

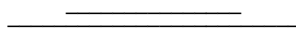
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**DBS SATELLITE SERVICES (1998) LTD.**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2003  
(Unaudited)

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CONDENSED INTERIM FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2003  
(Unaudited)

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November 5, 2003

The Board of Directors of  
DBS Satellite Services (1998) Ltd.  
Kfar Saba.

Dear Sirs,

Re: Review of unaudited condensed interim financial statements for  
the periods ended September 30, 2003

At your request, we have reviewed the condensed interim balance sheet of DBS Satellite Services (1998) Ltd. (hereafter - the Company) as of September 30, 2003 and the condensed interim statements of operations, changes in capital deficiency and cash flows for the nine and three month periods ended on that date. Our review was performed in accordance with the procedures prescribed by the Institute of Certified Public Accountants in Israel. Inter alia, these procedures included: reading the financial statements referred to above, reading the minutes of meetings of shareholders and of the board of directors and its committees and making inquiries of Company officers responsible for financial and accounting matters.

Since our review was limited in scope and did not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on the condensed interim financial statements.

In performing our review, nothing came to our attention that indicates that material adjustments need to be made to the condensed interim financial statements referred to above, in order for them to be considered as having been prepared in accordance with accounting principles generally accepted in Israel and with the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

We draw attention to note 3 to the condensed financial statements regarding the financial position of the Company. As stated in said note, the Company's continued activity depends on the execution of the amendment to the financing agreement signed with banks and on the receipt of additional loans from shareholders.

Sincerely yours,

Kesselman & Kesselman  
Certified Public Accountants (Isr.)

**DBS SATELLITE SERVICES (1998) LTD.**  
**CONDENSED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2003**  
**IN ADJUSTED NIS**

	September 30		December 31,
	2003	2002	2002
	(Unaudited)		(Audited)
	In thousands		
<b>A s s e t s</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	6,631	3,862	*1,655
Short-term deposit			*2,799
Accounts receivable:			
Trade	95,572	111,371	104,678
Other	5,645	9,019	4,773
T o t a l current assets	107,848	124,252	113,905
<b>BROADCASTING RIGHTS:</b>			
Cost	276,834	310,044	248,127
Less - utilized rights	133,636	115,277	110,663
	143,198	194,767	137,464
<b>FIXED ASSETS:</b>			
Cost	2,068,107	1,860,909	1,921,687
Less - accumulated depreciation (see note 5)	884,025	513,415	603,995
	1,184,082	1,347,494	1,317,692
<b>LICENSE FEES - ADVANCE ON ACCOUNT OF ROYALTIES</b>			
		12,770	6,386
	1,435,128	1,679,283	1,575,447
<b>Liabilities, net of capital deficiency</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payables and accruals:			
Trade	462,007	591,521	530,208
Other	81,890	60,522	77,686
T o t a l current liabilities	543,897	652,043	607,894
<b>BANK CREDIT</b>	1,241,849	1,055,568	1,108,763
	1,785,746	1,707,611	1,716,657
<b>LONG-TERM LIABILITIES:</b>			
Liability for employee rights upon retirement	3,728	2,569	2,798
Customer deposits, net	28,996	42,202	41,431
Other liabilities	54,362	20,387	14,122
T o t a l long-term liabilities	87,086	65,158	58,351
<b>SHAREHOLDERS' LOANS</b>	2,238,447	1,977,103	2,060,117
T o t a l liabilities	4,111,279	3,749,872	3,835,125
<b>CAPITAL DEFICIENCY</b>	(2,676,151)	(2,070,589)	(2,259,678)
	1,435,128	1,679,283	1,575,447

\* Reclassified

**Katriel Moriah**  
Deputy Financial Officer

**Shlomo Liran**  
Chief Executive Officer

**David Brodet**  
Chairman of the  
Board of Directors

Date of approval of the financial statements: November 5, 2003.

