



Facts & Figures Q1 2008

Three month period ending March 31, 2008

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(NIS millions, except for EPS) FY 2005 Q1 2006 Q2 2006 Q3 2006 Q4 2006 FY 2006 Q1 2007 Q2 2007 Q3 2007 Q4 2007 FY 2007 Q1 2008

Bezeq Group

Key Income Statement Metrics

Revenues		11,925	3,012	3,019	3,084	3,117	12,232	3,089	3,053	3,139	3,119	12,400	3,100
	QoQ Change			0.2%	2.2%	1.1%		-0.9%	-1.2%	2.8%	-0.6%		-0.6%
	YoY Change						2.6%	2.6%	1.1%	1.8%	0.1%	1.4%	0.4%
Operating Profit		1,527	516	516	560	-27	1,565	657	571	596	512	2,336	664
	QoQ Change			0.0%	8.5%	N/M		N/M	-13.1%	4.4%	-14.1%		29.7%
	YoY Change						2.5%	27.3%	10.7%	6.4%	N/M	49.3%	1.1%
Net profit attributed to Bezeq shareholders		666	314	289	313	-107	809	399	361	255	315	1,330	398
	QoQ Change			-8.0%	8.3%	N/M		N/M	-9.5%	-29.4%	23.5%		26.3%
	YoY Change						21.5%	27.1%	24.9%	-18.5%	N/M	64.4%	-0.3%
Earnings Per Share - Basic		0.26	0.12	0.11	0.12	-0.04	0.31	0.15	0.14	0.10	0.12	0.51	0.15
Earnings Per Share - Diluted		0.26	0.12	0.11	0.12	-0.04	0.31	0.15	0.14	0.09	0.12	0.50	0.15
Depreciation & amortization		1,934	460	472	469	463	1,864	441	436	445	447	1,769	429
	QoQ Change			2.6%	-0.6%	-1.3%		-4.8%	-1.1%	2.1%	0.4%		-4.0%
	YoY Change						-3.6%	-4.1%	-7.6%	-5.1%	-3.5%	-5.1%	-2.7%
EBITDA		3,461	976	988	1,029	436	3,429	1,098	1,007	1,041	959	4,105	1,093
	QoQ Change			1.2%	4.1%	-57.6%		151.8%	-8.3%	3.4%	-7.9%		14.0%
	YoY Change						-0.9%	12.5%	1.9%	1.2%	120.0%	19.7%	-0.5%
Shares Outstanding - Basic		2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605
Shares Outstanding - Diluted		2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,637	2,641	2,649	2,649

Key Cash Flow Metrics

Operating cash flow		3,192	856	868	964	1,097	3,785	865	695	895	623	3,066	637
	QoQ Change			1.4%	11.1%	13.8%		-22.2%	-18.5%	28.8%	-30.4%		2.2%
	YoY Change						18.6%	-0.4%	-19.9%	-7.2%	-43.2%	-19.0%	-26.4%
Capital expenditures, gross		1,701	331	268	236	328	1,163	240	275	311	433	1,246	366
	QoQ Change			-19.0%	-11.9%	39.0%		-30.8%	21.1%	13.1%	39.2%		-15.5%
	YoY Change						-31.6%	-31.4%	2.6%	31.8%	32.0%	7.1%	52.5%
Capital expenditures, net		1,680	318	263	226	308	1,115	217	178	294	389	1,069	305
	QoQ Change			-17.3%	-14.1%	36.3%		-32.5%	-14.4%	65.2%	32.3%		-21.6%
	YoY Change						-33.6%	-34.6%	-32.3%	30.1%	26.3%	-4.1%	40.6%
Free cash flow		1,512	538	605	738	789	2,670	648	517	601	234	1,997	332
	QoQ Change			12.5%	22.0%	6.9%		-18.3%	-19.8%	16.2%	-61.1%		41.9%
	YoY Change						76.6%	19.9%	-14.5%	-18.6%	-70.3%	-25.2%	-48.8%

Key Balance Sheet Metrics

Total debt		8,908	8,726	8,502	7,622	7,457	7,457	7,253	8,055	6,870	6,776	6,776	6,539
Cash, short-term & long-term investments		5,019	5,250	4,194	3,907	3,935	3,935	2,209	3,350	2,358	1,832	1,825	1,827
Net debt		3,889	3,476	4,308	3,715	3,522	3,522	5,043	4,705	4,511	4,944	4,951	4,712

