



Bezeq Facts & Figures Q4 & FY 2015

Three months ending December 31, 2015

Index of contents

Sheet I - Income statement, cash flows and balance sheet

Sheet II - Other Income

Sheet III- Key Performance Indicators (KPIs)

Sheet IV- Dividends

Sheet V - Glossary

For further information:

Bezeq Investor Relations

Phone +9722 539 5441

ir@bezeq.co.il

www.bezeq.co.il



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq Group ⁽¹⁾																		
Key Income Statement Metrics																		
Revenues		11,136	11,015	11,519	11,987	11,373	10,278	9,563	2,311	2,250	2,232	2,262	9,055	2,174	2,603	2,602	2,606	9,985
	QoQ Change								-4.1%	-2.6%	-0.8%	1.3%		-3.9%	19.7%	0.0%	0.2%	
	YoY Change		-1.1%	4.6%	4.1%	-5.1%	-9.6%	-7.0%	-3.9%	-4.3%	-6.9%	-6.1%	-5.3%	-5.9%	15.7%	16.6%	15.2%	10.3%
Operating Profit		2,321	2,640	2,972	3,744	3,255	3,041	2,819	688	1,234	671	633	3,226	636	794	652	488	2,570
	QoQ Change								16.0%	79.4%	-45.6%	-5.7%		0.5%	24.8%	-17.9%	-25.2%	
	YoY Change		13.7%	12.6%	26.0%	-13.1%	-6.6%	-7.3%	-9.6%	65.9%	-6.9%	6.7%	14.4%	-7.6%	-35.7%	-2.8%	-22.9%	-20.3%
Net profit attributed to Bezeq shareholders		1,330	1,627	3,603	2,443	2,074	1,861	1,771	457	810	428	416	2,111	463	482	407	369	1,721
	QoQ Change								29.8%	77.2%	-47.2%	-2.8%		11.3%	4.1%	-15.6%	-9.3%	
	YoY Change		22.3%	121.5%	-32.2%	-15.1%	-10.3%	-4.8%	-8.0%	71.2%	-4.7%	18.2%	19.2%	1.3%	-40.5%	-4.9%	-11.3%	-18.5%
Earnings Per Share - Basic		0.51	0.62	1.37	0.91	0.77	0.68	0.65	0.17	0.30	0.16	0.15	0.77	0.17	0.18	0.15	0.13	0.63
Earnings Per Share - Diluted		0.50	0.61	1.34	0.90	0.76	0.68	0.65	0.17	0.29	0.16	0.15	0.77	0.17	0.17	0.15	0.13	0.62
Depreciation & amortization		1,509	1,458	1,485	1,409	1,395	1,436	1,311	314	319	327	321	1,281	317	451	457	459	1,684
	QoQ Change								-4.3%	1.6%	2.5%	-1.8%		-1.2%	42.3%	1.3%	0.4%	
	YoY Change		-3.4%	1.9%	-5.1%	-1.0%	2.9%	-8.7%	-4.3%	-2.1%	-0.6%	-2.1%	-2.3%	1.0%	41.4%	39.8%	43.0%	31.5%
Salaries		2,192	2,161	1,990	2,024	2,090	1,976	1,872	448	443	437	440	1,768	439	497	506	515	1,957
	QoQ Change								1.6%	-1.1%	-1.4%	0.7%		-0.2%	13.2%	1.8%	1.8%	
	YoY Change		-1.4%	-7.9%	1.7%	3.3%	-5.5%	-5.3%	-10.2%	-5.3%	-5.8%	-0.2%	-5.6%	-2.0%	12.2%	15.8%	17.0%	10.7%
Other operating expenses (income)		N/A	96	201	-216	139	-128	-15	-8	-568	-25	15	-586	-17	-141	-13	76	-95
	QoQ Change								N/M	N/M	N/M	N/M		NM	729.4%	-90.8%	N/M	
	YoY Change			N/M	NM	NM	NM	N/M	N/M	N/M	N/M	N/M	N/M	NM	-75.2%	-48.0%	406.7%	-83.8%
Finance expenses (income), net		182	140	-31	109	212	151	145	42	32	39	17	130	37	129	100	-3	263
	QoQ Change								-14.3%	-23.8%	21.9%	-56.4%		117.6%	248.6%	-22.5%	N/M	
	YoY Change		-23.1%		94.5%	-28.8%	-4.0%	75.0%	18.5%	-13.3%	-65.3%	-10.3%	-11.9%	303.1%	156.4%	N/M	102.3%	
Share in (losses) profits of equity accounted investees		N/A	N/A	N/A	-261	-216	-245	-252	-19	-79	-34	-38	-170	16	-	-1	-3	12
	QoQ Change								-66.7%	315.8%	-57.0%	11.8%		NM	-100.0%	N/M	200.0%	
	YoY Change				-17.2%	13.4%	2.9%	-52.5%	17.9%	-61.4%	-33.3%	-32.5%	NM	-100.0%	N/M	-92.1%	-107.1%	
EBITDA		3,830	4,098	4,457	5,153	4,650	4,477	4,130	1,002	1,553	998	954	4,507	953	1,245	1,109	947	4,254
	QoQ Change								8.8%	55.0%	-35.7%	-4.4%		-0.1%	30.6%	-10.9%	-14.6%	
	YoY Change		7.0%	8.8%	15.6%	-9.8%	-3.7%	-7.8%	-8.0%	45.1%	-5.0%	3.6%	9.1%	-4.9%	-19.8%	11.1%	-0.7%	-5.6%
Shares Outstanding - Basic		2,605	2,605	2,635	2,675	2,714	2,720	2,726	2,731	2,734	2,737	2,741	2,736	2,744	2,746	2,750	2,758	2,750
Shares Outstanding - Diluted		2,641	2,649	2,685	2,717	2,725	2,726	2,741	2,749	2,752	2,755	2,761	2,755	2,759	2,759	2,762	2,764	2,763
Key Cash Flow Metrics																		
Operating cash flow		2,697	3,068	3,655	3,696	3,186	4,014	4,152	1,043	1,064	950	739	3,796	961	840	1,050	889	3,740
	QoQ Change								11.6%	2.0%	-10.7%	-22.2%		30.0%	-12.6%	25.0%	-15.3%	
	YoY Change		13.7%	19.1%	1.1%	-13.8%	26.0%	3.4%	7.3%	-3.4%	-16.9%	-21.0%	-8.6%	-7.9%	-21.1%	10.5%	20.3%	-1.5%
Capital expenditures, gross (accounting)		1,086	1,632	1,505	1,645	1,939	1,543	1,237	318	338	317	328	1,301	392	490	381	354	1,617
	QoQ Change								-8.4%	6.3%	-6.2%	3.5%		19.5%	25.0%	-22.2%	-7.1%	
	YoY Change		50.3%	-7.8%	9.3%	17.9%	-20.4%	-19.8%	25.2%	2.1%	3.9%	-5.5%	5.2%	23.3%	45.0%	20.2%	7.9%	24.3%
Capital expenditures, gross (cash flow)		991	1,531	1,535	1,622	1,903	1,540	1,228	315	323	322	315	1,275	368	511	427	329	1,635
	QoQ Change								-0.9%	2.5%	-0.3%	-2.2%		16.8%	38.9%	-16.4%	-23.0%	
	YoY Change		54.5%	0.2%	5.7%	17.3%	-19.1%	-20.3%	9.0%	7.3%	0.6%	-0.9%	3.8%	16.8%	58.2%	32.6%	4.4%	28.2%
Capital expenditures, net (cash flow)		814	1,384	1,445	1,489	1,637	1,235	916	286	277	250	232	1,045	355	427	405	297	1,484
	QoQ Change								27.1%	-3.1%	-9.7%	-7.2%		53.0%	20.3%	-5.2%	-26.7%	
	YoY Change		70.0%	4.4%	3.0%	9.9%	-24.6%	-25.8%	16.3%	55.6%	-6.4%	3.1%	14.1%	24.1%	54.2%	62.0%	28.0%	42.0%
Free cash flow		1,883	1,684	2,210	2,207	1,549	2,779	3,236	757	787	700	507	2,751	606	413	645	592	2,256
	QoQ Change								6.6%	4.0%	-11.1%	-27.6%		19.5%	-31.8%	56.2%	-8.2%	
	YoY Change		-10.6%	31.3%	-0.1%	-29.8%	79.4%	16.4%	4.3%	-14.8%	-20.1%	-28.6%	-15.0%	-19.9%	-47.5%	-7.9%	16.8%	-18.0%
Key Balance Sheet Metrics																		
Total debt		5,034	4,356	4,136	5,717	9,578	9,546	9,827	9,717	9,349	10,363	10,087	10,087	11,912	11,368	11,077	10,713	10,713
Cash & short-term investments		1,589	816	734	372	2,298	1,547	1,742	2,394	2,398	4,094	2,883	2,883	3,709	1,825	2,156	1,317	1,317
Net debt		3,445	3,540	3,402	5,345	7,280	7,999	8,085	7,323	6,951	6,269	7,204	7,204	8,203	9,543	8,921	9,396	9,396
Ratios																		
Operating margin		20.8%	24.0%	25.8%	31.2%	28.6%	29.6%	29.5%	29.8%	54.8%	30.1%	28.0%	35.6%	29.3%	30.5%	25.1%	18.7%	25.7%
Net margin		11.9%	14.8%	31.3%	20.4%	18.2%	18.1%	18.5%	19.8%	36.0%	19.2%	18.4%	23.3%	21.3%	18.5%	15.6%	14.2%	17.2%
EBITDA margin		34.4%	37.2%	38.7%	43.0%	40.9%	43.6%	43.2%	43.4%	69.0%	44.7%	42.2%	49.8%	43.8%	47.8%	42.6%	36.3%	42.6%
Capex/Sales		9.8%	14.8%	13.1%	13.7%	17.0%	15.0%	12.9%	13.8%	15.0%	14.2%	14.5%	14.4%	18.0%	18.8%	14.6%	13.6%	16.2%
Total debt / EBITDA (ttm)		1.31	1.06	0.93	1.11	2.06	2.13	2.38	2.40	2.07	2.32	2.24	2.24	2.67	2.74	2.60	2.52	2.52
Net debt / EBITDA (ttm)		0.90	0.86	0.76	1.04	1.57	1.79	1.96	1.81	1.54	1.40	1.60	1.60	1.84	2.30	2.09	2.21	2.21

