



Facts & Figures Q3 2009

Three months ending September 30, 2009

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(NIS millions, except for EPS)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009
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Bezeq Group (excluding yes)

Key Income Statement Metrics

Revenues	2,760	2,748	2,806	2,701	11,015	2,791	2,872	2,924
QoQ Change		-0.4%	2.1%	-3.7%		3.3%	2.9%	1.8%
YoY Change						1.1%	4.5%	4.2%
Operating Profit	641	772	775	452	2,640	799	818	875
QoQ Change		20.4%	0.4%	-41.7%		76.8%	2.4%	7.0%
YoY Change						24.6%	6.0%	12.9%
Net profit attributed to Bezeq shareholders	411	456	462	298	1,627	608	541	2,088
QoQ Change		10.9%	1.3%	-35.5%		104.0%	-11.0%	286.0%
YoY Change						47.9%	18.6%	351.9%
Earnings Per Share - Basic	0.15	0.17	0.18	0.12	0.62	0.23	0.21	0.79
Earnings Per Share - Diluted	0.15	0.17	0.17	0.12	0.61	0.23	0.20	0.79
Depreciation & amortization	368	361	365	364	1,458	371	377	361
QoQ Change		-1.9%	1.1%	-0.3%		1.9%	1.6%	-4.2%
YoY Change						0.8%	4.4%	-1.1%
EBITDA	1,009	1,133	1,140	816	4,098	1,170	1,195	1,236
QoQ Change		12.3%	0.6%	-28.4%		43.4%	2.1%	3.4%
YoY Change						16.0%	5.5%	8.4%
Shares Outstanding - Basic	2,605	2,605	2,605	2,605	2,605	2,606	2,617	2,628
Shares Outstanding - Diluted	2,649	2,648	2,648	2,649	2,649	2,647	2,667	2,677

Key Cash Flow Metrics

Operating cash flow	534	727	1,115	693	3,068	1,133	715	1,021
QoQ Change		36.1%	53.4%	-37.9%		63.6%	-36.9%	42.9%
YoY Change						112.3%	-1.7%	-8.4%
Capital expenditures, gross	287	346	539	359	1,531	410	381	404
QoQ Change		20.9%	55.6%	-33.5%		14.2%	-7.0%	6.0%
YoY Change						42.9%	10.0%	-25.1%
Capital expenditures, net	226	320	525	313	1,384	359	370	364
QoQ Change		42.0%	63.9%	-40.4%		14.6%	3.2%	-1.6%
YoY Change						59.0%	15.5%	-30.7%
Free cash flow	308	408	600	381	1,697	775	350	657
QoQ Change		32.4%	46.9%	-36.5%		103.4%	-54.9%	88.0%
YoY Change						151.3%	-14.4%	9.6%

Key Balance Sheet Metrics

Total debt	4,797	4,530	4,483	4,356	4,356	4,531	4,168	4,166
Cash & short-term investments	1,597	803	1,256	816	816	1,736	882	1,459
Net debt	3,200	3,727	3,227	3,540	3,540	2,795	3,286	2,707

Ratios

Operating margin	23.2%	28.1%	27.6%	16.7%	24.0%	28.6%	28.5%	29.9%
Net margin	14.9%	16.6%	16.5%	11.0%	14.8%	21.8%	18.8%	71.4%
EBITDA margin	36.6%	41.2%	40.6%	30.2%	37.2%	41.9%	41.6%	42.3%
Capex/Sales	10.4%	12.6%	19.2%	13.3%	13.9%	14.7%	13.3%	13.8%
Total debt / EBITDA (ttm)				1.06	1.06	1.06	0.96	0.94
Net debt / EBITDA (ttm)				0.86	0.86	0.66	0.76	0.61



