



8mb - the fastest surfing speed in Israel

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Bezeq Announces:

- **8 MB - the fastest surfing speed in Israel**
- **Wireless Internet in every home: A free home network for all customers with 2.5 MB and above**
- **Israel's first games on demand service**

Bezeq will significantly expand the variety of packages offered to its landline customers; a new chain of Bezeq stores will be set up; for the business sector: Israel's most advanced data center facility

As part of the branding "Bezeq – Home is Best" move, this morning Bezeq announced a high speed internet surfing speed of 8 MB. This is the fastest surfing speed in Israel.

Bezeq is the leader in the high speed internet market in Israel, with over 950,000 high speed internet customers – but no less important, Bezeq is the one that managed to propel the internet forward by constantly setting new standards of quality, surfing speeds and genuinely meeting the needs of the market and the customers.

As you may remember, it was Bezeq that first launched the surfing speed of 5 MB which, at the time, was considered revolutionary and led the entire market to surfing speeds that were unknown at the time. Subsequently Bezeq met its surfers' needs in terms of upload speed and announced packages whose guiding principle was that the upload speed would be at least 10% of the download speed. Bezeq also upgraded its hundreds of thousands of existing customers, providing them with the new upload speed, on its own initiative and at no charge. Home networks enabling simultaneous internet surfing from all the computers in the home were a marginal product intended solely for the experts only until Bezeq made its massive entry into this domain as well.

Now Bezeq is raising the bar again and offering a download speed of 8 MB and an upload speed of 800 kbps (8/800). The price of the new package is NIS 129 per month, but new customers will be offered the package for half price (NIS 65) for the first three months. The service will be provided in accordance with the technological limitations and the deployment of the network.

Bezeq VP Marketing Ran Guron said: "It has already been proven that only Bezeq has the ability to propel the high speed internet market forward. Over the past year or two we have witnessed a change in the internet usage patterns on the part of the surfers. Unlike the past, when internet surfing consisted primarily of the consumption of information, today more and more surfers are starting to use it for entertainment and games. They watch videos, they download movies, they play "heavy" games and more. All this necessitates high surfing speeds and we, on our part, will do all we can to meet these developing needs in the best possible way." Guron mentioned Bezeq's impressive figures in the context of its surfing speed upgrades. "Over the past year alone, over a quarter of a million of our customers upgraded to speeds of 2 MB and above. This figure speaks for itself. In addition, the total number of customers who have surfing speeds of 2 MB or more is around 270,000, and this is a figure which was considered a mere fantasy just two years ago."

Wireless Internet in Every Home in Israel:

- **Surfing at 2.5 MB or More? Have a Free Home Network**
- **Every customer with 2.5 MB and above, both new customers and existing customers, can receive a benefit – a free router valued at NIS 480; excellent and unprecedented prices for surfers with a package of 2 MB or less as well**

Bezeq announced today that all the Company's high speed internet customers whose surfing packages are for a speed of at least 2.5 MB will receive a free wireless router (home network). The value of the benefit is around NIS 480 per customer.

It should be stressed that the offer applies to all Bezeq customers with high surfing speeds, both new customers and existing customers. Bezeq is breaking new ground once again by making the home network an integral part of its high speed internet product. One can say that Bezeq's high speed internet at the high surfing speeds is now becoming universally available – wireless internet at every home in Israel. The home network benefit will be given as part of the billing model against a complete refund, for a 24 month commitment.

Customers with surfing speeds lower than 2.5 MB can enjoy a router at extremely attractive prices. Customers with packages of 2 MB will receive a router for NIS 4.90 per month (for 24 months), while customers with packages of 1.5 MB or will still be able to purchase the router for NIS 9.90 per month (for 24 months), a highly significant benefit in comparison with the full price of the router, which is, as stated, around NIS 480.

In recent months Bezeq has made preparations for its soft launch campaign and now, in light of the success and the excellent reactions of its customers – Bezeq is announcing the campaign publicly and comprehensively for all its customers who surf at speeds of 2.5 MB and above.

In the framework of this move Bezeq is meeting needs that have become prevalent in virtually every home in Israel – the need to connect more than one computer to the internet and the possibility of being mobile within the home and to surf from anywhere within the home.

According to Bezeq's figures, the number of homes with more than one computer stands at over 50% of all high speed internet customers. Another interesting figure: Today more lap top computers than desktop computers are sold in Israel. Since the lap top computer has a built-in network card, the customer expects to be able to surf unrestrictedly from anywhere in the home. The router that Bezeq supplies him with enables him to do this easily and conveniently.

Bezeq was a pioneer in the field of home networks as well. Only after Bezeq's major and organized move did home networks begin to gain in popularity. Previously, they were considered a product that only the expert could cope with.

