by March 31, 2008 (inclusive) each NIS 40 par value debentures (Series A) which were not redeemed shall be convertible into one ordinary share of NIS 0.01 par value each. (Subject to the adjustments as stipulated in Section 9.14 below.) Debentures (Series A) which are not converted by March 18, 2015 shall not grant holders the right to convert them into Company shares.

**and of**

1,500,000 registered share purchase warrants (Series 1) that can be converted into ordinary shares in the Company on any trading day as of June 1 2005 and through August 15, 2005, such that each option warrant (Series 1) shall be convertible into one ordinary share of the Company of NIS 0.01 par value each against cash payment of exercise price of NIS 32 (subject to the adjustments stipulated in Section 10.11 of the Prospectus). An option warrant (Series 1) which has not been exercised by August 15, 2005 shall expire and be nullified, and shall not grant its holder any rights whatsoever in the Company.

**and of**

2,500,000 registered share purchase warrants (Series 2) that can be converted into ordinary shares in the Company on any trading day as of June 1 2005 and through 15 October 2007, with the exception of the 12<sup>th</sup> through the 16<sup>th</sup> of every month, such that each option warrant (Series 2) can be converted into an ordinary share of the Company of NIS 0.01 par value each against cash payment of the exercise price of NIS 40 linked to the CPI published for February 2005 (as subject to the adjustments stipulated in Section 10.11 of the Prospectus). An option warrant (Series 2) which has not been exercised by 15 October, 2007 shall expire and be nullified, and shall not grant its holder any rights whatsoever in the Company.

**Public offering:**

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220,000,000 debentures (Series A) along with 1,500,000 share purchase warrants (Series 1), along with 2,500,000 share purchase warrants (Series 2) are offered to the public in 100,000 units by way of a tender on the interest rate for the debentures (Series A). The composition of each unit is as set forth below:

NIS 2,200 par value each debentures (Series A)	NIS 2,200
15 share purchase warrants (Series 1) without consideration	
25 share purchase warrants (Series 2) without consideration	
Total price per unit	NIS 2,200

The list of signatures for purchase of the units offered to the public shall be opened on April 7 2005 at 8:00 AM and shall be closed on the same day at 3:00 PM.

Prior commitments have been received by institutional investors according to which they shall submit applications for their purchase of units, constituting approximately 80% of the units offered to the public. For more information, see Section 5.10 of the Prospectus.

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The debentures (Series A) are not secured by any collateral whatsoever. The debentures may only be redeemed immediately in the cases set forth in Section 9.17 of the Prospectus. The Company reserves the right to put pledges on its assets at any level whatsoever without having to receive the approval of the trustee or of the debenture holders.

This Prospectus has been drafted in accordance with an exemption from the Securities Regulations (Details, structure and form of a Prospectus), 5729-1969, granted to the Company by the Israel Securities Authority, by virtue of Section 35(XXIX) of the Securities Law, 5728-1968. With respect to the exemption received by the Company regarding this Prospectus, see page 1 of the Prospectus.

The Company's regular reports are in accordance with US law and are in English, in accordance with the dual listing guidelines stipulated in Chapter E3 of the Securities Law, 5728-1968 and the resulting regulations.

The offer to the public under this Prospectus is made in Israel, solely to residents of Israel and is not intended for US residents. Any person purchasing securities according to this prospectus shall be deemed to have declared that he was not in the US at the time of submitting his request for the securities. No person is entitled to make a solicitation for sale with respect to the securities offered under this Prospectus in the United States. The laws of the State of Israel alone shall apply to this Prospectus, the securities offered under it, the securities and the purchase of securities and anything that stems from or is related to the Prospectus, the offer of securities under it, the securities and their purchase. Sole and exclusive jurisdiction in all matters stemming from them and/or with respect to them is with the authorized courts in Israel and with them alone.

