



Bezeq Facts & Figures Q3 2013

Three months and year ending September 30, 2013

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(NIS millions, except for EPS)	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
Bezeq Group (cont'd)																	
Operating & general expenses																	
Total operating & general expenses	5,075	4,660	4,871	5,026	1,131	1,132	1,182	1,049	4,494	1,044	969	963	977	3,953	889	831	890
QoQ Change					-13.9%	0.1%	4.4%	-11.3%		-0.5%	-7.2%	-0.6%	1.5%		-9.0%	-6.5%	7.1%
YoY Change		-8.2%	4.5%	3.2%	-7.1%	-7.5%	-7.0%	-20.1%	-10.6%	-7.7%	-14.4%	-18.5%	-6.9%	-12.0%	-21.4%	-14.2%	-7.6%
Terminal equipment & materials	<i>N/A</i>	<i>N/A</i>	1,163	1,225	430	443	454	366	1,693	379	293	285	306	1,263	258	247	264
QoQ Change						3.0%	2.5%	-19.4%		3.6%	-22.7%	-2.7%	7.4%		-15.7%	-4.3%	6.9%
YoY Change				5.3%					38.2%	-11.9%	-33.9%	-37.2%	-16.4%	-25.4%	-31.9%	-15.7%	-7.4%
Interconnect & payments to telecom operators	<i>N/A</i>	<i>N/A</i>	1,762	1,876	222	224	242	222	910	224	222	229	225	900	224	228	232
QoQ Change						0.9%	8.0%	-8.3%		0.9%	-0.9%	3.2%	-1.7%		-0.4%	1.8%	1.8%
YoY Change				6.5%					-51.5%	0.9%	-0.9%	-5.4%	1.4%	-1.1%	0.0%	2.7%	1.3%
Maintenance of buildings and sites	<i>N/A</i>	<i>N/A</i>	647	640	161	159	160	161	641	162	158	169	174	663	161	127	168
QoQ Change						-1.2%	0.6%	0.6%		0.6%	-2.5%	7.0%	3.0%		-7.5%	-2.1%	32.3%
YoY Change				-1.1%					0.2%	0.6%	-0.6%	5.6%	8.1%	3.4%	-0.6%	-19.6%	-0.6%
Marketing & general	<i>N/A</i>	<i>N/A</i>	626	622	156	158	177	164	655	122	152	156	126	556	140	126	126
QoQ Change						1.3%	12.0%	-7.3%		-25.6%	24.6%	2.6%	-19.2%		11.1%	-10.0%	0.0%
YoY Change				-0.6%					5.3%	-21.8%	-3.8%	-11.9%	-23.2%	-15.1%	14.8%	-17.1%	-19.2%
Services and maintenance by sub-contractors	<i>N/A</i>	<i>N/A</i>	218	189	46	43	42	39	170	43	34	35	46	158	38	36	33
QoQ Change						-6.5%	-2.3%	-7.1%		10.3%	-20.9%	2.9%	31.4%		-17.4%	-5.3%	-8.3%
YoY Change				-13.3%					-10.1%	-6.5%	-20.9%	-16.7%	17.9%	-7.1%	-11.6%	5.9%	-5.7%
Vehicle maintenance	<i>N/A</i>	<i>N/A</i>	177	188	42	33	37	30	142	38	39	44	41	162	37	38	38
QoQ Change						-21.4%	12.1%	-18.9%		26.7%	2.6%	12.8%	-6.8%		-9.8%	2.7%	0.0%
YoY Change				6.2%					-24.5%	-9.5%	18.2%	18.9%	36.7%	14.1%	-2.6%	-2.6%	-13.6%
Content services	<i>N/A</i>	<i>N/A</i>	151	156	33	32	30	28	123	24	24	21	34	103	17	17	16
QoQ Change						-3.0%	-6.3%	-6.7%		-14.3%	0.0%	-12.5%	61.9%		-50.0%	0.0%	-5.9%
YoY Change				3.3%					-21.2%	-27.3%	-25.0%	-30.0%	21.4%	-16.3%	-29.2%	-29.2%	-23.8%