⁽¹⁾ The Bezeq Group's financial data includes yes balance sheet data as of Q1 2015 and income statement and cash flow data as of Q2 2015.



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq Group (cont'd)																	
Operating & General Expenses																	
Total operating & general expenses	5,075	4,660	4,871	5,026	4,494	3,953	3,576	869	822	822	853	3,366	799	1,002	1,000	1,068	3,869
QoQ Change								-10.0%	-5.4%	0.0%	3.8%		-6.3%	25.4%	-0.2%	6.8%	
YoY Change		-8.2%	4.5%	3.2%	-10.6%	-12.0%	-9.5%	-2.2%	-1.1%	-7.6%	-11.7%	-5.9%	-8.1%	21.9%	21.7%	25.2%	14.9%
Terminal equipment & materials	<i>N/A</i>	<i>N/A</i>	1,163	1,225	1,693	1,263	1,071	262	212	200	254	928	226	205	193	256	880
QoQ Change								-13.2%	-19.1%	-5.7%	27.0%		-11.0%	-9.3%	-5.9%	32.6%	
YoY Change				5.3%	38.2%	-25.4%	-15.2%	1.6%	-14.2%	-24.2%	-15.9%	-13.4%	-13.7%	-3.3%	-3.5%	0.8%	-5.2%
Interconnect & payments to telecom operators	<i>N/A</i>	<i>N/A</i>	1,762	1,876	910	900	905	206	208	219	214	847	212	241	236	220	909
QoQ Change								-6.8%	1.0%	5.3%	-2.3%		-0.9%	13.7%	-2.1%	-6.8%	
YoY Change				6.5%	-51.5%	-1.1%	0.6%	-8.0%	-8.8%	-5.6%	-3.2%	-6.4%	2.9%	15.9%	7.8%	2.8%	7.3%
Maintenance of buildings and sites	<i>N/A</i>	<i>N/A</i>	647	640	641	663	607	156	156	163	164	639	150	156	161	149	616
QoQ Change								3.3%	0.0%	4.5%	0.6%		-8.5%	4.0%	3.2%	-7.5%	
YoY Change				-1.1%	0.2%	3.4%	-8.4%	-3.1%	22.8%	-3.0%	8.6%	5.3%	-3.8%	0.0%	-1.2%	-9.1%	-3.6%
Marketing & general	<i>N/A</i>	<i>N/A</i>	626	622	655	556	563	153	153	152	145	603	129	160	164	187	640
QoQ Change								-10.5%	0.0%	-0.7%	-4.6%		-11.0%	24.0%	2.5%	14.0%	
YoY Change				-0.6%	5.3%	-15.1%	1.3%	9.3%	21.4%	20.6%	-15.2%	7.1%	-15.7%	4.6%	7.9%	29.0%	6.1%
Services and maintenance by sub-contractors	<i>N/A</i>	<i>N/A</i>	218	189	170	158	162	40	38	35	24	137	34	55	52	58	199
QoQ Change								-27.3%	-5.0%	-7.9%	-31.4%		41.7%	61.8%	-5.5%	11.5%	
YoY Change				-13.3%	-10.1%	-7.1%	2.5%	5.3%	5.6%	6.1%	-56.4%	-15.4%	-15.0%	44.7%	48.6%	141.7%	45.3%
Vehicle maintenance	<i>N/A</i>	<i>N/A</i>	177	188	142	162	152	37	40	38	39	154	35	41	47	44	167
QoQ Change								-5.1%	8.1%	-5.0%	2.6%		-10.3%	17.1%	14.6%	-6.4%	
YoY Change				6.2%	-24.5%	14.1%	-6.2%	0.0%	5.3%	0.0%	0.0%	1.3%	-5.4%	2.5%	23.7%	12.8%	8.4%
Content services	<i>N/A</i>	<i>N/A</i>	151	156	123	103	65	15	15	15	13	58	13	144	147	154	458
QoQ Change								0.0%	0.0%	0.0%	-13.3%		0.0%	N/M	2.1%	4.8%	
YoY Change				3.3%	-21.2%	-16.3%	-36.9%	-11.8%	-11.8%	-6.3%	-13.3%	-10.8%	-13.3%	N/M	N/M	1084.6%	689.7%
Changes in Working Capital (Cash Flow Statement)																	
Total changes in working capital	(429)	(222)	(413)	(237)	(920)	346	682	122	192	140	84	538	48	(98)	78	3	31
Inventory	(6)	42	(114)	84	(33)	74	9	21	13	9	(15)	28	9	(9)	6	(26)	(20)
Trade & other receivables	(441)	(54)	(546)	(300)	(756)	505	646	163	224	142	20	549	84	61	51	126	322
Trade & other payables	18	(210)	247	(21)	(131)	(233)	27	(62)	(45)	(11)	79	(39)	(45)	(150)	21	(97)	(271)