This Prospectus was not submitted to the US Securities and Exchange Commission. The securities offered under this Prospectus are not registered in accordance with the US Securities Act, and it is prohibited to offer and/or sell them in the United States or to US Persons, unless they are registered in accordance with the US Securities Act, or if there is an exemption to the listing requirements under the US Securities Act. With respect to the shares deriving from conversion of debentures (Series A) and the shares from exercise of share purchase warrants (Series 1) and share purchase warrants (Series 2) such an exemption exists, subject to the caveats stipulated in American law regarding interested parties and officers.

**The following are the main risk factors which may impact on the Company: Factors related to the Company:** (1) In the past, the Company had an operating loss, and it is possible that it may also incur a loss in the future. (2) The results of the Company's activity may fluctuate significantly, and thus lead to fluctuations in share prices. (3) Legislative and regulatory uncertainty may significantly and negatively impact on the Company's licenses and may also have a negative effect on other aspects of the Company's business. (4) The markets in which the Company operates are highly competitive, and it is possible that the Company may not compete successfully. (5) A failure by the Company in effective management of the growth of its business may hurt its business. (6) The Company's strategy may not be successful in the future. (7) If the Company is not successful in developing its brands, it may not attract a sufficient number of customers for its services or enough traffic to its portals to enable it them to be successful. (8) A failure in establishing and retaining strategic and marketing relationships, as well as other relationships with third parties may limit the Company's ability to attract and retain users. (9) There is no guarantee the Company's investments in partnership agreements will prove successful. (10) Should the Company lose key figures or not be able to recruit additional employees, its business may be hurt. (11) Limitations on the Company's network capacity may prevent it from delivering service to its

customers and may force it to expand the capacity of its network and systems. (12) Failures in our systems may disrupt services to our customers and may cause them to leave. (13) The Company is dependent on third-party systems and services to provide services to its customers. (14) The Company's international telephony services are subject to numerous additional risks, including risks with respect to its communications network. (15) Should the Company require additional capital, it may not be able to raise it under good conditions or at all. (16) The industry in which the Company operates is marked by rapid changes in technology and frequent launches of new products and services; the Company may not be able to keep up with the rapid pace of technological advancement or other changes. (17) Our success in the future is dependent on continued growth in Internet use, international telephony services and other related services in Israel. (18) The Company may not be able to secure wide market distribution of its services due to concerns regarding the reliability and security of Internet-based communication. (19) The Company may be held responsible for information secured through its services or through products and services sold on its portals. (20) Insufficient protection of the Company's intellectual property may prevent it from protecting its intellectual property or enforcing its rights in this respect.

**Factors related to the Company's relationships with the Eurocom Group (organizations related to the controlling shareholder in the Company):** (21) Subject to the law, a controlling shareholder in the Company, by virtue of his/her holdings of shares, may significantly impact on its business, including in ways which may go against the best interest of public shareholders.

**Factors related to the Company's shares:** (22) The value of the Company's shares is subject to much fluctuation and may decline. (23) The price of a share in the Company may be significantly and negatively impacted from the sale or assumption that certain shareholders will demand that Company sells their shares. (24) Provisions against takeovers may negatively affect the Company's shareholders.

**Factors related to debentures (Series A):** (25) The Company may not be able to meet payments to its creditors in the future.

**Factors related to the Company's activity in Israel:** (26) Management of the Company's business in Israel leads to a number of special risks. (27) The results of its activity may be negatively or positively impacted by the obligation its employees have to serve in the military. (28) The economic condition in Israel in recent years was not stable. (29) The Company's business may be affected by fluctuations in the exchange rate of the Israeli shekel. (30) The provisions of Israeli law may reject, prevent or make acquisition of the Company difficult, which may prevent a change in control of the Company and thus lead to a drop in the price of its stock. (31) The rights of the shareholders in the Company are regulated by the provisions of Israeli law, which in some respects is different from the rights and obligations on shareholders under US law.

For a full description of the risk factors affecting the Company, see Chapter 3 of the Prospectus.

