



Bezeq Facts & Figures Q4 & FY 2018

Three months and year ending December 31, 2018

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(NIS millions, except for EPS)

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq Group ⁽¹⁾																		
Key Income Statement Metrics																		
Revenues	9,563	9,055	9,985	2,559	2,511	2,510	2,504	10,084	2,453	2,463	2,415	2,458	9,789	2,361	2,333	2,301	2,326	9,321
QoQ Change				-1.8%	-1.9%	0.0%	-0.2%		-2.0%	0.4%	-1.9%	1.8%		-3.9%	-1.2%	-1.4%	1.1%	
YoY Change	-7.0%	-5.3%	10.3%	17.7%	-3.5%	-3.5%	-3.9%	1.0%	-4.1%	-1.9%	-3.8%	-1.8%	-2.9%	-3.8%	-5.3%	-4.7%	-5.4%	-4.8%
Depreciation & amortization	1,311	1,281	1,684	449	440	442	408	1,739	428	424	436	427	1,715	525	537	547	580	2,189
QoQ Change				-2.2%	-2.0%	0.5%	-7.7%		4.9%	-0.9%	2.8%	-2.1%		23.0%	2.3%	1.9%	6.0%	
YoY Change	-8.7%	-2.3%	31.5%	41.6%	-2.4%	-3.3%	-11.1%	3.3%	-4.7%	-3.6%	-1.4%	4.7%	-1.4%	22.7%	26.7%	25.5%	35.8%	27.6%
Salaries	1,872	1,768	1,957	513	495	501	503	2,012	504	494	502	505	2,005	510	503	494	485	1,992
QoQ Change				-0.4%	-3.5%	1.2%	0.4%		0.2%	-2.0%	1.6%	0.6%		1.0%	-1.4%	-1.8%	-1.8%	
YoY Change	-5.3%	-5.6%	10.7%	16.9%	-0.4%	-1.0%	-2.3%	2.8%	-1.8%	-0.2%	0.2%	0.4%	-0.3%	1.2%	1.8%	-1.6%	-4.0%	-0.6%
Other operating expenses (income), net	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	9	(19)	23	84	16	511	634
Loss from impairment of assets	-	-	-	-	-	-	-	-	-	-	-	87	87	-	-	-	1,675	1,675
Operating profit (loss)	2,819	3,226	2,570	574	616	599	532	2,321	566	573	544	427	2,110	462	371	429	(1,810)	(548)
QoQ Change				17.6%	7.3%	-2.8%	-11.2%		6.4%	1.2%	-5.1%	-21.5%		8.2%	-19.7%	15.6%	N/M	
YoY Change	-7.3%	14.4%	-20.3%	-9.7%	-22.4%	-8.1%	9.0%	-9.7%	-1.4%	-2.9%	-9.2%	-19.7%	-9.1%	-18.4%	-35.3%	-21.1%	N/M	-126.0%
Finance expenses (income), net	145	130	263	102	105	104	136	447	101	102	94	120	417	108	110	109	108	435
QoQ Change				N/M	2.9%	-1.0%	30.8%		-25.7%	1.0%	-7.8%	27.7%		-10.0%	1.9%	-0.9%	-0.9%	
YoY Change	-4.0%	-10.3%	102.3%	175.7%	-18.6%	4.0%	N/M	70.0%	-1.0%	-2.9%	-9.6%	-11.8%	-6.7%	6.9%	7.8%	16.0%	-10.0%	4.3%
Income taxes	651	815	598	183	133	99	210	625	113	111	128	101	453	93	65	85	(163)	80
QoQ Change				53.8%	-27.3%	-25.6%	112.1%		-46.2%	-1.8%	15.3%	-21.1%		-7.9%	-30.1%	30.8%	N/M	
YoY Change	-16.3%	25.2%	-26.6%	20.4%	-27.3%	-31.3%	76.5%	4.5%	-38.3%	-16.5%	29.3%	-51.9%	-27.5%	-17.7%	-41.4%	-33.6%	N/M	-82.3%
Net profit, reported	1,771	2,111	1,721	288	377	394	185	1,244	350	358	322	205	1,235	260	195	234	(1,755)	(1,066)
QoQ Change				-22.0%	30.9%	4.5%	-53.0%		89.2%	2.3%	-10.1%	-36.3%		26.8%	-25.0%	20.0%	N/M	
YoY Change	-4.8%	19.2%	-18.5%	-37.8%	-21.8%	-3.2%	-49.9%	-27.7%	21.5%	-5.0%	-18.3%	10.8%	-0.7%	-25.7%	-45.5%	-27.3%	N/M	N/M
ADJUSTED net profit (excluding other operating income/expenses and impairment)	1,760	1,672	1,650	292	368	375	210	1,244	347	357	305	299	1,308	278	260	246	199	983
EBITDA, reported	4,130	4,507	4,254	1,023	1,056	1,041	940	4,060	994	997	980	854	3,825	987	908	976	(1,230)	1,641
QoQ Change				8.0%	3.2%	-1.4%	-9.7%		5.7%	0.3%	-1.7%	-12.9%		15.6%	-8.0%	7.5%	N/M	
YoY Change	-7.8%	9.1%	-5.6%	7.3%	-15.2%	-6.1%	-0.7%	-4.6%	-2.8%	-5.6%	-5.9%	-9.1%	-5.8%	-0.7%	-8.9%	-0.4%	N/M	-57.1%
ADJUSTED EBITDA (excluding IFRS 16)														885	806	871	(1,333)	1,229
ADJUSTED EBITDA (excluding IFRS 16, other operating income/expenses and impairment)	4,115	3,921	4,159	1,028	1,044	1,015	973	4,060	990	996	957	950	3,893	908	890	887	853	3,538
QoQ Change				0.5%	1.6%	-2.8%	-4.1%		1.7%	0.6%	-3.9%	-0.7%		-4.4%	-2.0%	-0.3%	-3.8%	
YoY Change	-7.8%	-4.7%	6.1%	9.8%	-5.4%	-7.4%	-4.9%	-2.4%	-3.7%	-4.6%	-5.7%	-2.4%	-4.1%	-8.3%	-10.6%	-7.3%	-10.2%	-9.1%
Earnings Per Share - Diluted	0.65	0.77	0.62	0.10	0.14	0.14	0.07	0.45	0.13	0.13	0.12	0.07	0.45	0.09	0.07	0.08	(0.63)	(0.39)
Shares Outstanding - Diluted	2,741	2,755	2,763	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
Operating & General Expenses																		
Total operating & general expenses	3,576	3,366	3,869	1,018	972	994	1,028	4,012	959	973	956	1,003	3,891	841	838	815	885	3,379
QoQ Change				-4.7%	-4.5%	2.3%	3.4%		-6.7%	1.5%	-1.7%	4.9%		-16.2%	-0.4%	-2.7%	8.6%	
YoY Change	-9.5%	-5.9%	14.9%	27.4%	-3.0%	-0.6%	-3.7%	3.7%	-5.8%	0.1%	-3.8%	-2.4%	-3.0%	-12.3%	-13.9%	-14.7%	-11.8%	-13.2%
Terminal equipment & materials	1,071	928	880	216	201	177	237	831	202	230	181	242	855	189	171	167	210	737
QoQ Change				-15.6%	-6.9%	-11.9%	33.9%		-14.8%	13.9%	-21.3%	33.7%		-21.9%	-9.5%	-2.3%	25.7%	
YoY Change	-15.2%	-13.4%	-5.2%	-4.4%	-2.0%	-8.3%	-7.4%	-5.6%	-6.5%	14.4%	2.3%	2.1%	2.9%	-6.4%	-25.7%	-7.7%	-13.2%	-13.8%
Interconnect & payments to telecom operators	905	847	909	212	211	211	191	825	196	206	201	202	805	192	196	197	204	789
QoQ Change				-3.6%	-0.5%	0.0%	-9.5%		2.6%	5.1%	-2.4%	0.5%		-5.0%	2.1%	0.5%	3.6%	
YoY Change	0.6%	-6.4%	7.3%	0.0%	-12.4%	-10.6%	-13.2%	-9.2%	-7.5%	-2.4%	-4.7%	5.8%	-2.4%	-2.0%	-4.9%	-2.0%	1.0%	-2.0%
Maintenance of buildings and sites	607	639	616	154	145	151	155	605	147	138	152	147	584	71	68	74	73	286
QoQ Change				3.4%	-5.8%	4.1%	2.6%		-5.2%	-6.1%	10.1%	-3.3%		-51.7%	-4.2%	8.8%	-1.4%	
YoY Change	-8.4%	5.3%	-3.6%	2.7%	-7.1%	-6.2%	4.0%	-1.8%	-4.5%	-4.8%	0.7%	-5.2%	-3.5%	-51.7%	-50.7%	-51.3%	-50.3%	-51.0%
Marketing & general	563	603	640	177	168	180	172	697	144	134	159	158	595	145	146	135	129	555
QoQ Change				-5.3%	-5.1%	7.1%	-4.4%		-16.3%	-6.9%	18.7%	-0.6%		-8.2%	0.7%	-7.5%	-4.4%	
YoY Change	1.3%	7.1%	6.1%	37.2%	5.0%	9.8%	-8.0%	8.9%	-18.6%	-20.2%	-11.7%	-8.1%	-14.6%	0.7%	9.0%	-15.1%	-18.4%	-6.7%
Services and maintenance by sub-contractors	162	137	199	63	61	68	69	261	67	64	67	62	260	71	68	68	70	277
QoQ Change				8.6%	-3.2%	11.5%	1.5%		-2.9%	-4.5%	4.7%	-7.5%		14.5%	-4.2%	0.0%	2.9%	
YoY Change	2.5%	-15.4%	45.3%	85.3%	10.9%	30.8%	19.0%	31.2%	6.3%	4.9%	-1.5%	-10.1%	-0.4%	6.0%	6.3%	1.5%	12.9%	6.5%
Vehicle maintenance	152	154	167	42	39	42	41	164	42	39	38	37	156	17	20	19	26	82
QoQ Change				-4.5%	-7.1%	7.7%	-2.4%		2.4%	-7.1%	-2.6%	-2.6%		-54.1%	17.6%	-5.0%	36.8%	
YoY Change	-6.2%	1.3%	8.4%	20.0%	-4.9%	-10.6%	-6.8%	-1.8%	0.0%	0.0%	-9.5%	-9.8%	-4.9%	-59.5%	-48.7%	-60.0%	-29.7%	-47.4%
Content	65	58	458	154	147	165	163	629	161	162	158	155	636	156	169	155	173	653
QoQ Change				0.0%	-4.5%	12.2%	-1.2%		-1.2%	0.6%	-2.5%	-1.9%		0.6%	8.3%	-8.3%	11.6%	
YoY Change	-36.9%	-10.8%	689.7%	N/M	2.1%	12.2%	N/M	37.3%	4.5%	10.2%	-4.2%	-4.9%	1.1%	-3.1%	4.3%	-1.9%	11.6%	2.7%