Royalties and collection fees	<i>N/A</i>	<i>N/A</i>	127	130	41	40	40	39	160	52	47	24	25	148	14	12	13
QoQ Change						-2.4%	0.0%	-2.5%		33.3%	-9.6%	-48.9%	4.2%		-44.0%	-14.3%	8.3%
YoY Change				2.4%					23.1%	26.8%	17.5%	-40.0%	-35.9%	-7.5%	-73.1%	-74.5%	-45.8%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
Bezeq Fixed-Line (cont'd)																	
Operating & general expenses																	
Total general & operating expenses	2,121	1,873	1,690	1,609	271	253	282	268	1,074	237	263	278	255	1,033	230	218	224
QoQ Change						-6.6%	11.5%	-5.0%		-11.6%	11.0%	5.7%	-8.3%		-9.8%	-5.2%	2.8%
YoY Change		-11.7%	-9.8%	-4.8%					-33.3%	-12.5%	4.0%	-1.4%	-4.9%	-3.8%	-3.0%	-17.1%	-19.4%
Interconnect & payments to telecom operators	N/A	N/A	871	855	79	78	79	78	314	75	72	70	64	281	57	58	55
QoQ Change						-1.3%	1.3%	-1.3%		-3.8%	-4.0%	-2.8%	-8.6%		-10.9%	1.8%	-5.2%
YoY Change				-1.8%					-63.3%	-5.1%	-7.7%	-11.4%	-17.9%	-10.5%	-24.0%	-19.4%	-21.4%
Marketing & general	N/A	N/A	218	196	47	42	58	47	194	8	42	54	55	159	44	41	47
QoQ Change						-10.6%	38.1%	-19.0%		-83.0%	425.0%	28.6%	1.9%		-20.0%	-6.8%	14.6%
YoY Change				-10.1%					-1.0%	-83.0%	0.0%	-6.9%	17.0%	-18.0%	450.0%	-2.4%	-13.0%
Terminal equipment & materials	N/A	N/A	80	88	22	17	23	27	89	24	27	28	32	111	27	23	22
QoQ Change						-22.7%	35.3%	17.4%		-11.1%	12.5%	3.7%	14.3%		-15.6%	-14.8%	-4.3%
YoY Change				10.0%					1.1%	9.1%	58.8%	21.7%	18.5%	24.7%	12.5%	-14.8%	-21.4%
Maintenance of buildings and sites	N/A	N/A	278	240	62	60	63	62	247	63	59	70	53	245	59	55	61
QoQ Change						-3.2%	5.0%	-1.6%		1.6%	-6.3%	18.6%	-24.3%		11.3%	-6.8%	10.9%
YoY Change				-13.7%					2.9%	1.6%	-1.7%	11.1%	-14.5%	-0.8%	-6.3%	-6.8%	-12.9%
Services and maintenance by sub-contractors	N/A	N/A	96	76	20	18	17	21	76	20	19	15	19	73	16	16	15
QoQ Change						-10.0%	-5.6%	23.5%		-4.8%	-5.0%	-2.1%	26.7%		-15.8%	0.0%	-6.3%
YoY Change				-20.8%					0.0%	0.0%	5.6%	-11.8%	-9.5%	-3.9%	-20.0%	-15.8%	0.0%
Vehicle maintenance	N/A	N/A	96	101	21	20	22	15	78	19	18	25	21	83	20	19	18
QoQ Change						-4.8%	10.0%	-31.8%		26.7%	-5.3%	38.9%	-16.0%		-4.8%	-5.0%	-5.3%
YoY Change				5.2%					-22.8%	-9.5%	-10.0%	13.6%	40.0%	6.4%	5.3%	5.6%	-28.0%
Royalties and others	N/A	N/A	51	53	20	18	20	18	76	28	26	16	11	81	7	6	6
QoQ Change						-10.0%	11.1%	-10.0%		55.6%	-7.1%	-38.5%	-31.3%		-36.4%	-14.3%	0.0%
YoY Change				3.9%					43.4%	40.0%	44.4%	-20.0%	-38.9%	6.6%	-75.0%	-76.9%	-62.5%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
Bezeq International																	
Key Income Statement Metrics																	
