



Facts & Figures Q2 2009

Three months ending June 30, 2009

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(NIS millions, except for EPS)

	FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	
Bezeq Group																			
Key Income Statement Metrics																			
Revenues	11,925	3,012	3,019	3,084	3,117	12,232	3,089	3,053	3,139	3,119	12,400	3,100	3,086	3,159	3,062	12,407	3,162	3,246	
QoQ Change			0.2%	2.2%	1.1%		-0.9%	-1.2%	2.8%	-0.6%		-0.6%	-0.5%	2.4%	-3.1%		3.3%	2.7%	
YoY Change						2.6%	2.6%	1.1%	1.8%	0.1%	1.4%	0.4%	1.1%	0.6%	-1.8%	0.1%	2.0%	5.2%	
Operating Profit	1,527	516	516	560	-8	1,584	657	571	596	552	2,376	669	814	828	506	2,817	866	876	
QoQ Change			0.0%	8.5%	N/M		N/M	-13.1%	4.4%	-7.4%		21.2%	21.7%	1.7%	-38.9%		71.1%	1.2%	
YoY Change						3.7%	27.3%	10.7%	6.4%	N/M	50.0%	1.8%	42.6%	38.9%	-8.3%	18.6%	29.4%	7.6%	
Net profit attributed to Bezeq shareholders	666	314	289	313	-107	809	399	361	255	315	1,330	411	456	462	298	1,627	608	541	
QoQ Change			-8.0%	8.3%	N/M		N/M	-9.5%	-29.4%	23.5%		30.5%	10.9%	1.3%	-35.5%		104.0%	-11.0%	
YoY Change						21.5%	27.1%	24.9%	-18.5%	N/M	64.4%	3.0%	26.3%	81.2%	-5.4%	22.3%	47.9%	18.6%	
Earnings Per Share - Basic	0.26	0.12	0.11	0.12	-0.04	0.31	0.15	0.14	0.10	0.12	0.51	0.15	0.17	0.18	0.12	0.62	0.23	0.21	
Earnings Per Share - Diluted	0.26	0.12	0.11	0.12	-0.04	0.31	0.15	0.14	0.09	0.12	0.50	0.15	0.17	0.17	0.12	0.61	0.23	0.20	
Depreciation & amortization	1,934	460	472	469	463	1,864	441	436	445	447	1,769	429	422	423	429	1,703	424	433	
QoQ Change			2.6%	-0.6%	-1.3%		-4.8%	-1.1%	2.1%	0.4%		-4.0%	-1.6%	0.2%	1.4%		-1.2%	2.1%	
YoY Change						-3.6%	-4.1%	-7.6%	-5.1%	-3.5%	-5.1%	-3.2%	-2.7%	-4.9%	-4.0%	-3.7%	-1.2%	2.6%	
EBITDA	3,461	976	988	1,029	455	3,448	1,098	1,007	1,041	999	4,145	1,098	1,236	1,251	935	4,520	1,290	1,309	
QoQ Change			1.2%	4.1%	-55.8%		141.3%	-8.3%	3.4%	-4.0%		9.9%	12.6%	1.2%	-25.3%		38.0%	1.5%	
YoY Change						-0.4%	12.5%	1.9%	1.2%	119.6%	20.2%	0.0%	22.7%	20.2%	-6.4%	9.0%	17.5%	5.9%	
Shares Outstanding - Basic	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,606	2,617	
Shares Outstanding - Diluted	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,637	2,641	2,641	2,649	2,648	2,648	2,649	2,649	2,647	2,667	
Key Cash Flow Metrics																			