**The bylaws of the Company contain provisions with respect to Sections 50(A), 85, 87(A)(4) and 259 of the Companies Law, 5759-1999. See Chapter 10 of the Prospectus.**

With respect to transactions between the Company and a company related to the controlling shareholder, see the Section regard Gold Trade (Electronics-Trade) Ltd. in the **About Us** section on page 6 of the Prospectus.

**The offer of securities to the public under this Prospectus is underwritten (see Chapter 17 of the Prospectus). Total underwriting, management, distribution and other expenses related to this offer, including commissions to institutional investors are estimated at approximately 3.6% of the gross immediate consideration. With respect to obligation to indemnify the Company against the underwriters, see Section 17.4 of the Prospectus.**

A court case has been filed against the trustee for the debentures (Series A). For detailed information, see Section 9.22.1 below.

**Consortium managers and underwriters:**

**Poalim IBI    Apax Underwriting Ltd.**

**Trustee for debentures (Series A): Investec Trust Company (Israel) Ltd.**

**Date of Prospectus:** March 31, 2005

## **Permits**

The Company has received all the permits, authorizations and licenses required by law governing the offer and issue of securities, and publication of this Prospectus.

A permit from the Securities Authority to publish this Prospectus does not constitute verification of its details or confirmation of their reliability or integrity, nor does it express an opinion as to the quality of the offered securities.

The Tel Aviv Stock Exchange Ltd. (hereinafter, the “Stock Exchange”) has approved the listing of the debentures (Series A) under this Prospectus, and the shares derived from their conversion, the options (Series 1) and the shares derived from their exercise, the options (Series 2) and the shares derived from their exercise.

The approval from the Tel Aviv Stock Exchange does not constitute approval of the details contained in the Prospectus, or of their reliability or integrity, nor does it constitute an opinion of the Company or of the quality of the securities offered or of the price at which they are offered.

The listing of the securities offered under this Prospectus is contingent upon minimal distribution of the debentures (Series A), as set forth in Section 5.5.2.1 of the Prospectus.

The offer to the public under this Prospectus is made in Israel, solely to residents of Israel and is not intended for US residents. Any person purchasing securities according to this prospectus shall be deemed to have declared that he was not in the US at the time of submitting his request for the securities. No person is entitled to make any solicitation with respect to the securities offered under this Prospectus in the United States. The laws of the State of Israel alone shall apply to this Prospectus, the securities offered under it, the securities and the purchase of securities and anything that stems from or is related to the Prospectus, the offer of securities under it, the securities and their purchase. Sole and exclusive jurisdiction in all matters stemming from them and/or with respect to them is with the authorized courts in Israel and with them alone.

This Prospectus was not submitted to the US Securities and Exchange Commission. The securities offered under this Prospectus are not registered in accordance with the US Securities Act of 1933 (“US Securities Act”) in the United States, and it is prohibited to offer and/or sell them in the United States or to US Persons, unless they are registered in accordance with the US Securities Act, or if there is an exemption to the listing requirements under the US Securities Act. With respect to the shares from conversion of debentures (Series A) and the shares deriving from exercise of share purchase warrants (Series 1) and share purchase warrants (Series 2) such an exemption exists, subject to the caveats stipulated in American law regarding interested parties and officers.

The decision to purchase the securities offered under this Prospectus should be made based solely on the information provided in it. The Company has not allowed any person and/or organization to provide information other than what is set forth in this Prospectus. The Prospectus is not an offer for securities in any country other than the State of Israel.

## **Exemption by the Israel Securities Authority**

Section 35(XXIX) of the Securities Law, 5728-1968, (hereinafter, “Securities Law”) stipulates, *inter alia*, that the Israel Securities Authority is entitled to issue exemptions to the provisions regarding information in the details, structure and form of a Prospectus, in whole or in part, to a corporation incorporated in Israel which is offering securities to the public if its securities are listed for trade on a foreign stock exchange.