Revenues	1,304	1,306	1,318	1,380	329	332	351	341	1,354	332	330	339	340	1,340	346	359	360
QoQ Change					-5.9%	0.9%	5.5%	-2.7%		-2.6%	-0.7%	2.6%	0.3%		1.8%	3.8%	0.2%
YoY Change		0.2%	0.9%	4.8%	-4.0%	-2.2%	1.0%	-2.5%	-1.9%	0.9%	-0.8%	-3.5%	-0.5%	-1.0%	4.0%	8.8%	6.2%
Gross profit	445	526	541	558	136	139	142	149	566	131	135	139	139	544	138	140	138
QoQ Change					-6.2%	2.2%	2.2%	4.9%		-12.2%	3.2%	3.0%	0.0%		-1.0%	1.9%	-1.9%
YoY Change		18.2%	2.9%	3.1%	2.3%	-1.4%	2.2%	2.8%	1.4%	-3.8%	-2.9%	-2.0%	-6.7%	-3.9%	5.2%	3.9%	-1.1%
Operating profit	204	242	261	320	61	60	61	59	241	50	53	55	62	219	56	60	55
QoQ Change					-6.5%	-0.9%	1.7%	-4.5%		-15.4%	6.8%	3.7%	12.2%		-9.2%	7.6%	-8.9%
YoY Change		18.6%	8.0%	22.6%	-1.1%	-51.2%	-11.8%	-9.9%	-24.6%	-18.5%	-12.2%	-10.5%	5.2%	-9.2%	12.9%	13.7%	0.0%
Net profit	153	178	200	254	46	46	46	44	182	36	39	40	45	160	37	44	39
QoQ Change					0.2%	0.8%	-0.9%	-4.2%		-18.6%	8.6%	3.6%	10.8%		-16.0%	16.2%	-11.0%
YoY Change		16.6%	12.1%	27.0%	-1.1%	-57.2%	-14.0%	-4.1%	-28.3%	-22.1%	-16.1%	-12.3%	1.5%	-12.4%	4.7%	12.0%	-3.8%
Cost of sales	859	780	777	822	193	194	209	192	788	201	194	199	201	796	208	218	222
QoQ Change					-4.9%	0.5%	7.7%	-8.1%		4.9%	-3.5%	2.6%	0.7%		3.5%	5.1%	1.7%
YoY Change		-9.2%	-0.4%	5.8%	-8.1%	-3.5%	0.5%	-5.4%	-4.1%	4.4%	0.2%	-4.6%	4.6%	1.0%	3.2%	12.5%	11.4%
Sales & marketing expenses	147	181	175	192	47	53	51	58	209	50	53	54	52	209	51	50	49
QoQ Change					-9.6%	12.8%	-3.8%	13.7%		-13.7%	5.9%	2.6%	-5.1%		-0.5%	-2.5%	-1.3%
YoY Change		23.1%	-3.3%	9.7%	6.8%	10.4%	6.3%	11.5%	8.9%	6.5%	0.0%	6.6%	-11.0%	0.0%	2.6%	-5.5%	-9.1%
General & administrative expenses	94	103	105	109	28	26	30	32	116	31	29	29	28	117	30	30	31
QoQ Change					0.0%	-7.1%	15.4%	6.7%		-1.8%	-8.6%	2.1%	-6.0%		8.6%	0.2%	4.3%
YoY Change		9.6%	1.9%	3.8%	0.0%	-3.7%	15.4%	14.3%	6.4%	12.2%	10.4%	-2.3%	-13.9%	0.9%	-4.8%	4.4%	6.6%
Depreciation & amortization	87	80	84	94	24	26	28	30	109	34	34	35	33	136	31	33	33
QoQ Change					-3.6%	8.8%	5.9%	8.1%		13.6%	0.3%	0.2%	-4.1%		-5.4%	4.0%	1.3%
YoY Change		-7.5%	5.2%	11.9%	7.4%	14.8%	18.9%	20.1%	15.5%	41.6%	30.4%	23.3%	9.4%	25.2%	-8.9%	-5.5%	-4.5%
EBITDA	290	322	345	414	85	87	89	89	350	84	87	89	95	355	87	93	88
QoQ Change					-5.4%	1.9%	3.0%	-0.6%		-5.5%	4.1%	2.3%	5.9%		-7.9%	6.3%	-5.3%
YoY Change		10.8%	7.3%	20.0%	1.2%	-40.9%	-4.0%	-1.3%	-15.5%	-1.4%	0.8%	0.1%	6.6%	1.5%	3.9%	6.1%	-1.8%
Key Cash Flow Metrics																	
Operating cash flow	93	163	320	290	42	68	57	76	243	58	64	63	86	272	58	81	71
QoQ Change					-53.4%	62.2%	-15.7%	32.2%		-23.1%	9.9%	-1.7%	36.7%		-32.4%	39.2%	-12.0%