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq Fixed-Line																		
Key Income Statement Metrics (Revenues)																		
Total Revenues		5,713	5,498	5,303	5,263	4,648	4,630	4,478	1,077	1,073	1,081	1,086	4,317	1,113	1,105	1,101	1,088	4,407
	QoQ Change								-2.2%	-0.4%	0.7%	0.5%		2.5%	-0.7%	-0.4%	-1.2%	
	YoY Change		-3.8%	-3.5%	-0.8%	-11.7%	-0.4%	-3.3%	-4.6%	-4.3%	-4.1%	-1.4%	-3.6%	3.3%	3.0%	1.9%	0.2%	2.1%
Telephony Revenues		3,905	3,572	3,333	3,160	2,393	2,254	1,971	426	415	418	409	1,668	403	396	395	392	1,586
	QoQ Change								-9.0%	-2.6%	0.7%	-2.2%		-1.5%	-1.7%	-0.3%	-0.8%	
	YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-12.6%	-16.5%	-17.5%	-14.7%	-12.6%	-15.4%	-5.4%	-4.6%	-5.5%	-4.2%	-4.9%
Broadband Internet Revenues		712	790	863	977	1,092	1,166	1,287	332	345	353	364	1,394	383	387	385	387	1,542
	QoQ Change								2.5%	3.9%	2.3%	3.1%		5.2%	1.0%	-0.5%	0.5%	
	YoY Change		11.0%	9.2%	13.2%	11.8%	6.8%	10.4%	7.1%	7.5%	6.3%	12.3%	8.3%	15.4%	12.2%	9.1%	6.3%	10.6%
Transmission & Data Revenues		754	811	851	882	931	976	990	259	255	251	257	1,022	266	264	267	261	1,058
	QoQ Change								3.6%	-1.5%	-1.6%	2.4%		3.5%	-0.8%	1.1%	-2.2%	
	YoY Change		7.6%	4.9%	3.6%	5.6%	4.8%	1.4%	4.9%	5.8%	-0.4%	2.8%	3.2%	2.7%	3.5%	6.4%	1.6%	3.5%
Other Service Revenues		342	325	256	244	232	234	230	60	58	59	56	233	61	58	54	48	221
	QoQ Change								1.7%	-3.3%	1.7%	-5.1%		8.9%	-4.9%	-6.9%	-11.1%	
	YoY Change		-5.0%	-21.2%	-4.7%	-4.9%	0.9%	-1.7%	-3.2%	3.6%	11.3%	-5.1%	1.3%	1.7%	0.0%	-8.5%	-14.3%	-5.2%
Revenues from Residential Customers		N/A	3,303	3,165	3,128	2,777	2,716	2,605	N/A	N/A	N/A	N/A	2,498	N/A	N/A	N/A	N/A	2,507
	% of total revenues		60.1%	59.7%	59.4%	59.7%	58.7%	58.2%					57.9%					56.9%
Revenues from Business Customers		N/A	2,195	2,138	2,134	1,871	1,914	1,873	N/A	N/A	N/A	N/A	1,819	N/A	N/A	N/A	N/A	1,900
	% of total revenues		39.9%	40.3%	40.5%	40.3%	41.3%	41.8%					42.1%					43.1%
Key Income Statement Metrics																		
Operating profit		1,319	1,475	1,523	2,043	1,671	1,959	1,998	504	471	498	507	1,980	547	662	512	427	2,148
	QoQ Change								9.8%	-6.5%	5.7%	1.8%		7.9%	21.0%	-22.7%	-16.6%	
	YoY Change		11.8%	3.3%	34.1%	-18.2%	17.2%	2.0%	-5.8%	-7.6%	0.8%	10.5%	-0.9%	8.5%	40.6%	2.8%	-15.8%	8.5%
Net profit ⁽¹⁾		737	950	1,107	1,426	1,073	1,227	1,146	295	251	263	293	1,102	346	382	256	340	1,324
	QoQ Change								12.2%	-14.9%	4.8%	11.4%		18.1%	10.4%	-33.0%	32.8%	
	YoY Change		28.9%	16.5%	28.8%	-24.8%	14.4%	-6.6%	-2.6%	-14.0%	-8.7%	11.4%	-3.8%	17.3%	52.2%	-2.7%	16.0%	20.1%
Depreciation & amortization		941	852	794	690	688	730	683	168	172	178	170	688	176	180	184	185	725
	QoQ Change								-3.4%	2.4%	3.5%	-4.5%		3.5%	2.3%	2.2%	0.5%	
	YoY Change		-9.5%	-6.8%	-13.1%	-0.3%	6.1%	-6.4%	0.6%	2.4%	2.3%	-2.3%	0.7%	4.8%	4.7%	3.4%	8.8%	5.4%
Salaries		1,293	1,202	1,094	1,079	1,076	1,036	980	223	228	227	217	895	227	226	232	227	912
	QoQ Change								-0.9%	2.2%	-0.4%	-4.4%		4.6%	-0.4%	2.7%	-2.2%	
	YoY Change		-7.0%	-9.0%	-1.4%	-0.3%	-3.7%	-5.4%	-17.4%	-5.8%	-6.6%	-3.6%	-8.7%	1.8%	-0.9%	2.2%	4.6%	1.9%
Other operating expenses (income)		39	96	202	-158	139	-128	-78	-8	14	-25	-4	-23	-17	-139	-13	70	-99
	QoQ Change								N/M	-275.0%	N/M	N/M		N/M	717.6%	-90.6%	N/M	
	YoY Change		146.2%	N/M	N/M	N/M	N/M	-39.1%	-89.0%	-182.4%	212.5%	N/M	-70.5%	N/M	N/M	-48.0%	N/M	330.4%
Finance expenses (income), net		188	125	-15	90	240	259	442	93	110	116	81	400	75	100	138	19	332
	QoQ Change								-8.8%	18.3%	5.5%	-30.2%		-7.4%	33.3%	38.0%	-86.2%	
	YoY Change		-33.5%	N/M	N/M	166.7%	7.9%	70.7%	-5.1%	-1.8%	-10.8%	-20.6%	-9.5%	-19.4%	-9.1%	19.0%	-76.5%	-17.0%
EBITDA		2,260	2,327	2,317	2,733	2,359	2,689	2,681	672	643	676	677	2,668	723	842	696	612	2,873
	QoQ Change								6.2%	-4.3%	5.1%	0.1%		6.8%	16.5%	-17.3%	-12.1%	
	YoY Change		3.0%	-0.4%	18.0%	-13.7%	14.0%	-0.3%	-4.3%	-5.2%	1.2%	7.0%	-0.5%	7.6%	30.9%	3.0%	-9.6%	7.7%
Key Cash Flow Metrics																		
Operating cash flow		1,379	1,691	2,220	2,140	2,106	2,009	2,274	616	545	599	499	2,259	548	456	686	668	2,358
	QoQ Change								17.1%	-11.5%	9.9%	-16.7%		9.8%	-16.8%	50.4%	-2.6%	
	YoY Change		22.6%	31.3%	-3.6%	-1.6%	-4.6%	13.2%	9.8%	-2.0%	-5.1%	-5.1%	-0.7%	-11.0%	-16.3%	14.5%	33.9%	4.4%
Capital expenditures, gross (accounting)		513	600	844	1,041	1,174	945	777	215	215	198	207	835	228	203	208	198	837
	QoQ Change								-4.4%	0.0%	-7.9%	4.5%		10.1%	-11.0%	2.5%	-4.8%	
	YoY Change		17.0%	40.7%	23.3%	12.8%	-19.5%	-17.8%	31.1%	9.1%	3.7%	-8.0%	7.5%	6.0%	-5.6%	5.1%	-4.3%	0.2%
Capital expenditures, gross (cash flow)		505	616	853	1,032	1,165	958	789	210	207	210	195	822	231	191	230	197	849
	QoQ Change								-5.4%	-1.4%	1.4%	-7.1%		18.5%	-17.3%	20.4%	-14.3%	
	YoY Change		22.0%	38.5%	21.0%	12.9%	-17.8%	-17.6%	14.8%	11.3%	6.1%	-12.2%	4.2%	10.0%	-7.7%	9.5%	1.0%	3.3%
Capital expenditures, net (cash flow)		336	472	767	900	937	658	485	182	165	141	113	601	219	111	209	164	703
	QoQ Change								37.9%	-9.3%	-14.5%	-19.9%		93.8%	-49.3%	88.3%	-21.5%	
	YoY Change		40.5%	62.5%	17.3%	4.1%	-29.8%	-26.3%	29.1%	166.1%	-6.0%	-14.4%	23.9%	20.3%	-32.7%	48.2%	45.1%	17.0%
Free cash flow		1,043	1,219	1,453	1,240	1,169	1,351	1,789	434	380	458	386	1,658	329	345	477	504	1,655
	QoQ Change								10.2%	-12.4%	20.5%	-15.7%		-14.8%	4.9%	38.3%	5.7%	
	YoY Change		16.9%	19.2%	-14.7%	-5.7%	15.6%	32.4%	3.3%	-23.1%	-4.8%	-2.0%	-7.3%	-24.2%	-9.2%	4.1%	30.6%	-0.2%
Ratios																		
Operating margin		23.1%	26.8%	28.7%	38.8%	36.0%	42.3%	44.6%	46.8%	43.9%	46.1%	46.7%	45.9%	49.1%	59.9%	46.5%	39.2%	48.7%
Net margin		12.9%	17.3%	20.9%	27.1%	23.1%	26.5%	25.6%	27.4%	23.4%	24.3%	27.0%	25.5%	31.1%	34.6%	23.3%	31.3%	30.0%
EBITDA margin		39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	59.9%	62.4%	59.9%	62.5%	62.3%	61.8%	65.0%	76.2%	63.2%	56.3%	65.2%
Capex/Sales		9.0%	10.9%	15.9%	19.8%	25.3%	20.4%	17.4%	20.0%	20.0%	18.3%	19.1%	19.3%	20.5%	18.4%	18.9%	18.2%	19.0%

⁽¹⁾ Net profit does not include share in profits/losses of equity-accounted investees.