**The accompanying notes are an integral part of these condensed financial statements.**

**DBS SATELLITE SERVICES (1998) LTD.**  
**CONDENSED STATEMENTS OF OPERATIONS**  
**FOR THE 9 AND 3 MONTH PERIODS ENDED SEPTEMBER 30, 2003**  
**IN ADJUSTED NIS**

	<b>9 months ended September 30</b>		<b>3 months ended September 30</b>		<b>Year ended December 31,</b>
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>		<b>(Audited)</b>
	<b>I n t h o u s a n d s</b>				
<b>REVENUES</b>	617,299	481,020	217,375	186,739	662,526
<b>OPERATING EXPENSES</b>	743,844	802,714	247,889	275,349	1,073,456
<b>GROSS LOSS</b>	126,545	321,694	30,514	88,610	410,930
<b>SELLING, MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES:</b>					
Selling and marketing	79,441	96,599	28,063	27,930	117,573
General and administrative	69,695	86,268	23,336	25,959	115,282
	149,136	182,867	51,399	53,889	232,855
<b>LOSS FROM ORDINARY OPERATIONS</b>	275,681	504,561	81,913	142,499	643,785
<b>FINANCIAL EXPENSES (INCOME), net</b>	136,375	(2,444)	50,510	54,758	47,366
<b>OTHER EXPENSES</b> (see note 6)	4,417	20,733	48	20,733	20,797
<b>LOSS FOR THE PERIOD</b>	416,473	522,850	132,471	217,990	711,948

**The accompanying notes are an integral part of these condensed financial statements.**

**DBS SATELLITE SERVICES (1998) LTD.**  
CONDENSED STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY  
FOR THE 9 AND 3 MONTH PERIODS ENDED SEPTEMBER 30, 2003  
IN ADJUSTED NIS

	<b>Share capital and premium</b>	<b>Accumulated deficit</b>	<b>Total</b>
	<b>In thousands</b>		
<b>BALANCE AS OF JANUARY 1, 2003</b> (audited)	20	(2,259,698)	(2,259,678)
<b>CHANGES DURING THE 9 MONTHS ENDED SEPTEMBER 30, 2003</b> (unaudited) - loss		(416,473)	(416,473)
<b>BALANCE AS OF SEPTEMBER 30, 2003</b> (unaudited)	<u>20</u>	<u>(2,676,171)</u>	<u>(2,676,151)</u>
<b>BALANCE AS OF JANUARY 1, 2002</b> (audited)	11	(1,547,750)	(1,547,739)
<b>CHANGES DURING THE 9 MONTHS ENDED SEPTEMBER 30, 2002</b> (unaudited) - loss		(522,850)	(522,850)
<b>BALANCE AS OF SEPTEMBER 30, 2002</b> (unaudited)	<u>11</u>	<u>(2,070,600)</u>	<u>(2,070,589)</u>
<b>BALANCE AS OF JULY 1, 2003</b> (unaudited)	20	(2,543,700)	(2,543,680)
<b>CHANGES DURING THE 3 MONTHS ENDED SEPTEMBER 30, 2003</b> (unaudited) - loss		(132,471)	(132,471)
<b>BALANCE AS OF SEPTEMBER 30, 2003</b> (unaudited)	<u>20</u>	<u>(2,676,171)</u>	<u>(2,676,151)</u>
<b>BALANCE AS OF JULY 1, 2002</b> (unaudited)	11	(1,852,610)	(1,852,599)
<b>CHANGES DURING THE 3 MONTHS ENDED SEPTEMBER 30, 2002</b> (unaudited) - loss		(217,990)	(217,990)
<b>BALANCE AS OF SEPTEMBER 30, 2002</b> (unaudited)	<u>11</u>	<u>(2,070,600)</u>	<u>(2,070,589)</u>
<b>BALANCE AS OF JANUARY 1, 2002</b> (audited)	11	(1,547,750)	(1,547,739)
<b>CHANGES DURING THE YEAR ENDED DECEMBER 31, 2002</b> (audited):			
Issue of share capital	9		9
Loss		(711,948)	(711,948)
<b>BALANCE AS OF DECEMBER 31, 2002</b> (audited)	<u>20</u>	<u>(2,259,698)</u>	<u>(2,259,678)</u>