(NIS millions, except for EPS)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009
Bezeq Fixed Line								
Key Income Statement Metrics								
Revenues	1,408	1,354	1,388	1,348	5,498	1,326	1,318	1,343
QoQ Change		-3.8%	2.5%	-2.9%		-1.6%	-0.6%	1.9%
YoY Change						-5.8%	-2.7%	-3.2%
Operating profit	373	442	428	232	1,475	437	434	491
QoQ Change		18.5%	-3.2%	-45.6%		88.4%	-0.7%	13.1%
YoY Change						17.2%	-1.8%	14.7%
Depreciation & amortization	218	211	214	209	852	211	205	184
QoQ Change		-3.2%	1.4%	-2.3%		1.0%	-2.8%	-10.2%
YoY Change						-3.2%	-2.8%	-14.0%
EBITDA	591	653	642	441	2,327	648	639	675
QoQ Change		10.5%	-1.7%	-31.3%		46.9%	-1.4%	5.6%
YoY Change						9.6%	-2.1%	5.1%
Key Cash Flow Metrics								
Capital expenditures, gross	158	132	156	170	616	238	191	224
QoQ Change		-16.5%	18.2%	9.0%		40.0%	-19.7%	17.3%
YoY Change						50.6%	44.7%	43.6%
Capital expenditures, net	98	107	144	123	472	188	183	184
QoQ Change		9.2%	34.6%	-14.6%		52.8%	-2.7%	0.5%
YoY Change						91.8%	71.0%	27.8%
Key Balance Sheet Metrics								
Total debt	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,276	N/A (1)	N/A (1)	N/A (1)
Cash & short-term investments	N/A (1)	N/A (1)	N/A (1)	N/A (1)	116	N/A (1)	N/A (1)	N/A (1)
Net debt	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,160	N/A (1)	N/A (1)	N/A (1)
Ratios								
Operating margin	26.5%	32.6%	30.8%	17.2%	26.8%	33.0%	32.9%	36.6%
EBITDA margin	42.0%	48.2%	46.3%	32.7%	42.3%	48.9%	48.5%	50.3%
Capex/Sales	11.2%	9.7%	11.2%	12.6%	11.2%	17.9%	14.5%	16.7%
Total debt / EBITDA (ttm)					1.84			
Net debt / EBITDA (ttm)					1.79			



(NIS millions, except for EPS)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009
Telephone								
Key Income Statement Metrics								
Revenues	1,173	1,188	1,214	1,138	4,713	1,265	1,346	1,372
QoQ Change		1.3%	2.2%	-6.3%		11.2%	6.4%	1.9%
YoY Change						7.8%	13.3%	13.0%
Operating profit	215	266	293	159	933	302	321	316
QoQ Change		23.7%	10.2%	-45.7%		89.9%	6.3%	-1.6%
YoY Change						40.5%	20.7%	7.8%
Net profit	163	180	211	128	682	230	233	231
QoQ Change		10.4%	17.2%	-39.3%		79.7%	1.3%	-0.9%
YoY Change						41.1%	29.4%	9.5%
Depreciation & amortization	129	130	129	135	523	139	151	155
QoQ Change		0.8%	-0.8%	4.7%		3.0%	8.6%	2.6%
YoY Change						7.8%	16.2%	20.2%
EBITDA	344	396	422	294	1,456	441	472	471
QoQ Change		15.1%	6.6%	-30.3%		50.0%	7.0%	-0.2%
YoY Change						28.2%	19.2%	11.6%
Key Cash Flow Metrics								
Operating cash flow	256	344	379	298	1,277	375	290	395
QoQ Change		34.4%	10.2%	-21.4%		25.8%	-22.7%	36.2%
YoY Change						46.5%	-15.7%	4.2%
Capital expenditures, gross	103	182	350	163	798	149	163	146
QoQ Change		76.7%	92.3%	-53.4%		-8.6%	9.4%	-10.4%
YoY Change						44.7%	-10.4%	-58.3%
Capital expenditures, net	102	181	350	162	795	149	159	146
QoQ Change		77.5%	93.4%	-53.7%		-8.0%	6.7%	-8.2%
YoY Change						46.1%	-12.2%	-58.3%
Free cash flow	154	163	29	136	482	226	131	249
QoQ Change		5.8%	-82.2%	369.0%		66.2%	-42.0%	90.1%
YoY Change						46.8%	-19.6%	758.6%
Ratios								
Operating margin	18.3%	22.4%	24.1%	14.0%	19.8%	23.9%	23.8%	23.0%
Net margin	13.9%	15.2%	17.4%	11.2%	14.5%	18.2%	17.3%	16.8%
EBITDA margin	29.3%	33.3%	34.8%	25.8%	30.9%	34.9%	35.1%	34.3%
Capex/Sales	8.8%	15.3%	28.8%	14.3%	16.9%	11.8%	12.1%	10.6%



