



Bezeq Facts & Figures Q4 & FY 2017

Three months ending December 31, 2017

Index of contents

Sheet I- Financials

Sheet II- Other income / expenses

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

The data in this metrics file contains partial information from the public reports of Bezeq under the Israeli Securities Law for which the Hebrew reports can be accessed at the Israeli Securities Authority's website. The metrics file is a not a substitute for a review of the detailed reports of Bezeq.

Bezeq	(NIS millions, except for EP	FY S) 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Bezeq Gro	up (1)																
Key Income State	ement Metrics																
Revenues	0.00	9,055	2,174	2,603	2,602	2,606	9,985	2,559	2,511	2,510	2,504	10,084	2,453	2,463	2,415	2,458	9,789
	QoQ Char YoY Char		-3.9% -5.9%	19.7% 15.7%	0.0% 16.6%	0.2% 15.2%	10.3%	-1.8% 17.7%	-1.9% -3.5%	0.0% -3.5%	-0.2% -3.9%	1.0%	-2.0% -4.1%	0.4% -1.9%	-1.9% -3.8%	1.8% -1.8%	-2.9%
Depreciation & ar		1,281	317	451	457	459	1,684	449	440	442	408	1,739	428	424	436	427	1,715
Doproolation a ai	QoQ Char		-1.2%	42.3%	1.3%	0.4%	1,004	-2.2%	-2.0%	0.5%	-7.7%	1,700	4.9%	-0.9%	2.8%	-2.1%	.,0
	YoY Char		1.0%	41.4%	39.8%	43.0%	31.5%	41.6%	-2.4%	-3.3%	-11.1%	3.3%	-4.7%	-3.6%	-1.4%	4.7%	-1.4%
Salaries		1,768	439	497	506	515	1,957	513	495	501	503	2,012	504	494	502	505	2,005
	QoQ Char		-0.2%	13.2%	1.8%	1.8%		-0.4%	-3.5%	1.2%	0.4%		0.2%	-2.0%	1.6%	0.6%	
	YoY Char		-2.0%	12.2%	15.8%	17.0%	10.7%	16.9%	-0.4%	-1.0%	-2.3%	2.8%	-1.8%	-0.2%	0.2%	0.4%	-0.3%
Other operating e	expenses (income)	(586)	(17)	(141)	(13)	76	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	96	68
	QoQ Char YoY Char		NM NM	729.4% -75.2%	-90.8% -48.0%	N/M 406.7%	-83.8%	-93.4% N/M	-340.0% -91.5%	116.7% 100.0%	N/M -56.6%	N/M	N/M N/M	-75.0% -91.7%	2200.0% -11.5%	N/M 190.9%	N/M
Operating Profit	TOT Char	3,226	636	794	652	488	2,570	574	616	599	532	2.321	566	573	544	427	2,110
operating riont	QoQ Char		0.5%	24.8%	-17.9%	-25.2%	2,010	17.6%	7.3%	-2.8%	-11.2%	2,02.	6.4%	1.2%	-5.1%	-21.5%	2,110
	YoY Char		-7.6%	-35.7%	-2.8%	-22.9%	-20.3%	-9.7%	-22.4%	-8.1%	9.0%	-9.7%	-1.4%	-7.0%	-9.2%	-19.7%	-9.1%
Finance expenses		130	37	129	100	(3)	263	102	105	104	136	447	101	102	94	120	417
	QoQ Char	ge	117.6%	248.6%	-22.5%	N/M		N/M	2.9%	-1.0%	30.8%		-25.7%	1.0%	-7.8%	27.7%	
	YoY Char	•	-11.9%	303.1%	156.4%	N/M	102.3%	175.7%	-18.6%	4.0%	N/M	70.0%	-1.0%	-2.9%	-9.6%	-11.8%	-6.7%
Income taxes		815	152	183	144	119	598	183	133	99	210	625	113	111	128	101	453
	QoQ Char		-6.2%	20.4%	-21.3%	-17.4%		53.8%	-27.3%	-25.6%	112.1%		-46.2%	-1.8%	15.3%	-21.1%	
Not profit ottribut	YoY Char		-10.6% 463	-41.5% 482	-15.3% 407	-26.5% 369	-26.6% 4 724	20.4% 288	-27.3% 377	-31.3%	76.5% 185	4.5%	-38.3% 350	-16.5% 358	29.3% 322	-51.9% 205	-27.5% 1,235
Net profit attribut	ted to Bezeq shareholders QoQ Char	2,111	4 03 11.3%	402 4.1%	-15.6%	-9.3%	1,721	-22.0%	30.9%	394 4.5%	-53.0%	1,244	89.2%	2.3%	-10.1%	-36.3%	1,233
	YoY Char		1.3%	-40.5%	-15.6% -4.9%	-9.3% -11.3%	-18.5%	-22.0% -37.8%	-21.8%	-3.2%	-49.9%	-27.7%	21.5%	-5.0%	-10.1%	10.8%	-0.7%
Adjusted EBITDA		3,921	936	1,104	1,096	1,023	4,159	1,028	1,044	1,015	973	4,060	990	996	957	950	3,893
,	- QoQ Char	•	-3.4%	17.9%	-0.7%	-6.7%	.,	0.5%	1.6%	-2.8%	-4.1%	.,	1.7%	0.6%	-3.9%	-0.7%	-,
	YoY Char		-5.8%	12.1%	12.6%	5.6%	6.1%	9.8%	-5.4%	-7.4%	-4.9%	-2.4%	-3.7%	-4.6%	-5.7%	-2.4%	-4.1%
EBITDA, reported	d	4,507	953	1,245	1,109	947	4,254	1,023	1,056	1,041	940	4,060	994	997	980	854	3,825
	QoQ Char		-0.1%	30.6%	-10.9%	-14.6%		8.0%	3.2%	-1.4%	-9.7%		5.7%	0.3%	-1.7%	-12.9%	
	YoY Char		-4.9%	-19.8%	11.1%	-0.7%	-5.6%	7.3%	-15.2%	-6.1%	-0.7%	-4.6%	-2.8%	-5.6%	-5.9%	-9.1%	-5.8%
Earnings Per Sha		0.77	0.17	0.17	0.15	0.13 2,764	0.62	0.10	0.14	0.14	0.07	0.45	0.13	0.13	0.12	0.07	0.45
Shares Outstandi	ing - Dilutea						2,763	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
		2,755	2,759	2,759	2,762	2,704											
Intal operating &	eral Expenses						3 869	1 018	972	994	1 028	4 012	959	973	956	1 003	
lotal operating &		3,366	799 -330.3%	1,002 25.4%	1,000 -0.2%	1,068 6.8%	3,869	1,018 -4.7%	972 -4.5%	994 2.3%	1,028 3.4%	4,012	959 -6.7%	973 1.5%	956 -1.7%	1,003 4.9%	3,891
otal operating &	eral Expenses & general expenses	3,366	799	1,002	1,000	1,068	3,869 14.9%					4,012 3.7%					
	eral Expenses & general expenses QoQ Char YoY Char	3,366 ge -5.9% 928	799 -330.3% -34.4% 226	1,002 25.4% -18.1% 205	1,000 -0.2% -21.3% 193	1,068 6.8% -407.8% 256	•	-4.7% 27.4% 216	-4.5% -3.0% 201	2.3% -0.6% 177	3.4% -3.7% 237	Í	-6.7% -5.8% 202	1.5% 0.1% 230	-1.7% -3.8% 181	4.9% -2.4% 242	3,891
	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char	3,366 ge -5.9% 928	799 -330.3% -34.4% 226 -11.0%	1,002 25.4% -18.1% 205 -9.3%	1,000 -0.2% -21.3% 193 -5.9%	1,068 6.8% -407.8% 256 32.6%	14.9% 880	-4.7% 27.4% 216 -15.6%	-4.5% -3.0% 201 -6.9%	2.3% -0.6% 177 -11.9%	3.4% -3.7% 237 33.9%	3.7% 831	-6.7% -5.8% 202 -14.8%	1.5% 0.1% 230 13.9%	-1.7% -3.8% 181 -21.3%	4.9% -2.4% 242 33.7%	3,891 -3.0% 855
Terminal equipmo	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char	3,366 ge -5.9% 928 ge -13.4%	799 -330.3% -34.4% 226 -11.0% -13.7%	1,002 25.4% -18.1% 205 -9.3% -3.3%	1,000 -0.2% -21.3% 193 -5.9% -3.5%	1,068 6.8% -407.8% 256 32.6% 0.8%		-4.7% 27.4% 216 -15.6% -4.4%	-4.5% -3.0% 201 -6.9% -2.0%	2.3% -0.6% 177 -11.9% -8.3%	3.4% -3.7% 237 33.9% -7.4%	3.7% 831 -5.6%	-6.7% -5.8% 202 -14.8% -6.5%	1.5% 0.1% 230 13.9% 14.4%	-1.7% -3.8% 181 -21.3% 2.3%	4.9% -2.4% 242 33.7% 2.1%	3,891 -3.0% 855 2.9%
Terminal equipmo	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators	3,366 ge -5.9% 928 ge -13.4% 847	799 -330.3% -34.4% 226 -11.0% -13.7% 212	1,002 25.4% -18.1% 205 -9.3% -3.3% 241	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236	1,068 6.8% -407.8% 256 32.6% 0.8% 220	14.9% 880	-4.7% 27.4% 216 -15.6% -4.4% 212	-4.5% -3.0% 201 -6.9% -2.0% 211	2.3% -0.6% 177 -11.9% -8.3% 211	3.4% -3.7% 237 33.9% -7.4% 191	3.7% 831	-6.7% -5.8% 202 -14.8% -6.5% 196	1.5% 0.1% 230 13.9% 14.4% 206	-1.7% -3.8% 181 -21.3% 2.3% 201	4.9% -2.4% 242 33.7% 2.1% 202	3,891 -3.0% 855
Terminal equipmo	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char	3,366 ge -5.9% 928 ge -13.4% 847	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8%	14.9% 880 -5.2% 909	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5%	3.7% 831 -5.6% 825	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6%	1.5% 0.1% 230 13.9% 14.4% 206 5.1%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4%	4.9% -2.4% 242 33.7% 2.1% 202 0.5%	3,891 -3.0% 855 2.9% 805
Terminal equipmo	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4%	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8%	14.9% 880 -5.2% 909	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2%	3.7% 831 -5.6% 825 -9.2%	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7%	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8%	3,891 -3.0% 855 2.9% 805
Terminal equipmo	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8%	14.9% 880 -5.2% 909	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5%	3.7% 831 -5.6% 825	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6%	1.5% 0.1% 230 13.9% 14.4% 206 5.1%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4%	4.9% -2.4% 242 33.7% 2.1% 202 0.5%	3,891 -3.0% 855 2.9% 805
Terminal equipment of but the second of but the	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char QoQ Char QoQ Char AyoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 ge 5.3%	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9% 150 -8.5% -3.8%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 156 4.0% 0.0%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.55% -9.1%	14.9% 880 -5.2% 909 7.3% 616 -3.6%	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0%	3.7% 831 -5.6% 825 -9.2% 605 -1.8%	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7%	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5%
Terminal equipmonder & particular particular and the management of	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char evilldings and sites QoQ Char YoY Char eral	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 639 603	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9% 150 -8.5% -3.8% 129	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 156 4.0% 0.0% 160	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1%	14.9% 880 -5.2% 909 7.3% 616	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172	3.7% 831 -5.6% 825 -9.2% 605	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158	3,891 -3.0% 855 2.9% 805 -2.4% 584
Terminal equipment of b	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char evaluation of the components of the compon	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 603	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9% 150 -8.5% -3.8% 129 -11.0%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 156 4.0% 160 24.0%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1% 187	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9%	-1.7% -3.8% 181 -21.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7%	4.9% -2.4% 242 33.7% 2.11% 202 0.55% 5.8% 147 -3.3% -5.2% 158 -0.6%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5%