**The accompanying notes are an integral part of these condensed financial statements.**

**DBS SATELLITE SERVICES (1998) LTD.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE 9 AND 3 MONTH PERIODS ENDED SEPTEMBER 30, 2003**  
**IN ADJUSTED NIS**

	<b>9 months ended</b>		<b>3 months ended</b>		<b>Year ended</b>
	<b>September 30</b>		<b>September 30</b>		<b>December 31,</b>
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>		<b>(Audited)</b>
<b>I n t h o u s a n d s</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Loss for the period	(416,473)	(522,850)	(132,471)	(217,990)	(711,948)
Adjustments required to reflect the cash flows from operating activities (a)	408,409	516,586	155,365	253,271	642,797
Net cash provided by (used in) operating activities	<u>(8,064)</u>	<u>(6,264)</u>	<u>22,894</u>	<u>35,281</u>	<u>(69,151)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES, see (b) below:</b>					
Short-term deposit	2,799		2,799		(2,799)
Payments on account of purchase of fixed assets, see (b) below	(202,188)	(397,361)	(67,480)	(111,591)	(474,664)
Payments on account of purchase of broadcasting rights	(95,399)	(57,658)	(20,585)	(33,896)	(49,039)
Proceeds from sale of fixed assets	12,196		889		10,688
Net cash used in investing activities	<u>(282,592)</u>	<u>(455,019)</u>	<u>(84,377)</u>	<u>(145,487)</u>	<u>(515,814)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Receipt of long-term loans from shareholders	162,546	335,334	30,105	70,876	403,617
Credit from banks - net	133,086	129,788	35,908	39,036	182,980
Net cash provided by financing activities	<u>295,632</u>	<u>465,122</u>	<u>66,013</u>	<u>109,912</u>	<u>586,597</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,976	3,839	4,530	(294)	1,632
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>1,655</u>	<u>23</u>	<u>2,101</u>	<u>4,156</u>	<u>23</u>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>6,631</u></u>	<u><u>3,862</u></u>	<u><u>6,631</u></u>	<u><u>3,862</u></u>	<u><u>1,655</u></u>

**DBS SATELLITE SERVICES (1998) LTD.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE 9 AND 3 MONTH PERIODS ENDED SEPTEMBER 30, 2003**  
**IN ADJUSTED NIS**

	<u>9 months ended</u> <u>September 30</u>		<u>3 months ended</u> <u>September 30</u>		<u>Year ended</u> <u>December 31,</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2002</u>
	<u>(Unaudited)</u>		<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>I n t h o u s a n d s</u>				
<b>(a) Adjustments required to reflect the cash flows from operating activities:</b>					
Income and expenses not involving cash flows:					
Depreciation and amortization	284,252	223,438	99,015	76,951	321,933
Amortization of license fees	6,386	14,704		6,401	21,301
Utilized broadcasting rights	89,884	99,934	28,160	33,311	147,154
Depreciation of installation equipment		20,733		20,733	20,733
Liability for employee rights upon retirement, net	930	1,361	(23)	1,434	1,590
Capital loss	553		714		
Linkage differences on (erosion of) other long-term liabilities	(291)		(778)		1,510
Linkage differences on (erosion of) and interest on long-term shareholders' loans	15,784	(3,686)	3,142	18,097	11,045
Other			(252)		975
	<u>397,498</u>	<u>356,484</u>	<u>129,978</u>	<u>156,927</u>	<u>526,241</u>
Changes in operating asset and liability items:					
Decrease (increase) in accounts receivable:					
Trade	3,858	(29,336)	5,907	(18,973)	(35,300)
Other	(872)		564		26,531
Increase (decrease) in accounts payable and accruals:					
Trade	16,156	146,396	28,598	95,153	58,677
Customer deposits - net	(16,167)	31,186	(8,702)	5,972	29,427
Other	7,936	11,856	(980)	14,192	37,221
	<u>10,911</u>	<u>160,102</u>	<u>25,387</u>	<u>96,344</u>	<u>116,556</u>
	<u>408,409</u>	<u>516,586</u>	<u>155,365</u>	<u>253,271</u>	<u>642,797</u>