(NIS millions, except for EPS)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009
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Bezeq International

Key Income Statement Metrics

Revenues	314	326	329	337	1,306	324	327	332
QoQ Change		3.8%	0.9%	2.5%		-3.8%	0.7%	1.8%
YoY Change						3.4%	0.3%	1.1%
Operating profit	55	63	59	65	242	60	68	66
QoQ Change		14.2%	-5.5%	10.1%		-7.4%	12.3%	-1.8%
YoY Change						9.9%	8.0%	12.3%
Net profit	42	47	44	46	178	44	56	51
QoQ Change		13.4%	-6.5%	3.9%		-3.6%	26.5%	-9.1%
YoY Change						6.3%	18.6%	15.2%
Depreciation & amortization	20	20	20	20	80	20	21	21
QoQ Change		1.6%	-2.0%	-0.6%		-0.9%	5.5%	3.5%
YoY Change						-2.0%	1.8%	7.5%
EBITDA	75	83	79	85	322	80	88	88
QoQ Change		10.8%	-4.7%	7.4%		-5.9%	10.6%	-0.6%
YoY Change						6.7%	6.5%	11.1%

Key Cash Flow Metrics

Operating cash flow	8	51	32	73	163	84	83	82
QoQ Change		577.4%	-37.4%	128.0%		14.9%	-1.0%	-1.3%
YoY Change						1010.7%	62.4%	155.9%
Capital expenditures, gross	28	31	33	26	118	21	26	33
QoQ Change		12.4%	7.7%	-21.1%		-18.5%	21.9%	28.3%
YoY Change						-22.2%	-15.6%	0.5%
Capital expenditures, net	28	31	33	25	117	21	26	33
QoQ Change		12.4%	7.7%	-24.1%		-15.3%	21.9%	28.3%
YoY Change						-22.2%	-15.6%	0.5%
Free cash flow	-20	20	9	47	56	62	62	48
QoQ Change		NM	-55.8%	432.9%		31.8%	-0.8%	-21.9%
YoY Change						NM	207.8%	443.9%

Ratios

Operating margin	17.5%	19.2%	18.0%	19.3%	18.5%	18.6%	20.7%	20.0%
Net margin	13.2%	14.4%	13.4%	13.6%	13.7%	13.6%	17.1%	15.2%
EBITDA margin	23.8%	25.4%	24.0%	25.2%	24.6%	24.6%	27.0%	26.4%
Capex/Sales	8.8%	9.5%	10.1%	7.8%	9.0%	6.6%	8.0%	10.1%



