



200k subs for B-digital service

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Six months after the launch –

almost 200,000 subscribers have signed up for B-Digital service

**Bezeq data: Joining B-Digital "diverts" calls from cellular
back to the fixed line**

Since the launch of B-Digital at the beginning of July 2004, almost 200,000 homes have signed up for the service. Bezeq itself has sold about 90,000 phones in BezeqStores, and it is estimated that other dealers have sold about 100,000 more, bringing the total to almost 200,000. This is considerably more than Bezeq's initial projections, which envisaged about 300,000 households signing up in the entire first year.

Equipment manufactures have recently been adapting their handsets to suit Israel's communications network, so that now, the public can choose from more than 15 models of B-Digital handsets from the world's leading manufacturers, such as Siemens, Panasonic, General Electric, Philips, Daewoo and others. The most popular models with consumers are those that support SMS for sending written messages to other B-Digital subscribers and voice messages to Bezeq's regular phones.

Bezeq data show that by joining B-Digital, subscribers can save on their communications costs: a customer who joins the service diverts some of the call traffic from the cellular networks to the Bezeq network, where calls are much cheaper.

Preliminary data indicate an average rise of 10% in calls from digital phones, and it is believed that these are mostly calls "diverted" from cellular phones. The reasons are the ease of use of the B-Digital phone, and its features, such as large memory, caller ID and so on, combined with the lower regular Bezeq price.

Bezeq CEO Amnon Dick said that the improvement in traffic in the Bezeq network and the "diversion" of calls back from the cellular telephone to the fixed line, was and remains a strategic goal of the new service. "It's a brand new telephone service with added value that have given fixed-line telephony a face-lift. This is beginning to look like a success story, just as happened in several European countries. We are delighted with the data," said Dick.

Rami Hazan, VP of Sales and Marketing, added: "We believe that by mid-2005, 80% of all the telephones sold in Israel will be B-Digital. The public understands the dramatic advantage of digital service over the usual cordless phone. For a similar price, the customer gets sophisticated service, giving him smart and easy communication but at Bezeq's prices, which are the lowest of all," said Hazan.