Terminal equipmonder to particular the particular t	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char eral QoQ Char YoY Char	3,366 928 928 999 -13.4% 847 99 -6.4% 639 99 5.3% 603	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 150 -8.5% -3.8% 129 -11.0% -15.7%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 156 4.0% 0.0% 160 24.0% 4.6%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% -1.264 2.5% 7.9%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1% 187 14.0% 29.0%	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 37.2%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1% 5.0%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3% -18.6%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9% -20.2%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -11.7%	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.1%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595
Terminal equipmonder to particular the particular t	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char evaluation of the components of the compon	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 ge 5.3% 603 ge 7.1%	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9% 150 -8.5% -3.8% 129 -11.0%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 156 4.0% 160 24.0%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1% 187	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9%	-1.7% -3.8% 181 -21.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7%	4.9% -2.4% 242 33.7% 2.11% 202 0.55% 5.8% 147 -3.3% -5.2% 158 -0.6%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5%
Terminal equipmonder to particular the particular t	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char QoQ Char AyoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char QoQ Char YoY Char eral QoQ Char YoY Char intenance by sub-contractors	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 ge 5.3% 603	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 150 -8.5% -3.8% 129 -11.0% -15.7% 34	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 156 4.0% 0.0% 160 24.0% 4.6% 55	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5% 7.9%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1% 187 14.0% 29.0% 58	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 37.2% 63	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1% 5.0% 61	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1% 9.8% 68	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0% 69	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3% -18.6% 67	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9% -20.2% 64	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -11.7% 67	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.1% -62	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595
Terminal equipmonder to particular the particular t	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char eral QoQ Char YoY Char intenance by sub-contractors QoQ Char YoY Char ance	3,366 928 928 999 -13.4% 847 99 -6.4% 639 99 -5.3% 603 99 -7.1% 137	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 150 -8.5% -3.8% 129 -11.0% -15.7% 34 41.7% -15.0% 35	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 156 4.0% 0.0% 160 24.0% 4.6% 55 61.8% 44.7%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% -1.2% 52.5% 7.9% 52.5% 48.6% 47	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 149 -7.5% -9.1% 187 14.0% 29.0% 58 11.5% 44	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640 6.1% 199	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 37.2% 63 8.6% 85.3% 42	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1% 5.0% 61 -3.2% 10.9%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1% 9.8% 68 11.5% 30.8% 42	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0% 69 1.5% 19.0% 41	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697 8.9% 261	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% -4.5% -4.5% 144 -16.3% -72.9% 633% 42	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9% -20.2% 64 -4.5% 4.9% 39	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -11.7% 67 4./% -1.5% 38	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.1% 62 -7.5% 37	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595
Terminal equipment and particular that particu	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char AyoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char eral QoQ Char YoY Char intenance by sub-contractors QoQ Char YoY Char ance QoQ Char	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 ge 5.3% 603 ge 7.1% 137 ge -15.4%	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 150 -8.5% -3.8% 129 -11.0% -15.7% 34 -41.7% -15.0% -35 -10.3%	1,002 25.4% -18.1% 205 -9.3% -3.3% -3.3% 15.9% 156 4.0% 0.0% 160 24.0% 4.6% 55 61.8% 44.7%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5% 7.9% 52 -5.5% 48.6% 47	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 149 -7.5% -9.1% 187 14.0% 58 11.5% 14.1.7% 44 -6.4%	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640 6.1% 199 45.3% 167	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 37.2% 63 8.6% 85.3% 42 -4.5%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% -145 -5.8% -7.1% 168 -5.1% 5.0% 61 -3.2% 10.9% 39 -7.1%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1% 9.8% 68 11.5% 30.8% 42 7.7%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0% 69 1.5% 19.0% 41 -2.4%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697 8.9% 261 31.2% 164	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3% -18.6% 67 -2.9% 6.3% 42 2.4%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% -4.8% 134 -6.9% -20.2% 64 -4.5% 4.9% 39 -7.1%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -11.7% 67 4.7% -1.5% 38 -2.6%	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.1% 62 -7.5% -10.1% 37 -2.6%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595 -14.6% 260 -0.4%
Terminal equipment of the Maintenance of book Marketing & geneen Services and maintena	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char YoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char eral QoQ Char YoY Char intenance by sub-contractors QoQ Char YoY Char ance	3,366 ge -5.9% 928 ge -13.4% 847 ge -6.4% 639 ge 5.3% 603 137 ge -15.4% 154 ge 1.3%	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 2.9% 150 -8.5% -3.8% 129 -11.0% -15.7% -15.0% 35 -10.3% -5.4%	1,002 25.4% -18.1% 205 -9.3% -3.3% 241 13.7% 15.9% 160 24.0% 4.6% 4.6% 44.7% 41 17.1% 2.5%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5% 7.9% 48.6% 47 14.6% 23.7%	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 2.8% 149 -7.5% -9.1% 187 14.0% 29.0% 58 11.5% 141.7% 44 -6.4% 12.8%	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640 6.1% 199 45.3% 167	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 63 8.6% 85.3% 42 -4.5% 20.0%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% 145 -5.8% -7.1% 168 -5.1% 5.0% 61 -3.2% 10.9% 39 -7.1% -4.9%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1% 9.8% 68 11.5% 30.8% 42 7.7% -10.6%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0% 69 1.5% 19.0% 41 -2.4% -6.8%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697 8.9% 261 31.2% 164 -1.8%	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3% -18.6% 67 -2.9% 6.3% 42 2.4% 0.0%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% 138 -6.1% -4.8% 134 -6.9% -20.2% 64 -4.5% 4.9% 39 -7.1% 0.0%	-1.7% -3.8% 181 -21.3% 2.01 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -1.5% 67 4.7% -1.59% 38 -2.6% -9.5%	4.9% -2.4% 242 33.7% 2.11% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.11% 62 -7.5% -10.11% 37 -2.6% -9.8%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595 -14.6% 260 -0.4% 156
Terminal equipment and particular that the par	eral Expenses A general expenses QoQ Char YoY Char ent & materials QoQ Char AyoY Char ayments to telecom operators QoQ Char YoY Char buildings and sites QoQ Char YoY Char eral QoQ Char YoY Char intenance by sub-contractors QoQ Char YoY Char ance QoQ Char	3,366 928 928 929 -13.4% 847 96 -6.4% 639 96 5.3% 603 96 7.1% 137 96 -15.4% 154 96 1.3% 58	799 -330.3% -34.4% 226 -11.0% -13.7% 212 -0.9% 150 -8.5% -3.8% 129 -11.0% -15.7% 34 -41.7% -15.0% -35 -10.3%	1,002 25.4% -18.1% 205 -9.3% -3.3% -3.3% 15.9% 156 4.0% 0.0% 160 24.0% 4.6% 55 61.8% 44.7%	1,000 -0.2% -21.3% 193 -5.9% -3.5% 236 -2.1% 7.8% 161 3.2% -1.2% 164 2.5% 7.9% 52 -5.5% 48.6% 47	1,068 6.8% -407.8% 256 32.6% 0.8% 220 -6.8% 149 -7.5% -9.1% 187 14.0% 58 11.5% 14.1.7% 44 -6.4%	14.9% 880 -5.2% 909 7.3% 616 -3.6% 640 6.1% 199 45.3% 167	-4.7% 27.4% 216 -15.6% -4.4% 212 -3.6% 0.0% 154 3.4% 2.7% 177 -5.3% 37.2% 63 8.6% 85.3% 42 -4.5%	-4.5% -3.0% 201 -6.9% -2.0% 211 -0.5% -12.4% -145 -5.8% -7.1% 168 -5.1% 5.0% 61 -3.2% 10.9% 39 -7.1%	2.3% -0.6% 177 -11.9% -8.3% 211 0.0% -10.6% 151 4.1% -6.2% 180 7.1% 9.8% 68 11.5% 30.8% 42 7.7%	3.4% -3.7% 237 33.9% -7.4% 191 -9.5% -13.2% -13.2% 155 2.6% 4.0% 172 -4.4% -8.0% 69 1.5% 19.0% 41 -2.4%	3.7% 831 -5.6% 825 -9.2% 605 -1.8% 697 8.9% 261 31.2% 164	-6.7% -5.8% 202 -14.8% -6.5% 196 2.6% -7.5% 147 -5.2% -4.5% 144 -16.3% -18.6% 67 -2.9% 6.3% 42 2.4%	1.5% 0.1% 230 13.9% 14.4% 206 5.1% -2.4% -4.8% 134 -6.9% -20.2% 64 -4.5% 4.9% 39 -7.1%	-1.7% -3.8% 181 -21.3% 2.3% 201 -2.4% -4.7% 152 10.1% 0.7% 159 18.7% -11.7% 67 4.7% -1.5% 38 -2.6%	4.9% -2.4% 242 33.7% 2.1% 202 0.5% 5.8% 147 -3.3% -5.2% 158 -0.6% -8.1% 62 -7.5% -10.1% 37 -2.6%	3,891 -3.0% 855 2.9% 805 -2.4% 584 -3.5% 595 -14.6% 260 -0.4%