		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
		2008	2008	2008	2008	2008	2009	2009	2009	
		<i>(NIS millions, except for EPS)</i>								
yes										
Key Income Statement Metrics										
Revenues		381	380	375	377	1,513	384	376	380	
	QoQ Change		-0.4%	-1.2%	0.4%		1.9%	-2.0%	1.2%	
	YoY Change						0.6%	-1.0%	1.4%	
Operating profit		27	43	52	55	177	66	59	61	
	QoQ Change		58.8%	23.2%	5.4%		19.4%	-10.5%	2.7%	
	YoY Change						146.1%	38.8%	15.7%	
Net profit		-66	-99	-82	-18	-265	-1	-95	-88	
	QoQ Change		50.9%	-17.3%	-78.4%		-93.2%	7829.5%	-7.0%	
	YoY Change						-98.2%	-4.2%	7.7%	
Depreciation & amortization		65	61	59	66	250	57	56	59	
	QoQ Change		-6.3%	-3.1%	12.3%		-14.3%	-1.7%	6.1%	
	YoY Change						-12.6%	-8.3%	0.3%	
EBITDA		92	103	111	121	427	122	115	120	
	QoQ Change		12.7%	7.8%	9.0%		1.1%	-6.4%	4.3%	
	YoY Change						33.9%	11.1%	7.6%	
Key Cash Flow Metrics										
Operating cash flow		84	32	97	133	347	91	93	135	
	QoQ Change		-61.5%	200.4%	37.1%		-32.0%	3.0%	44.6%	
	YoY Change						7.8%	188.5%	38.9%	
Capital expenditures, gross		79	40	56	63	238	61	60	87	
	QoQ Change		-50.2%	41.2%	13.2%		-2.8%	-2.4%	45.9%	
	YoY Change						-22.7%	51.5%	56.5%	
Capital expenditures, net		79	40	56	63	238	61	60	87	
	QoQ Change		-50.2%	41.2%	13.2%		-2.8%	-2.4%	44.9%	
	YoY Change						-22.7%	51.5%	55.4%	
Free cash flow		5	-7	41	70	109	29	33	48	
	QoQ Change		NM	NM	69.4%		-58.2%	14.2%	44.1%	
	YoY Change						523.4%	NM	16.5%	
Ratios										
Operating margin		7.0%	11.2%	14.0%	14.7%	11.7%	17.2%	15.7%	15.9%	
Net margin		-17.3%	-26.1%	-21.9%	-4.7%	-17.5%	-0.3%	-25.3%	-23.3%	
EBITDA margin		24.0%	27.2%	29.6%	32.2%	28.2%	31.9%	30.5%	31.4%	
Capex/Sales		20.8%	10.4%	14.9%	16.8%	15.7%	16.0%	15.9%	23.0%	



	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009
Bezeq Fixed Line								
Key Performance Indicators								
Total outgoing minutes (in millions)	3,511	3,346	3,428	3,154	13,439	3,121	3,014	3,095
<i>QoQ Change</i>		-4.7%	2.5%	-8.0%		-1.0%	-3.4%	2.7%
<i>YoY Change</i>						-11.1%	-9.9%	-9.7%
Total incoming minutes (in millions)	1,673	1,651	1,719	1,648	6,691	1,654	1,664	1,737
<i>QoQ Change</i>		-1.3%	4.1%	-4.1%		0.4%	0.6%	4.4%
<i>YoY Change</i>						-1.1%	0.8%	1.0%
Total access lines (in 000's)	2,711	2,681	2,645	2,615	2,615	2,579	2,547	2,518
<i>QoQ Change</i>		-1.1%	-1.3%	-1.1%		-1.4%	-1.2%	-1.1%
<i>YoY Change</i>						-4.9%	-5.0%	-4.8%
Bezeq ARPL - Voice & fixed fees (in NIS) (1)	84	82	85	82	83	81	81	83
<i>QoQ Change</i>		-2.4%	3.7%	-3.5%		-1.0%	-0.2%	2.5%
<i>YoY Change</i>						-3.3%	-1.2%	-2.4%
ADSL lines (in 000's)	970	982	994	1,005	1,005	1,011	1,016	1,026
<i>QoQ Change</i>		1.2%	1.2%	1.1%		0.6%	0.5%	1.0%
<i>YoY Change</i>						4.2%	3.5%	3.2%
Bezeq ARPU - ADSL (in NIS)	68	66	68	67	67	68	69	72
<i>QoQ Change</i>		-2.9%	3.0%	-1.5%		1.5%	1.5%	4.3%
<i>YoY Change</i>						0.0%	4.5%	5.9%
Number of employees	7,458	7,425	7,417	7,530	7,530	7,545	7,399	7,335
<i>QoQ Change</i>		-0.4%	-0.1%	1.5%		0.2%	-1.9%	-0.9%
<i>YoY Change</i>						1.2%	-0.4%	-1.1%