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq Fixed-Line (cont'd)																	
Operating & general expenses																	
Total general & operating expenses	2,121	1,873	1,690	1,609	1,074	1,033	895	190	188	203	196	777	180	176	186	179	721
QoQ Change								-14.8%	-1.1%	8.0%	-3.4%		-8.2%	-2.2%	5.7%	-3.8%	
YoY Change		-11.7%	-9.8%	-4.8%	-33.3%	-3.8%	-13.4%	-17.4%	-13.8%	-9.4%	-12.1%	-13.2%	-5.3%	-6.4%	-8.4%	-8.7%	-7.2%
Maintenance of buildings and sites	<i>N/A</i>	<i>N/A</i>	278	240	247	245	233	55	53	57	52	217	51	47	54	50	202
QoQ Change								-5.2%	-3.6%	7.5%	-8.8%		-1.9%	-7.8%	14.9%	-7.4%	
YoY Change				-13.7%	2.9%	-0.8%	-4.9%	-6.8%	-3.6%	-6.6%	-10.3%	-6.9%	-7.3%	-11.3%	-5.3%	-3.8%	-6.9%
Interconnect & payments to telecom operators	<i>N/A</i>	<i>N/A</i>	871	855	314	281	220	42	39	42	38	161	38	37	35	35	145
QoQ Change								-16.0%	-7.1%	7.7%	-9.5%		0.0%	-2.6%	-5.4%	0.0%	
YoY Change				-1.8%	-63.3%	-10.5%	-21.7%	-26.3%	-32.8%	-23.6%	-24.0%	-26.8%	-9.5%	-5.1%	-16.7%	-7.9%	-9.9%
Marketing & general	<i>N/A</i>	<i>N/A</i>	218	196	194	159	186	48	52	59	54	213	47	48	49	44	188
QoQ Change								-11.1%	8.3%	13.5%	-8.5%		-13.0%	2.1%	2.1%	-10.2%	
YoY Change				-10.1%	-1.0%	-18.0%	17.0%	9.1%	26.8%	25.5%	0.0%	14.5%	-2.1%	-7.7%	-16.9%	-18.5%	-11.7%
Terminal equipment & materials	<i>N/A</i>	<i>N/A</i>	80	88	89	111	90	12	10	11	16	49	11	11	10	16	48
QoQ Change								-33.3%	-16.7%	10.0%	45.5%		-31.3%	0.0%	-9.1%	60.0%	
YoY Change				10.0%	1.1%	24.7%	-18.9%	-55.6%	-56.5%	-50.0%	-11.1%	-45.6%	-8.3%	10.0%	-9.1%	0.0%	-2.0%
Services and maintenance by sub-contractors	<i>N/A</i>	<i>N/A</i>	96	76	76	73	64	16	15	14	16	61	16	14	17	13	60
QoQ Change								-5.9%	-6.3%	-6.7%	14.3%		0.0%	-12.5%	21.4%	-23.5%	
YoY Change				-20.8%	0.0%	-3.9%	-12.3%	0.0%	-6.3%	-6.7%	-5.9%	-4.7%	0.0%	-6.7%	21.4%	-18.8%	-1.6%
Vehicle maintenance	<i>N/A</i>	<i>N/A</i>	96	101	78	83	76	17	19	20	20	76	17	19	21	21	78
QoQ Change								-10.5%	11.8%	5.3%	0.0%		-15.0%	11.8%	10.5%	0.0%	
YoY Change				5.2%	-22.8%	6.4%	-8.4%	-15.0%	0.0%	11.1%	5.3%	0.0%	0.0%	0.0%	5.0%	5.0%	2.6%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Telephone																	
Key Income Statement Metrics (Revenues)																	
Total Revenues	4,684	4,713	5,376	5,732	5,548	4,468	3,809	917	843	824	835	3,419	727	721	729	713	2,890
QoQ Change								-6.7%	-8.1%	-2.3%	1.3%		-12.9%	-0.8%	1.1%	-2.2%	
YoY Change		0.6%	14.1%	6.6%	-3.2%	-19.5%	-14.7%	-4.9%	-7.9%	-13.0%	-15.1%	-10.2%	-20.7%	-14.5%	-11.5%	-14.6%	-15.5%
Service Revenues	3,972	4,020	4,256	4,550	3,637	3,261	2,808	637	622	610	584	2,453	499	502	521	477	1,999
QoQ Change								-7.4%	-2.4%	-1.9%	-4.3%		-14.6%	0.6%	3.8%	-8.4%	
YoY Change		1.2%	5.9%	6.9%	-20.1%	-10.3%	-13.9%	-10.8%	-10.6%	-14.1%	-15.1%	-12.6%	-21.7%	-19.3%	-14.6%	-18.3%	-18.5%
Equipment Revenues	712	693	1,120	1,182	1,911	1,207	1,001	280	221	214	251	966	228	219	208	236	891
QoQ Change								-5.1%	-21.1%	-3.2%	17.3%		-9.2%	-3.9%	-5.0%	13.5%	
YoY Change		-2.7%	61.6%	5.5%	61.7%	-36.8%	-17.1%	12.0%	0.9%	-9.7%	-14.9%	-3.5%	-18.6%	-0.9%	-2.8%	-6.0%	-7.8%
Revenues from Private Customers	<i>N/A</i>	2,437	2,751	2,899	2,985	2,461	2,114	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,930	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,750
% of total revenues		51.7%	51.2%	50.6%	53.8%	55.1%	55.5%					56.4%					60.6%
Revenues from Business Customers	<i>N/A</i>	2,276	2,625	2,833	2,563	2,007	1,695	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,490	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,140
% of total revenues		48.3%	48.8%	49.4%	46.2%	44.9%	44.5%					43.6%					39.4%
Key Income Statement Metrics																	
Gross profit	1,337	1,478	1,784	1,978	1,961	1,428	1,098	236	231	223	192	882	120	133	143	111	507
QoQ Change								-5.6%	-2.1%	-3.5%	-13.9%		-37.5%	10.8%	7.5%	-22.4%	
YoY Change		10.5%	20.7%	10.9%	-0.9%	-27.2%	-23.1%	-18.1%	-19.8%	-18.0%	-23.2%	-19.7%	-49.2%	-42.4%	-35.9%	-42.2%	-42.5%
Operating profit	805	933	1,190	1,383	1,360	892	608	126	127	122	74	449	32	53	61	11	157
QoQ Change								65.8%	0.8%	-3.9%	-39.3%		-56.8%	65.6%	15.1%	-82.0%	
YoY Change		15.9%	27.5%	16.2%	-1.7%	-34.4%	-31.8%	-27.6%	-31.7%	-29.1%	-2.6%	-26.2%	-74.6%	-58.3%	-50.0%	-85.1%	-65.0%
Net profit	585	682	875	1,033	1,056	698	521	108	106	100	59	373	36	49	55	11	151
QoQ Change								61.2%	-1.9%	-5.7%	-41.0%		-39.0%	36.1%	12.2%	-80.0%	
YoY Change		16.6%	28.3%	18.1%	2.2%	-33.9%	-25.4%	-29.4%	-34.2%	-28.6%	-11.9%	-28.4%	-66.7%	-53.8%	-45.0%	-81.4%	-59.5%
Cost of sales	3,347	3,235	3,592	3,754	3,587	3,040	2,711	681	612	601	643	2,537	607	588	586	602	2,383
QoQ Change								-7.1%	-10.1%	-1.8%	7.0%		-5.6%	-3.1%	-0.3%	2.7%	
YoY Change		-3.3%	11.0%	4.5%	-4.4%	-15.2%	-10.8%	0.7%	-2.4%	-11.0%	-12.3%	-6.4%	-10.9%	-3.9%	-2.5%	-6.4%	-6.1%
Sales & marketing expenses	430	405	461	468	480	422	320	83	76	76	74	309	63	57	59	68	247
QoQ Change								-7.8%	-8.4%	0.0%	-2.6%		-14.9%	-9.5%	3.5%	15.3%	
YoY Change		-5.8%	13.8%	1.5%	2.6%	-12.1%	-24.2%	-3.5%	1.3%	10.1%	-17.8%	-3.4%	-24.1%	-25.0%	-22.4%	-8.1%	-20.1%
General & administrative expenses	102	140	133	127	121	114	109	27	28	25	26	106	25	23	23	27	98
QoQ Change								17.4%	3.7%	-10.7%	4.0%		-3.8%	-8.0%	0.0%	17.4%	
YoY Change		37.3%	-5.0%	-4.5%	-4.7%	-5.8%	-4.4%	-3.6%	3.7%	-19.4%	13.0%	-2.8%	-7.4%	-17.9%	-8.0%	3.8%	-7.5%
Depreciation & amortization	479	523	603	601	561	531	458	106	105	108	111	430	104	106	109	100	419
QoQ Change								-6.2%	-0.9%	2.9%	2.8%		-6.3%	1.9%	2.8%	-8.3%	
YoY Change		9.2%	15.3%	-0.3%	-6.7%	-5.3%	-13.7%	-12.4%	-7.1%	-2.7%	-1.8%	-6.1%	-1.9%	1.0%	0.9%	-9.9%	-2.6%
EBITDA	1,284	1,456	1,794	1,984	1,921	1,423	1,065	232	232	231	184	879	136	159	170	111	576
QoQ Change								23.4%	0.0%	-0.4%	-20.3%		-26.1%	16.9%	6.9%	-34.7%	
YoY Change		13.4%	23.2%	10.6%	-3.2%	-25.9%	-25.2%	-21.4%	-22.4%	-18.4%	-2.1%	-17.5%	-41.4%	-31.5%	-26.4%	-39.7%	-34.5%
Key Cash Flow Metrics																	
Operating cash flow	1,228	1,277	1,115	1,219	800	1,728	1,591	349	420	286	158	1,213	351	202	163	14	730
QoQ Change								6.7%	20.3%	-31.9%	-44.8%		122.2%	-42.5%	-19.3%	-91.4%	
YoY Change		4.0%	-12.7%	9.3%	-34.4%	116.0%	-7.9%	-1.4%	-10.3%	-35.3%	-51.7%	-23.8%	0.6%	-51.9%	-43.0%	-91.1%	-39.8%
Capital expenditures, gross (accounting)	440	911	508	431	442	397	335	67	96	87	89	339	97	196	70	56	419
QoQ Change								-28.7%	43.3%	-9.4%	2.3%		9.0%	102.1%	-64.3%	-20.0%	
YoY Change		107.0%	-44.2%	-15.2%	2.6%	-10.2%	-15.6%	19.6%	5.5%	-7.4%	-5.3%	1.2%	44.8%	104.2%	-19.5%	-37.1%	23.6%
Capital expenditures, gross (cash flow)	381	798	559	397	419	384	320	73	90	84	82	329	73	199	91	65	428
QoQ Change								-6.4%	23.3%	-6.7%	-2.4%		-11.0%	172.6%	-54.3%	-28.6%	