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.

Bezeq (NIS millions, except for EPS)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Bezeq Group (cont'd)																
Key Cash Flow Metrics																
Operating cash flow	3,796	961	840	1,050	889	3,740	922	870	902	832	3,526	826	875	982	842	3,525
QoQ Change		30.0%	-12.6%	25.0%	-15.3%		3.7%	-5.6%	3.7%	-7.8%		-0.7%	5.9%	12.2%	-14.3%	
YoY Change	-8.6%	-7.9%	-21.1%	10.5%	20.3%	-1.5%	-4.1%	3.6%	-14.1%	-6.4%	-5.7%	-10.4%	0.6%	8.9%	1.2%	0.0
Capital expenditures, gross (cash flow)	1,275	368	511	427	329	1,635	345	387	349	335	1,416	380	406	353	391	1,53
QoQ Change		16.8%	38.9%	-16.4%	-23.0%		4.9%	12.2%	-9.8%	-4.0%		13.4%	6.8%	-13.1%	10.8%	
YoY Change	3.8%	16.8%	58.2%	32.6%	4.4%	28.2%	-6.3%	-24.3%	-18.3%	1.8%	-13.4%	10.1%	4.9%	1.1%	16.7%	8.1
Proceeds from sale of assets	230	13	84	22	32	151	42	56	24	16	138	10	18	48	22	9
QoQ Change		-84.3%	546.2%	-73.8%	45.5%		31.3%	33.3%	-57.1%	-33.3%		-37.5%	80.0%	166.7%	-54.2%	
YoY Change	-26.3%	-55.2%	82.6%	-69.4%	-61.4%	-34.3%	223.1%	-33.3%	9.1%	-50.0%	-8.6%	-76.2%	-67.9%	100.0%	37.5%	-29.0
Capital expenditures, net	1,045	355	427	405	297	1,484	303	331	325	319	1,278	370	388	305	369	1,43
QoQ Change		53.0%	20.3%	-5.2%	-26.7%		2.0%	9.2%	-1.8%	-1.8%		16.0%	4.9%	-21.4%	21.0%	
YoY Change	14.1%	24.1%	54.2%	62.0%	28.0%	42.0%	-14.6%	-22.5%	-19.8%	7.4%	-13.9%	22.1%	17.2%	-6.2%	15.7%	12.1
Free cash flow	2,751	606	413	645	592	2,256	619	539	577	513	2,248	456	487	677	473	2,09
QoQ Change		19.5%	-31.8%	56.2%	-8.2%		4.6%	-12.9%	7.1%	-11.1%		-11.1%	6.8%	39.0%	-30.1%	
YoY Change	-15.0%	-19.9%	-47.5%	-7.9%	16.8%	-18.0%	2.1%	30.5%	-10.5%	-13.3%	-0.4%	-26.3%	-9.6%	17.3%	-7.8%	-6.99
Working Capital					400		(4.0)			(4.0)	400	(=)		405		4.0
Change in trade & other receivables	549	84	61	51	126	322	(12)	75	53	(10)	106	(7)	23	105	72	19
Change in inventory	28	9	(9)	6	(26)	(20)	(9)	14	2	(27)	(20)	(20)	8	2	(25)	(3
Change in trade & other payables	(39)	(45)	(150)	21	(97)	(271)	39	(137)	(12)	86	(24)	(24)	(15)	103	(54)	1
Change in provisions	(63)	3	6	(3)	12	18	(12)	3	(3)	(7)	(19)	1	(2)	16	0	1
Change in employee benefits	3	4	(3)	(1)	110	110	1	(9)	(92)	35	(65)	(6)	9	(65)	29	(3:
Change in other liabilities (incl broadcasting																
rights)	4	(1)	(15)	8	(1)	(9)	(3)	(5)	16	15	23	(9)	(25)	4	(4)	(34
Total changes in assets and liabilities	482	54	(110)	82	124	150	4	(59)	(36)	92	1	(65)	(2)	165	18	11
Income tax paid, net	527	53	154	130	125	462	105	100	92	158	455	106	122	118	100	44
Interest paid	431	20	223	41	210	494	32	192	32	202	458	22	177	18	198	41

N/A N/A N/A	2015 N/A	2015	2015	2015	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017	
N/A	N/A														2017
N/A	N/A														
N/A	N/A														
		N/A	N/A	N/A	555	1,221	1,338	938	648	648	792	1,854	2,471	2,181	2,181
N/A	N/A	N/A	N/A	N/A	762	556	912	908	586	586	578	19	94	289	289
	N/A	N/A	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
N/A	N/A	N/A	N/A	N/A	269	299	205	191	219	219	332	347	294	270	270
						-				-					43
N/A	N/A	N/A	N/A	N/A											125
					,			,		,	-, -	- /-	•	,	4,823
															493
															454
						•	•	•		•		,	•		6,798
						•	•	•		•	•	•	•		2,768
							•						•		1,019
ents N/A	N/A	N/A	N/A	N/A											494
										- '					12,026
					-,	,	, -	,	- /-	-	-, -	- 7	-	- 7	16,849
						,	,	,	,	,	,			,	1,632
						•	,	•	,	•	,	,	,		1,699
N/A	N/A	N/A	N/A	N/A								112	118	152	152
N/A	N/A	N/A	N/A	N/A				•				-	-	-	-
N/A	N/A	N/A	N/A	N/A			370					318	251	280	280
N/A	N/A	N/A	N/A	N/A	100	88	90	87	80	80	81	79	94	94	94
N/A	N/A	N/A	N/A	N/A	-		-	665	-	-	-	-	708	-	
						5,212	4,830	4,943	3,966	3,966	3,806	3,075	3,533	3,857	3,857
N/A	N/A	N/A	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
N/A	N/A	N/A	N/A	N/A	240	238	239	237	258	258	260	259	260	272	272
N/A	N/A	N/A	N/A	N/A	226	262	252	257	244	244	250	251	292	234	234
N/A	N/A	N/A	N/A	N/A	51	50	75	81	101	101	103	99	104	73	73
N/A	N/A	N/A	N/A	N/A	46	46	46	47	47	47	47	48	48	40	40
					9,363	9,128	10,158	9,733	9,778	9,778	9,769	11,218	11,682	10,848	10,848
					2,411	2,693	2,299	2,027	2,203	2,203	2,559	2,325	1,927	2,144	2,144
10.087	11 012	11 369	11 077	10 713	10 713	10 605	11 504	11 2/6	10 053	10 053	10 703	11 510	11 533	11 961	11,861
-,	,-	,	, -	-, -	-,	.,	,	, -	-,	.,	-,	,		,	9,391
, -	•	•	,			-,	,	-,			,	•			,
1.60	1.84	2.30	2.09	2.21	2.21	2.04	2.24	2.31	2.39	2.39	2.32	2.43	2.29	2.46	2.46
35.6%	29.3%	30.5%	25.1%	18.7%	25.7%	22.4%	24.5%	23.9%	21.2%	23.0%	23.1%	23.3%	22.5%	17.4%	21.6%
															12.6%
															39.1% 15.6%
	N/A	N/A	N/A N/	N/A	N/A	N/A N/A N/A N/A N/A N/A N/A 115 3,759 N/A N/A N/A N/A N/A N/A N/A 674 N/A N/A N/A N/A N/A N/A 1456 N/A N/A N/A N/A N/A N/A N/A 6,894 N/A N/A N/A N/A N/A N/A N/A 1,178 N/A N/A N/A N/A N/A N/A N/A 1,657 N/A N/A N/A N/A N/A N/A N/A 1,657 N/A N/A N/A N/A N/A N/A N/A 1,657 N/A N/A N/A N/A N/A N/A N/A 378 N/A N/A N/A N/A N/A N/A N/A 100 N/A N/A N/A N/A N/A N/A N/A 226 N/A N/A N/A N/A N/A N/A N/A 51 N/A N/A N/A N/A N/A N/A N/A 624 N/A N/A N/A N/A N/A N/A N/A 51 N/A N/A N/A N/A N/A N/A N/A 10,713 7,204 8,203 9,543 8,921 9,396 9,396 1.60 1.84 2.30 2.09 2.21 2.21	N/A N/A N/A N/A N/A N/A N/A 115 123 N/A N/A N/A N/A N/A N/A N/A 115 123 N/A N/A N/A N/A N/A N/A 674 662 N/A N/A N/A N/A N/A N/A 456 456 N/A N/A N/A N/A N/A N/A N/A 6,894 6,902 N/A N/A N/A N/A N/A N/A N/A 3,332 3,260 N/A N/A N/A N/A N/A N/A N/A 1,178 1,105 N/A N/A N/A N/A N/A N/A N/A 1,178 1,105 N/A N/A N/A N/A N/A N/A N/A 1,657 17,033 N/A N/A N/A N/A N/A N/A N/A 1,657 1,843 N/A N/A N/A N/A N/A N/A N/A 1,657 1,843 N/A N/A N/A N/A N/A N/A N/A 624 622 N/A N/A N/A N/A N/A N/A N/A 378 380 N/A N/A N/A N/A N/A N/A N/A 378 380 N/A N/A N/A N/A N/A N/A N/A 100 88 N/A N/A N/A N/A N/A N/A N/A 100 88 N/A N/A N/A N/A N/A N/A N/A 100 88 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 378 380 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 226 262 N/A N/A N/A N/A N/A N/A N/A 351 50 N/A N/A N/A N/A N/A N/A N/A 353 3,128 N/A N/A N/A N/A N/A N/A N/A 368 3,363 3,212 10,087 11,912 11,368 11,077 10,713 10,713 10,605 7,204 8,203 9,543 8,921 9,396 9,396 8,828 1.60 1.84 2.30 2.09 2.21 2.21 2.04 35.6% 29.3% 30.5% 25.1% 18.7% 25.7% 22.4% 23.3% 21.3% 18.5% 15.6% 14.2% 17.2% 11.3% 49.8% 43.8% 47.8% 42.6% 36.3% 42.6% 40.0% 40.0% 42.6% 40.0%	N/A	N/A	N/A	N/A N/A N/A N/A N/A N/A N/A 115 123 109 96 106 106	N/A N/A N/A N/A N/A N/A N/A N/A 115 12 129 29 1 106 114 N/A N/A N/A N/A N/A N/A 115 123 109 96 106 106 114	NA	NA	NA