⁽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 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq Group (cont'd)																			
Key Cash Flow Metrics																			
Operating cash flow		4,152	3,796	3,740	922	870	902	832	3,526	826	875	982	842	3,525	909	806	883	914	3,512
	QoQ Change				3.7%	-5.6%	3.7%	-7.8%		-0.7%	5.9%	12.2%	-14.3%		8.0%	-11.3%	9.6%	3.5%	
	YoY Change	3.4%	-8.6%	-1.5%	-4.1%	3.6%	-14.1%	-6.4%	-5.7%	-10.4%	0.6%	8.9%	1.2%	0.0%	10.0%	-7.9%	-10.1%	8.6%	-0.4%
Capital expenditures, gross (cash flow)		1,228	1,275	1,635	345	387	349	335	1,416	380	406	353	391	1,530	368	531	412	416	1,727
	QoQ Change				4.9%	12.2%	-9.8%	-4.0%		13.4%	6.8%	-13.1%	10.8%		-5.9%	44.3%	-22.4%	1.0%	
	YoY Change	-20.3%	3.8%	28.2%	-6.3%	-24.3%	-18.3%	1.8%	-13.4%	10.1%	4.9%	1.1%	16.7%	8.1%	-3.2%	30.8%	16.7%	6.4%	12.9%
Proceeds from sale of assets		312	230	151	42	56	24	16	138	10	18	48	22	98	8	(57)	12	272	235
	QoQ Change				31.3%	33.3%	-57.1%	-33.3%		-37.5%	80.0%	166.7%	-54.2%		-63.6%	N/M	N/M	2166.7%	
	YoY Change	2.3%	-26.3%	-34.3%	223.1%	-33.3%	9.1%	-50.0%	-8.6%	-76.2%	-67.9%	100.0%	37.5%	-29.0%	-20.0%	N/M	-75.0%	1136.4%	139.8%
Capital expenditures, net		916	1,045	1,484	303	331	325	319	1,278	370	388	305	369	1,432	360	588	400	144	1,492
	QoQ Change				2.0%	9.2%	-1.8%	-1.8%		16.0%	4.9%	-21.4%	21.0%		-2.4%	63.3%	-32.0%	-64.0%	
	YoY Change	-25.8%	14.1%	42.0%	-14.6%	-22.5%	-19.8%	7.4%	-13.9%	22.1%	17.2%	-6.2%	15.7%	12.1%	-2.7%	51.5%	31.1%	-61.0%	4.2%
Lease payments (IFRS 16)															126	96	109	91	422
Free cash flow		3,236	2,751	2,256	619	539	577	513	2,248	456	487	677	473	2,093	423	122	374	679	1,598
	QoQ Change				4.6%	-12.9%	7.1%	-11.1%		-11.1%	6.8%	39.0%	-30.1%		-10.6%	-71.2%	206.6%	81.6%	
	YoY Change	16.4%	-15.0%	-18.0%	2.1%	30.5%	-10.5%	-13.3%	-0.4%	-26.3%	-9.6%	17.3%	-7.8%	-6.9%	-7.2%	-74.9%	-44.8%	43.6%	-23.7%
Working Capital																			
Change in trade & other receivables		646	549	322	(12)	75	53	(10)	106	(7)	23	105	72	193	74	60	66	41	241
Change in inventory		9	28	(20)	(9)	14	2	(27)	(20)	(20)	8	2	(25)	(35)	(5)	18	(7)	(11)	(5)
Change in trade & other payables		27	(39)	(271)	39	(137)	(12)	86	(24)	(24)	(15)	103	(54)	10	42	(152)	(30)	2	(138)
Change in provisions		(29)	(63)	18	(12)	3	(3)	(7)	(19)	1	(2)	16	0	15	8	7	(3)	69	81
Change in employee benefits		2	3	110	1	(9)	(92)	35	(65)	(6)	9	(65)	29	(33)	7	77	(40)	445	489
Change in other liabilities (incl broadcasting rights)		11	4	(9)	(3)	(5)	16	15	23	(9)	(25)	4	(4)	(34)	1	(17)	(2)	18	-
Total changes in assets and liabilities		666	482	150	4	(59)	(36)	92	1	(65)	(2)	165	18	116	127	(7)	(16)	564	668
Income tax paid, net		625	527	462	105	100	92	158	455	106	122	118	100	446	207	93	82	85	467
Interest paid		453	431	494	32	192	32	202	458	22	177	18	198	415	5	199	5	212	421
Funds From Operations (FFO)			3,314	3,590	918	929	938	740	3,525	891	877	817	824	3,409	656	717	790	681	2,844
Ratios																			
Operating margin		29.5%	35.6%	25.7%	22.4%	24.5%	23.9%	21.2%	23.0%	23.1%	23.3%	22.5%	17.4%	21.6%	19.6%	15.9%	18.6%	-77.8%	-5.9%
Net margin		18.5%	23.3%	17.2%	11.3%	15.0%	15.7%	7.4%	12.3%	14.3%	14.5%	13.3%	8.3%	12.6%	11.0%	8.4%	10.2%	-75.5%	-11.4%
EBITDA margin		43.2%	49.8%	42.6%	40.0%	42.1%	41.5%	37.5%	40.3%	40.5%	40.5%	40.6%	34.7%	39.1%	41.8%	38.9%	42.4%	-52.9%	17.6%
Capex/Sales		12.8%	14.1%	16.4%	13.5%	15.4%	13.9%	13.4%	14.0%	15.5%	16.5%	14.6%	15.9%	15.6%	15.6%	22.8%	17.9%	17.9%	18.5%



	(NIS millions, except for EPS)																	
	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq Group (cont'd)																		
Balance Sheet																		
Cash & cash equivalents	N/A	N/A	555	1,221	1,338	938	648	648	792	1,854	2,471	2,181	2,181	1,826	923	1,408	890	890
Investments	N/A	N/A	762	556	912	908	586	586	578	19	94	289	289	1,390	1,676	1,517	1,404	1,404
Trade receivables	N/A	N/A	2,058	2,042	2,029	1,998	2,000	2,000	1,976	1,991	1,948	1,915	1,915	1,827	1,822	1,792	1,773	1,773
Other receivables	N/A	N/A	269	299	205	191	219	219	297	347	294	270	270	306	288	292	267	267
Eurocom DBS Ltd., related party	N/A	N/A	-	-	29	29	-	-	35	56	43	43	43	25	25	20	-	-
Inventory	N/A	N/A	115	123	109	96	106	106	114	105	101	125	125	130	96	86	97	97
Total current assets			3,759	4,241	4,622	4,160	3,559	3,559	3,792	4,372	4,951	4,823	4,823	5,504	4,830	5,115	4,431	4,431
Trade and other receivables	N/A	N/A	674	662	647	641	644	644	595	507	520	493	493	466	447	423	470	470
Broadcasting rights	N/A	N/A	456	456	455	450	432	432	438	456	457	454	454	451	467	470	60	60
Right-of-use assets														1,417	1,424	1,434	1,504	1,504
Fixed assets	N/A	N/A	6,894	6,902	6,872	6,840	6,876	6,876	6,886	6,868	6,817	6,798	6,798	6,782	6,811	6,789	6,214	6,214
Intangible assets	N/A	N/A	3,332	3,260	3,195	3,121	3,047	3,047	2,986	2,943	2,894	2,768	2,768	2,728	2,687	2,627	1,919	1,919
Deferred tax assets	N/A	N/A	1,178	1,105	1,099	1,103	1,007	1,007	1,008	1,015	1,014	1,019	1,019	1,027	1,035	1,041	1,205	1,205
Deferred expenses and non-current investments	N/A	N/A	386	407	397	388	382	382	429	457	489	494	494	547	530	519	462	462
Investment property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	130	140	58	58
Total non-current assets			12,920	12,792	12,665	12,543	12,388	12,388	12,342	12,246	12,191	12,026	12,026	13,418	13,531	13,443	11,892	11,892
Total assets			16,679	17,033	17,287	16,703	15,947	15,947	16,134	16,618	17,142	16,849	16,849	18,922	18,361	18,558	16,323	16,323
Debentures, loans and borrowings	N/A	N/A	1,913	2,073	1,958	2,135	1,825	1,825	1,594	958	555	1,632	1,632	1,609	1,796	1,798	1,542	1,542
Lease liability														428	417	443	445	445
Trade and other payables	N/A	N/A	1,657	1,843	1,576	1,599	1,610	1,610	1,705	1,608	1,807	1,699	1,699	1,820	1,583	1,602	1,690	1,690
Current tax liabilities	N/A	N/A	624	622	628	171	104	104	112	112	118	152	152	43	-	9	-	-
Liability to Eurocom DBS Ltd.	N/A	N/A	233	206	208	6	32	32	6	-	-	-	-	-	-	-	-	-
Employee benefits	N/A	N/A	378	380	370	280	315	315	308	318	251	280	280	286	369	330	581	581
Provisions	N/A	N/A	100	88	90	87	80	80	81	79	94	94	94	103	110	106	175	175
Dividend payable	N/A	N/A	-	-	-	665	-	-	-	-	708	-	-	-	-	318	-	-
Total current liabilities				5,212	4,830	4,943	3,966	3,966	3,806	3,075	3,533	3,857	3,857	4,289	4,275	4,606	4,433	4,433
Loans and debentures	N/A	N/A	8,800	8,532	9,546	9,111	9,128	9,128	9,109	10,561	10,978	10,229	10,229	10,547	10,204	10,149	9,637	9,637
Lease liability														1,006	1,034	1,024	1,106	1,106
Employee benefits	N/A	N/A	240	238	239	237	258	258	260	259	260	272	272	272	267	266	445	445
Derivative and other liabilities	N/A	N/A	226	262	252	257	244	244	250	251	292	234	234	258	210	212	174	174
Deferred tax liabilities	N/A	N/A	51	50	75	81	101	101	103	99	104	73	73	86	74	91	56	56
Provisions	N/A	N/A	46	46	46	47	47	47	47	48	48	40	40	39	40	40	38	38
Total non-current liabilities			9,363	9,128	10,158	9,733	9,778	9,778	9,769	11,218	11,682	10,848	10,848	12,208	11,829	11,782	11,456	11,456
Total equity			2,411	2,693	2,299	2,027	2,203	2,203	2,559	2,325	1,927	2,144	2,144	2,425	2,257	2,170	434	434
Total debt	9,827	10,087	10,713	10,605	11,504	11,246	10,953	10,953	10,703	11,519	11,533	11,861	11,861	12,156	12,000	11,947	11,179	11,179
Net debt	8,085	7,204	9,396	8,828	9,254	9,400	9,719	9,719	9,333	9,646	8,968	9,391	9,391	8,940	9,401	9,022	8,885	8,885
Net debt / Adjusted EBITDA (ttm)	1.96	1.84	2.26	2.08	2.21	2.29	2.39	2.39	2.32	2.43	2.29	2.41	2.41	2.35	2.54	2.48	2.51	2.51