YoY Change		76.3%	95.5%	-9.2%	-29.4%	3.4%	-23.0%	-15.7%	-16.1%	39.1%	-5.7%	9.9%	13.7%	11.7%	-0.2%	26.5%	13.2%
Capital expenditures, gross (accounting)	131	120	150	160	49	71	85	80	285	81	29	29	30	169	26	39	16
QoQ Change					-29.0%	44.9%	19.7%	-5.9%		1.3%	-64.2%	0.0%	3.4%		-13.3%	50.0%	-59.0%
YoY Change		-8.4%	25.0%	6.7%	145.0%	65.1%	193.1%	15.9%	78.1%	65.3%	-59.2%	-65.9%	-62.5%	-40.7%	-67.9%	34.5%	-44.8%
Capital expenditures, gross (cash flow)	103	119	120	180	46	47	92	104	288	71	36	30	39	175	31	28	25
QoQ Change					-42.6%	2.1%	95.2%	13.2%		-31.5%	-49.7%	-17.0%	31.0%		-20.5%	-10.6%	-9.3%
YoY Change		14.7%	1.1%	49.9%	25.3%	43.4%	205.3%	29.3%	60.4%	54.4%	-23.8%	-67.6%	-62.5%	-39.2%	-56.5%	-22.8%	-15.6%
Capital expenditures, net (cash flow)	100	118	120	180	46	47	92	103	288	71	36	29	38	173	31	27	21
QoQ Change					-43.0%	2.6%	95.0%	12.8%		-31.6%	-49.5%	-19.8%	33.4%		-19.5%	-11.6%	-21.1%
YoY Change		18.7%	1.4%	50.0%	24.7%	43.4%	206.1%	28.8%	60.1%	54.3%	-24.1%	-68.8%	-63.1%	-39.8%	-56.5%	-23.9%	-25.1%
Free cash flow	-7	45	200	110	-4	21	-34	-27	-44	-12	29	35	48	99	28	54	50
QoQ Change					N/M	N/M	N/M	-19.7%		-55.4%	N/M	20.9%	39.5%		-42.7%	95.8%	-7.4%
YoY Change		N/M	341.0%	-44.7%	N/M	-36.1%	N/M	N/M	N/M	223.9%	35.1%	N/M	N/M	N/M	N/M	89.3%	45.0%
Ratios																	
Gross profit margin	34.1%	40.3%	41.1%	40.4%	41.3%	41.8%	40.5%	43.7%	41.8%	39.4%	40.9%	41.1%	41.0%	40.6%	39.8%	39.1%	38.2%
Operating margin	15.6%	18.5%	19.8%	23.2%	18.5%	18.1%	17.5%	17.2%	17.8%	14.9%	16.1%	16.2%	18.1%	16.3%	16.2%	16.8%	15.3%
Net margin	11.7%	13.7%	15.2%	18.4%	14.0%	13.9%	13.1%	12.9%	13.5%	10.8%	11.8%	11.9%	13.1%	11.9%	10.8%	12.1%	10.8%
EBITDA margin	22.3%	24.6%	26.2%	30.0%	25.8%	26.1%	25.5%	26.0%	25.9%	25.3%	26.5%	26.4%	27.9%	26.5%	25.2%	25.9%	24.4%
Capex/Sales	10.0%	9.2%	11.4%	11.6%	14.9%	21.4%	24.2%	23.5%	21.1%	24.4%	8.8%	8.6%	8.8%	12.6%	7.5%	10.9%	4.4%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
yes																	
Key Income Statement Metrics																	
Revenues	1,415	1,513	1,530	1,583	406	404	405	404	1,619	417	409	403	408	1,636	404	404	410
QoQ Change					1.3%	-0.4%	0.4%	-0.4%		3.2%	-1.9%	-1.5%	1.3%		-1.1%	0.1%	1.6%
YoY Change		6.9%	1.2%	3.4%	3.6%	2.0%	2.6%	0.9%	2.3%	2.8%	1.2%	-0.7%	1.0%	1.1%	-3.2%	-1.2%	1.9%
Gross profit	298	421	488	454	134	135	138	184	591	144	153	130	141	569	145	143	152
QoQ Change					17.7%	1.0%	2.0%	33.9%		-21.6%	5.9%	-15.0%	8.7%		2.5%	-1.4%	6.7%
YoY Change		41.6%	15.9%	-7.0%	2.9%	82.8%	0.6%	62.3%	30.1%	8.1%	13.3%	-5.5%	-23.3%	-3.7%	0.3%	-6.5%	17.2%
Operating profit	56	177	248	178	61	65	63	106	295	52	74	54	73	253	67	68	72