To date, Bezeq alone has sold over 150,000 home networks, and it is almost certainly that twice that number has been sold in Israel.

Bezeq VP Marketing Ran Guron said: "Bezeq's exclusive ability to fully meet a specific need, in terms of product, price and support, is what has made all the difference. The subject of home networks is a clear example of this. In our worldview, where the home is the arena in which Bezeq is the strongest of all – the trend that the internet must be available to the customer at all times, from anywhere in the home and from every computer – this is of considerable significance."

Israel's First Games on Demand Service

Bezeq will soon launch the only internet portal in Israel that lets customers download and play computer games that cost hundreds of shekels in stores. Bezeq has arrived at content agreements with the world's leading game manufacturers

In early January Bezeq is expected to officially launch the www.bgames.co.il portal – which will be Israel's first Games on Demand service. A limited version of the service is now available to a few thousand customers only, but it is already possible to visit the website and form an impression of it.

Bgames – is Israel's first and only internet portal that lets surfers download computer games and courseware. We would like to stress immediately that these are not "light" games that can be found in virtually every internet portal, but rather computer games that are sold at stores for prices of up to NIS 400. These are "heavy" games with video experiences, 3D and high quality sound, and are generally sold in a package including a CD ROM or DVD.

The portal was built by means of Bezeq's unique technology and, for example, it will be possible to play a game even if it has not yet finished downloading, which will significantly shorten the waiting time.

Bezeq has arrived at an agreement with the world's leading game manufacturers. This will enable Bezeq to update the site at all times and to include hit games such as Tomb Raider, Hit Man, Commandos and more. Registration for the service is expected to be simple, via the internet, and the monthly charge will be paid by means of the phone bill.

The new Bezeq chain of stores

Bezeq is embarking on a large-scale move of upgrading its chain of stores, with the goal of turning it into Israel's leading chain of communications stores. The move, which has already begun, will take around two years – the nature of the chain will change to a modern retail chain, the range of products sold will be expanded significantly, new sales points will be opened at commercial centers and city centers, additional stores will be opened in the Arab sector, and the deployment will be expanded to all of Israel.

At the new chain of stores, new emphasis will be placed on the products that are sold. In addition to the telephony equipment sold by Bezeq, the chain will begin selling computer equipment as a supplementary part of the high speed Internet experience – such as printers, computer screens, laptops, MP3 players and more.

The Bezeq chain of stores already sells over 50% of all digital telephones in Israel (B Digital) and has tremendous growth and development potential.

Data Center service for the business sector

In the weeks ahead, by the end of 2007, Bezeq will launch its data center; Israel's most advanced computer infrastructure hosting facility, for a trial period.

In recent years there has been a tremendous increase in the demand for professional computer rooms that will host the computing infrastructures of large organizations and businesses. The need for a facility of this type, which is required for DRP – Data recovery program – protecting computing and information databases in the event of disaster or war, and as a result of the fact that more and more organizational applications constantly require an increase in terms of computer storage space and in terms of their energy consumption.

Bezeq's Data Center was set up in Yafó and has an area of around 3,000 sq. meters, mainly in an underground facility. It was built to the world's most stringent standards for disaster backup and computer rooms. The facility is intended for customers who will be able to rent storage space, ranging from the space of a single server to storage rooms of dozens of square meters apiece.

With this move, Bezeq is entering a field that is complementary to its core services for the business sector. Bezeq is Israel's biggest and most significant player in the domain of communications infrastructures for businesses, and therefore only Bezeq is able to offer storage services to the most advanced standards – in a field where major investments and high-level technological skills are necessary. Bezeq invested around NIS 40 million in the construction of the new facility.

New Landline Phone Plans

Bezeq is in the advanced stages of obtaining approval for a wide range of plans and special offers in the domain of landline telephony – which are intended to enable every customer to put together the package that's right for him and which will reduce his landline phone expenses. Every customer and every family, according to its usage patterns.

Bezeq estimates that the new special offers will be approved in the near future, but it must obtain regulatory approval – before it can announce the new special offers.

Nevertheless, Bezeq is already providing the widest range of landline telephony plans, plans that have become extremely popular in recent years and have already been joined by thousands of customers. The existing plans, such as Free from 7 (free calls in the evenings for a fixed monthly fee), Free on Weekends, My Pair (free calls to two numbers for a fixed monthly fee) – provide unique opportunities for every family to choose the plan that's right for it and to save significant sums of money.

It is also worth noting that the price per call minute at Bezeq has dropped steadily over the past 7 years and the price today is lower than ever before: just 4.7 agorot per minute in the evenings (from 7 PM) and 11.5 agorot per minute in the daytime.