Ratios (Bezeq Group cont'd)

Operating margin		12.8%	17.1%	17.1%	18.2%	-0.9%	12.8%	21.3%	18.7%	19.0%	16.4%	18.8%	21.4%
Net margin		5.6%	10.4%	9.6%	10.1%	-3.4%	6.6%	12.9%	11.8%	8.1%	10.1%	10.7%	12.8%
EBITDA margin		29.0%	32.4%	32.7%	33.4%	14.0%	28.0%	35.5%	33.0%	33.2%	30.7%	33.1%	35.3%
Capex/Sales		14.3%	11.0%	8.9%	7.7%	10.5%	9.5%	7.3%	9.0%	9.9%	13.9%	10.0%	11.8%
Total debt / EBITDA (ttm)		2.57				2.17	2.17	2.04	2.26	1.92	1.65	1.65	1.59
Net debt / EBITDA (ttm)		1.12				1.03	1.03	1.42	1.32	1.26	1.20	1.21	1.15



		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
	(NIS millions, except for EPS)	2005	2006	2006	2006	2006	2006	2007	2007	2007	2007	2007	2008
Bezeq Fixed Line													
Key Income Statement Metrics													
Revenues		5,893	1,455	1,440	1,465	1,439	5,799	1,442	1,393	1,425	1,453	5,713	1,408
	QoQ Change			-1.0%	1.7%	-1.8%		0.2%	-3.4%	2.3%	2.0%		-3.1%
	YoY Change						-1.6%	-0.9%	-3.3%	-2.7%	1.0%	-1.5%	-2.4%
Operating profit		919	308	280	363	-197	754	369	243	327	340	1,279	368
	QoQ Change			-9.1%	29.6%	N/M		N/M	-34.1%	34.6%	4.0%		8.2%
	YoY Change						-18.0%	19.8%	-13.2%	-9.9%	N/M	69.6%	-0.3%
Depreciation & amortization		1,109	258	258	259	251	1,026	237	235	236	233	941	218
	QoQ Change			0.0%	0.4%	-3.1%		-5.6%	-0.8%	0.4%	-1.3%		-6.4%
	YoY Change						-7.5%	-8.1%	-8.9%	-8.9%	-7.2%	-8.3%	-8.0%
EBITDA		2,028	566	538	622	54	1,780	606	478	563	573	2,220	586
	QoQ Change			-4.9%	15.6%	-91.3%		1022.2%	-21.1%	17.8%	1.8%		2.3%
	YoY Change						-12.2%	7.1%	-11.2%	-9.5%	961.1%	24.7%	-3.3%
Key Cash Flow Metrics													
Capital expenditures, gross		N/A (1)	578	113	101	149	141	504	124				
									-10.6%	47.5%	-5.4%		-12.1%
Capital expenditures, net		N/A (1)	539	95	5	133	118	351	124				
	QoQ Change								-94.7%	2560.0%	-11.3%		9.7%
	YoY Change											-34.9%	30.5%
Key Balance Sheet Metrics													
Total debt		6,945	N/A (1)	N/A (1)	N/A (1)	N/A (1)	6,258	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,696	N/A (1)
Cash, short-term & long-term investments		4,128	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,495	N/A (1)	N/A (1)	N/A (1)	N/A (1)	991	N/A (1)
Net debt		2,817	N/A (1)	N/A (1)	N/A (1)	N/A (1)	2,683	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,705	N/A (1)
Ratios													
Operating margin		15.6%	21.2%	19.4%	24.8%	-13.7%	13.0%	25.6%	17.4%	22.9%	23.4%	22.4%	26.1%
EBITDA margin		34.4%	38.9%	37.4%	42.5%	3.8%	30.7%	42.0%	34.3%	39.5%	39.4%	38.9%	41.6%
Capex/Sales							10.0%	7.8%	7.3%	10.5%	9.7%	8.8%	8.8%
Total debt / EBITDA (ttm)		3.42					3.52					2.12	
Net debt / EBITDA (ttm)		1.39					1.51					1.67	