QoQ Change					51.2%	6.4%	-3.0%	67.3%		-51.3%	44.3%	-27.5%	34.6%		-7.2%	0.2%	7.1%
YoY Change		216.3%	40.1%	-28.2%	4.6%	796.5%	-11.7%	161.1%	65.4%	-15.9%	14.0%	-14.8%	-30.7%	-14.3%	30.7%	-9.3%	34.1%
Net profit	-118	-265	-222	-314	-73	-88	-76	8	-230	-64	-107	-119	-21	-310	-61	-101	-136
QoQ Change					-12.9%	20.4%	-14.1%	N/M		N/M	67.0%	11.3%	-82.2%		187.2%	66.3%	34.8%
YoY Change		125.1%	-16.0%	41.0%	787.6%	-38.1%	-3.1%	N/M	-26.8%	-13.0%	20.7%	56.4%	N/M	35.1%	-4.9%	-5.4%	14.7%
Cost of sales	1,117	1,091	1,042	1,129	272	269	268	219	1,028	272	256	273	266	1,067	258	261	258
QoQ Change					-5.1%	-1.1%	-0.5%	-18.0%		24.0%	-6.1%	6.6%	-2.3%		-3.1%	1.1%	-1.2%
YoY Change		-2.3%	-4.5%	8.3%	4.0%	-16.5%	3.6%	-23.4%	-8.9%	0.1%	-4.9%	1.8%	21.4%	3.8%	-5.2%	2.0%	-5.5%
Sales & marketing expenses	138	128	122	143	40	35	37	41	153	54	42	40	31	166	39	36	41
QoQ Change					1.0%	-13.3%	7.0%	9.7%		31.2%	-22.3%	-3.7%	-22.3%		25.7%	-7.4%	13.7%
YoY Change		-6.9%	-4.6%	17.1%	2.9%	5.1%	17.8%	2.7%	6.7%	33.6%	19.7%	7.8%	-23.7%	8.9%	-26.9%	-12.9%	2.8%
General & administrative expenses	104	116	118	133	32	35	37	39	143	39	37	36	38	150	39	39	39
QoQ Change					-3.2%	8.3%	6.4%	4.3%		1.6%	-6.2%	-2.4%	4.3%		3.4%	0.7%	-0.7%
YoY Change		11.6%	1.4%	12.5%	0.0%	4.2%	10.8%	16.4%	7.9%	22.1%	5.7%	-3.0%	-3.0%	4.8%	-1.2%	6.1%	7.9%
Depreciation & amortization	273	250	234	285	69	71	74	63	276	66	54	64	64	248	62	64	66
QoQ Change					-19.3%	3.7%	4.1%	-15.5%		5.2%	-18.3%	19.8%	-0.4%		-3.5%	3.5%	3.0%
YoY Change		-8.5%	-6.3%	21.6%	7.6%	4.3%	9.3%	-26.4%	-2.9%	-4.0%	-24.4%	-13.0%	2.5%	-10.2%	-5.9%	19.1%	2.4%
EBITDA	329	427	482	463	130	136	137	168	571	118	128	118	136	501	130	132	138
QoQ Change					3.5%	5.0%	0.7%	22.2%		-29.8%	8.7%	-7.7%	15.1%		-4.5%	1.2%	5.1%
YoY Change		29.7%	13.0%	-4.0%	6.1%	80.8%	-1.5%	33.7%	23.4%	-9.2%	-6.0%	-13.8%	-18.6%	-12.3%	10.4%	2.6%	16.9%
Key Cash Flow Metrics																	
Operating cash flow	250	347	410	492	141	119	134	119	513	116	100	83	120	418	122	110	126
QoQ Change					7.4%	-15.9%	13.0%	-11.5%		-2.4%	-13.7%	-17.6%	44.8%		1.7%	-9.4%	14.2%
YoY Change		38.9%	18.1%	20.0%	13.7%	8.4%	6.4%	-9.7%	4.4%	-18.0%	-15.8%	-38.5%	0.6%	-18.5%	4.9%	10.1%	52.5%
Capital expenditures, gross (accounting)	299	265	270	295	79	75	68	69	291	60	88	102	74	324	71	76	98
QoQ Change					15.5%	-5.1%	-9.3%	1.5%		-13.0%	46.7%	15.9%	-27.5%		-4.1%	7.0%	28.9%
YoY Change		-11.4%	1.9%	9.4%	19.7%	-5.1%	-17.1%	0.8%	-1.5%	-24.1%	17.3%	50.0%	7.2%	11.3%	18.3%	-13.6%	-3.9%
Capital expenditures, gross (cash flow)	255	238	262	278	71	64	67	62	264	56	69	87	72	284	90	85	67