(NIS millions, except for EPS)

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq Fixed-Line																		
Key Income Statement Metrics (Revenues)																		
Total Revenues	4,478	4,317	4,407	1,112	1,100	1,089	1,082	4,383	1,078	1,058	1,061	1,047	4,244	1,063	1,064	1,043	1,026	4,196
QoQ Change				2.2%	-1.1%	-1.0%	-0.6%		-0.4%	-1.9%	0.3%	-1.3%		1.5%	0.1%	-2.0%	-1.6%	
YoY Change	-3.3%	-3.6%	2.1%	-0.1%	-0.5%	-1.1%	-0.6%	-0.5%	-3.1%	-3.8%	-2.6%	-3.2%	-3.2%	-1.4%	0.6%	-1.7%	-2.0%	-1.1%
Broadband Internet	1,287	1,394	1,450	371	374	374	381	1,500	382	381	386	395	1,544	396	403	401	396	1,596
QoQ Change				2.2%	0.8%	0.0%	1.9%		0.3%	-0.3%	1.3%	2.3%		0.3%	1.8%	-0.5%	-1.2%	
YoY Change	10.4%	8.3%	4.0%	3.6%	2.2%	3.0%	5.0%	3.4%	3.0%	1.9%	3.2%	3.7%	2.9%	3.7%	5.8%	3.9%	0.3%	3.4%
Telephony	1,971	1,668	1,499	359	351	351	331	1,392	334	320	318	309	1,281	302	291	282	281	1,156
QoQ Change				-3.0%	-2.2%	0.0%	-5.7%		0.9%	-4.2%	-0.6%	-2.8%		-2.3%	-3.6%	-3.1%	-0.4%	
YoY Change	-12.6%	-15.4%	-10.1%	-5.8%	-6.4%	-5.9%	-10.5%	-7.1%	-7.0%	-8.8%	-9.4%	-6.6%	-8.0%	-9.6%	-9.1%	-11.3%	-9.1%	-9.8%
Transmission & data	990	1,022	1,053	271	268	258	272	1,069	250	244	244	237	975	247	244	243	243	977
QoQ Change				4.2%	-1.1%	-3.7%	5.4%		-8.1%	-2.4%	0.0%	-2.9%		4.2%	-1.2%	-0.4%	0.0%	
YoY Change	1.4%	3.2%	3.0%	2.3%	1.9%	-2.6%	4.6%	1.5%	-7.7%	-9.0%	-5.4%	-12.9%	-8.8%	-1.2%	0.0%	-0.4%	2.5%	0.2%
Cloud & digital services	N/A	N/A	184	50	48	52	53	203	56	57	57	60	230	62	66	69	63	260
QoQ Change				8.7%	-4.0%	8.3%	1.9%		5.7%	1.8%	0.0%	5.3%		3.3%	6.5%	4.5%	-8.7%	
YoY Change	N/A	N/A	N/A	4.2%	11.6%	13.0%	15.2%	10.3%	12.0%	18.8%	9.6%	13.2%	13.3%	10.7%	15.8%	21.1%	5.0%	13.0%
Other	230	233	221	61	59	54	45	219	56	56	56	46	214	56	60	48	43	207
QoQ Change				27.1%	-3.3%	-8.5%	-16.7%		24.4%	0.0%	0.0%	-17.9%		21.7%	7.1%	-20.0%	-10.4%	
YoY Change	-1.7%	1.3%	-5.2%	0.0%	1.7%	0.0%	-6.3%	-0.9%	-8.2%	-5.1%	3.7%	2.2%	-2.3%	0.0%	7.1%	-14.3%	-6.5%	-3.3%
Revenues from Residential Customers	2,605	2,498	2,507	N/A	N/A	N/A	N/A	2,329	N/A	N/A	N/A	N/A	2,232	N/A	N/A	N/A	N/A	2,101
% of total revenues	58.2%	57.9%	56.9%	N/A	N/A	N/A	N/A	53.1%	N/A	N/A	N/A	N/A	52.6%	N/A	N/A	N/A	N/A	50.1%
Revenues from Business Customers	1,873	1,819	1,900	N/A	N/A	N/A	N/A	2,054	N/A	N/A	N/A	N/A	2,012	N/A	N/A	N/A	N/A	2,095
% of total revenues	41.8%	42.1%	43.1%	N/A	N/A	N/A	N/A	46.9%	N/A	N/A	N/A	N/A	47.4%	N/A	N/A	N/A	N/A	49.9%
Key Income Statement Metrics																		
Depreciation & amortization	683	688	725	183	185	188	161	717	180	177	186	185	728	204	211	218	217	850
QoQ Change				-1.1%	1.1%	1.6%	-14.4%		11.8%	-1.7%	5.1%	-0.5%		10.3%	3.4%	3.3%	-0.5%	
YoY Change	-6.4%	0.7%	5.4%	4.0%	2.8%	2.2%	-13.0%	-1.1%	-1.6%	-4.3%	-1.1%	14.9%	1.5%	13.3%	19.2%	17.2%	17.3%	16.8%
Salaries	980	895	912	230	217	225	226	898	224	220	224	223	891	228	232	233	219	912
QoQ Change				1.3%	-5.7%	3.7%	0.4%		-0.9%	-1.8%	1.8%	-0.4%		2.2%	1.8%	0.4%	-6.0%	
YoY Change	-5.4%	-8.7%	1.9%	1.3%	-4.0%	-3.0%	-0.4%	-1.5%	-2.6%	-1.4%	-0.4%	-1.3%	-0.8%	1.8%	5.5%	4.0%	-1.8%	2.4%
Other operating expenses (income), net	(78)	(23)	(99)	(9)	(12)	(26)	34	(13)	(4)	(1)	(24)	6	(23)	18	89	(2)	509	614
QoQ Change				25.5%	0.7%	-3.9%	-7.3%		6.7%	-3.3%	-0.8%	-4.5%		0.6%	-18.2%	16.5%	N/M	
YoY Change	2.0%	-0.9%	8.5%	-2.0%	-18.4%	1.4%	12.6%	-3.4%	-4.3%	-8.1%	-5.2%	-2.3%	-5.1%	-7.8%	-22.0%	-8.3%	N/M	-37.9%
Finance expenses (income), net	442	400	332	101	105	93	146	445	92	82	107	122	403	121	119	113	117	470
QoQ Change				431.6%	4.0%	-11.4%	57.0%		-37.0%	-10.9%	30.5%	14.0%		-0.8%	-1.7%	-5.0%	3.5%	
YoY Change	70.7%	-9.5%	-17.0%	34.7%	5.0%	-32.6%	668.4%	34.0%	-8.9%	-21.9%	15.1%	-16.4%	-9.4%	31.5%	45.1%	5.6%	-4.1%	16.6%
Income taxes	410	478	492	107	109	83	100	399	102	97	109	88	396	89	66	81	(49)	187
QoQ Change				1.9%	-23.9%	20.5%			2.0%	-4.9%	12.4%	-19.3%		1.1%	-25.8%	22.7%	N/M	
YoY Change	-16.8%	16.6%	2.9%	1.9%	-23.9%	20.5%		-18.9%	-4.7%	-11.0%	31.3%	-12.0%	-0.8%	-12.7%	-32.0%	-25.7%	N/M	-52.8%
Net profit, reported	1,146	1,102	1,324	328	326	343	235	1,232	319	317	276	260	1,172	263	202	257	(155)	567
QoQ Change				-3.5%	-0.6%	5.2%	-31.5%		35.7%	-0.6%	-12.9%	-5.8%		1.2%	-23.2%	27.2%	N/M	
YoY Change	-6.6%	-3.8%	20.1%	-3.5%	-14.7%	34.0%	-30.9%	-6.9%	-2.7%	-2.8%	-19.5%	-10.6%	-4.9%	-17.6%	-36.3%	-6.9%	N/M	-51.6%
ADJUSTED net profit (excluding other operating income/expenses)	1,088	1,085	1,250	321	317	324	261	1,222	316	316	258	265	1,155	277	271	255	237	1,040
QoQ Change				17.5%	0.8%	-2.5%	-9.2%		7.9%	-2.9%	0.7%	-3.4%		3.4%	-11.7%	11.9%	-80.6%	
YoY Change	-0.3%	-0.5%	7.7%	-0.6%	-13.9%	1.6%	4.9%	-2.8%	-3.6%	-7.2%	-4.1%	2.0%	-3.4%	-2.3%	-11.1%	-1.3%	-80.2%	-23.2%
EBITDA, reported	2,681	2,668	2,873	719	725	707	642	2,793	693	673	678	655	2,699	677	598	669	130	2,074
QoQ Change				17.5%	0.8%	-2.5%	-9.2%		7.9%	-2.9%	0.7%	-3.4%		3.4%	-11.7%	11.9%	-80.6%	
YoY Change	-0.3%	-0.5%	7.7%	-0.6%	-13.9%	1.6%	4.9%	-2.8%	-3.6%	-7.2%	-4.1%	2.0%	-3.4%	-2.3%	-11.1%	-1.3%	-80.2%	-23.2%
ADJUSTED EBITDA (excluding IFRS 16)	2,603	2,645	2,774	710	713	681	676	2,780	689	672	654	661	2,676	672	664	644	621	2,601
QoQ Change				4.1%	0.4%	-4.5%	-0.7%		1.9%	-2.5%	-2.7%	1.1%		1.7%	-1.2%	-3.0%	-3.6%	
YoY Change	1.6%	1.6%	4.9%	0.6%	1.4%	-0.3%	-0.9%	0.2%	-3.0%	-5.8%	-4.0%	-2.2%	-3.7%	-2.5%	-1.2%	-1.5%	-6.1%	-2.8%
Key Cash Flow Metrics																		
Operating cash flow	2,274	2,259	2,358	539	517	526	482	2,064	600	465	573	587	2,225	516	507	583	600	2,206
QoQ Change				-19.3%	-4.1%	1.7%	-8.4%		24.5%	-22.5%	23.2%	2.4%		-12.1%	-1.7%	15.0%	2.9%	
YoY Change	13.2%	-0.7%	4.4%	-1.6%	13.4%	-23.3%	-27.8%	-12.5%	11.3%	-10.1%	8.9%	21.8%	7.8%	-14.0%	9.0%	1.7%	2.2%	-0.9%
Capital expenditures, gross (cash flow)	789	822	849	195	227	207	205	834	210	219	170	226	825	205	313	233	225	976
QoQ Change				-1.0%	16.4%	-8.8%	-1.0%		2.4%	4.3%	-22.4%	32.9%		-9.3%	52.7%	-25.6%	-3.4%	
YoY Change	-17.6%	4.2%	3.3%	-15.6%	18.8%	-10.0%	4.1%	-1.8%	7.7%	-3.5%	-17.9%	10.2%	-1.1%	-2.4%	42.9%	37.1%	-0.4%	18.3%
Proceeds from sale of assets	304	221	146	41	54	22	15	132	10	16	46	22	94	7	(58)	8	270	227
QoQ Change				-6.1%	12.3%	6.9%	2.7%		5.3%	1.5%	-38.9%	64.5%		-2.9%	87.4%	-39.4%	N/M	
YoY Change	-26.3%	23.9%	17.0%	-29.7%	55.9%	-11.5%	15.9%	-0.1%	29.9%	17.3%	-33.0%	7.4%	4.1%	-1.0%	82.8%	81.5%	N/M	2.5%
Capital expenditures, net	485	601	703	154	173	185	190	702	200	203	124	204	731	198	371	225	(45)	749
QoQ Change																		