Operating cash flow	3,015	N/A	N/A	N/A	N/A	3,539	822	667	784	674	2,947	618	759	1,212	826	3,415	1,224	808	
QoQ Change								-18.9%	17.5%	-14.0%		-8.3%	22.8%	59.7%	-31.8%		48.2%	-34.0%	
YoY Change						17.4%					-16.7%	-24.8%	13.8%	54.6%	22.6%	15.9%	98.1%	6.5%	
Capital expenditures, gross	1,701	333	271	243	316	1,163	240	278	332	396	1,246	366	386	595	422	1,769	471	441	
QoQ Change			-18.7%	-10.4%	30.3%		-24.1%	15.8%	19.4%	19.3%		-7.6%	5.5%	54.1%	-29.1%		11.6%	-6.4%	
YoY Change						-31.6%	-27.9%	N/M	36.8%	25.2%	7.1%	52.5%	38.8%	79.2%	6.6%	42.0%	28.7%	14.2%	
Capital expenditures, net	1,680	320	266	226	303	1,115	217	181	315	356	1,069	305	360	581	376	1,622	420	430	
QoQ Change			-16.9%	-15.1%	34.3%		-28.4%	-16.6%	74.0%	13.0%		-14.3%	18.0%	61.4%	-35.3%		11.7%	2.4%	
YoY Change						-33.6%	-32.2%	-31.9%	39.5%	17.4%	-4.1%	40.6%	98.9%	84.4%	5.6%	51.7%	37.7%	19.4%	
Free cash flow	1,335	N/A	N/A	N/A	N/A	2,450	605	489	469	318	1,881	313	401	641	451	1,806	804	383	
QoQ Change								-19.2%	-4.1%	-32.2%		-1.6%	28.1%	59.9%	-29.6%		78.3%	-52.4%	
YoY Change						83.5%					-23.2%	-48.3%	-18.0%	36.7%	41.8%	-4.0%	156.9%	-4.5%	
Key Balance Sheet Metrics																			
Total debt	8,908	8,726	8,502	7,622	7,457	7,457	7,253	8,055	6,870	6,776	6,776	6,539	6,284	6,218	6,046	6,046	6,281	5,917	
Cash & short-term investments	4,562	4,753	3,736	3,524	3,593	3,593	1,884	3,071	2,085	1,592	1,592	1,600	806	1,259	819	819	1,739	885	
Net debt	4,346	3,973	4,766	4,098	3,864	3,864	5,369	4,984	4,785	5,184	5,184	4,939	5,478	4,959	5,227	5,227	4,542	5,032	
Ratios																			
Operating margin	12.8%	17.1%	17.1%	18.2%	-0.3%	12.9%	21.3%	18.7%	19.0%	17.7%	19.2%	21.6%	26.4%	26.2%	16.5%	22.7%	27.4%	27.0%	
Net margin	5.6%	10.4%	9.6%	10.1%	-3.4%	6.6%	12.9%	11.8%	8.1%	10.1%	10.7%	13.3%	14.8%	14.6%	9.7%	13.1%	19.2%	16.7%	
EBITDA margin	29.0%	32.4%	32.7%	33.4%	14.6%	28.2%	35.5%	33.0%	33.2%	32.0%	33.4%	35.4%	40.1%	39.6%	30.5%	36.4%	40.8%	40.3%	
Capex/Sales	14.3%	11.1%	9.0%	7.9%	10.1%	9.5%	7.8%	9.1%	10.6%	12.7%	10.0%	11.8%	12.5%	18.8%	13.8%	14.3%	14.9%	13.6%	
Total debt / EBITDA (ttm)	2.57				2.16	2.16	2.03	2.24	1.91	1.63	1.63	1.58	1.44	1.36	1.34	1.34	1.33	1.24	
Net debt / EBITDA (ttm)	1.26				1.12	1.12	1.50	1.39	1.33	1.25	1.25	1.19	1.25	1.08	1.16	1.16	0.96	1.05	