QoQ Change					-20.5%	-9.5%	4.6%	-7.9%		-9.1%	22.8%	25.0%	-16.8%		24.5%	-5.5%	-21.2%
YoY Change		-6.7%	10.1%	6.4%	16.5%	1.8%	4.1%	-30.6%	-5.0%	-20.7%	7.5%	28.6%	17.1%	7.5%	59.0%	22.4%	-22.8%
Capital expenditures, net (cash flow)	255	238	261	277	71	64	67	62	264	56	69	87	72	284	90	85	67
QoQ Change					-20.5%	-9.4%	4.4%	-7.7%		-9.2%	23.0%	25.1%	-17.0%		24.9%	-5.5%	-21.3%
YoY Change		-6.7%	9.7%	6.2%	16.7%	2.1%	5.5%	-30.6%	-4.8%	-20.7%	7.6%	28.8%	17.5%	7.6%	59.3%	22.3%	-23.0%
Free cash flow	-5	109	149	215	70	54	67	57	250	60	31	-4	48	134	32	26	59
QoQ Change					66.5%	-22.6%	23.0%	-15.0%		4.7%	-48.2%	N/M	N/M		-33.0%	-20.1%	131.8%
YoY Change		N/M	36.2%	44.0%	10.9%	17.0%	7.3%	34.9%	16.2%	-15.2%	-43.3%	N/M	-17.3%	-46.2%	-46.4%	-17.3%	N/M
Ratios																	
Gross profit margin	21.0%	27.9%	31.9%	28.7%	33.0%	33.4%	34.0%	45.6%	36.5%	34.7%	37.4%	32.3%	34.7%	34.8%	35.9%	35.4%	37.2%
Operating margin	4.0%	11.7%	16.2%	11.3%	15.1%	16.2%	15.6%	26.2%	18.2%	12.4%	18.2%	13.4%	17.8%	15.4%	16.7%	16.7%	17.6%
Net margin	-8.3%	-17.5%	-14.5%	-19.8%	-18.1%	-21.9%	-18.7%	2.0%	-14.2%	-15.3%	-26.1%	-29.5%	-5.2%	-19.0%	-15.0%	-25.0%	-33.2%
EBITDA margin	23.3%	28.2%	31.5%	29.3%	32.0%	33.8%	33.9%	41.6%	35.3%	28.3%	31.4%	29.4%	33.4%	30.6%	32.3%	32.6%	33.7%
Capex/Sales	21.1%	17.5%	17.6%	18.7%	19.5%	18.6%	16.8%	17.1%	18.0%	14.4%	21.5%	25.3%	18.1%	19.8%	17.6%	18.8%	23.9%



	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
Bezeq Fixed-Line																	
Key Performance Indicators																	
Total outgoing minutes (in millions)	14,711	13,260	12,017	10,699	2,521	2,415	2,482	2,339	9,758	2,360	2,226	2,126	1,979	8,691	1,788	1,805	1,707
QoQ Change					-3.8%	-4.2%	2.8%	-5.8%		0.9%	-5.7%	-4.5%	-6.9%		-9.7%	1.0%	-5.4%
YoY Change		-9.9%	-9.4%	-11.0%	-7.7%	-11.1%	-5.6%	-10.8%	-8.8%	-6.4%	-7.8%	-14.3%	-15.4%	-10.9%	-24.2%	-18.9%	-19.7%
Total incoming minutes (in millions)	6,411	6,691	6,718	6,547	1,577	1,535	1,602	1,526	6,240	1,543	1,516	1,595	1,571	6,225	1,503	1,551	1,522
QoQ Change					-4.1%	-2.7%	4.4%	-4.7%		1.1%	-1.7%	5.2%	-1.5%		-4.3%	3.2%	-1.9%
YoY Change		4.4%	0.4%	-2.5%	-2.8%	-6.1%	-2.7%	-7.2%	-4.7%	-2.2%	-1.2%	-0.4%	-2.9%	-0.2%	-2.6%	2.3%	-4.6%
Total access lines (in 000's)	2,749	2,604	2,483	2,366	2,358	2,356	2,363	2,367	2,367	2,368	2,335	2,299	2,268	2,268	2,242	2,224	2,223
QoQ Change					-0.3%	-0.1%	0.3%	0.2%		0.0%	-1.4%	-1.5%	-1.3%		-1.1%	-0.8%	0.0%
YoY Change		-5.3%	-4.6%	-4.7%	15.0%	-2.7%	-1.3%	0.0%	0.0%	0.4%	-0.9%	-2.7%	-4.2%	-4.2%	-5.3%	-4.8%	-3.3%