		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008
Telephone													
Key Income Statement Metrics													
Revenues		4,428	1,089	1,097	1,144	1,148	4,478	1,147	1,152	1,203	1,182	4,684	1,173
	QoQ Change			0.7%	4.3%	0.3%		-0.1%	0.4%	4.4%	-1.7%		-0.8%
	YoY Change						1.1%	5.3%	5.0%	5.2%	3.0%	4.6%	2.3%
Operating profit		591	175	198	171	157	701	213	240	219	133	805	215
	QoQ Change			13.1%	-13.6%	-8.2%		35.7%	12.7%	-8.8%	-39.3%		61.7%
	YoY Change						18.6%	21.7%	21.2%	28.1%	-15.3%	14.8%	0.9%
Net profit		287	126	124	111	125	486	154	173	154	104	585	163
	QoQ Change			-1.6%	-10.5%	12.6%		23.2%	12.3%	-11.0%	-32.5%		56.7%
	YoY Change						69.3%	22.2%	39.5%	38.7%	-16.8%	20.4%	5.8%
Depreciation & amortization		438	120	120	116	114	470	117	115	121	125	478	129
	QoQ Change			0.0%	-3.3%	-1.7%		2.6%	-1.7%	5.2%	3.3%		3.2%
	YoY Change						7.3%	-2.5%	-4.2%	4.3%	9.6%	1.7%	10.3%
EBITDA		1,021	295	318	287	271	1,171	330	355	340	258	1,283	343
	QoQ Change			7.8%	-9.7%	-5.6%		21.8%	7.6%	-4.2%	-24.1%		32.9%
	YoY Change						14.7%	11.9%	11.6%	18.5%	-4.8%	9.6%	3.9%
Key Cash Flow Metrics													
Operating cash flow		974	285	408	337	294	1,324	359	246	392	252	1,249	264
	QoQ Change			43.2%	-17.4%	-12.8%		22.1%	-31.5%	59.3%	-35.7%		4.8%
	YoY Change						35.9%	26.0%	-39.7%	16.3%	-14.3%	-5.7%	-26.5%
Capital expenditures, gross		556	99	84	65	106	354	63	117	81	120	381	103
	QoQ Change			-15.2%	-22.6%	63.1%		-40.6%	85.7%	-30.8%	48.1%		-14.2%
	YoY Change						-36.3%	-36.4%	39.3%	24.6%	13.2%	7.6%	63.5%
Capital expenditures, net		555	98	82	64	102	346	61	117	81	117	376	102
	QoQ Change			-16.3%	-22.0%	59.4%		-40.2%	91.8%	-30.8%	44.4%		-12.8%
	YoY Change						-37.7%	-37.8%	42.7%	26.6%	14.7%	8.7%	67.2%
Free cash flow		419	187	326	273	192	978	298	129	311	135	873	162
	QoQ Change			74.3%	-16.3%	-29.7%		55.2%	-56.7%	141.1%	-56.6%		20.0%
	YoY Change						133.4%	59.4%	-60.4%	13.9%	-29.7%	-10.7%	-45.6%
Ratios													
Operating margin		13.3%	16.1%	18.0%	14.9%	13.7%	15.7%	18.6%	20.8%	18.2%	11.3%	17.2%	18.3%
Net margin		6.5%	11.6%	11.3%	9.7%	10.9%	10.9%	13.4%	15.0%	12.8%	8.8%	12.5%	13.9%
EBITDA margin		23.1%	27.1%	29.0%	25.1%	23.6%	26.2%	28.8%	30.8%	28.3%	21.8%	27.4%	29.2%
Capex/Sales		12.6%	9.1%	7.7%	5.7%	9.2%	7.9%	5.5%	10.2%	6.7%	10.2%	8.1%	8.8%