(NIS millions, except for EPS) FY 2013 FY 2014 FY 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 FY 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 FY 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 FY 2018

Bezeq Fixed-Line (cont'd)

Operating & general expenses

Total general & operating expenses	895	777	721	172	170	183	180	705	165	166	183	163	677	140	145	143	168	596
QoQ Change				-3.9%	-1.2%	7.6%	-1.6%		-8.3%	0.6%	10.2%	-10.9%		-14.1%	3.6%	-1.4%	17.5%	
YoY Change	-13.4%	-13.2%	-7.2%	-4.4%	-3.4%	-1.6%	0.6%	-2.2%	-4.1%	-2.4%	0.0%	-9.4%	-4.0%	-15.2%	-12.7%	-21.9%	3.1%	-12.0%
Maintenance of buildings and sites	233	217	202	49	46	49	45	189	47	45	49	44	185	34	31	38	40	143
QoQ Change				-2.0%	-6.1%	6.5%	-8.2%		4.4%	-4.3%	8.9%	-10.2%		-22.7%	-8.8%	22.6%	5.3%	
YoY Change	-4.9%	-6.9%	-6.9%	-3.9%	-2.1%	-9.3%	-10.0%	-6.4%	-4.1%	-2.2%	0.0%	-2.2%	-2.1%	-27.7%	-31.1%	-22.4%	-9.1%	-22.7%
Interconnect & payments to telecom operators	220	161	145	34	33	34	29	130	31	29	31	27	118	28	27	25	28	108
QoQ Change				-2.9%	-2.9%	3.0%	-14.7%		6.9%	-6.5%	6.9%	-12.9%		3.7%	-3.6%	-7.4%	12.0%	
YoY Change	-21.7%	-26.8%	-9.9%	-10.5%	-10.8%	-2.9%	-17.1%	-10.3%	-8.8%	-12.1%	-8.8%	-6.9%	-9.2%	-9.7%	-6.9%	-19.4%	3.7%	-8.5%
Marketing & general	186	213	188	43	44	55	53	195	42	44	54	48	188	40	49	42	52	183
QoQ Change				-2.3%	2.3%	25.0%	-3.6%		-20.8%	4.8%	22.7%	-11.1%		-16.7%	22.5%	-14.3%	23.8%	
YoY Change	17.0%	14.5%	-11.7%	-8.5%	-8.3%	12.2%	20.5%	3.7%	-2.3%	0.0%	-1.8%	-9.4%	-3.6%	-4.8%	11.4%	-22.2%	8.3%	-2.7%
Terminal equipment & materials	90	49	48	12	12	11	12	47	10	12	12	10	44	11	10	9	12	42
QoQ Change				-25.0%	0.0%	-8.3%	9.1%		-16.7%	20.0%	0.0%	-16.7%		10.0%	-9.1%	-10.0%	33.3%	
YoY Change	-18.9%	-45.6%	-2.0%	9.1%	9.1%	10.0%	-25.0%	-2.1%	-16.7%	0.0%	9.1%	-16.7%	-6.4%	10.0%	-16.7%	-25.0%	20.0%	-4.5%
Services and maintenance by sub-contractors	64	61	60	17	17	16	22	72	17	19	19	18	73	20	20	20	23	83
QoQ Change				30.8%	0.0%	-5.9%	37.5%		-22.7%	11.8%	0.0%	-5.3%		11.1%	0.0%	0.0%	15.0%	
YoY Change	-12.3%	-4.7%	-1.6%	6.3%	21.4%	-5.9%	69.2%	20.0%	0.0%	11.8%	18.8%	-18.2%	1.4%	17.6%	5.3%	5.3%	27.8%	13.7%
Vehicle maintenance	76	76	78	17	18	18	19	72	18	17	18	16	69	7	8	9	13	37
QoQ Change				-19.0%	5.9%	0.0%	5.6%		-5.3%	-5.6%	5.9%	-11.1%		-56.3%	14.3%	12.5%	44.4%	
YoY Change	-8.4%	0.0%	2.6%	0.0%	-5.3%	-14.3%	-9.5%	-7.7%	5.9%	-5.6%	0.0%	-15.8%	-4.2%	-61.1%	-52.9%	-50.0%	-18.8%	-46.4%
Ratios																		
Operating margin	44.6%	45.9%	48.7%	48.2%	49.1%	47.7%	44.5%	47.4%	47.6%	46.9%	46.4%	44.9%	46.4%	44.5%	36.4%	43.2%	-8.5%	29.2%
Net margin	25.6%	25.5%	30.0%	29.5%	29.6%	31.5%	21.7%	28.1%	29.6%	30.0%	26.0%	24.8%	27.6%	24.7%	19.0%	24.6%	-15.1%	13.5%
EBITDA margin	59.9%	61.8%	65.2%	64.7%	65.9%	64.9%	59.3%	63.7%	64.3%	63.6%	63.9%	62.6%	63.6%	63.7%	56.2%	64.1%	12.7%	49.4%
Capex/Sales	17.6%	19.0%	19.3%	17.5%	20.6%	19.0%	18.9%	19.0%	19.5%	20.7%	16.0%	21.6%	19.4%	19.3%	29.4%	22.3%	21.9%	23.3%



(NIS millions, except for EPS)