(NIS millions, except for EPS)

		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
Bezeq Fixed Line																			
Key Income Statement Metrics																			
Revenues		5,893	1,455	1,440	1,465	1,439	5,799	1,442	1,393	1,425	1,453	5,713	1,408	1,354	1,388	1,348	5,498	1,326	1,318
	QoQ Change			-1.0%	1.7%	-1.8%	-1.6%	0.2%	-3.4%	2.3%	2.0%	-1.5%	-3.1%	-3.8%	2.5%	-2.9%	-1.6%	-0.6%	
	YoY Change							-0.9%	-3.3%	-2.7%	1.0%	-2.4%	-2.8%	-2.6%	-7.2%	-3.8%	-5.8%	-2.7%	
Operating profit		919	308	280	363	-178	773	369	243	327	380	1,319	373	442	428	232	1,475	437	434
	QoQ Change			-9.1%	29.6%	N/M	-15.9%	19.8%	-13.2%	-9.9%	16.2%	70.6%	-1.8%	18.5%	-3.2%	-45.8%	88.4%	-0.7%	
	YoY Change							N/M	-34.1%	34.6%	N/M	81.9%	1.1%	81.9%	30.9%	-38.9%	11.8%	17.2%	-1.8%
Depreciation & amortization		1,109	258	258	259	251	1,026	237	236	236	232	941	218	211	214	209	852	211	205
	QoQ Change			0.0%	0.4%	-3.1%	-7.5%	-5.6%	-0.4%	0.0%	-1.7%	70.6%	-6.0%	-3.2%	1.4%	-2.3%	1.0%	-2.8%	
	YoY Change							-8.1%	-8.5%	-8.9%	-7.6%	-8.3%	-8.0%	-10.6%	-9.3%	-9.9%	-9.5%	-3.2%	-2.8%
EBITDA		2,028	566	538	622	73	1,799	606	479	563	612	2,260	591	653	642	441	2,327	648	639
	QoQ Change			-4.9%	15.6%	-88.3%	-11.3%	730.1%	-21.0%	17.5%	8.7%	25.6%	-3.4%	10.5%	-1.7%	-31.3%	46.9%	-1.4%	
	YoY Change							7.1%	-11.0%	-9.5%	738.4%	25.6%	-2.5%	36.3%	14.0%	-27.9%	3.0%	9.6%	-2.1%
Key Cash Flow Metrics																			
Capital expenditures, gross		N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	578	113	101	149	141	504	158	132	156	170	616	238	191
	QoQ Change								-10.6%	47.5%	-5.4%	-12.8%	12.1%	-16.5%	18.2%	9.0%	40.0%	-19.7%	
	YoY Change												39.8%	30.7%	4.7%	20.6%	22.2%	50.6%	44.7%
Capital expenditures, net		N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	539	95	5	133	118	351	98	107	144	123	472	188	183
	QoQ Change								-94.7%	N/M	-11.3%	-34.9%	-16.9%	9.2%	34.6%	-14.6%	52.8%	-2.7%	
	YoY Change												3.2%	N/M	8.3%	4.2%	34.5%	91.8%	71.0%
Key Balance Sheet Metrics																			
Total debt		6,945	N/A (1)	N/A (1)	N/A (1)	N/A (1)	6,258	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,696	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,276	N/A (1)	N/A (1)
Cash & short-term investments		3,730	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,219	N/A (1)	N/A (1)	N/A (1)	N/A (1)	817	N/A (1)	N/A (1)	N/A (1)	N/A (1)	116	N/A (1)	N/A (1)
Net debt		3,215	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,039	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,879	N/A (1)	N/A (1)	N/A (1)	N/A (1)	4,160	N/A (1)	N/A (1)
Ratios																			
Operating margin		15.6%	21.2%	19.4%	24.8%	-12.4%	13.3%	25.6%	17.4%	22.9%	26.2%	23.1%	26.5%	32.6%	30.8%	17.2%	26.8%	33.0%	32.9%
EBITDA margin		34.4%	38.9%	37.4%	42.5%	5.1%	31.0%	42.0%	34.4%	39.5%	42.1%	39.6%	42.0%	48.2%	46.3%	32.7%	42.3%	48.9%	48.5%
Capex/Sales							10.0%	7.8%	7.3%	10.5%	9.7%	8.8%	11.2%	9.7%	11.2%	12.6%	11.2%	17.9%	14.5%
Total debt / EBITDA (ttm)		3.42					3.48					2.08					1.84		
Net debt / EBITDA (ttm)		1.59					1.69					1.72					1.79		



(NIS millions, except for EPS)