	8		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Common Statement Metrics (Reversel Services)	Bezeq (NIS millions, exce	ept for EPS)																2017
Common Statement Metrics Revenues	Bezeg Fixed-Line																	
Display Disp	•	nues)																
Telephony 3.6% 3.1% 2.0% 2.7% 0.2% 2.7% 0.2% 2.7% 0.2%	Total Revenues		4,317					4,407		1,100			4,383		-	-		4,244
Telephony 1,668 381 375 373 370 1,499 359 351 35			-3.6%					2 1%					-0.5%					-3.2
Broachand Internet Broach	Telephony	101 Change																1,28
Broadband internet	. e.epey	QoQ Change	.,000					1,100					.,002					.,_0
Transmission & data 1,022 255 203 2.56 2.06 2	.	YoY Change																-8.0
Transmission & data	Broadband Internet	Oco Changa	1,394					1,450					1,500					1,54
Cloud & digital services			8.3%					4.0%					3.4%					2.9
Cloud & digital services No / Clearge 1.2% 2.3% 2.	Transmission & data		1,022	265	263	265	260	1,053	271	268	258	272	1,069	250	245	244	236	97
Cloud & digital services		-																
October 10 10 10 10 10 10 10 10 10 10 10 10 10	Cloud 9 digital convices	YoY Change																-8.8 23
Cher	Cloud & digital services	OoO Change	IVA	48				164					203					23
Other One Order (1988) Order		-			10.770	7.070	3.070						10.3%					13.3
Revenues from Residential Customers 2,498 NA NA NA NA NA NA NA N	Other		233	61	58	54	48	221				45						21
Revenues from Residential Customers			4.20/					E 20/					0.00/					2.2
Revenues from Business Customers 1,819	Payonues from Posidential Customer																	-2.3 2,23
May				IVA	IVA	IVA	IVA		IVA	IVA	IVA	IVA		IVA	IVA	IVA	IVA	52.6
May Company		t total revenues		N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	2,01 3
Depreciation & amortization Good Change		total foronacc	12.170					10.170					10.070					77.1
Salaries 975 Change 875 227 226 232 227 912 230 217 225 226 888 224 220 224 223 227 915 230 217 225 226 288 224 220 224 223 227 230 217 225 226 288 224 220 224 223 227 230 237 225 226 238 224 220 224 223 227 230 237 225 226 238 234 220 224 223 227 230 237 235			688					725					717					72
Salaries			0.7%					5.4%					-1 10/					1.5
Och Change (noome) Other operating expenses (income) Och Change (70 Change (7	Salaries	101 Change																89
Och Change Yor Change				4.6%		2.7%	-2.2%		1.3%	-5.7%	3.7%	0.4%		-0.9%	-1.8%	1.8%	-0.4%	
Operating profit Note	Other enerating expenses (income)	YoY Change																-0.8 (2 :
Operating profit Operating profit operating profit operating profit	Other operating expenses (income)	QoQ Change	(23)					(99)					(13)				-	(2.
Coo Change																		76.9
Finance expenses (income), net CoO Change CoO Change	Operating profit	0.00	1,980					2,148					2,076					1,97
Finance expenses (income), net Oco Change Yo' Change Por Change Po		-	-0.0%					g 5%					-3 10/					-5.1
Coo' Change	Finance expenses (income), net	101 Change																40
Income taxes A78	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			-7.4%	33.3%	38.0%	-86.2%		431.6%	4.0%	-11.4%	57.0%		-37.0%	-10.9%	30.5%	14.0%	
Net profit (1) 16.6% 16.6% 1.00 16.6% 1.00 16.6% 1.00 16.6% 1.00 1.00 16.6% 1.00	Income taxes	YoY Change																-9.4 39
Net profit (f)	moomo taxoo	QoQ Change	470	14//1	7471	1071	74/7	402					000					00
Capital expenditures, gross (cash flow Capital expenditures, net Capi	Not mustit (1)	YoY Change		240	202	250	240		220	220	242	225						-0.8
Adjusted EBITDA Adjusted EBITDA Cool Change Cool Cha	Net profit "	QoQ Change	1,102					1,324					1,232					1,17
Capital expenditures, gross (cash flow) Roy Change Capital expenditures, gross (cash flow) Roy Change Capital expenditures, net Ca				17.3%	52.2%	-2.7%	16.0%		-5.2%	-14.7%	34.0%	-30.9%		-2.7%	-2.8%	-19.5%	10.6%	-4.9
EBITDA, reported 2,668 723 842 696 612 2,873 719 725 707 642 2,793 693 673 678 655 QOQ Change YoY Change -0.5% 7.6% 30.9% 30.0% -9.6% 7.7% -0.6% -13.9% 1.6% 4.9% -2.8% -3.6% -7.2% -4.1% 2.0% -2.0% -3.6% -7.2% -4.1% 2.0% -2.0% -3.6% -7.2% -4.1% 2.0% -1.0% -1.0.0%	Adjusted EBITDA	OoO Chango	2,645					2,774					2,780					2,67
Capital expenditures, gross (cash flow Capital expenditures, net Capital expendi			1.6%					4.9%					0.2%					-3.7
Key Cash Flow Metrics Coperating cash flow 2,259 548 456 688 668 2,358 539 517 526 482 2,064 600 465 573 587 Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 Capital expenditures, net <td< td=""><td>EBITDA, reported</td><td>-</td><td></td><td>723</td><td>842</td><td>696</td><td>612</td><td></td><td>719</td><td></td><td>707</td><td>642</td><td></td><td>693</td><td>673</td><td>678</td><td>655</td><td>2,69</td></td<>	EBITDA, reported	-		723	842	696	612		719		707	642		693	673	678	655	2,69
Capital expenditures, gross (cash flow YoY Change 4.2% 10.0% -7.7% 9.5% 1.0% 3.3% -15.6% 1.0% 1.5% 1.0%			-0.5%					7 7%					-2.8%					-3.4
Operating cash flow 2,259 548 456 686 668 2,358 539 517 526 482 2,064 600 465 573 587 YoY Change YoY Change Part In Section 1 -0.7% -11.0% 50.4% -2.6% -19.3% -4.1% 1.7% -8.4% -12.5% 11.3% -12.5% 11.3% -10.1% 8.9% 21.8% Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 QoQ Change Yor Ch	Key Cash Flow Metrics		0.078	7.070	33.070	3.070	5.070	1.170	0.070	.5.570	1.070	4.070	2.070	0.078	1.270	7.170	2.070	5.4
YoY Change -0.7% -11.0% -16.3% 14.5% 33.9% 4.4% -1.6% 13.4% -23.3% -27.8% -12.5% 11.3% -10.1% 8.9% 21.8% Capital expenditures, gross (cash flow) 822 231 191 230 197 849 195 227 207 205 834 210 219 170 226 QoQ Change YoY Change 4.2% 10.0% -7.7% 9.5% 1.0% 3.3% -15.6% 18.8% -1.0% -1.0% 2.4% 4.3% -22.4% 32.9% Capital expenditures, net 601 219 111 209 164 703 154 173 185 190 702 200 203 124 204 Capital expenditures, net QoQ Change 93.8% -49.3% 88.3% -21.5% -6.1% 12.3% 6.9% 2.7% 5.3% 1.5% -38.9% 64.5% Free cash flow 1,658 329 345 477		0.05:	2,259					2,358					2,064					2,225
Capital expenditures, gross (cash flow) Record Representatives, gross (cash flow) Record Rec			-0.7%					4.4%					-12.5%					7.8
QoQ Change YoY Change 4.2% 10.0% -7.7% 9.5% 1.0% 3.3% -15.6% 18.8% -10.0% 4.1% -1.8% 7.7% -3.5% -17.9% 10.2% Capital expenditures, net QoQ Change QoQ Change 23.9% -49.3% 88.3% -21.5% -6.1% 12.3% 6.9% 2.7% 5.9% 1.5% -38.9% 64.5% Free cash flow QoQ Change 1,658 329 345 477 504 1,655 385 344 341 292 1,362 400 262 449 38.8% -14.7%	Capital expenditures, gross (cash flo	-																82
Capital expenditures, net G01 219 111 209 164 703 154 173 185 190 702 200 203 124 204		QoQ Change		18.5%	-17.3%	20.4%	-14.3%			16.4%	-8.8%	-1.0%		2.4%	4.3%		32.9%	
QoQ Change 93.8% -49.3% 88.3% -21.5% -6.1% 12.3% 6.9% 2.7% 5.3% 1.5% -38.9% 64.5% YoY Change 23.9% -22.7% 48.2% 45.1% 17.0% -29.7% 55.9% -11.5% 1.59 -0.1% 29.9% 17.3% -33.0% 7.4% Free cash flow 1,658 329 345 477 504 1,655 385 344 341 292 1,362 400 262 449 38 QoQ Change -14.8% 4.9% 38.3% 5.7% -23.6% -10.6% -0.9% -14.4% 37.0% -34.5% 71.4% -14.7%	Canital avnanditures not	YoY Change																-1.1
YoY Change 23.9% 20.3% -32.7% 48.2% 45.1% 17.0% -29.7% 55.9% -11.5% 15.9% -0.1% 29.9% 17.3% -33.0% 7.4% Free cash flow 1,658 329 345 477 504 1,655 385 344 341 292 1,362 400 262 449 383 QoQ Change -14.8% 4.9% 38.3% 5.7% -23.6% -10.6% -0.9% -14.4% 37.0% -34.5% 71.4% -14.7%	Capital expenditures, net	OoO Chango	601					703					702					73
Free cash flow 1,658 329 345 477 504 1,655 385 344 341 292 1,362 400 262 449 383 QoQ Change -14.8% 4.9% 38.3% 5.7% -23.6% -10.6% -0.9% -14.4% 37.0% -34.5% 71.4% -14.7%			23.9%					17.0%					-0.1%					4.1
	Free cash flow	-		329	345	477	504		385	344	341	292		400	262	449	383	1,49
			-7.3%					-0.2%					-17.7%					9.79
		- · - · · · · · · · · · · · · · · · · ·		/0				/0		/0	70	/0	,0	/0		/9		217

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

Bezeg		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	ons, except for EPS)	2014	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017
Bezeq Fixed-Line	(cont'd)																
Operating & general expense	es																
Total general & operating exp	penses	777	180	176	186	179	721	172	170	183	180	705	165	166	183	163	677
	QoQ Change		-8.2%	-2.2%	5.7%	-3.8%		-3.9%	-1.2%	7.6%	-1.6%		-8.3%	0.6%	10.2%	-10.9%	
	YoY Change	-13.2%	-5.3%	-6.4%	-8.4%	-8.7%	-7.2%	-4.4%	-3.4%	-1.6%	0.6%	-2.2%	-4.1%	-2.4%	0.0%	-9.4%	-4.0%
Maintenance of buildings and	d sites	217	51	47	54	50	202	49	46	49	45	189	47	45	49	44	185
	QoQ Change		-1.9%	-7.8%	14.9%	-7.4%		-2.0%	-6.1%	6.5%	-8.2%		4.4%	-4.3%	8.9%	-10.2%	
	YoY Change	-6.9%	-7.3%	-11.3%	-5.3%	-3.8%	-6.9%	-3.9%	-2.1%	-9.3%	-10.0%	-6.4%	-4.1%	-2.2%	0.0%	-2.2%	-2.1%
nterconnect & payments to t	telecom operators	161	38	37	35	35	145	34	33	34	29	130	31	29	31	27	118
	QoQ Change		0.0%	-2.6%	-5.4%	0.0%		-2.9%	-2.9%	3.0%	-14.7%		6.9%	-6.5%	6.9%	-12.9%	
	YoY Change	-26.8%	-9.5%	-5.1%	-16.7%	-7.9%	-9.9%	-10.5%	-10.8%	-2.9%	-17.1%	-10.3%	-8.8%	-12.1%	-8.8%	-6.9%	-9.2%
Marketing & general		213	47	48	49	44	188	43	44	55	53	195	42	44	54	48	188
	QoQ Change		-13.0%	2.1%	2.1%	-10.2%		-2.3%	2.3%	25.0%	-3.6%		-20.8%	4.8%	22.7%	-11.1%	
	YoY Change	14.5%	-2.1%	-7.7%	-16.9%	-18.5%	-11.7%	-8.5%	-8.3%	12.2%	20.5%	3.7%	-2.3%	0.0%	-1.8%	-9.4%	-3.6%
Terminal equipment & materi	ials	49	11	11	10	16	48	12	12	11	12	47	10	12	12	10	44
	QoQ Change		-31.3%	0.0%	-9.1%	60.0%		-25.0%	0.0%	-8.3%	9.1%		-16.7%	20.0%	0.0%	-16.7%	
	YoY Change	-45.6%	-8.3%	10.0%	-9.1%	0.0%	-2.0%	9.1%	9.1%	10.0%	-25.0%	-2.1%	-16.7%	0.0%	9.1%	-16.7%	-6.4%
Services and maintenance by	y sub-contractors	61	16	14	17	13	60	17	17	16	22	72	17	19	19	18	73
	QoQ Change		0.0%	-12.5%	21.4%	-23.5%		30.8%	0.0%	-5.9%	37.5%		-22.7%	11.8%	0.0%	-5.3%	
	YoY Change	-4.7%	0.0%	-6.7%	21.4%	-18.8%	-1.6%	6.3%	21.4%	-5.9%	69.2%	20.0%	0.0%	11.8%	18.8%	-18.2%	1.4%
Vehicle maintenance		76	17	19	21	21	78	17	18	18	19	72	18	17	18	16	69
	QoQ Change		-15.0%	11.8%	10.5%	0.0%		-19.0%	5.9%	0.0%	5.6%		-5.3%	-5.6%	5.9%	-11.1%	
	YoY Change	0.0%	0.0%	0.0%	5.0%	5.0%	2.6%	0.0%	-5.3%	-14.3%	-9.5%	-7.7%	5.9%	-5.6%	0.0%	-15.8%	-4.2%
Ratios					1.5 = 5/			10.00/									
Operating margin		45.9%	49.1%	59.9%	46.5%	39.2%	48.7%	48.2%	49.1%	47.7%	44.5%	47.4%	47.6%	46.9%	46.4%	44.9%	46.4%
Net margin		25.5%	31.1%	34.6%	23.3%	31.3%	30.0%	29.5%	29.6%	31.5%	21.7%	28.1%	29.6%	30.0%	26.0%	24.8%	27.6%
EBITDA margin Capex/Sales		61.8% 19.0%	65.0% 20.8%	76.2% 17.3%	63.2% 20.9%	56.3% 18.1%	65.2% 19.3%	64.7% 17.5%	65.9% 20.6%	64.9% 19.0%	59.3% 18.9%	63.7% 19.0%	64.3% 19.5%	63.6% 20.7%	63.9% 16.0%	62.6% 21.6%	63.6% 19.4%