ARPL - Voice & fixed fees (in NIS)	87	83	82	81	79	77	78	70	76	74	73	73	71	73	69	68	67
QoQ Change					-4.8%	-2.5%	1.3%	-10.3%		5.7%	-1.4%	0.0%	-2.7%		-2.8%	-1.4%	-1.5%
YoY Change		-4.6%	-1.2%	-1.2%	-1.3%	-4.9%	-4.9%	-15.7%	-6.2%	-6.3%	-5.2%	-6.4%	1.4%	-3.9%	-6.8%	-6.8%	-8.2%
Churn rate (%)	9.5%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	3.3%	2.8%	2.8%	2.8%	11.6%	3.2%	3.9%	4.2%	4.0%	15.3%	3.7%	3.5%	2.8%
Broadband Internet lines (in 000's)	963	1,005	1,035	1,066	1,079	1,088	1,100	1,111	1,111	1,121	1,136	1,153	1,169	1,169	1,185	1,202	1,230
QoQ Change					1.2%	0.8%	1.1%	1.0%		0.9%	1.3%	1.5%	1.4%		1.4%	1.4%	2.3%
YoY Change		4.4%	3.0%	3.0%	3.3%	3.5%	4.2%	4.2%	4.2%	3.9%	4.4%	4.8%	5.2%	5.2%	5.7%	5.8%	6.7%
Broadband Internet ARPU (in NIS)	64	67	69	75	79	80	81	81	80	84	80	80	80	81	83	85	86
QoQ Change					1.3%	1.3%	1.3%	0.0%		3.7%	-4.8%	0.0%	0.0%		3.8%	2.4%	1.2%
YoY Change		4.7%	3.0%	8.7%	8.2%	11.1%	6.6%	3.8%	6.7%	6.3%	0.0%	-1.2%	-1.2%	1.3%	-1.2%	6.3%	7.5%
NGN subscribers as % of total internet subscribers covered by NGN network	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	40%	43%	47%	51%	51%	55%	57%	60%	62%	62%	65%	84%	84%
Average broadband speed per subscriber (end of period, Mbps)	1.7	2.2	2.7	4.3	4.8	5.3	6.0	6.7	6.7	7.5	8.3	9.0	9.6	9.6	10.4	15.2	17.3
QoQ Change					11.6%	10.4%	13.2%	11.7%		11.9%	10.7%	8.4%	6.7%		8.3%	46.2%	13.8%
YoY Change		29.4%	22.7%	59.3%	60.0%	55.9%	57.9%	55.8%	55.8%	56.3%	56.6%	50.0%	43.3%	43.3%	38.7%	83.1%	92.2%
Number of employees	7,614	7,530	7,364	7,216	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	7,076	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	7,422	<i>N/A</i>	<i>N/A</i>	6,576
QoQ Change																	
YoY Change		-1.1%	-2.2%	-2.0%					-1.9%					4.9%			



	FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013
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Key Performance Indicators

Subscribers (in 000's)	2,622	2,649	2,766	2,857	2,861	2,827	2,842	2,847	2,847	2,876	2,859	2,839	2,800	2,800	2,741	2,702	2,683
QoQ Change					0.1%	-1.2%	0.5%	0.2%		1.0%	-0.6%	-0.7%	-1.4%		-2.1%	-1.4%	-0.7%
YoY Change		1.0%	4.4%	3.3%	2.6%	0.7%	0.6%	-0.4%	-0.4%	0.5%	1.1%	-0.1%	-1.7%	-1.7%	-4.7%	-5.5%	-5.5%
MOU (per sub, per month)	354	352	333	349	359	370	385	384	375	399	409	425	442	419	440	467	459
QoQ Change					-1.4%	3.1%	4.1%	-0.3%		3.9%	2.5%	3.9%	4.0%		-0.5%	6.1%	-1.7%
YoY Change		-0.6%	-5.4%	4.8%	6.8%	6.3%	11.0%	5.5%	7.4%	11.1%	10.5%	10.4%	15.1%	11.7%	10.3%	14.2%	8.0%
ARPU (in NIS)	N/A	N/A	N/A	111	110	109	107	100	107	97	99	95	89	95	86	85	88