YoY Change		109.4%	-29.9%	-29.0%	5.5%	-8.4%	-16.7%	10.6%	7.1%	-8.7%	5.1%	2.8%	0.0%	121.1%	8.3%	-20.7%	30.1%
Capital expenditures, net (cash flow)	376	795	555	397	382	381	315	73	85	83	80	321	72	199	90	65	426
QoQ Change								-5.2%	16.4%	-2.4%	-3.6%		-10.0%	176.4%	-54.8%	-27.8%	
YoY Change		111.4%	-30.2%	-28.5%	-3.8%	-0.3%	-17.3%	10.6%	1.2%	-5.7%	3.9%	1.9%	-1.4%	134.1%	8.4%	-18.8%	32.7%
Free cash flow	852	482	560	822	418	1,347	1,276	276	335	203	78	892	279	3	73	-51	304
QoQ Change								10.4%	21.4%	-39.4%	-61.6%		257.7%	-98.9%	2333.3%	N/M	
YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	-5.3%	-4.2%	-12.8%	-42.7%	-68.8%	-30.1%	1.1%	-99.1%	-64.0%	N/M	-65.9%
Ratios																	
Gross profit margin	28.5%	31.4%	33.2%	34.5%	35.3%	32.0%	28.8%	25.7%	27.4%	27.1%	23.0%	25.8%	16.5%	18.4%	19.6%	15.6%	17.5%
Operating margin	17.2%	19.8%	22.1%	24.1%	24.5%	20.0%	16.0%	13.7%	15.1%	14.8%	8.9%	13.1%	4.4%	7.4%	8.4%	1.5%	5.4%
Net margin	12.5%	14.5%	16.3%	18.0%	19.0%	15.6%	13.7%	11.8%	12.6%	12.1%	7.1%	10.9%	5.0%	6.8%	7.5%	1.5%	5.2%
EBITDA margin	27.4%	30.9%	33.4%	34.6%	34.6%	31.9%	28.0%	25.3%	27.5%	28.0%	22.0%	25.7%	18.7%	22.1%	23.3%	15.6%	19.9%
Capex/Sales	9.4%	19.3%	9.4%	7.5%	8.0%	8.9%	8.8%	7.3%	11.4%	10.6%	10.7%	9.9%	13.3%	27.2%	9.6%	7.9%	61.5%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq International																	
Key Income Statement Metrics																	
Total Revenues	1,304	1,306	1,318	1,380	1,354	1,340	1,433	355	365	385	399	1,504	393	391	389	405	1,578
QoQ Change								-3.7%	2.8%	5.5%	3.6%		-1.5%	-0.5%	-0.5%	4.1%	
YoY Change		0.2%	0.9%	4.8%	-1.9%	-1.0%	6.9%	2.7%	1.7%	7.1%	8.2%	5.0%	10.7%	7.1%	1.0%	1.5%	4.9%
Revenues from ILD services	<i>N/A</i>	502	502	501	413	383	401	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	395	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	379
% of total revenues		38.4%	38.1%	36.3%	30.5%	28.6%	28.0%					26.3%					24.0%
Revenues from Internet, Data & ICT services	<i>N/A</i>	804	816	879	941	957	1,032	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,109	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,199
% of total revenues		61.6%	61.9%	63.7%	69.5%	71.4%	72.0%					73.7%					76.0%
Revenues from Private Customers	<i>N/A</i>	513	520	523	528	538	535	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	529	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	555
% of total revenues		39.3%	39.5%	37.9%	39.0%	40.1%	37.3%					35.2%					35.2%
Revenues from Business Customers	<i>N/A</i>	793	798	857	826	802	898	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	975	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,023
% of total revenues		60.7%	60.6%	62.1%	61.0%	59.8%	62.7%					64.8%					64.8%
Key Income Statement Metrics																	
Gross profit	445	526	541	558	566	544	554	137	137	139	140	553	142	141	138	142	563
QoQ Change								-1.1%	0.0%	1.5%	0.7%		1.4%	-0.7%	-2.1%	2.9%	
YoY Change		18.2%	2.9%	3.1%	1.4%	-3.8%	1.8%	-0.5%	-2.3%	1.1%	1.0%	-0.2%	3.6%	2.9%	-0.7%	1.4%	1.8%
Operating profit	204	242	261	320	241	219	227	58	58	59	57	232	61	62	59	58	240
QoQ Change								2.8%	0.0%	1.7%	-3.4%		6.2%	1.6%	-4.8%	-1.7%	
YoY Change		18.6%	8.0%	22.6%	-24.6%	-9.2%	3.8%	3.7%	-3.7%	7.5%	1.0%	2.0%	3.9%	6.9%	0.0%	1.8%	3.4%
Net profit	153	178	200	254	182	160	158	42	41	42	40	165	44	45	41	42	172
QoQ Change								9.4%	-2.4%	2.4%	-4.8%		10.0%	2.3%	-8.9%	2.4%	
YoY Change		16.6%	12.1%	27.0%	-28.3%	-12.4%	-0.9%	12.0%	-5.9%	8.3%	4.2%	4.3%	4.8%	9.8%	-2.4%	5.0%	4.2%
Cost of sales	859	780	777	822	788	796	879	218	228	246	259	951	251	250	251	263	1,015
QoQ Change								-5.3%	4.6%	7.9%	5.3%		-3.1%	-0.4%	0.4%	4.8%	
YoY Change		-9.2%	-0.4%	5.8%	-4.1%	1.0%	10.4%	4.8%	4.4%	10.8%	12.5%	8.2%	15.1%	9.6%	2.0%	1.5%	6.7%
Sales & marketing expenses	147	181	175	192	209	209	205	50	50	53	56	209	53	54	49	53	209
QoQ Change								-8.2%	0.0%	6.0%	5.7%		-5.4%	1.9%	-9.3%	8.2%	
YoY Change		23.1%	-3.3%	9.7%	8.9%	0.1%	-1.9%	-2.6%	-0.1%	7.3%	2.8%	1.8%	6.0%	8.0%	-7.5%	-5.4%	0.0%
General & administrative expenses	94	103	105	109	116	117	119	29	30	26	27	112	28	26	30	32	116
QoQ Change								11.9%	3.4%	-13.3%	3.8%		3.7%	-7.1%	15.4%	6.7%	
YoY Change		9.6%	1.9%	3.8%	6.7%	0.7%	1.7%	-3.1%	0.1%	-21.7%	4.2%	-5.9%	-3.4%	-13.3%	15.4%	18.5%	3.6%
Depreciation & amortization	87	80	84	94	109	136	129	32	32	32	34	130	32	32	33	35	132
QoQ Change								-0.7%	0.0%	0.0%	6.3%		-5.9%	0.0%	3.1%	6.1%	
YoY Change		-7.5%	5.2%	11.9%	15.5%	25.2%	-5.4%	2.3%	-1.6%	-2.9%	5.5%	0.8%	0.0%	0.0%	3.1%	2.9%	1.5%
EBITDA	290	322	345	414	350	355	356	90	90	91	91	362	93	94	92	93	372
QoQ Change								1.5%	0.0%	1.1%	0.0%		2.2%	1.1%	-2.1%	1.1%	
YoY Change		10.8%	7.3%	20.0%	-15.5%	1.5%	0.3%	3.2%	-3.0%	3.6%	2.7%	1.6%	3.3%	4.4%	1.1%	2.2%	2.8%
Key Cash Flow Metrics																	
Operating cash flow	93	163	320	290	243	272	288	74	95	71	72	312	62	74	69	96	301
QoQ Change								-3.6%	28.4%	-25.3%	1.4%		-13.9%	19.4%	-6.8%	39.1%	
YoY Change		76.3%	95.5%	-9.2%	-16.1%	11.7%	5.7%	26.9%	17.0%	-0.7%	-6.2%	8.4%	-16.2%	-22.1%	-2.8%	33.3%	-3.5%
Capital expenditures, gross (accounting)	131	120	150	160	285	169	106	33	24	28	25	110	56	17	27	27	127
QoQ Change								32.0%	-27.3%	16.7%	-10.7%		124.0%	-69.6%	58.8%	0.0%	
YoY Change		-8.4%	25.0%	6.7%	78.1%	-40.7%	-37.3%	26.9%	-38.5%	75.0%	0.0%	3.8%	69.7%	-29.2%	-3.6%	8.0%	15.5%
Capital expenditures, gross (cash flow)	103	119	120	180	288	175	105	31	24	27	28	110	53	26	28	21	128
QoQ Change								46.6%	-22.4%	14.6%	2.5%		88.9%	-51.3%	9.5%	-25.6%	
YoY Change		14.7%	1.1%	49.9%	60.4%	-39.2%	-40.4%	-0.4%	-13.6%	9.2%	33.7%	5.2%	72.2%	8.1%	3.3%	-25.0%	16.4%
Capital expenditures, net (cash flow)	100	118	120	180	288	173	97	31	23	27	27	108	53	26	28	21	128
QoQ Change								73.2%	-25.8%	17.4%	0.0%		96.3%	-50.9%	7.7%	-25.0%	
YoY Change		18.7%	1.4%	50.0%	60.1%	-39.8%	-43.9%	0.9%	-15.3%	26.1%	50.9%	11.2%	71.0%	13.0%	3.7%	-22.2%	18.5%
Free cash flow	-7	45	200	110	-44	99	191	43	72	44	45	204	9	48	41	75	173
QoQ Change								-26.9%	67.4%	-38.9%	2.3%		-80.0%	433.3%	-14.6%	82.9%	
YoY Change		N/M	341.0%	-44.7%	N/M	N/M	92.4%	55.8%	33.2%	-12.1%	-23.5%	7.0%	-79.1%	-33.3%	-6.8%	66.7%	-15.2%
Ratios																	
Gross profit margin	34.1%	40.3%	41.1%	40.4%	41.8%	40.6%	38.7%	38.6%	37.5%	36.1%	35.1%	36.8%	36.1%	36.1%	35.5%	35.1%	35.7%
Operating margin	15.6%	18.5%	19.8%	23.2%	17.8%	16.3%	15.9%	16.3%	15.9%	15.3%	14.3%	15.4%	15.5%	15.9%	15.2%	14.3%	15.2%
Net margin	11.7%	13.7%	15.2%	18.4%	13.5%	11.9%	11.0%	11.8%	11.2%	10.9%	10.0%	11.0%	11.2%	11.5%	10.5%	10.4%	10.9%
EBITDA margin	22.3%	24.6%	26.2%	30.0%	25.9%	26.5%	24.9%	25.4%	24.7%	23.6%	22.8%	24.1%	23.7%	24.0%	23.7%	23.0%	23.6%
Capex/Sales	10.0%	9.2%	11.4%	11.6%	21.1%	12.6%	7.4%	9.3%	6.6%	7.3%	6.3%	7.3%	14.2%	4.3%	6.9%	6.7%	8.0%