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Pelephone																		
Key Income Statement Metrics (Revenues)																		
Total Revenues	3,809	3,419	2,890	671	658	649	652	2,630	628	632	635	651	2,546	619	602	604	618	2,443
QoQ Change				-5.9%	-1.9%	-1.4%	0.5%		-3.7%	0.6%	0.5%	2.5%		-4.9%	-2.7%	0.3%	2.3%	
YoY Change	-14.7%	-10.2%	-15.5%	-7.7%	-8.7%	-11.0%	-8.6%	-9.0%	-6.4%	-4.0%	-2.2%	-0.2%	-3.2%	-1.4%	-4.7%	-4.9%	-5.1%	-4.0%
Service Revenues	2,808	2,453	1,999	455	456	468	439	1,818	435	449	461	437	1,782	431	438	449	437	1,755
QoQ Change				-4.6%	0.2%	2.6%	-6.2%		-0.9%	3.2%	2.7%	-5.2%		-1.4%	1.6%	2.5%	-2.7%	
YoY Change	-13.9%	-12.6%	-18.5%	-8.8%	-9.2%	-10.2%	-8.0%	-9.1%	-4.4%	-1.5%	-1.5%	-0.5%	-2.0%	-0.9%	-2.4%	-2.6%	0.0%	-1.5%
Equipment Revenues	1,001	966	891	216	202	181	213	812	193	183	174	214	764	188	164	155	181	688
QoQ Change				-8.5%	-6.5%	-10.4%	17.7%		-9.4%	-5.2%	-4.9%	23.0%		-12.1%	-12.8%	-5.5%	16.8%	
YoY Change	-17.1%	-3.5%	-7.8%	-5.3%	-7.8%	-13.0%	-9.7%	-8.9%	-10.6%	-9.4%	-3.9%	0.5%	-5.9%	-2.6%	-10.4%	-10.9%	-15.4%	-9.9%
Revenues from Private Customers	2,114	1,930	1,750	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,616	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,541	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,415
% of total revenues	55.5%	56.4%	60.6%					61.4%					60.5%					57.9%
Revenues from Business Customers	1,695	1,490	1,140	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,015	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,005	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,028
% of total revenues	44.5%	43.6%	39.4%					38.6%					39.5%					42.1%
Key Income Statement Metrics																		
Depreciation & amortization	458	430	419	104	95	92	89	380	94	99	100	90	383	158	159	161	177	655
QoQ Change				4.0%	-8.7%	-3.2%	-3.3%		5.6%	5.3%	1.0%	-10.0%		75.6%	0.6%	1.3%	9.9%	
YoY Change	-13.7%	-6.1%	-2.6%	0.0%	-10.4%	-15.6%	-11.0%	-9.3%	-9.6%	4.2%	8.7%	1.1%	0.8%	68.1%	60.6%	61.0%	96.7%	71.0%
Salaries	439	417	381	96	94	94	94	378	98	94	94	98	384	100	95	94	90	379
QoQ Change				-3.0%	-2.1%	0.0%	0.0%		4.3%	-4.1%	0.0%	4.3%		2.0%	-5.0%	-1.1%	-4.3%	
YoY Change	-10.6%	-5.0%	-8.6%	0.0%	-2.1%	4.4%	-5.1%	-0.8%	2.1%	0.0%	0.0%	4.3%	1.6%	2.0%	1.1%	0.0%	-8.2%	-1.3%
Operating & general expenses	2,243	2,105	1,928	470	461	436	471	1,838	431	409	419	439	1,698	359	346	345	352	1,402
QoQ Change				-5.6%	-1.9%	-5.4%	8.0%		-8.5%	-5.1%	2.4%	4.8%		-18.2%	-3.6%	-0.3%	2.0%	
YoY Change	-12.2%	-6.2%	-8.4%	-5.1%	-1.1%	-7.0%	-5.4%	-4.7%	-8.3%	-11.3%	-3.9%	-6.8%	-7.6%	-16.7%	-15.4%	-17.7%	-19.8%	-17.4%
Other operating expenses	61	18	5	-	-	-	2	2	-	-	-	-	9	-	-	6	3	9
Operating profit (loss)	608	449	157	1	8	27	(4)	32	5	30	22	15	72	2	2	(2)	(4)	(2)
QoQ Change				-90.9%	700.0%	237.5%	-114.8%		N/M	500.0%	-26.7%	-31.8%		-86.7%	0.0%	N/M	100.0%	
YoY Change	-31.8%	-26.2%	-65.0%	-96.9%	-84.9%	-55.7%	-136.4%	-79.6%	400.0%	275.0%	-18.5%	-475.0%	125.0%	-60.0%	-93.3%	-109.1%	N/M	N/M
Net profit	521	373	151	13	13	32	3	61	16	34	24	21	95	9	7	6	2	24
QoQ Change				18.2%	0.0%	146.2%	-90.6%		433.3%	112.5%	-29.4%	-12.5%		-57.1%	-22.2%	-14.3%	-66.7%	
YoY Change	-25.4%	-28.4%	-59.5%	-63.9%	-73.5%	-41.8%	-72.7%	-59.6%	23.1%	161.5%	-25.0%	600.0%	55.7%	-43.8%	-79.4%	-75.0%	-90.5%	-74.7%
EBITDA reported	1,065	879	576	105	103	119	85	412	99	129	122	105	455	160	161	159	173	653
QoQ Change				-5.4%	-1.9%	15.5%	-28.6%		16.5%	30.3%	-5.4%	-13.9%		52.4%	0.6%	-1.2%	8.8%	
YoY Change	-25.2%	-17.5%	-34.5%	-22.8%	-35.2%	-30.0%	-23.4%	-28.5%	-5.7%	25.2%	2.5%	23.5%	10.4%	61.6%	24.8%	30.3%	64.8%	43.5%
Adjusted EBITDA (excluding IFRS 16)														98	98	96	101	393
Key Cash Flow Metrics																		
Operating cash flow	1,591	1,213	730	185	180	152	65	582	117	193	209	86	605	239	181	194	156	770
QoQ Change				122.1.4%	-2.7%	-15.6%	-57.2%		80.0%	65.0%	8.3%	-58.9%		177.9%	-24.3%	7.2%	-19.6%	
YoY Change	-7.9%	-23.8%	-39.8%	-47.3%	-10.9%	-6.7%	364.3%	-20.3%	-36.8%	7.2%	37.5%	32.3%	4.0%	104.3%	-6.2%	-7.2%	81.4%	27.3%
Capital expenditures, gross (cash flow)	320	329	428	52	63	64	64	243	73	82	78	77	310	69	90	73	78	310
QoQ Change				-20.0%	21.2%	1.6%	0.0%		14.1%	12.3%	-4.9%	-1.3%		-10.4%	30.4%	-18.9%	6.8%	
YoY Change	-16.7%	2.8%	30.1%	-28.8%	-68.3%	-29.7%	-1.5%	-43.2%	40.4%	30.2%	21.9%	20.3%	27.6%	-5.5%	9.8%	-6.4%	1.3%	0.0%
Capital expenditures, net (cash flow)	315	321	426	51	63	64	63	241	73	82	78	76	309	69	90	69	78	306
QoQ Change				-21.5%	23.5%	1.6%	-1.6%		15.9%	12.3%	-4.9%	-2.6%		-9.2%	30.4%	-23.3%	13.0%	
YoY Change	-17.3%	1.9%	32.7%	-29.2%	-68.3%	-28.9%	-3.1%	-43.4%	43.1%	30.2%	21.9%	20.6%	28.2%	-5.5%	9.8%	-11.5%	2.6%	-1.0%
Lease payments (IFRS 16)														75	50	64	70	259
Free cash flow	1,276	892	304	134	117	88	2	341	44	111	131	10	296	95	41	61	8	205
QoQ Change				N/M	-12.7%	-24.8%	-97.7%		2100.0%	152.3%	18.0%	-92.4%		850.0%	-56.8%	48.8%	-86.9%	
YoY Change	-5.3%	-30.1%	-65.9%	-52.0%	3800.0%	20.5%	-103.9%	12.2%	-67.2%	-5.1%	48.9%	400.0%	-13.2%	115.9%	-63.1%	-53.4%	-20.0%	-30.7%
Ratios																		
Operating margin	16.0%	13.1%	5.4%	0.1%	1.2%	4.2%	-0.6%	1.2%	0.8%	4.7%	3.5%	2.3%	2.8%	0.3%	0.3%	-0.3%	-0.6%	-0.1%
Net margin	13.7%	10.9%	5.2%	1.9%	2.0%	4.9%	0.5%	2.3%	2.5%	5.4%	3.8%	3.2%	3.7%	1.5%	1.2%	1.0%	0.3%	1.0%
EBITDA margin	28.0%	25.7%	19.9%	15.6%	15.7%	18.3%	13.0%	15.7%	15.8%	20.4%	19.2%	16.1%	17.9%	25.8%	26.8%	26.4%	28.0%	26.7%
Capex/Sales	8.4%	9.6%	14.8%	7.7%	9.6%	9.9%	9.8%	9.2%	11.6%	13.0%	12.3%	11.8%	12.2%	11.1%	15.0%	12.1%	12.6%	12.7%



(NIS millions, except for EPS)