QoQ Change					0.9%	-0.9%	-1.8%	-6.5%		-3.0%	2.1%	-4.0%	-6.3%		-3.4%	-1.2%	3.5%
YoY Change					0.0%	-1.8%	-5.3%	-8.3%	-3.6%	-11.8%	-9.2%	-11.2%	-11.0%	-11.2%	-11.3%	-14.1%	-7.4%
Churn rate (%)	N/A	N/A	13.8%	15.3%	5.0%	6.6%	6.1%	5.3%	22.9%	3.9%	6.0%	6.7%	5.9%	22.4%	7.2%	6.9%	6.2%

yes

Key Performance Indicators

Subscribers (in 000's)	549	560	571	578	580	581	585	586	586	585	582	581	578	578	578	583	593
QoQ Change					0.3%	0.2%	0.7%	0.2%		-0.2%	-0.5%	-0.2%	-0.5%		0.0%	0.9%	1.7%
YoY Change		2.0%	2.0%	1.2%	1.6%	1.4%	1.7%	1.4%	1.4%	0.9%	0.2%	-0.7%	-1.4%	-1.4%	-1.2%	0.2%	2.1%
ARPU (in NIS)	217	228	226	230	234	232	232	229	232	237	234	231	234	234	233	232	233
QoQ Change					1.3%	-0.9%	0.0%	-1.3%		3.5%	-1.3%	-1.3%	1.3%		-0.4%	-0.4%	0.4%
YoY Change		5.1%	-0.9%	1.8%	2.2%	0.4%	1.3%	-0.9%	0.9%	1.3%	0.9%	-0.4%	2.2%	1.0%	-1.7%	-0.9%	0.9%
Churn rate (%)	N/A	N/A	13.3%	13.0%	3.3%	2.9%	2.8%	2.8%	11.9%	3.6%	3.9%	4.1%	3.8%		3.8%	3.2%	3.4%



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
September 15, 2013	500	0.3553934	Special Dividend (6 of 6)
September 15, 2013	969	0.1833815	Semi-Annual Dividend
May 13, 2013	500	0.1834754	Special Dividend (5 of 6)
May 13, 2013	861	0.3159446	Semi-Annual Dividend
October 10, 2012	500	0.1835315	Special Dividend (4 of 6)
October 10, 2012	997	0.3659618	Semi-Annual Dividend
May 21, 2012	500	0.1839752	Special Dividend (3 of 6)
May 21, 2012	1,074	0.3951788	Semi-Annual Dividend
October 5, 2011	500	0.1845993	Special Dividend (2 of 6)
October 5, 2011	992	0.3662451	Semi-Annual Dividend
May 19, 2011	500	0.1851125	Special Dividend (1 of 6)
May 19, 2011	1,163	0.4305716	Semi-Annual Dividend
October 7, 2010	1,280	0.4780459	Semi-Annual Dividend
May 3, 2010	2,453	0.9170679	Semi-Annual Dividend
October 5, 2009	1,149	0.4329743	Semi-Annual Dividend
May 24, 2009	792	0.3013025	Semi-Annual Dividend
October 29, 2008	835	0.3205318	Semi-Annual Dividend
April 28, 2008	679	0.260648	Semi-Annual Dividend
October 15, 2007	760	0.2917415	Semi-Annual Dividend
February 26, 2007	1,800	0.6909668	Special Dividend
January 9, 2007	300	0.1151612	Semi-Annual Dividend
October 30, 2006	400	0.1535482	Semi-Annual Dividend
April 16, 2006	1,200	0.4606446	Semi-Annual Dividend



GLOSSARY

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization; ttm = trailing twelve months
Free cash flow	= Operating cash flows less net capital expenditures
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE
ARPL	= Average revenue per line
ARPU	= Average revenue per user
MOU	= Minutes of use
N/A	= Not available
N/M	= Not meaningful