		(NIS millions, except for EPS)																	
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	
yes																			
Key Income Statement Metrics																			
Revenues		1,415	1,513	1,530	1,583	1,619	1,636	1,635	424	428	432	440	1,724	440	439	446	449	1,774	
	QoQ Change								1.5%	0.9%	0.9%	1.9%		0.0%	-0.2%	1.6%	0.7%		
	YoY Change		6.9%	1.2%	3.4%	2.3%	1.1%	0.0%	5.1%	6.0%	5.3%	5.4%	5.4%	3.8%	2.6%	3.2%	2.0%	2.9%	
Gross profit		298	421	488	454	591	569	505	132	130	133	126	521	120	126	132	107	485	
	QoQ Change								8.8%	-1.5%	2.3%	-5.3%		-4.8%	5.0%	4.8%	-18.9%		
	YoY Change		41.6%	15.9%	-7.0%	30.1%	-3.7%	-11.2%	4.0%	4.9%	0.2%	3.9%	3.2%	-9.1%	-3.1%	-0.8%	-15.1%	-6.9%	
Operating profit		56	177	248	178	295	253	267	73	67	76	57	273	59	70	74	47	250	
	QoQ Change								22.5%	-8.2%	13.4%	-25.0%		3.5%	18.6%	5.7%	-36.5%		
	YoY Change		216.3%	40.1%	-28.2%	65.4%	-14.3%	5.6%	8.3%	-0.9%	5.0%	-4.3%	2.2%	-19.2%	4.5%	-2.6%	-17.5%	-8.4%	
Net profit		-118	-265	-222	-314	-230	-310	-381	-34	-115	-86	-87	-322	-3	-166	-75	-110	-354	
	QoQ Change								-59.0%	238.2%	-25.2%	1.2%		-96.6%	N/M	N/M	46.7%		
	YoY Change		125.1%	-16.0%	41.0%	-26.8%	35.1%	22.7%	-44.0%	13.9%	-36.8%	4.9%	-15.4%	-91.2%	44.3%	-12.8%	26.4%	9.9%	
Cost of sales		1,117	1,091	1,042	1,129	1,028	1,067	1,130	292	297	300	314	1,203	320	313	314	342	1,289	
	QoQ Change								-1.4%	1.7%	1.0%	4.7%		1.9%	-2.2%	0.3%	8.9%		
	YoY Change		-2.3%	-4.5%	8.3%	-8.9%	3.8%	5.9%	5.6%	6.1%	8.1%	6.1%	6.5%	9.6%	5.4%	4.7%	8.9%	7.1%	
Sales & marketing expenses		138	128	122	143	153	166	154	40	40	34	40	154	36	34	37	33	140	
	QoQ Change								7.6%	0.0%	-15.0%	17.6%		-10.0%	-5.6%	8.8%	-10.8%		
	YoY Change		-6.9%	-4.6%	17.1%	6.7%	8.9%	-7.6%	2.3%	10.4%	-17.5%	7.6%	0.2%	-10.0%	-15.0%	8.8%	-17.5%	-9.1%	
General & administrative expenses		104	116	118	133	143	150	84	20	23	23	28	94	25	21	21	28	95	
	QoQ Change								-17.7%	15.0%	0.0%	21.7%		-10.7%	-16.0%	0.0%	33.3%		
	YoY Change		11.6%	1.4%	12.5%	7.9%	4.8%	-44.0%	-1.9%	14.2%	19.9%	15.3%	11.9%	25.0%	-8.7%	-8.7%	0.0%	1.1%	
Depreciation & amortization		273	250	234	285	276	248	263	70	74	75	78	297	76	80	78	88	322	
	QoQ Change								-0.9%	5.7%	1.4%	4.0%		-2.6%	5.3%	-2.5%	12.8%		
	YoY Change		-8.5%	-6.3%	21.6%	-2.9%	-10.2%	5.8%	13.0%	15.4%	13.6%	10.4%	13.0%	8.6%	8.1%	4.0%	12.8%	8.4%	
EBITDA		329	427	482	463	571	502	530	143	141	151	135	570	135	150	152	135	572	
	QoQ Change								9.2%	-1.4%	7.1%	-10.6%		0.0%	11.1%	1.3%	-11.2%		
	YoY Change		29.7%	13.0%	-4.0%	23.4%	-12.3%	5.6%	9.8%	7.1%	9.1%	3.5%	7.6%	-5.6%	6.4%	0.7%	0.0%	0.4%	
Key Cash Flow Metrics																			
Operating cash flow		250	347	410	492	513	418	490	113	106	101	122	442	149	106	145	105	505	
	QoQ Change								-15.7%	-6.2%	-4.7%	20.8%		22.1%	-28.9%	36.8%	-27.6%		
	YoY Change		38.9%	18.1%	20.0%	4.4%	-18.5%	17.2%	-7.1%	-3.8%	-19.7%	-8.8%	-10.1%	31.9%	0.0%	43.6%	-13.9%	14.3%	
Capital expenditures, gross (accounting)		299	265	270	295	291	324	327	87	70	78	97	332	80	61	73	67	281	
	QoQ Change								6.1%	-19.5%	11.4%	24.4%		-17.5%	-23.8%	19.7%	-8.2%		
	YoY Change		-11.4%	1.9%	9.4%	-1.5%	11.3%	0.9%	22.5%	-7.9%	-20.4%	18.3%	1.5%	-8.0%	-12.9%	-6.4%	-30.9%	-15.4%	
Capital expenditures, gross (cash flow)		255	238	262	278	264	284	323	78	68	64	95	305	65	82	75	43	265	
	QoQ Change								-4.7%	-12.8%	-5.9%	48.4%		-31.6%	26.2%	-8.5%	-42.7%		
	YoY Change		-6.7%	10.1%	6.4%	-5.0%	7.5%	13.6%	-13.0%	-19.7%	-4.2%	16.1%	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	
Capital expenditures, net (cash flow)		255	238	261	277	264	284	323	78	68	64	95	305	65	82	75	43	265	
	QoQ Change								-5.1%	-12.8%	-5.9%	48.4%		-31.6%	26.2%	-8.5%	-42.7%		
	YoY Change		-6.7%	9.7%	6.2%	-4.8%	7.6%	13.8%	-13.0%	-19.7%	-3.9%	15.6%	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	
Free cash flow		-5	109	149	215	250	134	167	35	38	37	27	137	84	24	70	62	240	
	QoQ Change								-30.3%	8.6%	-2.6%	-27.0%		211.1%	-71.4%	191.7%	-11.4%		
	YoY Change		NM	36.2%	44.0%	16.2%	-46.2%	24.3%	9.5%	48.7%	-37.5%	-47.9%	-17.8%	140.0%	-36.8%	89.2%	129.6%	75.2%	
Ratios																			
Gross profit margin		21.0%	27.9%	31.9%	28.7%	36.5%	34.8%	30.9%	31.1%	30.4%	30.8%	28.6%	30.2%	27.3%	28.7%	29.6%	23.8%	27.3%	
Operating margin		4.0%	11.7%	16.2%	11.3%	18.2%	15.4%	16.3%	17.2%	15.7%	17.6%	13.0%	15.8%	13.4%	15.9%	16.6%	10.5%	14.1%	
Net margin		-8.3%	-17.5%	-14.5%	-19.8%	-14.2%	-19.0%	-23.3%	-8.0%	-26.9%	-19.9%	-19.8%	-18.7%	-0.7%	-37.8%	-16.8%	-24.5%	-20.0%	
EBITDA margin		23.3%	28.2%	31.5%	29.3%	35.3%	30.7%	32.4%	33.7%	32.9%	35.0%	30.7%	33.1%	30.7%	34.2%	34.1%	30.1%	32.2%	
Capex/Sales		21.1%	17.5%	17.6%	18.7%	18.0%	19.8%	20.0%	20.5%	16.4%	18.1%	22.0%	19.3%	18.2%	13.9%	16.4%	14.9%	15.8%	