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq International																		
Key Income Statement Metrics																		
Total Revenues	1,433	1,504	1,578	395	377	384	392	1,548	384	407	367	379	1,537	352	336	333	370	1,391
QoQ Change				-2.5%	-4.6%	1.9%	2.1%	-1.9%	-2.0%	6.0%	-9.8%	3.3%	-7.1%	-4.5%	-0.9%	11.1%		
YoY Change	6.9%	5.0%	4.9%	0.5%	-3.6%	-1.3%	-3.2%	-1.9%	-2.8%	8.0%	-4.4%	-3.3%	-0.7%	-8.3%	-17.4%	-9.3%	-2.4%	-9.5%
Revenues from ILD services	401	395	379	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	325	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	268	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	225
% of total revenues	28.0%	26.3%	24.0%					21.0%					17.4%					16.2%
Revenues from Internet, Data & ICT services	1,032	1,109	1,199	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,223	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,269	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,166
% of total revenues	72.0%	73.7%	76.0%					79.0%					82.6%					83.8%
Revenues from Private Customers	535	529	555	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	570	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	563	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	542
% of total revenues	37.3%	35.2%	35.2%					36.8%					36.6%					39.0%
Revenues from Business Customers	898	975	1,023	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	978	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	974	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	849
% of total revenues	62.7%	64.8%	64.8%					63.2%					63.4%					61.0%
Key Income Statement Metrics																		
Depreciation & amortization	130	130	132	33	35	35	34	137	33	33	34	35	135	43	45	46	60	194
QoQ Change				-5.7%	6.1%	0.0%	-2.9%	-2.9%	0.0%	0.0%	3.0%	2.9%	22.9%	4.7%	2.2%	30.4%		
YoY Change	-4.7%	0.0%	1.5%	3.1%	9.4%	6.1%	-2.9%	3.8%	0.0%	-5.7%	-2.9%	2.9%	-1.5%	30.3%	36.4%	35.3%	71.4%	43.7%
Salaries	287	298	303	83	82	83	82	330	84	81	81	78	324	83	75	70	69	297
QoQ Change				7.8%	-1.2%	1.2%	-1.2%	2.4%	-3.6%	0.0%	-3.7%		6.4%	-9.6%	-6.7%	-1.4%		
YoY Change	3.2%	3.8%	1.7%	7.8%	10.8%	10.7%	6.5%	8.9%	1.2%	-1.2%	-2.4%	-4.9%	-1.8%	-1.2%	-7.4%	-13.6%	-11.5%	-8.3%
Operating & general expenses	789	844	903	228	213	221	225	887	218	247	214	222	901	190	187	184	215	776
QoQ Change				-3.8%	-6.6%	3.8%	1.8%	-3.1%	13.3%	-13.4%	3.7%		-14.4%	-1.6%	-1.6%	16.8%		
YoY Change	11.6%	7.0%	7.0%	2.2%	-4.1%	0.0%	-5.1%	-1.8%	-4.4%	16.0%	-3.2%	-1.3%	1.6%	-12.8%	-24.3%	-14.0%	-3.2%	-13.9%
Other operating expenses (income)	3	-	(2)	14	-	-	4	18	-	1	(1)	3	3	2	(1)	2	5	8
Operating profit	227	232	240	37	47	45	47	176	49	45	39	41	174	34	30	31	21	116
QoQ Change				-36.2%	27.0%	-4.3%	4.4%	4.3%	-8.2%	-13.3%	5.1%		-17.1%	-11.8%	3.3%	-32.3%		
YoY Change	3.8%	2.0%	3.4%	-39.3%	-24.2%	-23.7%	-19.0%	-26.7%	32.4%	-4.3%	-13.3%	-12.8%	-1.1%	-30.6%	-33.3%	-20.5%	-48.8%	-33.3%
Net profit	158	165	172	26	33	33	33	125	36	33	27	31	127	24	20	20	13	77
QoQ Change				-38.1%	26.9%	0.0%	0.0%	9.1%	-8.3%	-18.2%	14.8%		-22.6%	-16.7%	0.0%	-35.0%		
YoY Change	-0.9%	4.3%	4.2%	-40.9%	-26.7%	-19.5%	-21.4%	-27.3%	38.5%	0.0%	-18.2%	-6.1%	1.6%	-33.3%	-39.4%	-25.9%	-58.1%	-39.4%
EBITDA reported	357	362	372	70	82	80	81	313	82	78	73	76	309	77	75	77	81	310
QoQ Change				-24.7%	17.1%	-2.4%	1.3%	1.2%	-4.9%	-6.4%	4.1%		1.3%	-2.6%	2.7%	5.2%		
YoY Change	0.6%	1.3%	2.8%	-24.7%	-12.8%	-13.0%	-12.9%	-15.9%	17.1%	-4.9%	-8.8%	-6.2%	-1.3%	-6.1%	-3.8%	5.5%	6.6%	0.3%
Adjusted EBITDA (excluding IFRS 16)														68	66	68	72	274
Key Cash Flow Metrics																		
Operating cash flow	288	312	301	49	69	65	86	269	52	69	74	82	277	67	54	73	106	300
QoQ Change				-49.0%	40.8%	-5.8%	32.3%	-39.5%	32.7%	7.2%	10.8%		-18.3%	-19.4%	35.2%	45.2%		
YoY Change	5.7%	8.4%	-3.5%	-21.0%	-6.8%	-5.8%	-10.4%	-10.6%	6.1%	0.0%	13.8%	-4.7%	3.0%	28.8%	-21.7%	-1.4%	29.3%	8.3%
Capital expenditures, gross (cash flow)	105	110	128	37	33	24	26	120	29	46	31	36	142	31	44	27	25	127
QoQ Change				76.0%	-10.8%	-27.3%	8.3%	11.5%	58.6%	-32.6%	16.1%		-13.9%	41.9%	-38.6%	-7.4%		
YoY Change	-40.4%	5.2%	16.4%	-30.1%	28.0%	-15.0%	23.7%	-6.3%	-21.6%	39.4%	29.2%	38.5%	18.3%	6.9%	-4.3%	-12.9%	-30.6%	-10.6%
Capital expenditures, net (cash flow)	97	108	128	37	33	24	25	119	29	46	29	35	139	31	44	26	25	126
QoQ Change				76.2%	-10.8%	-27.3%	4.2%	16.0%	58.6%	-37.0%	20.7%		-11.4%	41.9%	-40.9%	-3.8%		
YoY Change	-43.9%	11.2%	18.5%	-30.2%	26.9%	-14.3%	19.0%	-7.0%	-21.6%	39.4%	20.8%	40.0%	16.8%	6.9%	-4.3%	-10.3%	-28.6%	-9.4%
Lease payments (IFRS 16)														9	9	9	9	36
Free cash flow	191	204	173	12	36	41	61	150	23	23	45	47	138	27	1	38	72	138
QoQ Change				-84.0%	200.0%	13.9%	48.8%	-62.3%	0.0%	95.7%	4.4%		-42.6%	-96.3%	3700.0%	89.5%		
YoY Change	92.4%	7.0%	-15.2%	33.3%	-25.0%	0.0%	-18.7%	-13.3%	91.7%	-36.1%	9.8%	-23.0%	-8.0%	17.4%	-95.7%	-15.6%	53.2%	0.0%
Ratios																		
Operating margin	15.9%	15.4%	15.2%	9.4%	12.5%	11.7%	12.0%	11.4%	12.8%	11.1%	10.6%	10.8%	11.3%	9.7%	8.9%	9.3%	5.7%	8.3%
Net margin	11.0%	11.0%	10.9%	6.6%	8.8%	8.6%	8.4%	8.1%	9.4%	8.7%	7.4%	8.2%	8.3%	6.8%	6.0%	6.0%	3.5%	5.5%
EBITDA margin	24.9%	24.1%	23.6%	17.7%	21.8%	20.8%	20.7%	20.2%	21.4%	19.2%	19.9%	20.1%	20.1%	21.9%	22.3%	23.1%	21.9%	22.3%
Capex/Sales	7.3%	7.3%	8.1%	9.4%	8.8%	6.3%	6.6%	7.8%	7.6%	11.3%	8.4%	9.5%	9.2%	8.8%	13.1%	8.1%	6.8%	9.1%



(NIS millions, except for EPS)

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
yes																		
Key Income Statement Metrics																		
Revenues	1,635	1,724	1,774	439	434	434	438	1,745	424	416	406	404	1,650	375	375	367	356	1,473
QoQ Change				-2.2%	-1.1%	0.0%	0.9%		-3.2%	-1.9%	-2.4%	-0.5%		-7.2%	0.0%	-2.1%	-3.0%	
YoY Change	0.0%	5.4%	2.9%	-0.2%	-1.1%	-2.7%	-2.4%	-1.6%	-3.4%	-4.1%	-6.5%	-7.8%	-5.4%	-11.6%	-9.9%	-9.6%	-11.9%	-10.7%
Depreciation & amortization	263	297	322	76	74	75	71	296	70	71	72	72	285	79	79	81	84	323
QoQ Change				-13.6%	-2.6%	1.4%	-5.3%		-1.4%	1.4%	1.4%	0.0%		9.7%	0.0%	2.5%	3.7%	
YoY Change	5.8%	13.0%	8.4%	0.0%	-7.5%	-3.8%	-19.3%	-8.1%	-7.9%	-4.1%	-4.0%	1.4%	-3.7%	12.9%	11.3%	12.5%	16.7%	13.3%
Salaries	N/A	267	270	61	60	64	64	249	59	59	62	65	245	57	61	56	59	233
QoQ Change				-12.9%	-1.6%	6.7%	0.0%		-7.8%	0.0%	5.1%	4.8%		-12.3%	7.0%	-8.2%	5.4%	
YoY Change			1.1%	-11.6%	-3.2%	-7.2%	-8.6%	-7.8%	-3.3%	-1.7%	-3.1%	1.6%	-1.6%	-3.4%	3.4%	-9.7%	-9.2%	-4.9%
Operating & general expenses	N/A	887	932	245	223	233	246	947	243	237	237	240	957	240	252	229	235	956
QoQ Change				0.4%	-9.0%	4.5%	5.6%		-1.2%	-2.5%	0.0%	1.3%		0.0%	5.0%	-9.1%	2.6%	
YoY Change			5.1%	3.8%	-1.8%	3.6%	0.8%	1.6%	-0.8%	6.3%	1.7%	-2.4%	1.1%	-1.2%	6.3%	-3.4%	-2.1%	-0.1%
Loss from impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,100	1,100
Other operating expenses (income), net	-	-	-	-	-	-	-	(11)	-	-	-	-	-	N/A	N/A	N/A	N/A	17
Operating profit (loss)	267	273	250	57	77	62	68	264	52	49	35	27	163	(1)	(17)	1	(1,139)	(1,156)
QoQ Change				21.3%	35.1%	-19.5%	9.7%		-23.5%	-5.8%	-28.6%	-22.9%		N/M	1600.0%	N/M	N/M	
YoY Change	5.6%	2.2%	-8.4%	-3.4%	10.0%	-16.2%	44.7%	5.6%	-8.8%	-36.4%	-43.5%	-60.3%	-38.3%	N/M	N/M	-97.1%	N/M	N/M
Finance expenses (income), net	161	111	90	19	12	26	1	58	27	32	(1)	13	71	(3)	(7)	3	(4)	(11)
QoQ Change					-36.8%	116.7%	-96.2%		2600.0%	18.5%	N/M	N/M		N/M	133.3%	N/M	N/M	
YoY Change	4.5%	-31.1%	-18.9%					-35.6%	42.1%	166.7%	N/M	1200.0%	22.4%	N/M	N/M	N/M	N/M	N/M
Net profit (loss)	(381)	(322)	(354)	(71)	(114)	(142)	395	68	19	(151)	(123)	11	(244)	1	(10)	(2)	(1,137)	(1,148)
QoQ Change				-35.5%	60.6%	24.6%	N/M		-95.2%	N/M	-18.5%	-108.9%		-90.9%	N/M	-80.0%	N/M	
YoY Change	22.7%	-15.4%	9.9%	2266.7%	-31.3%	89.3%	N/M	N/M	N/M	32.5%	-13.4%	-97.2%	N/M	-94.7%	-93.4%	-98.4%	N/M	370.5%
EBITDA reported	530	570	572	133	151	137	139	560	122	120	107	99	448	78	62	82	(1,055)	(833)
QoQ Change				-1.5%	13.5%	-9.3%	1.5%		-12.2%	-1.6%	-10.8%	-7.5%		-21.2%	-20.5%	32.3%	N/M	
YoY Change	5.6%	7.6%	0.4%	-1.5%	0.7%	-9.9%	3.0%	-2.1%	-8.3%	-20.5%	-21.9%	-28.8%	-20.0%	-36.1%	-48.3%	-23.4%	N/M	N/M
Adjusted EBITDA (excl. IFRS 16 & impairment)														70	54	73	39	236
Key Cash Flow Metrics																		
Operating cash flow	490	442	505	158	110	154	207	629	51	169	115	95	430	86	60	34	46	226
QoQ Change				50.5%	-30.4%	40.0%	34.4%		-75.4%	231.4%	-32.0%	-17.4%		-9.5%	-30.2%	-43.3%	35.3%	
YoY Change	17.2%	-10.1%	14.3%	6.0%	3.8%	6.2%	97.1%	24.6%	-67.7%	53.6%	-25.3%	-54.1%	-31.6%	68.6%	-64.5%	-70.4%	-51.6%	-47.4%
Capital expenditures, gross (cash flow)	323	305	265	59	58	51	41	209	60	53	69	53	235	62	75	79	82	298
QoQ Change				37.2%	-1.7%	-12.1%	-19.6%		46.3%	-11.7%	30.2%	-23.2%		17.0%	21.0%	5.3%	3.8%	
YoY Change	13.6%	-5.6%	-13.1%	-9.2%	-29.3%	-32.0%	-4.7%	-21.1%	1.7%	-8.6%	35.3%	29.3%	12.4%	3.3%	41.5%	14.5%	54.7%	26.8%
Capital expenditures, net (cash flow)	323	305	265	59	58	50	41	208	60	52	69	53	234	62	75	79	81	297
QoQ Change				37.2%	-1.7%	-13.8%	-18.0%		46.3%	-13.3%	32.7%	-23.2%		17.0%	21.0%	5.3%	2.5%	
YoY Change	13.8%	-5.6%	-13.1%	-9.2%	-29.3%	-33.3%	-4.7%	-21.5%	1.7%	-10.3%	38.0%	29.3%	12.5%	3.3%	44.2%	14.5%	52.8%	26.9%
Lease payments (IFRS 16)														8	8	9	6	31
Free cash flow	167	137	240	99	52	104	166	421	(9)	117	46	42	196	16	(23)	(54)	(41)	(102)
QoQ Change				59.7%	-47.5%	100.0%	59.6%		N/M	N/M	-60.7%	-8.7%		-61.9%	N/M	134.8%	-24.1%	
YoY Change	24.3%	-17.8%	75.2%	17.9%	116.7%	48.6%	167.7%	75.4%	N/M	125.0%	-55.8%	-74.7%	-53.4%	N/M	N/M	N/M	N/M	N/M
Ratios																		
Operating margin	16.3%	15.8%	14.1%	13.0%	17.7%	14.3%	15.5%	15.1%	12.3%	11.8%	8.6%	6.7%	9.9%	(0.3%)	(4.5%)	0.3%	(319.9%)	(78.5%)
Net margin	(23.3%)	(18.7%)	(20.0%)	(16.2%)	(26.3%)	(32.7%)	90.2%	3.9%	4.5%	(36.3%)	(30.3%)	2.7%	(14.8%)	0.3%	0.0%	(0.5%)	(319.4%)	(77.9%)
EBITDA margin	32.4%	33.1%	32.2%	30.3%	34.8%	31.6%	31.7%	32.1%	28.8%	28.8%	26.4%	24.5%	27.2%	20.8%	16.5%	22.3%	(296.3%)	(56.6%)
Capex/Sales	19.8%	17.7%	14.9%	13.4%	13.4%	11.8%	9.4%	12.0%	14.2%	12.7%	17.0%	13.1%	14.2%	16.5%	20.0%	21.5%	23.0%	20.2%