**DBS SATELLITE SERVICES (1998) LTD.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE 9 AND 3 MONTH PERIODS ENDED SEPTEMBER 30, 2003**  
**IN ADJUSTED NIS**

	9 months ended September 30		3 months ended September 30		Year ended December 31,
	2003	2002	2003	2002	2002
	(Unaudited)		(Unaudited)		(Audited)
	I n t h o u s a n d s				
<b>(b) Supplementary information on investing activities not involving cash flows:</b>					
Decrease in suppliers' credit in respect of purchase of fixed assets	(44,045)	(103,772)	(2,177)	(47,594)	(91,726)
Increase (decrease) in suppliers' credit in respect of purchase of broadcasting rights	219	3,870	175	(7,366)	2,406

**The accompanying notes are an integral part of these condensed financial statements.**

**DBS SATELLITE SERVICES (1998) LTD.**  
NOTES TO CONDENSED FINANCIAL STATEMENTS  
(Unaudited)  
AS OF SEPTEMBER 30, 2003

**1. General**

The interim financial statements as of September 30, 2003 and for the nine and three month periods then ended (hereafter - the interim statements) were drawn up in condensed form, in accordance with Accounting Standard No. 14 of the Israel Accounting Standards Board (hereafter - the IASB) and in accordance with the Securities (Periodic and Immediate Reports) Regulations, 1970.

The accounting principles applied in the preparation of the interim statements are consistent with those applied in the preparation of the annual financial statements. However, the interim statements do not include all the information and explanations required for the annual financial statements.

Standard 14 of the IASB, which superseded Opinion 43 of the Institute of Certified Public Accountants in Israel, is applicable to financial statements for periods commencing on and after January 1, 2003; application of the standard at the beginning of 2002 would not have affected the comparative data presented in the interim statements.

**2. Activities**

DBS Satellite Services (1998) Ltd. (hereafter - the Company) was incorporated in Israel on December 2, 1998. In January 1999, the Company received a license from the Ministry of Communications to broadcast in Israel television broadcasts by means of satellite (hereafter - the License). The License is for a period of ten years from the date of its receipt, and can be extended for an additional period of six years, subject to certain conditions. The Company is subject to the Telecommunications Law, 1982 (hereafter - the Telecommunications Law), the regulations and rules promulgated thereunder and the terms of the License.

In July 2000, the Company completed the development stage and began to provide its customers with multi-channel television broadcasts in accordance with the License granted to it under the Telecommunications Law.

**3. The Company's financial position**

- a) Since the commencement of its operations, the Company has accumulated significant losses and sustained negative cash flows. The loss for 2002 amounted to approximately adjusted NIS 712 million, and the loss for the nine months ended September 30, 2003 amounted to approximately adjusted NIS 416 million. As a result of these losses, the capital deficiency and the working capital deficit as of September 30, 2003 aggregated approximately adjusted NIS 2,676 million and approximately adjusted NIS 1,678 million, respectively. The working capital deficit includes approximately adjusted NIS 1,242 million in bank credit (see also b below).
- b) On May 23, 2001, the Company entered into a financing agreement (hereafter - the financing agreement) with certain banks (hereafter - the Banks). The financing agreement includes, inter alia, undertakings by the Company to meet certain suspending conditions as well as specified cumulative milestones and financial stipulations (hereafter - the terms). A financial review performed by the Banks at the beginning of 2002 determined that the amount of finance required for the Company's activities substantially exceeds the financing requirements defined in the financing agreement.

**DBS SATELLITE SERVICES (1998) LTD.**

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

(Unaudited)

AS OF SEPTEMBER 30, 2003

**3. The Company's financial position (continued):**

**b) (continued)**

On December 30, 2002, the Company, its shareholders and the Banks signed an agreement regarding the expansion of the credit facility provided by the Banks (hereafter - the interim facility), which is to be carried out in parallel with additional investments by the shareholders, in an amount not less than 150% of the amount infused by the Banks. Receipt of the finance under the interim facility is, inter alia, conditional upon the Company's meeting certain financial and operating conditions, as stipulated in the aforesaid agreement.