	NIS Millions											
	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	2013	2013	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015
Bezeq Group												
Other Operating Expenses (Income), Net												
Profit from increase to controlling stake in Yes	-	-	-	-	-	-	-	(12)	-	-	-	(12)
Profit from the sale of shares in Coral Tel Ltd.	-	-	-	(582)	-	-	(582)	-	-	-	-	-
Profit from the sale of property, plant and equipment (mainly real estate)*	(29)	(120)	(12)	(102)	(27)	(26)	(167)	(11)	(148)	(13)	(62)	(234)
Profit from copper sales	(7)	(47)	(5)	(2)	(1)	-	(8)	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	2	-	-	-	(5)	(18)	(23)	6	6	-	22	34
Provision for early retirement	53	90	8	117	8	43	176	-	1	-	116	117
Expenses for a collective agreement at Pelephone	61	61	-	-	-	18	18	-	-	-	-	-
Loss from the discontinuation of a software development project	1	1	-	-	-	-	-	-	-	-	-	-
Other	-	-	1	1	-	(2)	-	-	-	-	-	-
Total other operating expenses (income), net	81	(15)	(8)	(568)	(25)	15	(586)	(17)	(141)	(13)	76	(95)

* Includes profit from copper sales beginning Q1 2015



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Bezeq Fixed-Line																	
Key Performance Indicators																	
Total outgoing minutes (in millions)	14,711	13,260	12,017	10,699	9,758	8,694	7,047	1,608	1,522	1,588	1,482	6,200	1,459	1,396	1,373	1,379	5,607
QoQ Change								-7.7%	-5.3%	4.3%	-6.7%		-1.6%	-4.3%	-1.6%	0.4%	
YoY Change		-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-10.1%	-15.7%	-7.2%	-14.9%	-12.0%	-9.3%	-8.3%	-13.5%	-7.0%	-9.6%
Total incoming minutes (in millions)	6,411	6,691	6,718	6,547	6,240	6,225	6,115	1,467	1,424	1,498	1,440	5,829	1,429	1,386	1,410	1,403	5,628
QoQ Change								-4.8%	-2.9%	5.2%	-3.9%		-0.8%	-3.0%	1.7%	-0.5%	
YoY Change		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.8%	-2.4%	-8.1%	-1.5%	-6.6%	-4.7%	-2.6%	-2.7%	-5.9%	-2.6%	-3.4%
Total access lines (in 000's)	2,749	2,604	2,483	2,366	2,367	2,268	2,216	2,214	2,205	2,205	2,205	2,205	2,208	2,204	2,193	2,181	2,181
QoQ Change								-0.1%	-0.4%	0.0%	0.0%		0.1%	-0.2%	-0.5%	-0.5%	
YoY Change		-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-2.3%	-1.2%	-0.9%	-0.8%	-0.5%	-0.5%	-0.3%	0.0%	-0.5%	-1.1%	-1.1%
ARPL - including interconnect fees (in NIS)	<i>N/A</i>	111	109	109	85	81	74	64	63	63	62	63	61	60	60	60	60
QoQ Change								-8.6%	-1.6%	0.0%	-1.6%		-1.6%	-1.6%	0.0%	0.0%	
YoY Change			-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.7%	-16.0%	-13.7%	-11.4%	-14.9%	-4.7%	-4.8%	-4.8%	-3.2%	-4.8%
Churn rate (%)	9.5%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	11.6%	15.3%	13.1%	3.0%	2.8%	2.8%	2.5%	11.1%	2.4%	2.4%	2.6%	2.7%	10.1%
Broadband Internet lines (in 000's)- Total	963	1,005	1,035	1,066	1,111	1,169	1,263	1,289	1,308	1,335	1,364	1,364	1,390	1,418	1,448	1,479	1,479
QoQ Change								2.1%	1.5%	2.1%	2.2%		1.9%	2.0%	2.1%	2.1%	
YoY Change		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.8%	8.8%	8.5%	8.0%	8.0%	7.8%	8.4%	8.5%	8.4%	8.4%
Broadband Internet lines (in 000's)-Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	11	78	177	244	244
QoQ Change														609.1%	126.9%	37.9%	
YoY Change																	
Broadband Internet ARPU (in NIS) - Retail	64	67	69	75	80	81	84	82	84	85	85	84	87	88	88	89	88
QoQ Change								0.0%	2.4%	1.2%	0.0%		2.4%	1.1%	0.0%	1.1%	
YoY Change		4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	-1.2%	-1.2%	-1.2%	3.7%	0.0%	6.1%	4.8%	3.5%	4.7%	4.8%
Average broadband speed per subscriber (end of period, Mbps)	1.7	2.2	2.7	4.3	6.7	9.6	18.1	20.0	21.9	24.0	32.5	32.5	33.2	34.9	36.7	37.8	37.8
QoQ Change								10.5%	9.5%	9.6%	35.4%		2.2%	5.1%	5.2%	3.0%	
YoY Change		29.4%	22.7%	59.3%	55.8%	43.3%	88.5%	92.3%	44.1%	38.7%	79.6%	79.6%	66.0%	59.4%	52.9%	16.3%	16.3%
Number of employees	7,614	7,530	7,364	7,216	7,076	7,422	6,479	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	5,964	5,964	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	5,986	5,986
YoY Change		-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%					-7.9%					0.4%
Market share - Internet	<i>N/A</i>	<i>N/A</i>	59%	59%	59%	60%	63%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	66%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	68%
Market share - telephony (private sector)	<i>N/A</i>	<i>N/A</i>	72%	65%	63%	59%	57%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	56%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	56%
Market share - telephony (business sector)	<i>N/A</i>	<i>N/A</i>	82%	78%	76%	75%	74%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	74%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	74%