NIS Millions

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
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Bezeq Group

Other Operating Expenses (Income), Net

Profit from increase to controlling stake in Yes	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of shares in Coral Tel Ltd.	-	(582)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14)	(14)	-
Profit from the sale of property, plant and equipment (mainly real estate)*	(120)	(167)	(234)	(11)	(29)	(22)	(45)	(107)	(6)	(14)	(45)	(1)	(66)	(1)	(5)	9	(4)	(1)	-
Profit from copper sales	(47)	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	(23)	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for early retirement	90	176	117	1	14	3	78	96	-	12	3	8	23	12	81	-	466	559	-
Expenses for a collective agreement at Pelephone	61	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss from the discontinuation of a software development project	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (mainly legal claims)	-	-	-	15	3	(7)	-	11	2	1	19	2	24	12	8	7	63	90	-
Total other operating expenses (income), net	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	9	(19)	23	84	16	511	634	-

* Includes profit from copper sales beginning Q1 2015

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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Bezeq Fixed-Line																					
Key Performance Indicators																					
Total outgoing minutes (in millions)	10,699	9,758	8,694	7,047	6,200	5,607	1,316	1,257	1,297	1,136	5,006	1,177	1,098	1,132	1,068	4,475	1,055	1,010	960	989	4,014
QoQ Change							-4.6%	-4.5%	3.2%	-12.4%		3.6%	-6.7%	3.1%	-5.7%		-1.2%	-4.3%	-5.0%	3.0%	
YoY Change	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.6%	-9.8%	-10.0%	-5.5%	-17.6%	-10.7%	-10.6%	-12.6%	-12.7%	-6.0%	-10.6%	-10.4%	-8.0%	-15.2%	-7.4%	-10.3%
Total incoming minutes (in millions)	6,547	6,240	6,225	6,115	5,829	5,628	1,348	1,314	1,383	1,252	5,297	1,281	1,220	1,266	1,205	4,972	1,191	1,151	1,125	1,160	4,627
QoQ Change							-3.9%	-2.5%	5.3%	-9.5%		2.3%	-4.8%	3.8%	-4.8%		-1.2%	-3.4%	-2.3%	3.1%	
YoY Change	-2.5%	-4.7%	-0.2%	-1.8%	-4.7%	-3.4%	-5.7%	-5.2%	-1.9%	-10.8%	-5.9%	-5.0%	-7.2%	-8.5%	-3.8%	-6.1%	-7.0%	-5.7%	-11.1%	-3.7%	-6.9%
Total access lines (in 000's)	2,366	2,367	2,268	2,216	2,205	2,087	2,068	2,050	2,031	2,010	2,010	1,986	1,961	1,942	1,916	1,916	1,889	1,865	1,843	1,818	1,818
QoQ Change			-1400.0%				-0.9%	-0.9%	-0.9%	-1.0%		-1.2%	-1.3%	-1.0%	-1.3%		-1.4%	-1.3%	-1.2%	-1.4%	
YoY Change	-4.7%	0.0%	-4.2%	-2.3%	-0.5%	-5.4%	-2.7%	-3.2%	-3.4%	-3.7%	-3.7%	-4.0%	-4.3%	-4.4%	-4.7%	-4.7%	-4.9%	-4.9%	-5.1%	-5.1%	-5.1%
QoQ Line change (000's)	(117)	1	(99)	(52)	(11)	(118)	(19)	(18)	(19)	(21)	(77)	(24)	(25)	(19)	(26)	(94)	(27)	(24)	(22)	(25)	(98)
Average revenue per line (ARPL) (in NIS)	109	85	81	74	63	59	58	57	57	55	57	56	54	54	53	54	53	52	51	51	52
QoQ Change							-1.7%	-1.7%	0.0%	-3.5%		1.8%	-3.6%	0.0%	-1.9%		0.0%	-1.9%	-1.9%	0.0%	
YoY Change	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-6.3%	-3.3%	-3.4%	-3.4%	-6.8%	-3.4%	-3.4%	-5.3%	-5.3%	-3.6%	-5.3%	-5.4%	-3.7%	-5.6%	-3.8%	-3.7%
Churn rate (telephony)	N/A	11.6%	15.3%	13.1%	11.1%	10.1%	2.8%	2.4%	2.6%	2.4%	10.2%	2.7%	2.4%	2.3%	2.4%	9.8%	3.0%	2.8%	2.7%	3.1%	11.6%
Broadband Internet lines (in 000's)- Total	1,066	1,111	1,169	1,263	1,364	1,479	1,503	1,521	1,539	1,558	1,558	1,580	1,593	1,608	1,635	1,635	1,653	1,662	1,663	1,656	1,656
QoQ Change							1.6%	1.2%	1.2%	1.2%		1.4%	0.8%	0.9%	1.7%		1.1%	0.5%	0.1%	-0.4%	
YoY Change	3.0%	4.2%	5.2%	8.0%	8.0%	8.4%	8.1%	7.3%	6.3%	5.3%	5.3%	5.1%	4.7%	4.5%	4.9%	4.9%	4.6%	4.3%	3.4%	1.3%	1.3%
QoQ Line change (000's)	31	45	58	94	101	115	24	18	18	19	79	22	13	15	27	77	18	9	1	(7)	21
Broadband Internet lines (in 000's)-Wholesale	-	-	-	-	-	244	290	323	347	377	377	414	444	484	532	532	574	600	617	626	626
QoQ Change							18.9%	11.4%	7.4%	8.6%		9.8%	7.2%	9.0%	9.9%		7.9%	4.5%	2.8%	1.5%	
YoY Change							2536.4%	314.1%	96.0%		54.5%	42.8%	37.5%	39.5%	41.1%	41.1%	38.6%	35.1%	27.5%	17.7%	17.7%
QoQ Line change (000's)							46	33	24	30	133	37	30	40	48	155	42	26	17	9	94
Wholesale lines as % of total broadband lines						16.5%	19.3%	21.2%	22.5%	24.2%	24.2%	26.2%	27.9%	30.1%	32.5%	32.5%	34.7%	36.1%	37.1%	37.8%	37.8%
Broadband Internet lines (in 000's) - Retail	1,066	1,111	1,169	1,263	1,364	1,235	1,213	1,198	1,192	1,181	1,181	1,166	1,149	1,124	1,103	1,103	1,079	1,062	1,046	1,030	1,030
QoQ Change							-1.8%	-1.2%	-0.5%	-0.9%		-1.3%	-1.5%	-2.2%	-1.9%		-2.2%	-1.6%	-1.5%	-1.5%	
YoY Change	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-12.0%	-10.6%	-6.2%	-4.4%	-4.4%	-3.9%	-4.1%	-5.7%	-6.6%	-6.6%	-7.5%	-7.6%	-6.9%	-6.6%	-6.6%
QoQ Line change (000's)	31	45	58	94	101	(129)	(22)	(15)	(6)	(11)	(54)	(15)	(17)	(25)	(21)	(78)	(24)	(17)	(16)	(16)	(73)
Broadband Internet ARPU (in NIS) - Retail	75	80	81	84	84	88	90	90	88	90	89	90	90	90	92	90	92	93	93	96	93
QoQ Change							2.3%	0.0%	-2.2%	2.3%		0.0%	0.0%	0.0%	2.2%		0.0%	1.1%	0.0%	3.2%	
YoY Change	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	3.4%	2.3%	0.0%	2.3%	1.1%	0.0%	0.0%	2.3%	2.2%	1.1%	2.2%	3.3%	3.3%	4.3%	3.3%
Average broadband speed per subscriber (end of period, Mbps)	4.3	6.7	9.6	18.1	32.5	37.8	38.9	40.2	41.8	43.4	43.4	45.1	47.2	49.5	51.5	51.5	53.5	55.4	57.4	59.1	59.1
QoQ Change							2.9%	3.3%	4.0%	3.8%		3.9%	4.7%	4.9%	4.0%		3.9%	3.6%	3.6%	2.9%	
YoY Change	59.3%	55.8%	43.3%	88.5%	79.6%	16.3%	17.2%	15.2%	13.9%	14.8%	14.8%	15.9%	17.4%	18.4%	18.7%	18.7%	18.6%	17.4%	16.0%	14.8%	14.8%
Number of employees	7,216	7,076	7,422	6,479	5,964	5,896	N/A	N/A	N/A	5,649	5,649	N/A	N/A	N/A	5,582	5,582	N/A	N/A	N/A	5,494	5,494
YoY Change	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%				-4.2%					-1.2%						-1.6%
Market share - Internet	59%	59%	60%	63%	66%	68%	N/A	N/A	N/A	N/A	69%	N/A	N/A	N/A	N/A	70%	N/A	N/A	N/A	N/A	69%
Market share - telephony (private sector)	65%	63%	59%	57%	56%	56%	N/A	N/A	N/A	N/A	55%	N/A	N/A	N/A	N/A	53%	N/A	N/A	N/A	N/A	52%
Market share - telephony (business sector)	78%	76%	75%	74%	74%	74%	N/A	N/A	N/A	N/A	73%	N/A	N/A	N/A	N/A	72%	N/A	N/A	N/A	N/A	71%