		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008
Bezeq International													
Key Income Statement Metrics													
Revenues		815	242	255	259	265	1,021	323	322	326	333	1,304	314
	QoQ Change			5.4%	1.6%	2.3%		21.9%	-0.3%	1.2%	2.1%		-5.7%
	YoY Change						25.3%	33.5%	26.3%	25.9%	25.7%	27.7%	-2.8%
Operating profit		93	33	38	36	25	132	51	54	54	45	204	55
	QoQ Change			15.2%	-5.3%	-30.6%		104.0%	5.9%	0.0%	-16.7%		22.2%
	YoY Change						41.9%	54.5%	42.1%	50.0%	80.0%	54.5%	7.8%
Net profit		104	18	29	29	20	96	36	39	39	38	153	42
	QoQ Change			61.1%	0.0%	-31.0%		85.0%	5.4%	0.0%	-2.6%		10.5%
	YoY Change						-7.7%	105.6%	34.5%	34.5%	90.0%	59.4%	16.7%
Depreciation & amortization		91	20	16	19	26	81	23	22	21	21	87	20
	QoQ Change			-20.0%	18.8%	36.8%		-11.5%	-4.3%	-4.5%	-1.9%		-2.9%
	YoY Change						-11.0%	15.0%	37.5%	10.5%	-20.8%	6.9%	-13.0%
EBITDA		184	53	54	55	51	213	74	76	75	66	291	75
	QoQ Change			1.9%	1.9%	-7.3%		45.1%	2.7%	-1.3%	-12.5%		14.3%
	YoY Change						15.8%	39.6%	40.7%	36.4%	28.6%	36.4%	1.4%
Key Cash Flow Metrics													
Operating cash flow		188	50	32	55	72	209	-1	32	34	30	95	8
	QoQ Change			-36.0%	71.9%	31.0%		N/M	N/M	6.3%	-11.8%		-73.3%
	YoY Change						11.2%	N/M	0.0%	-38.2%	-58.4%	-54.6%	N/M
Capital expenditures, gross		63	13	14	14	14	55	8	18	29	36	91	28
	QoQ Change			7.7%	0.0%	0.0%		-42.9%	125.0%	61.1%	24.1%		-22.2%
	YoY Change						-12.7%	-38.5%	28.6%	107.1%	157.1%	65.5%	250.0%
Capital expenditures, net		61	13	14	14	14	55	8	18	27	34	87	28
	QoQ Change			7.7%	0.0%	0.0%		-42.9%	125.0%	50.0%	25.9%		-17.6%
	YoY Change						-9.8%	-38.5%	28.6%	92.9%	142.9%	58.2%	250.0%
Free cash flow		127	37	18	41	58	154	-9	14	7	-4	8	-20
	QoQ Change			-51.4%	127.8%	41.6%		N/M	N/M	-50.0%	N/M		400.0%
	YoY Change						21.3%	N/M	-22.2%	-82.9%	N/M	-94.8%	122.2%
Ratios													
Operating margin		11.4%	13.6%	14.9%	13.9%	9.4%	12.9%	15.8%	16.8%	16.6%	13.5%	15.6%	17.5%
Net margin		12.8%	7.4%	11.4%	11.2%	7.5%	9.4%	11.5%	12.1%	12.0%	11.4%	11.7%	13.4%
EBITDA margin		22.6%	21.9%	21.2%	21.2%	19.2%	20.9%	22.9%	23.6%	23.0%	19.7%	22.3%	23.9%
Capex/Sales		7.7%	5.4%	5.5%	5.4%	5.3%	5.4%	2.5%	5.6%	8.9%	10.8%	7.0%	8.9%