At the same time as the aforesaid agreement was being signed, discussions were being held between the parties regarding the expansion of the interim facility within the framework of an amendment to the financing agreement (hereafter - the amendment agreement).

To date of approval of these financial statements, the shareholders and the Banks have transferred to the Company approximately U.S. \$ 36 million and U.S. \$ 24 million, respectively, which constitutes the full amount of their commitments under the interim facility. Despite this, not all the terms stipulated in the financing agreement and the interim facility have yet been fulfilled.

A financial review performed by the Banks during the reporting period has determined that the overall amount of finance required for the Company does not exceed the amount of the interim facility, together with the addition thereto provided under the amendment agreement (including the shareholders' proportionate share).

On August 6, 2003, the Banks and the Company signed the amendment agreement. Pursuant to the amendment agreement, the Banks are to provide the Company with further facilities, in addition to those provided under the financing agreement and the interim facility, this being subject to the Company complying with the conditions and achieving the milestones stipulated in the amendment agreement, which include the shareholders making additional investments amounting to not less than 150% of the amount to be infused by the Banks. The amendment agreement will only become effective after compliance with certain specified suspending conditions, and in any event not later than August 20, 2003 or such later date as agreed between the parties. To date of approval of these financial statements, certain suspending conditions have not been met. Nevertheless, principal shareholders and the Banks continued to provide the Company with additional credit, in addition to the sums already provided under the interim facility, on account of the amounts due under the amendment agreement. To date of approval of these financial statements, the amount of credit provided to the Company by the shareholders and the Banks on account of the amounts due under the amendment agreement aggregates approximately U.S. \$ 25.2 million and U.S. \$ 10 million, respectively.

## DBS SATELLITE SERVICES (1998) LTD.

### NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

(Unaudited)

AS OF SEPTEMBER 30, 2003

#### 3. The Company's financial position (continued):

- c) The receipt of additional loans from a principal shareholder is conditional, inter alia, upon the approval of the Ministerial Committee for Privatization (hereafter - the Committee). The Committee has given approval for the shareholder to increase his investment up to the sum arrived at by multiplying the percentage of his holding in the Company's share capital by U.S. \$ 480 million. On January 14, 2003, the Committee gave its approval for the shareholder to invest, beyond the abovementioned amount, an additional \$ 60 million in the Company. In the opinion of the Company's management, the total amount of investment approved by the Committee covers the principal shareholder's proportionate share in the interim facility as well as his proportionate share under the amendment agreement.
- d) The continuation of the Company's activity depends on the execution of the amendment agreement as explained in section b above, and the receipt of additional loans from shareholders.

The Company's management believes that there is a good chance that the aforementioned suspending conditions will be met, that the amendment agreement will come into effect and that arrangements will be made for the financing resources required for the coming year.

#### 4. Contingent liabilities

- a) On December 3, 2002, an application for the approval of a class action against the Company, the Cable and Satellite Broadcast Council and the Ministry of Communications was filed in connection with the broadcasts of Sports Channel 5+. The applicants allege that the broadcasts of Channel 5+ contravene the terms stipulated in the Council's approval for its broadcasts, by draining Channel 5 of content in contravention of the aforementioned approval. The applicants accuse the Company of alleged deceit, breach of contractual obligations of trust and good faith, fundamental breach of the contract between the Company and its customers, and unjust enrichment. In respect of the above, the applicants estimate that the action amounts to NIS 126 million as of the date of submitting the claim, with a further NIS 10.5 million being added for every month between the date the claim was submitted until the judgment date.

The Company has submitted its response to the application, requesting that the application be rejected in limine or, alternatively, that the underlying claim or the application for its approval as a class action be rejected.