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Telephone																		
Key Performance Indicators																		
Total Subscribers (in 000's)		2,622	2,649	2,766	2,857	2,847	2,800	2,642	2,631	2,610	2,600	2,586	2,586	2,565	2,566	2,569	2,651	2,651
	QoQ Change								-0.4%	-0.8%	-0.4%	-0.5%		-0.8%	0.0%	0.1%	3.2%	
	YoY Change		1.0%	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-4.0%	-3.4%	-3.1%	-2.1%	-2.1%	-2.5%	-1.7%	-1.2%	2.5%	2.5%
Prepaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	836	836	N/A	N/A	N/A	925	925
	YoY Change																	
ARPU (in NIS)		N/A	N/A	N/A	111	107	95	86	80	79	78	75	78	65	65	68	60	64
	QoQ Change								-7.0%	-1.3%	-1.3%	-3.8%		-13.3%	0.0%	4.6%	-11.8%	
	YoY Change					-3.6%	-11.2%	-9.5%	-7.0%	-7.1%	-11.4%	-12.8%	-9.3%	-18.8%	-17.7%	-12.8%	-20.0%	-17.9%
Churn rate		N/A	N/A	13.8%	15.3%	22.9%	22.4%	28.6%	7.6%	6.5%	7.3%	6.6%	28.0%	6.5%	6.1%	6.4%	6.7%	25.8%
Number of employees			N/A	N/A	N/A	N/A	4,072	3,288	N/A	N/A	N/A	3,001	3,001	N/A	N/A	N/A	2,679	2,679
	YoY Change							-19.3%					-8.7%					-10.7%
Market share		29.2%	28.6%	29.0%	28.9%	29.0%	28.2%	26.3%	N/A	N/A	N/A	N/A	25.5%	N/A	N/A	N/A	N/A	25.6%

Bezeq International																		
Key Performance Indicators																		
Number of employees		2,621	2,325	2,445	2,112	2,262	2,102	2,007	N/A	N/A	N/A	1,932	1,932	N/A	N/A	N/A	1,966	1,966
	QoQ Change																	
	YoY Change		-11.3%	5.2%	-13.6%	7.1%	-7.1%	-4.5%					-3.7%					1.8%
Churn rate		N/A	N/A	14.8%	12.7%	12.6%	18.4%	18.0%	4.0%	3.7%	4.5%	4.7%	17.0%	4.1%	4.2%	4.4%	4.6%	17.3%
Market share - ISP		36.0%	36.0%	36.0%	35.9%	37.5%	38.8%	40.6%	N/A	N/A	N/A	N/A	42%	N/A	N/A	N/A	N/A	44%
Market share - ILD (Outgoing)		36.0%	36.0%	31.0%	30.7%	30.0%	24.6%	21.2%	N/A	N/A	N/A	N/A	23%	N/A	N/A	N/A	N/A	21%

yes																		
Key Performance Indicators																		
Subscribers (in 000's)		549	560	571	578	586	578	600	605	611	622	630	630	632	636	637	635	635
	QoQ Change								0.8%	1.0%	1.8%	1.3%		0.3%	0.6%	0.2%	-0.3%	
	YoY Change		2.0%	2.0%	1.2%	1.4%	-1.4%	3.8%	4.7%	4.8%	4.9%	5.0%	5.0%	4.5%	4.1%	2.4%	0.8%	0.8%
ARPU (in NIS)		217	228	226	230	232	234	233	234	234	234	234	234	232	231	233	235	233
	QoQ Change								0.4%	0.0%	0.0%	0.0%		-0.9%	-0.4%	0.9%	0.9%	
	YoY Change		5.1%	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	0.9%	0.4%	0.4%	0.4%	-0.9%	-1.3%	-0.4%	0.4%	-0.4%
Churn rate		N/A	N/A	13.3%	13.0%	11.9%	15.4%	13.5%	3.6%	3.1%	3.2%	2.9%	12.8%	3.4%	3.1%	3.9%	3.5%	13.9%
Number of employees		N/A	1,999	2,158	2,229	2,227	2,276	2,208	N/A	N/A	N/A	2,042	2,042	N/A	N/A	N/A	1,984	1,984
	YoY Change			8.0%	3.3%	-0.1%	2.2%	-3.0%					-7.5%					-2.8%
Mkt share		37%	38%	38%	39%	40%	39%	40%	N/A	N/A	N/A	N/A	42%	N/A	N/A	N/A	N/A	44%



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
May 30, 2016	776	0.28	Semi-Annual Dividend (pending shareholder approval)
October 26, 2015	933	0.34	Semi-Annual Dividend
May 27, 2015	844	0.31	Semi-Annual Dividend
October 2, 2014	1,267	0.46	Semi-Annual Dividend
April 23, 2014	802	0.29	Semi-Annual Dividend
September 15, 2013	500	0.36	Special Dividend (6 of 6)
September 15, 2013	969	0.18	Semi-Annual Dividend
May 13, 2013	500	0.18	Special Dividend (5 of 6)
May 13, 2013	861	0.32	Semi-Annual Dividend
October 10, 2012	500	0.18	Special Dividend (4 of 6)
October 10, 2012	997	0.37	Semi-Annual Dividend
May 21, 2012	500	0.18	Special Dividend (3 of 6)
May 21, 2012	1,074	0.40	Semi-Annual Dividend
October 5, 2011	500	0.18	Special Dividend (2 of 6)
October 5, 2011	992	0.37	Semi-Annual Dividend
May 19, 2011	500	0.19	Special Dividend (1 of 6)
May 19, 2011	1,163	0.43	Semi-Annual Dividend
October 7, 2010	1,280	0.48	Semi-Annual Dividend
May 3, 2010	2,453	0.92	Semi-Annual Dividend
October 5, 2009	1,149	0.43	Semi-Annual Dividend
May 24, 2009	792	0.30	Semi-Annual Dividend
October 29, 2008	835	0.32	Semi-Annual Dividend
April 28, 2008	679	0.26	Semi-Annual Dividend
October 15, 2007	760	0.29	Semi-Annual Dividend
February 26, 2007	1,800	0.69	Special Dividend
January 9, 2007	300	0.12	Semi-Annual Dividend
October 30, 2006	400	0.15	Semi-Annual Dividend
April 16, 2006	1,200	0.46	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