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FY 2010 FY 2011 FY 2012 FY 2013 FY 2014 FY 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 FY 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 FY 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 FY 2018

Pelephone

Key Performance Indicators

Total Subscribers (in 000's)		2,857	2,847	2,800	2,642	2,586	2,651	2,692	2,260	2,348	2,402	2,402	2,430	2,410	2,475	2,525	2,525	2,546	2,601	2,185	2,205	2,205
QoQ Change								1.5%	-16.0%	3.9%	2.3%		1.2%	-0.8%	2.7%	2.0%		0.8%	2.2%	-16.0%	0.9%	
YoY Change		3.3%	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	5.0%	-11.9%	-8.6%	-9.4%	-9.4%	-9.7%	6.6%	5.4%	5.1%	5.1%	4.8%	7.9%	-11.7%	-12.7%	-12.7%
QoQ subscriber change (000's)		91	(10)	(47)	(158)	(56)	65	41	(432)	88	54	(249)	28	(20)	65	50	123	21	55	(416)	20	(320)
Postpaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	1,750	1,726	N/A	N/A	N/A	1,669	1,669	1,659	1,663	1,697	1,729	1,729	1,760	1,800	1,817	1,831	1,831
QoQ Change													-0.6%	0.2%	2.0%	1.9%		1.8%	2.3%	0.9%	0.8%	
YoY Change							-1.4%			-3.3%	-3.3%		(10)	4	34	36	60	6.1%	8.2%	7.1%	5.9%	
QoQ subscriber change (000's)							(24)			(57)	(57)		(10)	4	34	32	60	31	40	17	14	102
Prepaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	836	925	N/A	N/A	N/A	733	733	771	747	778	796	796	786	801	368	374	374
QoQ Change													5.2%	-3.1%	4.1%	2.3%		-1.3%	1.9%	-54.1%	1.6%	
YoY Change							10.6%			-20.8%	-20.8%		38	(24)	31	18	63	(10)	15	(433)	6	(422)
QoQ subscriber change (000's)							89			(192)	(192)		38	(24)	31	18	63	(10)	15	(433)	6	(422)
ARPU (in NIS)		111	107	95	86	78	64	57	68	68	62	63	60	61	63	58	61	57	57	68	66	62
QoQ Change								-5.0%	19.3%	0.0%	-8.8%		-3.2%	1.7%	3.3%	-7.9%		-1.7%	0.0%	19.3%	-2.9%	
YoY Change			-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-12.3%	4.6%	0.0%	3.3%	-1.6%	5.3%	-10.3%	-7.4%	-6.5%	-3.2%	-5.0%	-6.6%	7.9%	13.8%	1.6%
Churn rate		15.3%	22.9%	22.4%	28.6%	28.0%	25.8%	5.2%	6.2%	6.1%	6.3%	23.7%	7.9%	6.3%	7.1%	6.9%	28.2%	8.0%	7.3%	9.1%	9.0%	33.3%
Number of employees		N/A	N/A	4,072	3,288	3,001	2,679	N/A	N/A	N/A	2,594	2,594	N/A	N/A	N/A	2,551	2,551	N/A	N/A	N/A	2,453	2,453
YoY Change					-19.3%	-8.7%	-10.7%				-3.2%					-1.7%						-3.8%
Market share		28.9%	29.0%	28.2%	26.3%	25.5%	25.2%	N/A	N/A	22.7%	23.1%	23.1%	N/A	N/A	23.3%	23.6%	23.6%	N/A	N/A	21.0%	N/A	N/A

Bezeq International

Key Performance Indicators

Number of employees		2,112	2,262	2,102	2,007	1,932	1,966	N/A	N/A	N/A	1,905	1,905	N/A	N/A	N/A	1,864	1,864	N/A	N/A	N/A	1,653	1,653
QoQ Change																						
YoY Change		-13.6%	7.1%	-7.1%	-4.5%	-3.7%	1.8%					-3.1%					-2.2%					-11.3%
Churn rate (ISP)		12.7%	12.6%	18.4%	18.0%	17.0%	17.3%	5.2%	4.5%	5.5%	5.2%	20.4%	5.3%	5.0%	6.3%	6.8%	23.4%	6.0%	6.0%	5.8%	7.7%	25.5%
Market share - ISP		35.9%	37.5%	38.8%	40.6%	42%	44%	N/A	N/A	N/A	N/A	44%	N/A	N/A	42.1%	N/A	N/A	N/A	N/A	38.2%	N/A	N/A
Market share - ILD (Outgoing)		30.7%	30.0%	24.6%	21.2%	23%	21%	N/A	N/A	N/A	N/A	21%	N/A	N/A	N/A	N/A	25.6%	N/A	N/A	N/A	N/A	23.3%

yes

Key Performance Indicators

Subscribers (in 000's)		578	586	578	600	630	635	629	623	618	614	614	608	603	597	587	587	580	582	584	574	574
QoQ Change								-0.9%	-1.0%	-0.8%	-0.6%		-1.0%	-0.8%	-1.0%	-1.7%		-1.2%	0.3%	0.3%	-1.7%	
YoY Change		1.2%	1.4%	-1.4%	3.8%	5.0%	0.8%	-0.5%	-2.0%	-3.0%	-3.3%	-3.3%	-3.3%	-3.2%	-3.4%	-4.4%	-4.4%	-4.6%	-3.5%	-2.2%	-2.2%	-2.2%
QoQ subscriber change (000's)								(6)	(6)	(5)	(4)	(21)	(6)	(5)	(6)	(10)	(27)	(7)	2	2	(10)	(13)
ARPU (in NIS)		230	232	234	233	234	233	231	231	233	237	233	232	229	226	226	228	214	215	210	206	211
QoQ Change								-1.7%	0.0%	0.9%	1.7%		-2.1%	-1.3%	-1.3%	0.0%		-5.3%	0.5%	-2.3%	-1.9%	
YoY Change		1.8%	0.9%	1.0%	-0.4%	0.4%	-0.4%	-0.4%	0.0%	0.0%	0.9%	0.0%	0.4%	-0.9%	-3.0%	-4.6%	-2.1%	-7.8%	-6.1%	-7.1%	-8.8%	-7.5%
Churn rate		13.0%	11.9%	15.4%	13.5%	12.8%	13.9%	4.2%	3.6%	4.5%	3.6%	15.9%	4.3%	3.8%	4.8%	5.9%	18.8%	6.1%	4.7%	5.1%	5.6%	21.5%
Number of employees		2,229	2,227	2,276	2,208	2,042	1,984	N/A	N/A	N/A	1,753	1,753	N/A	N/A	N/A	1,680	1,680	N/A	N/A	N/A	1,532	1,532
YoY Change		3.3%	-0.1%	2.2%	-3.0%	-7.5%	-2.8%				-11.6%					-4.2%						-8.8%
Mkt share		39%	40%	39%	40%	42%	42%	N/A	N/A	N/A	N/A	40%	N/A	N/A	N/A	N/A	37%	N/A	N/A	N/A	N/A	34%

**Bezeq Group Dividends****Dividend History**

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
October 10, 2018	318	0.11	Semi-Annual Dividend
May 10, 2018	368	0.13	Semi-Annual Dividend
October 16, 2017	708	0.26	Semi-Annual Dividend
May 29, 2017	578	0.21	Semi-Annual Dividend
October 6, 2016	665	0.24	Semi-Annual Dividend
May 30, 2016	776	0.28	Semi-Annual Dividend
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



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
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



Bezeq

GLOSSARY

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization ; ttm = trailing twelve months
Adjusted EBITDA	= EBITDA excluding adoption of IFRS 16 and other operating income/expenses
Free cash flow	= Operating cash flows less net capital expenditures and lease payments
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE
FFO	= Cash flow from operating activities less changes in working capital and payments for leases
ARPL	= Average revenue per line
ARPU	= Average revenue per user
MOU	= Minutes of use
N/A	= Not available
N/M	= Not meaningful