		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008
yes													
Key Income Statement Metrics													
Revenues		1,222	332	338	340	345	1,355	354	354	360	347	1,415	381
	QoQ Change			1.8%	0.6%	1.5%		2.6%	0.0%	1.7%	-3.1%		9.8%
	YoY Change						10.9%	6.6%	4.7%	5.9%	1.2%	4.6%	7.6%
Operating profit		-64	-5	7	-11	10	1	24	31	-4	5	56	27
	QoQ Change			N/M	N/M	N/M		140.0%	29.2%	N/M	N/M		440.0%
	YoY Change						N/M	N/M	342.9%	-63.6%	-50.0%	5500.0%	12.5%
Net profit		-346	-84	-97	-97	-42	-320	-48	-65	70	-75	-118	-65
	QoQ Change			15.5%	0.0%	-56.7%		14.3%	35.4%	N/M	N/M		-13.3%
	YoY Change						-7.5%	-42.9%	-33.0%	N/M	N/M	73.8%	-63.8%
Depreciation & amortization		285	73	74	74	72	293	68	69	66	70	273	65
	QoQ Change			1.4%	0.0%	-2.7%		-5.5%	1.5%	-4.3%	6.1%		-7.1%
	YoY Change						2.8%	-6.8%	-6.8%	-10.8%	-2.7%	-6.8%	-4.4%
EBITDA		218	68	81	63	82	294	92	100	62	75	329	92
	QoQ Change			19.1%	-22.2%	30.1%		12.2%	8.7%	-38.0%	21.0%		22.7%
	YoY Change						34.8%	35.3%	23.5%	-1.6%	-8.5%	11.9%	0.0%
Key Cash Flow Metrics													
Operating cash flow		137	46	75	27	96	244	93	25	56	76	250	84
	QoQ Change			63.0%	-64.0%	255.6%		-3.1%	-73.1%	124.0%	35.7%		10.5%
	YoY Change						78.1%	102.2%	-66.7%	107.4%	-20.8%	2.5%	-9.7%
Capital expenditures, gross		259	54	55	39	38	186	45	45	84	81	255	79
	QoQ Change			1.9%	-29.1%	-2.6%		18.4%	0.0%	86.7%	-3.6%		-2.5%
	YoY Change						-28.2%	-16.7%	-18.2%	115.4%	113.2%	37.1%	75.6%
Capital expenditures, net		258	54	55	39	38	186	45	45	84	81	255	79
	QoQ Change			1.9%	-29.1%	-2.6%		18.4%	0.0%	86.7%	-3.6%		-2.5%
	YoY Change						-27.9%	-16.7%	-18.2%	115.4%	113.2%	37.1%	75.6%
Free cash flow		-121	-8	20	-12	58	58	48	-20	-28	-5	-5	5
	QoQ Change			-350.0%	N/M	N/M		N/M	N/M	40.0%	-82.1%		N/M
	YoY Change						-147.9%	N/M	-200.0%	N/M	-108.6%	-108.6%	N/M
Ratios													
Operating margin		-5.5%	-1.5%	2.1%	-3.2%	2.9%	0.1%	6.8%	8.8%	-1.1%	1.4%	4.0%	7.1%
Net margin		-28.3%	-25.3%	-28.7%	-28.5%	-12.2%	-23.6%	-13.6%	-18.4%	19.4%	-20.9%	-8.2%	-17.1%
EBITDA margin		17.8%	20.5%	24.0%	18.5%	23.8%	21.7%	26.0%	28.2%	17.2%	21.5%	23.2%	24.1%
Capex/Sales		21.2%	16.3%	16.3%	11.5%	11.0%	13.7%	12.7%	12.7%	23.3%	23.2%	18.0%	20.7%



	FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008
Bezeq Fixed Line												
Key Performance Indicators												
Total outgoing minutes	18,448	4,322	4,202	4,257	4,005	16,786	3,914	3,753	3,849	3,738	15,254	3,594
QoQ Change			-2.8%	1.3%	-5.9%		-2.3%	-4.1%	2.6%	-2.9%		-3.9%
YoY Change						-9.0%	-9.4%	-10.7%	-9.6%	-6.7%	-9.1%	-8.2%
Total incoming minutes ¹	3,051	868	890	967	990	3,715	1,045	1,069	1,149	1,164	4,426	1,182
QoQ Change			2.5%	8.7%	2.4%		5.6%	2.3%	7.5%	1.3%		1.5%
YoY Change						21.8%	20.4%	20.1%	18.8%	17.6%	19.1%	13.1%
Total access lines (in 000's)	2,848	2,831	2,822	2,813	2,808	2,808	2,797	2,778	2,767	2,761	2,761	2,713
QoQ Change			-0.3%	-0.3%	-0.2%		-0.4%	-0.7%	-0.4%	-0.2%		-1.7%
YoY Change						-1.4%	-1.2%	-1.6%	-1.6%	-1.7%	-1.7%	-3.0%
Bezeq ARPL - Voice & fixed fees (NIS) ²	87.8	89.9	89.0	90.4	87.8	87.0	88.3	85.1	85.6	85.8	84.2	84.9
QoQ Change			-0.8%	1.6%	-2.0%		0.2%	-3.7%	0.5%	-0.4%		-1.0%
YoY Change						-0.9%	-1.0%	-3.9%	-5.0%	-3.4%	-3.2%	-3.9%
ADSL lines (000's)	800	827	844	867	892	892	912	924	942	963	963	970
QoQ Change			2.1%	2.7%	2.9%		2.2%	1.3%	1.9%	2.2%		0.7%
YoY Change						11.5%	10.3%	9.5%	8.7%	8.0%	8.0%	6.4%
Bezeq ARPU - ADSL (NIS)	58.6	57.7	56.8	56.6	57.0	57.0	57.4	58.1	58.5	58.1	58.0	58.1
QoQ Change			-1.6%	-0.4%	0.7%		0.7%	1.2%	0.7%	-0.7%		0.0%
YoY Change						-2.7%	-0.5%	2.3%	3.4%	1.9%	1.8%	1.2%
Number of employees	8,108		8,179	8,188	8,076	8,076	7,693	7,489	7,658	7,614	7,614	7,458
QoQ Change				0.1%	-1.4%		-4.7%	-2.7%	2.3%	-0.6%		-2.0%
YoY Change						-0.4%		-8.4%	-6.5%	-5.7%	-5.7%	-3.1%



	FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008
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Pelephone

Key Performance Indicators

Subscribers (in 000's)	2,287	2,306	2,323	2,366	2,427	2,427	2,478	2,513	2,560	2,622	2,622	2,595
QoQ Change			0.7%	1.9%	2.6%		2.1%	1.4%	1.9%	2.4%		-1.0%
YoY Change						6.1%	7.5%	8.2%	8.2%	8.0%	8.0%	4.7%
ARPU (in NIS)	138	136	141	142	136	138	132	129	135	130	131	126
QoQ Change			3.7%	0.7%	-4.2%		-2.9%	-2.3%	4.7%	-3.7%		-3.1%
YoY Change						0.0%	-2.9%	-8.5%	-4.9%	-4.4%	-5.1%	-4.5%
MOU (per sub, per month)	338	345	346	357	347	349	344	350	363	358	354	355
QoQ Change			0.3%	3.2%	-2.8%		-0.9%	1.7%	3.7%	-1.4%		-0.8%
YoY Change						3.3%	-0.3%	1.2%	1.7%	3.2%	1.4%	3.2%
3G subscribers (in 000's)	60	85	115	146	255	255	358	471	607	749	749	867
QoQ Change			35.3%	27.0%	74.7%		40.4%	31.6%	28.9%	23.4%		15.8%
YoY Change						325.0%	321.2%	309.6%	315.8%	193.7%	193.7%	142.2%
% data of total cellular service revenue	8.6%	10.0%	10.3%	10.9%	11.6%	10.7%	12.0%	12.5%	12.8%	13.6%	12.7%	15.0%

YES

Key Performance Indicators

Subscribers (in 000's)	521	528	535	539	540	540	542	543	545	549	549	549
QoQ Change			1.3%	0.7%	0.2%		0.4%	0.2%	0.4%	0.7%		0.0%
YoY Change						3.6%	2.7%	1.5%	1.1%	1.7%	1.7%	1.3%
ARPU (in NIS)	205	211	212	211	214	212	218	218	220	212	217	231
QoQ Change			0.5%	-0.5%	1.4%		1.9%	0.0%	0.9%	-3.6%		9.0%
YoY Change						3.3%	3.3%	2.8%	4.3%	-0.9%	2.4%	6.0%



GLOSSARY & FOOTNOTES

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization
Net Capital Expenditures	= Purchase of property, plant & equipment (less proceeds from sale) and investment in intangible assets
ARPU	= Average Revenue Per User
MOU	= Minutes of Use
N/A	= Not Available
N/M	= Not Meaningful

General Financial Footnotes

¹ Pursuant to IFRS standards, the Company is not required to report financial data for its subsidiaries.

2008 Financial Footnotes

Provision for early retirement in relation to labor agreement of NIS 16 million taken in first quarter of 2008.

In the first quarter of 2008, stock-based compensation totaled NIS 13 million.

Group operating cash flow and capex were reclassified in Q1 2007.

2007 Financial Footnotes

Provision for early retirement in relation to labor agreement of NIS 91 million taken in fourth quarter of 2007.

2006 Financial Footnotes

In the fourth quarter of 2006 a provision for early retirement in the amount of NIS 309 million was made in relation to the December 2006 labor agreement.

In the fourth quarter of 2006 stock-based compensation totaled NIS 286 million.

KPIs Footnotes

¹ The increase in incoming minutes compared to the corresponding period in 2007 stems from an increase in traffic minutes from domestic carriers in competition with Bezeq.

² Not including revenues from data communications and transmission services, services to communications providers, and contract and other work. This item has been updated going back to 1.1.2006 in order to present nominal figures instead of normalized ones.