The Israel Securities Authority exempted the Company from application of the Securities Provisions (Details, Structure and Form of a Prospectus), 5729-1969, with respect to this Prospectus (hereinafter, “Prospectus Details

Regulations” and “Authority Exemption”, respectively). The Authority Exemption was conditioned upon the Company preparing the Prospectus in the same manner it would if it were issuing securities of the type offered to the public under this Prospectus in the US in accordance with the provisions of the US Securities Act of 1933.

In accordance with the Authority Exemption, the Company has prepared this Prospectus based on the requirements of the US Securities Act of 1933 and the regulations of the US Securities and Exchange Commission (SEC), on form F-2 (hereinafter, “Form F-2”).

Accordingly, this Prospectus (including the documents it includes by way of reference), in all material respects, meets the requirements of Form F-2, with the exception of the following: Cover Page, Licenses, Public Offering chapter, Debenture Terms chapter, certain appendices and obligations that are not included in this Prospectus and which are not significant with respect to the public offer of securities to the Israeli public. It should be emphasized that this Prospectus was not submitted to the SEC and was not examined by it.

The following sections: “Permits”, the Cover Page, “Public Offering” chapter, “Debenture Terms” chapter, “Share Purchase Warrants” chapter, “Underwriting” chapter, Legal Opinion in the Opinion Chapter and the prospectus signatures were prepared in Hebrew in accordance with the provisions of the Prospectus Details regulations.

The remaining prospectus chapters were prepared in the same manner the Company would have prepared it if it were issuing securities of the type offered here to the public in the US as aforementioned.

The Company's regular reports are in accordance with US law and in English, in accordance with the guidelines for dual listing defined in Chapter E3 of the Securities Law and the regulations enacted by virtue of it. Furthermore, under the Authority Exemption, the Company shall continue to report in accordance with said guidelines for dual listing as stated above.

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## 1. SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

The statements incorporated by reference or contained in this prospectus discuss our future expectations, contain projections of our results of operations or financial condition, include other forward-looking information and contains various "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and within the U.S. Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements (whether such statements actually declare themselves as such or not) reflect our current view with respect to future events and financial results. Forward-looking statements usually include the verbs "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," "understands" and other verbs suggesting uncertainty. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry trends, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Various factors discussed in this prospectus, including, but not limited to, all the risks discussed in "Risk Factors" and in our other Securities Exchange Commission, or SEC and Israeli Securities Authority, or ISA filings may cause actual results or outcomes to differ materially from those expressed in forward-looking statements. You should read and interpret any forward-looking statements together with these documents.

Any forward-looking statement speaks only as of the date on which that statement is made. We will not update any forward-looking statement to reflect events or circumstances that occur after the date on which such statement is made.

You should carefully read this entire prospectus, including our prior filings with the SEC and the ISA, which accompany this prospectus. Unless otherwise indicated, all monetary amounts or financial figures in this prospectus are in New Israeli Shekels, or NIS.



## 2. PROSPECTUS SUMMARY

This section answers in summary form some questions you may have about us and the offerings under this Prospectus. Because it is a summary, it may not include all of the information that is important to you. You should read the entire prospectus carefully, especially the "Risk Factors" Chapter (Chapter 3) and the financial data contained elsewhere in this Prospectus or incorporated herein.

### About Us

We were incorporated under the laws of the State of Israel in April 1992 under the name Euronet Golden Lines (1992) Ltd. In June 1999 we changed our name to Internet Gold - Golden Lines Ltd. We are a public limited liability company under the Israeli Companies Law 1999 and operate under this law and associated legislation. Our registered offices and principal place of business are located at 1 Alexander Yanai Street, Petach Tikva, Israel, and our telephone number is 972-3-939-9848. Our address on the Internet is [www.zahav.net.il](http://www.zahav.net.il) or [www.zahav.msn.co.il](http://www.zahav.msn.co.il). We also have an investor information site, at [www.igld.com](http://www.igld.com). The information on our websites is not incorporated by reference into this Prospectus.