Bezeq	(NIS millions, except for EPS)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Pelephone																	
	tement Metrics (Revenues)																
Total Revenues		3,419	727	721	729	713	2,890	671	658	649	652	2,630	628	632	635	651	2,546
	QoQ Change	10.20/	-12.9%	-0.8%	1.1%	-2.2% -14.6%	4E E0/	-5.9%	-1.9%	-1.4%	0.5%	0.00/	-3.7%	0.6%	0.5%	2.5% -0.2%	-3.2%
Service Revenu	YoY Change	-10.2% 2,453	-20.7% 499	-14.5% 502	-11.5% 521	477	-15.5% 1,999	-7.7% 455	-8.7% 456	-11.0% 468	-8.6% 439	-9.0% 1,818	-6.4% 435	-4.0% 449	-2.2% 461	437	1,782
Service Revenu	QoQ Change	2,433	-14.6%	0.6%	3.8%	-8.4%	1,333	-4.6%	0.2%	2.6%	-6.2%	1,010	-0.9%	3.2%	2.7%	-5.2%	1,702
	YoY Change	-12.6%	-21.7%	-19.3%	-14.6%	-18.3%	-18.5%	-8.8%	-9.2%	-10.2%	-8.0%	-9.1%	-4.4%	-1.5%	-1.5%	-0.5%	-2.0%
Equipment Rev		966	228	219	208	236	891	216	202	181	213	812	193	183	174	214	764
	QoQ Change	0.50/	-9.2%	-3.9%	-5.0%	13.5%	7.00/	-8.5%	-6.5%	-10.4%	17.7%	0.004	-9.4%	-5.2%	-4.9%	23.0%	5.00
	YoY Change	-3.5%	-18.6%	-0.9%	-2.8%	-6.0%	-7.8%	-5.3%	-7.8%	-13.0%	-9.7%	-8.9%	-10.6%	-9.4%	-3.9%	0.5%	-5.9%
Revenues from	Private Customers	1,930	N/A	N/A	N/A	N/A	1,750	N/A	N/A	N/A	N/A	1,616	N/A	N/A	N/A	N/A	1,541
Pevenues from	% of total revenues Business Customers	56.4% 1,490	N/A	N/A	N/A	N/A	60.6% 1,140	N/A	N/A	N/A	N/A	61.4% 1,015	N/A	N/A	N/A	N/A	60.5% 1,005
ivevenues ironi	% of total revenues	43.6%	IVA	IVA	IVA	IVA	39.4%	IVA	IVA	IVA	IVA	38.6%	IVA	IVA	IVA	IVA	39.5%
Key Income Sta	tement Metrics																
Cost of sales		2,537	607	588	586	602	2,383	579	560	536	573	2,248	553	529	534	555	2,171
	QoQ Change	0 101	-5.6%	-3.1%	-0.3%	2.7%		-3.8%	-3.3%	-4.3%	6.9%		-3.5%	-4.3%	0.9%	3.9%	-
0	YoY Change	-6.4%	-10.9%	-3.9%	-2.5%	-6.4%	-6.1%	-4.6%	-4.8%	-8.5%	-4.8%	-5.7%	-4.5%	-5.5%	-0.4%	-3.1%	-3.4%
Gross profit	QoQ Change	882	120 -37.5%	133 10.8%	143 7.5%	111 -22.4%	507	92 -17.1%	98 6.5%	113 15.3%	79 -30.1%	382	75 -5.1%	103 37.3%	101 -1.9%	96 -5.0%	375
	YoY Change	-19.7%	-49.2%	-42.4%	-35.9%	-42.2%	-42.5%	-23.3%	-26.3%	-21.0%	-28.8%	-24.7%	-18.5%	5.1%	-10.6%	21.5%	-1.8%
Sales & marketi	ing expenses	309	63	57	59	68	247	66	68	65	61	260	48	51	58	58	215
	QoQ Change		-14.9%	-9.5%	3.5%	15.3%		-2.9%	3.0%	-4.4%	-6.2%		-21.3%	6.3%	13.7%	0.0%	
	YoY Change	-3.4%	-24.1%	-25.0%	-22.4%	-8.1%	-20.1%	4.8%	19.3%	10.2%	-10.3%	5.3%	-27.3%	-25.0%	-10.8%	-4.9%	-17.3%
General & admi	inistrative expenses	106	25	23	23	27	98	25	22	21	21	89	22	22	21	23	88
	QoQ Change		-3.8%	-8.0%	0.0%	17.4%		-7.4%	-12.0%	-4.5%	0.0%		4.8%	0.0%	-4.5%	9.5%	
	YoY Change	-2.8%	-7.4%	-17.9%	-8.0%	3.8%	-7.5%	0.0%	-4.3%	-8.7%	-22.2%	-9.2%	-12.0%	0.0%	0.0%	9.5%	-1.1%
Other operating	-	18	_	-	_	5	5	-	-	-	1	1	-	-	-	-	_
	YoY Change	-70.5%					-72.2%					-80.0%					N/M
Salaries (include		417	96	96	90	99	381	96	94	94	94	378	98	94	94	98	384
	QoQ Change YoY Change	-5.0%	-8.6% -11.9%	0.0% -6.8%	-6.3% -10.0%	10.0% -5.7%	-8.6%	-3.0% 0.0%	-2.1% -2.1%	0.0% 4.4%	0.0% -5.1%	-0.8%	4.3% 2.1%	-4.1% 0.0%	0.0% 0.0%	4.3% 4.3%	1.6%
Denreciation &	amortization (included in oper. exps)	430	104	106	109	100	419	104	95	92	89	380	94	99	100	90	383
Depreciation &	QoQ Change	430	-6.3%	1.9%	2.8%	-8.3%	413	4.0%	-8.7%	-3.2%	-3.3%	300	5.6%	5.3%	1.0%	-10.0%	303
	YoY Change	-6.1%	-1.9%	1.0%	0.9%	-9.9%	-2.6%	0.0%	-10.4%	-15.6%	-11.0%	-9.3%	-9.6%	4.2%	8.7%	1.1%	0.8%
Operating profit	-	449	32	53	61	11	-2.0% 157	1	-10.4%	-15.0% 27	(4)	32	-9.0%	30	22	15	72
Operating prom	QoQ Change	773	-56.8%	65.6%	15.1%	-82.0%	137	-90.9%	700.0%	237.5%	-114.8%	32	N/M	500.0%	-26.7%	-31.8%	12
		26.20/	-36.6% -74.6%	-58.3%	-50.0%		65 O9/	-90.9% -96.9%	-84.9%	-55.7%		-79.6%	400.0%	275.0%		-31.0% -475.0%	125.00/
Not profit	YoY Change	-26.2% 373	-74.6% 36	-56.3% 49	-50.0% 55	-85.1% 11	-65.0% 151	-90.9% 13	-64.9% 13	-55.7% 32	-136.4% 3	-79.6% 61	400.0% 16	275.0% 34	-18.5% 24	-475.0% 21	125.0% 95
Net profit	Oco Change	3/3		36.1%	12.2%		131	18.2%	0.0%			01	433.3%			-12.5%	93
	QoQ Change	20.40/	-39.0%			-80.0%	E0 E0/			146.2%	-90.6%	E0 69/		112.5%	-29.4%		EE 70/
EBITDA	YoY Change	-28.4% 879	-66.7% 136	-53.8% 159	-45.0% 170	-81.4% 111	-59.5% 576	-63.9% 105	-73.5% 103	-41.8% 119	-72.7% 85	-59.6% 412	23.1% 99	161.5% 129	-25.0% 122	600.0% 105	55.7% 455
LDITUA	000 Oh	019					3/0					412					455
	QoQ Change YoY Change	-17.5%	-26.1% -41.4%	16.9% -31.5%	6.9% -26.4%	-34.7% -39.7%	-34.5%	-5.4% -22.8%	-1.9% -35.2%	15.5% -30.0%	-28.6% -23.4%	-28.5%	16.5% -5.7%	30.3% 25.2%	-5.4% 2.5%	-13.9% 23.5%	10.4%
Key Cash Flow		-17.5/6	-41.470	-31.370	-20.470	-39.7 /0	-34.5%	-22.0/0	-33.2 //	-30.0%	-23.470	-20.5%	-5.7 /6	25.270	2.570	23.570	10.476
Operating cash		1,213	351	202	163	14	730	185	180	152	65	582	117	193	209	86	605
operating cash	QoQ Change	1,213	122.2%	-42.5%	-19.3%	-91.4%	130	1221.4%	-2.7%	-15.6%	-57.2%	302	80.0%	65.0%	8.3%	-58.9%	003
	YoY Change	-22 00/	0.6%	-42.5% -51.9%	-19.3% -43.0%	-91.4% -91.1%	-39.8%	-47.3%	-2.7% -10.9%	-15.6% -6.7%	-57.2% 364.3%	-20.3%	-36.8%	7.2%	8.3% 37.5%	-58.9% 32.3%	4.0%
Canital evnendi	itures, gross (cash flow)	-23.8% 329	73	-51.9% 199	-43.0% 91	-91.1% 65	-39.8% 428	-47.3% 52	-10.9% 63	-6.7% 64	364.3% 64	-20.3% 243	-36.8% 73	7.2% 82	37.5% 78	32.3% 77	4.0% 310
Capital Expellul		323	-11.0%				420	-20.0%				243	13 14.1%		-4.9%	-1.3%	310
	QoQ Change	2 00/	-11.0%	172.6% 121.1%	-54.3% 8.3%	-28.6% -20.7%	20 10/	-20.0% -28.8%	21.2% -68.3%	1.6% -29.7%	0.0%	_//2 20/		12.3%		-1.3% 20.3%	27.6%
Canital evnandi	YoY Change itures, net (cash flow)	2.8% 321	72	121.1%	8.3% 90	-20.7% 65	30.1% 426	-28.8% 51	-68.3% 63	-29.7% 64	-1.5% 63	-43.2% 241	40.4% 73	30.2% 82	21.9% 78	20.3% 76	309
Capital Expellul		321	-10.0%		-54.8%	-27.8%	420	-21.5%	23.5%	1.6%	-1.6%	241	15.9%	12.3%	-4.9%	-2.6%	309
	QoQ Change	4.00/		176.4%			20.70/					40.40/					20.20
Free cash flow	YoY Change	1.9% 892	-1.4% 279	134.1% 3	8.4% 73	-18.8% -51	32.7% 304	-29.2% 134	-68.3% 117	-28.9% 88	-3.1% 2	-43.4% 341	43.1% 44	30.2% 111	21.9% 131	20.6% 10	28.2% 296
i ree casii iiow	0-0.04	092					304					341					290
	QoQ Change	20.407	257.7%	-98.9%	2333.3%	N/M	65.00/	N/M	-12.7%	-24.8%	-97.7%	40.001	2100.0%	152.3%	18.0%	-92.4%	40.000
Datios	YoY Change	-30.1%	1.1%	-99.1%	-64.0%	N/M	-65.9%	-52.0%	3800.0%	20.5%	-103.9%	12.2%	-67.2%	-5.1%	48.9%	400.0%	-13.2%
Ratios Gross profit ma	orgin	25 00/	16 E0/	10 40/	10.69/	15 69/	17 E0/	12 70/	14.00/	17 40/	12 10/	14 50/	11 00/	16 20/	15.00/	1/1 70/	14 70/
Gross profit ma		25.8%	16.5%	18.4%	19.6%	15.6%	17.5%	13.7%	14.9%	17.4%	12.1%	14.5%	11.9%	16.3%	15.9%	14.7%	14.7%
Operating marg	j	13.1%	4.4% 5.0%	7.4%	8.4% 7.5%	1.5%	5.4%	0.1%	1.2%	4.2%	-0.6%	1.2%	0.8%	4.7% 5.4%	3.5%	2.3%	2.8%
Net margin		10.9%	5.0%	6.8%	7.5%	1.5%	5.2%	1.9%	2.0% 15.7%	4.9%	0.5%	2.3%	2.5%	5.4%	3.8%	3.2%	3.7%
EBITDA margin		25.7%	18.7%	22.1%	23.3%	15.6%	19.9%	15.6%	15.7%	18.3%	13.0%	15.7%	15.8%	20.4%	19.2%	16.1%	17.9%
Capex/Sales		9.6%	10.0%	27.6%	12.5%	9.1%	14.8%	7.7%	9.6%	9.9%	9.8%	9.2%	11.6%	13.0%	12.3%	11.8%	12.2%