In the opinion of the Company's legal counsel, it is difficult at this stage to estimate the chances of the claim being approved as a class action, and - if it is so approved - what the chances are of its success. Therefore, no provision has been made in respect of this action.

- b) On March 25, 2003, an application was filed with the District court for the approval of a claim as a class action. The claim relates to the imposition of the cost of the electricity required for the operation of satellite dishes on the tenants of the building in which the dish was installed. The group of claimants includes all the buildings on which satellite dishes have been installed.

The action is for declaratory relief, requiring the Company to pay for the electricity usage of the devices installed by the Company and/or on its behalf on various premises, and to reimburse the claimants all the monies paid by them in respect of the electricity usage of the Company's devices and to compensate and/or indemnify the claimants in respect of such amounts. The estimated amount of damages the reimbursement of which is demanded is NIS 25 million.

**DBS SATELLITE SERVICES (1998) LTD.**

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

(Unaudited)

AS OF SEPTEMBER 30, 2003

**4. Contingent liabilities (continued):**

**b)** (continued)

In the opinion of the Company's legal counsel, it is difficult at this stage to estimate the chances of the claim being approved as a class action, and - if it is so approved - what the chances are of its success. Therefore, no provision was made in respect of this action.

**c)** The Company has a dispute with ICP Israel Cable Programming Co. Ltd (hereafter - ICP) regarding a debt. The dispute was referred to arbitration.

In December 2002, ICP filed a claim with the arbitrator for NIS 11,065,000, with the addition of linkage differences and interest until payment date.

In the opinion of the Company's legal counsel, the outcome of the claim cannot be estimated at this stage. Therefore, no provision was included in respect of this claim, over and above the amount included in ICP's supplier account.

**5.** The Company capitalizes costs of installation of broadcasting and receiving equipment to fixed assets. The costs of installation in apartments are amortized based on an estimate of the average term of engagement with subscribers. The costs of installation on condominium buildings are amortized based on the estimated useful life of the installation costs.

In the first quarter of 2003, the Company completed a reassessment of the estimate of the average term of engagement with subscribers. Based on this reassessment, market conditions and the experience gained by the Company, commencing 2003, costs relating to installation in apartments are now amortized at the rate of 17%.

In addition, during the first quarter of 2003, the Company completed an engineering review of the estimated useful life of costs of installation on condominium buildings. Based on this engineering review, commencing 2003, costs of installation as above are now amortized at the rate of 6.7%.

The abovementioned changes increased the depreciation expense for the 9-month and 3-month periods ended September 30, 2003 by approximately adjusted NIS 26 million and approximately adjusted NIS 8.5 million, respectively.

**DBS SATELLITE SERVICES (1998) LTD.**

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

(Unaudited)

AS OF SEPTEMBER 30, 2003

**6. Composition of other expenses:**

	<b>9 months ended September 30, 2003</b>	<b>3 months ended September 30, 2003</b>	<b>Year ended December 31, 2002</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>In thousands</b>		
Advances on account of disallowed expenses in respect of previous years	2,621		
Provision for impairment of installation equipment			20,733
Other	1,796	48	64
	<u>4,417</u>	<u>48</u>	<u>20,797</u>

7. As prescribed by Accounting Standards Nos. 12 and 17 of the IASB, the adjustment of financial statements for the effects of inflation will be discontinued as from January 1, 2004. The inflation-adjusted amounts as of December 31, 2003 will be the base for the nominal-historical financial reporting in the following periods. Accounting Standard No. 13, which will come into effect concurrently with the abovementioned standards, will supersede Clarifications Nos. 8 and 9 to Opinion 36.

8. Data regarding the changes in the exchange rate of the U.S. dollar (hereafter - the dollar) and in the consumer price index:

	<b>Exchange rate of the dollar</b>	<b>Consumer price index</b>
Nine months ended September 30:		
2003	(6.25)%	(1.49)%
2002	10.3%	6.99%
Three months ended September 30:		
2003	2.99%	(0.99)%
2002	2.14%	0.65%
Year ended December 31, 2002	7.22%	6.49%