We began our Internet access business in January 1996 under the brand name "Internet Gold." We provide a wide array of Internet services tailored to meet the needs of our residential, small office and home office, or SOHO, and business subscribers, including Internet access and related value-added services, content and e-commerce activities through portals, as well as international telephony services. Our Internet access packages include basic access accounts, asymmetrical digital subscriber lines, or ADSL and cable services, virtual private networks, or VPN, ISDN dial-up accounts, leased and frame relay lines and dial-up networking. We also provide hosting, integration, technological services and value-added solutions.

In June 2004, the Israeli Ministry of Communications granted us a license to provide international telephony services with an international prefix code of 015, sometimes referred to as international telephony services, 015 international telephony services, or 015 Services. In August 2004, we launched the 015 international telephony services.

In November 2004, we received a license for the marketing experiment for the provision of internal telephony services. The license expires on November 30, 2005. Due to disagreements between the Ministry of Communications and Bezeq, we have not been able to act under the license.

The Internet Gold Group consists of us and several subsidiaries:

MSN Israel Ltd., or MSN Israel - our 50.1% owned joint venture with Microsoft Corporation (49.9% owned). MSN Israel manages the MSN Israel portal, offering Hebrew-reading Internet users MSN features such as personalized services, varied Internet content, e-commerce services (MSN Shops), four of Microsoft Internet leading platforms - "Hotmail," "Messenger," "Passport," and "MSN Search" an Internet search engine as well as news. We agreed with Microsoft that we would invest in MSN Israel and be responsible for its operating losses and capital expenditures. We and Microsoft each has the right to terminate the agreement in case the cumulative losses of MSN Israel reach or exceed \$10 million. In 2003, MSN Israel reached operating profitability as it developed new revenue channels such as Hosted Exchange, Hotmail's mail platform, and Messenger. In 2004 MSN Israel increased its revenues and profitability.

Gold Mind Ltd., or Gold Mind - a wholly owned subsidiary. Gold Mind is engaged in the marketing and sale of Internet contents and technologies, such as anti-virus and anti-spam services, value added services and virtual magazines and develop selected Internet content ventures. In addition, Gold Mind is the owner of one of Israel popular Internet interactive games website - Vgames ([www.vgames.co.il](http://www.vgames.co.il)) and of a leading Russian-language portal -

[www.zahav.ru](http://www.zahav.ru).

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Start Net Ltd., or Start - In November 2004, Gold Mind acquired 50% of the shares in Start from Ze'evi Computers & Technology Ltd., under a dissolution process. In December 2004 Gold Mind acquired the remaining 50% of Start's shares from MSN Israel. As per an agreement between Start and MSN Israel, MSN Israel manages the Start portal for Start. In March 2005, Start entered into an exclusive agreement with GOOP, one of Israel's most popular youth-oriented portals. Under this agreement, Start purchased all of GOOP's advertising properties until February 2007 (a period which will be automatically extended, unless otherwise notified by either party to the other), with an option for Start to discontinue the agreement after six months.

Nirshamim Lalimudim Ltd., or Nirshamim - In March 2005, Gold Mind acquired 50% of the shares of the Nirshamim, a company operating the Israeli portal "Nirshamim" ([www.nirshamim.co.il](http://www.nirshamim.co.il)). The remainder of the shares will continue to be held by Nirshamim's founders. Nirshamim is a leading academic portal in Israel, servicing the university and post-university sector. Nirshamim's revenues derive from advertising educational institutions.

Internet Gold International Ltd., or IGI - IGI engages in the promotion and advancement of cooperation activities with international corporations. Within the framework of such activities, IGI provides UUNET with Internet infrastructure segments for the benefit of UUNET's customers in Israel.

Gold Trade (Electronic Commerce) Ltd., or Gold Trade - In December 2004, we purchased all the outstanding shares in Gold-Trade from the founders of Gold Trade, including from Eurocom Marketing (an affiliated company). Gold Trade provides e-commerce services on its "P1000" mega-mall. In November 2004, Gold Trade