Bezeq Inte Key Income State Total Revenues	ernational			2015	2015	2015	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017
i otai Revenues	ement Metrics	4 504	202	204	200	405	4 F70	205	277	20.4	202	4 540	204	407	207	270	4 527
	QoQ Change	1,504	393 -1.5%	391 -0.5%	389 -0.5%	405 4.1%	1,578	395 -2.5%	377 -4.6%	384 1.9%	392 2.1%	1,548	384 -2.0%	407 6.0%	367 -9.8%	379 3.3%	1,537
	YoY Change	5.0%	10.7%	7.1%	1.0%	1.5%	4.9%	0.5%	-3.6%	-1.3%	-3.2%	-1.9%	-2.8%	8.0%	-4.4%	-3.3%	-0.7%
Revenues from II	LD services	395	N/A	N/A	N/A	N/A	379	N/A	N/A	N/A	N/A	325	N/A	N/A	N/A	N/A	268
	% of total revenues	26.3%					24.0%					21.0%					17.4%
Revenues from II	nternet, Data & ICT services % of total revenues	1,109 73.7%	N/A	N/A	N/A	N/A	1,199 76.0%	N/A	N/A	N/A	N/A	1,223 79.0%	N/A	N/A	N/A	N/A	1,269 82.6%
D			• • • • • • • • • • • • • • • • • • • •								****						
Revenues from P	Private Customers % of total revenues	529 35.2%	N/A	N/A	N/A	N/A	555 35.2%	N/A	N/A	N/A	N/A	570 36.8%	N/A	N/A	N/A	N/A	563 36.6%
Revenues from E	Business Customers	975	N/A	N/A	N/A	N/A	1,023	N/A	N/A	N/A	N/A	978	N/A	N/A	N/A	N/A	974
	% of total revenues	64.8%					64.8%					63.2%					63.4%
Key Income State	ement Metrics																
Cost of sales		951	251	250	251	263	1,015	258	246	256	255	1,015	258	288	253	259	1,058
	QoQ Change	0.007	-3.1%	-0.4%	0.4%	4.8%	0.70/	-1.9%	-4.7%	4.1%	-0.4%	0.007	1.2%	11.6%	-12.2%	2.4%	400/
Gross profit	YoY Change	8.2% 553	15.1% 142	9.6% 141	2.0% 138	1.5% 142	6.7% 563	2.8% 137	-1.6% 131	2.0% 128	-3.0% 137	0.0% 533	0.0% 126	17.1% 119	-1.2% 114	1.6% 120	4.2% 479
Gross profit	QoQ Change	555	1.4%	-0.7%	-2.1%	2.9%	503	-3.5%	-4.4%	-2.3%	137 7.0%	553	-8.0%	-5.6%	-4.2%	5.3%	4/9
	YoY Change	-0.2%	3.6%	2.9%	-0.7%	1.4%	1.8%	-3.5%	-7.1%	-2.3% -7.2%	-3.5%	-5.3%	-8.0%	-9.2%	-10.9%	-12.4%	-10.1%
Sales & marketin		209	53	53	49	54	209	57	56	55	53	221	48	46	48	45	187
	QoQ Change		-5.4%	0.0%	-7.5%	10.2%		5.6%	-1.8%	-1.8%	-3.6%		-9.4%	-4.2%	4.3%	-6.3%	
	YoY Change	1.8%	6.0%	6.0%	-7.5%	-3.6%	0.0%	7.5%	5.7%	12.2%	-1.9%	5.7%	-15.8%	-17.9%	-12.7%	-15.1%	-15.4%
General & admin	nistrative expenses	112	28	28	29	31	116	29	28	28	33	118	29	27	28	31	115
	QoQ Change		3.7%	0.0%	3.6%	6.9%		-6.5%	-3.4%	0.0%	17.9%		-12.1%	-6.9%	3.7%	10.7%	
	YoY Change	-5.9%	-3.4%	-6.7%	11.5%	14.8%	3.6%	3.6%	0.0%	-3.4%	6.5%	1.7%	0.0%	-3.6%	0.0%	-6.1%	-2.5%
	expenses (income)	-	-	(2)	1	(1)	(2)	14	-	-	4	18	-	1	(1)	3	3
Salaries (included	in oper. exps)	298	77	74	75	77	303	83	82	83	82	330	84	81	81	78	324
	QoQ Change		2.7%	-3.9%	1.4%	2.7%		7.8%	-1.2%	1.2%	-1.2%		2.4%	-3.6%	0.0%	-3.7%	
	YoY Change	3.8%	2.7%	1.4%	0.0%	2.7%	1.7%	7.8%	10.8%	10.7%	6.5%	8.9%	1.2%	-1.2%	-2.4%	-4.9%	-1.8%
Depreciation & a	mortization (included in oper. exps)	130	32	32	33	35	132	33	35	35	34	137	33	33	34	35	135
	QoQ Change		-5.9%	0.0%	3.1%	6.1%		-5.7%	6.1%	0.0%	-2.9%		-2.9%	0.0%	3.0%	2.9%	
On a ratio a mustit	YoY Change	0.8%	0.0%	0.0%	3.1%	2.9%	1.5%	3.1%	9.4%	6.1%	-2.9%	3.8%	0.0%	-5.7%	-2.9%	2.9%	-1.5%
Operating profit	0-0 Oh	232	61	62	59	58	240	37	47	45	47	176	49	45	39	41	174
	QoQ Change	2.0%	6.2% 3.9%	1.6% 6.9%	-4.8% 0.0%	-1.7% 1.8%	2.40/	-36.2% -39.3%	27.0% -24.2%	-4.3%	4.4% -19.0%	26.70/	4.3% 32.4%	-8.2%	-13.3% -13.3%	5.1% -12.8%	4 40/
Net profit	YoY Change	165	3.9%	6.9% 45	41	42	3.4% 172	-39.3% 26	-24.2% 33	-23.7% 33	33	-26.7% 125	32.4%	-4.3% 33	-13.3% 27	31	-1.1% 127
Net profit	QoQ Change	103	10.0%	2.3%	-8.9%	2.4%	172	-38.1%	26.9%	0.0%	0.0%	123	9.1%	-8.3%	-18.2%	14.8%	121
	YoY Change	4.3%	4.8%	9.8%	-2.4%	5.0%	4.2%	-40.9%	-26.7%	-19.5%	-21.4%	-27.3%	38.5%	0.0%	-18.2%	-6.1%	1.6%
EBITDA	ror change	362	93	94	92	93	372	70	82	80	81	313	82	78	73	76	309
	QoQ Change		2.2%	1.1%	-2.1%	1.1%		-24.7%	17.1%	-2.4%	1.3%		1.2%	-4.9%	-6.4%	4.1%	
	YoY Change	1.6%	3.3%	4.4%	1.1%	2.2%	2.8%	-24.7%	-12.8%	-13.0%	-12.9%	-15.9%	17.1%	-4.9%	-8.8%	-6.2%	-1.3%
Key Cash Flow N	Metrics																
Operating cash f		312	62	74	69	96	301	49	69	65	86	269	52	69	74	82	277
	QoQ Change		-13.9%	19.4%	-6.8%	39.1%		-49.0%	40.8%	-5.8%	32.3%		-39.5%	32.7%	7.2%	10.8%	
Otral	YoY Change	8.4%	-16.2%	-22.1%	-2.8%	33.3%	-3.5%	-21.0%	-6.8%	-5.8%	-10.4%	-10.6%	6.1%	0.0%	13.8%	-4.7%	3.0%
Capital expenditi	ures, gross (cash flow)	110	53	26	28	21	128	37	33	24	26	120	29	46	31	36	142
	QoQ Change	5.00/	88.9%	-51.3%	9.5%	-25.6%	40.404	76.0%	-10.8%	-27.3%	8.3%	0.007	11.5%	58.6%	-32.6%	16.1%	40.004
	YoY Change	5.2%	72.2%	8.1%	3.3%	-25.0%	16.4%	-30.1%	28.0%	-15.0%	23.7%	-6.3%	-21.6%	39.4%	29.2%	38.5%	18.3%
Capital expenditi	ures, net (cash flow)	108	53	26	28	21	128	37	33	24	25	119	29	46	29	35	139
	QoQ Change		96.3%	-50.9%	7.7%	-25.0%	4.5	76.2%	-10.8%	-27.3%	4.2%		16.0%	58.6%	-37.0%	20.7%	
Eroo ooch flass	YoY Change	11.2%	71.0%	13.0%	3.7%	-22.2% 75	18.5%	-30.2%	26.9%	-14.3%	19.0%	-7.0%	-21.6%	39.4%	20.8%	40.0%	16.8%
Free cash flow	000 01	204	9	48	41	75	173	12	36	41	61	150	23	23	45	47	138
	QoQ Change YoY Change	7.0%	-80.0% -79.1%	433.3% -33.3%	-14.6% -6.8%	82.9% 66.7%	-15.2%	-84.0% 33.3%	200.0% -25.0%	13.9% 0.0%	48.8% -18.7%	-13.3%	-62.3% 91.7%	0.0% -36.1%	95.7% 9.8%	4.4% -23.0%	-8.0%
Ratios	TOT Criange	7.0%	-19.170	-33.3%	-0.0%	00.7%	-10.270	33.3%	±20.0%	0.0%	-10.7%	-13.3%	91.170	-30.1%	9.0%	-23.0%	-0.0%
Gross profit mar	gin	36.8%	36.1%	36.1%	35.5%	35.1%	35.7%	34.7%	34.7%	33.3%	34.9%	34.4%	32.8%	29.2%	31.1%	31.7%	31.2%
Operating margin	n	15.4%	15.5%	15.9%	15.2%	14.3%	15.2%	9.4%	12.5%	11.7%	12.0%	11.4%	12.8%	11.1%	10.6%	10.8%	11.3%
Net margin EBITDA margin		11.0% 24.1%	11.2% 23.7%	11.5% 24.0%	10.5% 23.7%	10.4% 23.0%	10.9% 23.6%	6.6% 17.7%	8.8% 21.8%	8.6% 20.8%	8.4% 20.7%	8.1% 20.2%	9.4% 21.4%	8.1% 19.2%	7.4% 19.9%	8.2% 20.1%	8.3% 20.1%
Capex/Sales		7.3%	13.5%	6.6%	7.3%	5.2%	8.1%	9.4%	8.8%	6.3%	6.6%	7.8%	7.6%	11.3%	8.4%	9.5%	9.2%