Q1 2008 Q2 2008 Q3 2008 Q4 2008 FY 2008 Q1 2009 Q2 2009 Q3 2009

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Key Performance Indicators

Subscribers (in 000's)		2,595	2,636	2,698	2,649	2,649	2,669	2,694	2,721
	QoQ Change		1.6%	2.4%	-1.8%		0.8%	0.9%	1.0%
	YoY Change						2.9%	2.2%	0.9%
ARPU (in NIS)		126	128	129	122	126	128	131	136
	QoQ Change		1.6%	0.8%	-5.4%		4.9%	2.3%	3.8%
	YoY Change						1.6%	2.3%	5.4%
MOU (per sub, per month)		355	358	359	335	352	323	329	339
	QoQ Change		0.8%	0.3%	-6.7%		-3.6%	1.9%	3.0%
	YoY Change						-9.0%	-8.1%	-5.6%
3G subscribers (in 000's)		867	977	1,068	1,151	1,151	1,217	1,307	1,407
	QoQ Change		12.7%	9.3%	7.8%		5.7%	7.4%	7.7%
	YoY Change						40.4%	33.8%	31.7%
% data of total cellular service revenue		15.0%	15.5%	16.2%	18.4%	16.3%	18.5%	19.2%	20.3%

yes

Key Performance Indicators

Subscribers (in 000's)		549	551	556	560	560	560	562	567
	QoQ Change		0.4%	0.9%	0.7%		0.0%	0.4%	0.9%
	YoY Change						2.0%	2.0%	2.0%
ARPU (in NIS)		231	230	226	225	228	228	224	224
	QoQ Change		-0.4%	-1.7%	-0.4%		1.3%	-1.8%	0.0%
	YoY Change						-1.3%	-2.6%	-0.9%



GLOSSARY & FOOTNOTES

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization
Free Cash Flow	= Operating cash flow less net capital expenditures plus dividends received
Net Capital Expenditures	= Purchase of property, plant & equipment (less proceeds from sale) and investment in intangible assets
ARPU	= Average Revenue Per User
MOU	= Minutes of Use
N/A	= Not Available
N/M	= Not Meaningful

General Financial Footnotes

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

2009 Financial Footnotes

As of August 21st, 2009, the Company ceased consolidating yes' financial results and started accounting for its investment in yes according to the equity value method. The Bezeq Group's financial data herein reflect the yes deconsolidation as from Jan 1st, 2008.

2008 Financial Footnotes

NIS 26 million related to a provision for early-retirement, which previously appeared as other operating expenses (income), were reclassified to financing expenses and spread over the four quarters of 2008

Dividends and interest received were reclassified from operating cash flow to cash flow from investment activities.
Group net profit attributed to Bezeq shareholders was retroactively adjusted from 1.1.08 due to the adoption of IAS 27 and IFRS 3.
Net provision for early retirement in relation to labor agreement of NIS 165 million taken in Q4 2008.
Bezeq International capex and FCF were retroactively adjusted to include acquisitions of other intangible assets.

2007 Financial Footnotes

Group operating cash flow and capex were reclassified in Q1 and Q2 2007.

Net provision for early retirement in relation to labor agreement of NIS 51 million taken in Q4 2007.

2006 Financial Footnotes

Net provision for early retirement in relation to the December 2006 labor agreement of NIS 290 million taken in Q4 2006.

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

KPIs Footnotes

- ¹ Not including revenues from data communications and transmission services, internet services, services to communications providers, and contract and other work.