Bezeq	(NIS millions, except for EPS)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
yes																	
Cey Income State	ement Metrics																
Revenues	OoO Changa	1,724	440	439	446	449	1,774	439	434	434	438	1,745	424	416	406	404	1,65
	QoQ Change YoY Change	5.4%	0.0% 3.8%	-0.2% 2.6%	1.6% 3.2%	0.7% 2.0%	2.9%	-2.2% -0.2%	-1.1% -1.1%	0.0% - 2.7%	0.9% -2.4%	-1.6%	-3.2% -3.4%	-1.9% -4.1%	-2.4% -6.5%	-0.5% -7.8%	-5.4
ost of sales	101 Change	1,203	3.0% 320	313	3.2%	342	1,289	-0.2% 321	312	-2.7% 314	314	1,261	315	313	-6.5% 312	320	1,26
Jost of Jaics	QoQ Change	1,200	1.9%	-2.2%	0.3%	8.9%	1,203	-6.1%	-2.8%	0.6%	0.0%	1,201	0.3%	-0.6%	-0.3%	2.6%	1,20
	YoY Change	6.5%	9.6%	5.4%	4.7%	8.9%	7.1%	0.3%	-0.3%	0.0%	-8.2%	-2.2%	-1.9%	0.3%	-0.6%	1.9%	-0.
Fross profit	, o r enange	521	120	126	132	107	485	118	122	120	124	484	109	103	94	84	3
	QoQ Change		-4.8%	5.0%	4.8%	-18.9%		10.3%	3.4%	-1.6%	3.3%		-12.1%	-5.5%	-8.7%	-10.6%	
	YoY Change	3.2%	-9.1%	-3.1%	-0.8%	-15.1%	-6.9%	-1.7%	-3.2%	-9.1%	15.9%	-0.2%	-7.6%	-15.6%	-21.7%	-32.3%	-19.
Sales & marketin		154	36	35	37	32	140	38	24	35	31	128	35	29	34	33	1;
	QoQ Change		-10.0%	-2.8%	5.7%	-13.5%		18.8%	-36.8%	45.8%	-11.4%		12.9%	-17.1%	17.2%	-2.9%	
	YoY Change	0.2%	-10.0%	-12.5%	8.8%	-20.0%	-9.1%	5.6%	-31.4%	-5.4%	-3.1%	-8.6%	-7.9%	20.8%	-2.9%	6.5%	2.
General & admini	istrative expenses	94	25	21	21	28	95	23	21	23	25	92	22	25	25	24	,
	QoQ Change		-10.7%	-16.0%	0.0%	33.3%		-17.9%	-8.7%	9.5%	8.7%		-12.0%	13.6%	0.0%	-4.0%	
	YoY Change	11.9%	25.0%	-8.7%	-8.7%	0.0%	1.1%	-8.0%	0.0%	9.5%	-10.7%	-3.2%	-4.3%	19.0%	8.7%	-4.0%	4.
Salaries (included i	in oper. exps)	267	69	62	69	70	270	61	60	64	64	249	59	59	62	66	2
	QoQ Change		-1.4%	-10.1%	11.3%	1.4%		-12.9%	-1.6%	6.7%	0.0%		-7.8%	0.0%	5.1%	6.5%	
	YoY Change		11.3%	-8.8%	3.0%	0.0%	1.1%	-11.6%	-3.2%	-7.2%	-8.6%	-7.8%	-3.3%	-1.7%	-3.1%	3.1%	-1.
Depreciation & au	mortization (included in oper. exps)	297	76	80	78	88	322	76	74	75	71	296	70	71	72	72	2
	QoQ Change		-2.6%	5.3%	-2.5%	12.8%		-13.6%	-2.6%	1.4%	-5.3%		-1.4%	1.4%	1.4%	0.0%	
	YoY Change	13.0%	8.6%	8.1%	4.0%	12.8%	8.4%	0.0%	-7.5%	-3.8%	-19.3%	-8.1%	-7.9%	-4.1%	-4.0%	1.4%	-3.
Operating profit		273	59	70	74	47	250	57	77	62	68	264	52	49	35	27	10
	QoQ Change		3.5%	18.6%	5.7%	-36.5%		21.3%	35.1%	-19.5%	9.7%		-23.5%	-5.8%	-28.6%	-22.9%	
	YoY Change	2.2%	-19.2%	4.5%	-2.6%	-17.5%	-8.4%	-3.4%	10.0%	-16.2%	44.7%	5.6%	-8.8%	-36.4%	-43.5%	-60.3%	-38.
inance expense	es, net	111					90	19	12	26	1	58	27	32	(1)	13	7
	QoQ Change		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			-36.8%	116.7%	-96.2%		2600.0%	18.5%	N/M	-1400.0%	
	YoY Change	-31.1%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-18.9%					-35.6%	42.1%	166.7%	N/M	1200.0%	22.4
Profit before finan	ce exps to shareholders & taxes	162	60	15	80	5	160	38	65	36	67	206	25	16	36	15	9
	QoQ Change		76.5%	-75.0%	433.3%	-93.8%		660.0%	71.1%	-44.6%	86.1%		-62.7%	-36.0%	125.0%	-58.3%	
	YoY Change	52.8%	9.1%	-34.8%	60.0%	-85.3%		-36.7%	333.3%	-55.0%	1240.0%	28.8%	-34.2%	-75.4%	0.0%	-77.6%	-55.
Net profit (loss)		(322)	(3)	(166)	(75)	(110)	(354)	(71)	(114)	(142)	395	68	19	(151)	(123)	11	(24
	QoQ Change		-96.6%	5433.3%	-54.8%	46.7%		-35.5%	60.6%	24.6%	N/M		-95.2%	N/M	-18.5%	-108.9%	
	YoY Change	-15.4%	-91.2%	44.3%	-12.8%	26.4%	9.9%	2266.7%	-31.3%	89.3%	N/M	N/M	N/M	32.5%	-13.4%	-97.2%	٨
EBITDA		570	135	150	152	135	572	133	151	137	139	560	122	120	107	99	44
	QoQ Change		0.0%	11.1%	1.3%	-11.2%		-1.5%	13.5%	-9.3%	1.5%		-12.2%	-1.6%	-10.8%	-7.5%	
	YoY Change	7.6%	-5.6%	6.4%	0.7%	0.0%	0.4%	-1.5%	0.7%	-9.9%	3.0%	-2.1%	-8.3%	-20.5%	-21.9%	-28.8%	-20.0
(ey Cash Flow M	etrics																
perating cash fl		442	149	106	145	105	505	158	110	154	207	629	51	169	115	95	43
	QoQ Change		22.1%	-28.9%	36.8%	-27.6%		50.5%	-30.4%	40.0%	34.4%		-75.4%	231.4%	-32.0%	-17.4%	
	YoY Change	-10.1%	31.9%	0.0%	43.6%	-13.9%	14.3%	6.0%	3.8%	6.2%	97.1%	24.6%	-67.7%	53.6%	-25.3%	-54.1%	-31.
Capital expenditu	ures, gross (cash flow)	305	65	82	75	43	265	59	58	51	41	209	60	53	69	53	2:
	QoQ Change		-31.6%	26.2%	-8.5%	-42.7%		37.2%	-1.7%	-12.1%	-19.6%		46.3%	-11.7%	30.2%	-23.2%	
	YoY Change	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	-9.2%	-29.3%	-32.0%	-4.7%	-21.1%	1.7%	-8.6%	35.3%	29.3%	12.
Capital expenditu	ures, net (cash flow)	305	65	82	75	43	265	59	58	50	41	208	60	52	69	53	2
	QoQ Change		-31.6%	26.2%	-8.5%	-42.7%		37.2%	-1.7%	-13.8%	-18.0%		46.3%	-13.3%	32.7%	-23.2%	
	YoY Change	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	-9.2%	-29.3%	-33.3%	-4.7%	-21.5%	1.7%	-10.3%	38.0%	29.3%	12.
ree cash flow		137	84	24	70	62	240	99	52	104	166	421	(9)	117	46	42	1:
	QoQ Change		211.1%	-71.4%	191.7%	-11.4%		59.7%	-47.5%	100.0%	59.6%		N/M	N/M	-60.7%	-8.7%	
	YoY Change	-17.8%	140.0%	-36.8%	89.2%	129.6%	75.2%	17.9%	116.7%	48.6%	167.7%	75.4%	N/M	125.0%	-55.8%	-74.7%	-53.
atios																	
	ain	30.2%	27.3%	28.7%	29.6%	23.8%	27.3%	26.9%	28.1%	27.6%	28.3%	27.7%	25.7%	24.8%	23.2%	20.8%	23.
	J					40 50/	4 4 40/	42.00/	17.7%	14.3%	15.5%	15.1%	12.3%	11.8%	8.6%	6.7%	9.
Gross profit marg	•	15.8%	13.4%	15.9%	16.6%	10.5%	14.1%	13.0%				13.170					
Gross profit març Operating margir Net margin	•	(18.7%)	(0.7%)	(37.8%)	(16.8%)	(24.5%)	(20.0%)	(16.2%)	(26.3%)	(32.7%)	90.2%	3.9%	4.5%	(36.3%)	(30.3%)	2.7%	
Gross profit marg	•																(14.8 27.:

Bezeq 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
Bezeq Group													
Other Operating Expenses (Income), Net													
Loss from impairment of assets	-	-	-	-	-	-	-	-	-	-	-	87	87
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 property, plant and equipment (mainly real estate)*	(120)	(167)	(234)	(11)	(29)	(22)	(45)	(107)	(6)	(13)	(45)	(2)	(66)
Proft from copper sales	(47)	(8)	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	(23)	34	-	-	-			-	-	-	-	
Provision for early retirement	90	176	117	1	14	3	78	96	-	-	3	20	23
Expenses for a collective agreement at Pelephone	61	18	-	-	-	-	-	-	-	-	-	-	-
Loss from the discontinuation of a software development project	1	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	15	3	(7)	-	11	2	12	19	(9)	24
Total other operating expenses (income), net	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	96	68

^{*} Includes profit from copper sales beginning Q1 2015

Bezeq	FY 2007	FY 2008	FY 2009	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
Bezeq Fixed-Line																			
Key Performance Indicators																			
Total outgoing minutes (in millions) QoQ Change	14,711	13,260	12,017	10,699	9,758	8,694	7,047	6,200	5,607	1,316 -4.6%	1,257 -4.5%	1,297 3.2%	1,136 -12.4%	5,006	1,177 3.6%	1,098 -6.7%	1,132 3.1%	1,068 -5.7%	4,475
YoY Change		-9.9%	-9.4%	-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%
Total incoming minutes (in millions) QoQ Change	6,411	6,691 4.4%	6,718	6,547 -2.5%	6,240	6,225	6,115 -1.8%	5,829	5,628	1,348 -3.9%	1,314 -2.5%	1,383 5.3%	1,252 -9.5% -10.8%	5,297	1,281 2.3%	1,220 -4.8% -7.2%	1,266 3.8%	1,205 -4.8% -3.8%	4,972 -6.1%
YoY Change		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.0%	-4.7%	-3.4%	-5.7%	-5.2%	-1.9%	-10.6%	-5.9%	-5.0%	-1.2%	-8.5%	-3.0%	-0.1%
Total access lines (in 000's) QoQ Change	2,749	2,604	2,483	2,366	2,367	2,268	2,216	2,205	2,087	2,068 -0.9%	2,050 -0.9%	2,031 -0.9%	2,010 -1.0%	2,010	1,986 -1.2%	1,961 -1.3%	1,942 -1.0%	1,916 -1.3%	1,916
YoY Change QoQ Line change (000's)		-5.3% (145)	-4.6% (121)	<i>-4.7%</i> (117)	0.0% 1	-4.2% (99)	-2.3% (52)	-0.5% (11)	-5.4% (118)	-2.7% (19)	-3.2% (18)	-3.4% (19)	-3.7% (21)	-3.7% (77)	-4.0% (24)	-4.3% (25)	-4.4% (19)	-4.7% (26)	-4.7% (94)
Average revenue per line (ARPL) (in NIS)	N/A	111	109	109	85	81	74	63	59	58	57	57	55	57	56	54	54	53	54
QoQ Change YoY Change			-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-6.3%	-1.7% -3.3%	-1.7% -3.4%	0.0% -3.4%	-3.5% -6.8%	-3.4%	1.8% -3.4%	-3.6% -5.3%	0.0% -5.3%	-1.9% -3.6%	-5.3%
Churn rate (telephony)	9.5%	N/A	N/A	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%
Broadband Internet lines (in 000's)- Total	963	1,005	1.035	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
QoQ Change	303	1,003	,	1,000	•	ŕ	ŕ	·	•	1.6%	1.2%	1.2%	1.2%	ŕ	1.4%	0.8%	0.9%	1.7%	ŕ
YoY Change QoQ Line change (000's)		4.4% 42	3.0% 30	3.0% 31	4.2% 45	5.2% 58	8.0% 94	8.0% 101	8.4% 115	8.1% 24	7.3% 18	6.3% 18	5.3% 19	5.3% 7 9	5.1% 22	4.7% 13	<i>4.5%</i> 15	4.9% 27	4.9% 77
Broadband Internet lines (in 000's)-Wholesale	_	_	_	_	_	_	_	_	244	290	323	347	377	377	414	444	484	532	532
QoQ Change										18.9%	11.4%	7.4%	8.6%		9.8%	7.2%	9.0%	9.9%	
YoY Change QoQ Line change (000's)										2536.4% 46	314.1% 33	96.0% 24	30	<i>54.5%</i> 133	42.8% 37	<i>37.5%</i> 30	39.5% 40	41.1% 48	<i>4</i> 1.1% 155
Wholesale subs as % of total broadband subs									16.5%	19.3%	21.2%	22.5%	24.2%	24.2%	26.2%	27.9%	30.1%	32.5%	32.5%
Broadband Internet lines (in 000's) - Retail	963	1,005	1,035	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
QoQ Change YoY Change		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-1.8% -12.0%	-1.2% -10.6%	-0.5% -6.2%	-0.9% -4.4%	-4.4%	-1.3% -3.9%	-1.5% -4.1%	-2.2% -5.7%	-1.9% -6.6%	-6.6%
QoQ Line change (000's)		42	30	31	45	58	94	101	(129)	(22)	(15)	(6)	(11)	(54)	(15)	(17)	(25)	(21)	(78)
Broadband Internet ARPU (in NIS) - Retail	64	67	69	75	80	81	84	84	88	90	90	88	90	89	90	90	90	92	90
QoQ Change YoY Change		4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	2.3% 3.4%	0.0% 2.3%	-2.2% 0.0%	2.3% 2.3%	1.1%	0.0% 0.0%	0.0% 0.0%	0.0% 2.3%	2.2% 2.2%	1.1%
Average broadband speed per subscriber (end																			
of period, Mbps) QoQ Change	1.7	2.2	2.7	4.3	6.7	9.6	18.1	32.5	37.8	38.9 2.9%	40.2 3.3%	41.8 4.0%	43.4 3.8%	43.4	45.1 3.9%	47.2 4.7%	49.5 4.9%	51.5 4.0%	51.5
YoY Change		29.4%	22.7%	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%
Number of employees	7,614	7,530	7,364	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
YoY Change		-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%					-4.2%					-1.2%
Market share - Internet	N/A N/A	N/A N/A	59% 72%	59% 65%	59% 63%	60% 59%	63% 57%	66% 56%	68% 56%	N/A N/A	N/A N/A	N/A N/A	N/A N/A	69% 55%	N/A N/A	N/A N/A	N/A N/A	N/A N/A	70% 53%
Market share - telephony (private sector) Market share - telephony (business sector)	N/A N/A	N/A N/A	72% 82%	78%	76%	59% 75%	57% 74%	74%	74%	N/A N/A	N/A N/A	N/A N/A	N/A N/A	73%	N/A N/A	N/A N/A	N/A N/A	N/A N/A	53% 72%

Bezeq	FY 2007	FY 2008	FY 2009	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
Pelephone																			
Key Performance Indicators																			
Total Subscribers (in 000's) QoQ Change YoY Change QoQ subscriber change (000's)	2,622	2,649	2,766 4.4%	2,857 3.3%	2,847 -0.4%	2,800 -1.7%	2,642 -5.6%	2,586 -2.1%	2,651 2.5%	2,692 1.5% 5.0% 41	2,260 -16.0% -11.9% (432)	2,348 3.9% -8.6% 88	2,402 2.3% -9.4% 54	2,402 -9.4% (249)	2,430 1.2% -9.7% 28	2,410 -0.8% 6.6% (20)	2,475 2.7% 5.4% 65	2,525 2.0% 5.1% 50	2,525 5.1% 123
Prepaid Subscribers (in 000's)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	836	925	N/A	N/A	N/A	733	733	N/A	N/A	N/A	770	770
ARPU (in NIS) QoQ Change YoY Change	N/A	N/A	N/A	111	107 -3.6%	95 -11.2%	86 -9.5%	78 -9.3%	10.6% 64 -17.9%	57 -5.0% -12.3%	68 19.3% 4.6%	68 0.0% 0.0%	62 -8.8% 3.3%	-20.8% 63 -1.6%	60 -3.2% 5.3%	61 1.7% -10.3%	63 3.3% -7.4%	58 -7.9% -6.5%	5.0% 61 -3.2%
Churn rate	N/A	N/A	13.8%	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%
Number of employees YoY Change		N/A	N/A	N/A	N/A	4,072	3,288 -19.3%	3,001 -8.7%	2,679 -10.7%	N/A	N/A	N/A	2,594	2,594 -3.2%	N/A	N/A	N/A	2,551	2,551 -1.7%
Market share	29.2%	28.6%	29.0%	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%	N/A	N/A
Key Performance Indicators Number of employees QoQ Change YoY Change	2,621	2,325	2,445 5.2%	2,112 -13.6%	2,262 7.1%	2,102 -7.1%	2,007 -4.5%	1,932 -3.7%	1,966	N/A	N/A	N/A	1,905	1,905 -3.1%	N/A	N/A	N/A	1,864	1,864
Churn rate (ISP)	N/A	N/A	14.8%	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%
Market share - ISP	36.0%	36.0%	36.0%	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
Market share - ILD (Outgoing) Ves	36.0%	36.0%	31.0%	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%
Key Performance Indicators																			
Subscribers (in 000's) QoQ Change YoY Change QoQ subscriber change (000's)	549	560 2.0%	571 2.0%	578 1.2%	586	578 -1.4%	600 3.8%	630 5.0%	635 0.8%	629 -0.9% -0.5% (6)	623 -1.0% -2.0% (6)	618 -0.8% -3.0% (5)	614 -0.6% -3.3% (4)	-3.3% (21)	608 -1.0% -3.3% (6)	603 -0.8% -3.2% (5)	597 -1.0% -3.4% (6)	587 -1.7% -4.4% (10)	-4.4% (27)
ARPU (in NIS) QoQ Change YoY Change	217	228 5.1%	226 -0.9%	230	232 0.9%	234	233 -0.4%	234 0.4%	233 -0.4%	231 -1.7% -0.4%	231 0.0% 0.0%	233 0.9% 0.0%	237 1.7% 0.9%	233	232 -2.1% 0.4%	229 -1.3% -0.9%	226 -1.3% -3.0%	226 0.0% -4.6%	228 -2.1%
Churn rate	N/A	N/A	13.3%	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%
Number of employees YoY Change	N/A	1,999	2,158 8.0%	2,229 3.3%	2,227 -0.1%	2,276 2.2%	2,208 -3.0%	2,042 -7.5%	1,984 -2.8%	N/A	N/A	N/A	1,753	1,753 -11.6%	N/A	N/A	N/A	1,680	1,680 -4.2%
Mkt share	37%	38%	38%	39%	40%									40%					37%



Bezeq Group Dividends

Dividend History			
Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
May 10, 2018	368	0.13	Semi-Annual Dividend (Pending Shareholder Approval)
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



GLOSSARY

Glossary

EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization; ttm = trailing twelve months

Adjusted EBITDA = EBITDA excluding other operating income/expenses
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