		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
Telephone																			
Key Income Statement Metrics																			
Revenues		4,428	1,089	1,097	1,144	1,148	4,478	1,147	1,152	1,203	1,182	4,684	1,173	1,188	1,214	1,138	4,713	1,265	1,346
	QoQ Change			0.7%	4.3%	0.3%	1.1%	-0.1%	0.4%	4.4%	-1.7%	4.6%	-0.8%	1.3%	2.2%	-6.3%	0.6%	11.2%	6.4%
	YoY Change							5.3%	5.0%	5.2%	3.0%	4.6%	2.3%	3.1%	0.9%	-3.7%	0.6%	7.8%	13.3%
Operating profit		591	175	198	171	157	701	213	240	219	133	805	215	266	293	159	933	302	321
	QoQ Change			13.1%	-13.6%	-8.2%	18.6%	21.7%	12.7%	-8.8%	-39.3%	14.8%	61.7%	23.7%	10.2%	-45.7%	15.9%	89.9%	6.3%
	YoY Change							21.2%	21.2%	-15.3%	28.1%	14.8%	0.9%	10.8%	33.8%	19.5%	15.9%	40.5%	20.7%
Net profit		287	126	124	111	125	486	154	173	154	104	585	163	180	211	128	682	230	233
	QoQ Change			-1.6%	-10.5%	12.6%	69.3%	23.2%	12.3%	-11.0%	-32.5%	56.7%	10.4%	17.2%	-39.3%	79.7%	17.2%	41.1%	1.3%
	YoY Change							22.2%	39.5%	38.7%	-16.8%	20.4%	5.8%	4.0%	37.0%	23.1%	16.6%	41.1%	29.4%
Depreciation & amortization		438	120	120	116	114	470	117	115	121	125	478	129	130	129	135	523	139	151
	QoQ Change			0.0%	-3.3%	-1.7%	2.6%	-1.7%	5.2%	3.3%	3.2%	0.8%	0.8%	0.8%	-0.8%	4.7%	3.0%	3.0%	8.6%
	YoY Change						7.3%	-2.5%	-4.2%	4.3%	9.6%	1.7%	10.3%	13.0%	6.6%	8.0%	9.4%	7.8%	16.2%
EBITDA		1,029	295	318	287	271	1,171	330	355	340	258	1,283	344	396	422	294	1,456	441	472
	QoQ Change			7.8%	-9.7%	-5.6%	13.8%	21.8%	7.6%	-4.2%	-24.1%	9.6%	33.3%	15.1%	6.6%	-30.3%	13.5%	50.0%	7.0%
	YoY Change							11.9%	11.6%	18.5%	-4.8%	9.6%	4.2%	11.5%	24.1%	14.0%	13.5%	28.2%	19.2%
Key Cash Flow Metrics																			
Operating cash flow		967	N/A	N/A	N/A	N/A	1,306	355	241	387	245	1,228	256	344	379	298	1,277	375	290
	QoQ Change						35.1%		-32.1%	60.6%	-36.7%	-6.0%	4.5%	34.4%	10.2%	-21.4%	4.0%	25.8%	-22.7%
	YoY Change							-40.6%	85.7%	-30.8%	48.1%	-14.2%	-27.9%	42.7%	-2.1%	21.6%	4.0%	46.5%	-15.7%
Capital expenditures, gross		556	99	84	65	106	354	63	117	81	120	381	103	182	350	163	798	149	163
	QoQ Change			-15.2%	-22.6%	63.1%	-36.3%	-40.6%	39.3%	-30.8%	48.1%	-14.2%	63.5%	76.7%	92.3%	-53.4%	109.4%	-8.6%	9.4%
	YoY Change							-36.4%	39.3%	24.6%	13.2%	7.6%	-27.9%	42.7%	-2.1%	21.6%	4.0%	46.5%	-15.7%
Capital expenditures, net		552	98	82	64	102	346	61	117	81	117	376	102	181	350	162	795	149	159
	QoQ Change			-16.3%	-22.0%	59.4%	-37.3%	-40.2%	91.8%	-30.8%	44.4%	-12.8%	63.5%	77.5%	93.4%	-53.7%	111.4%	-8.0%	6.7%
	YoY Change							-37.8%	42.7%	26.6%	14.7%	8.7%	67.2%	54.7%	332.1%	38.5%	111.4%	46.1%	-12.2%
Free cash flow		415	N/A	N/A	N/A	N/A	961	294	124	306	128	852	154	163	29	136	482	226	131
	QoQ Change						131.6%		-57.8%	146.8%	-58.2%	-11.3%	20.3%	5.8%	-82.2%	369.0%	66.2%	66.2%	-42.0%
	YoY Change												-47.6%	31.5%	-90.5%	6.3%	-43.4%	46.8%	-19.6%
Ratios																			
Operating margin		13.3%	16.1%	18.0%	14.9%	13.7%	15.7%	18.6%	20.8%	18.2%	11.3%	17.2%	18.3%	22.4%	24.1%	14.0%	19.8%	23.9%	23.8%
Net margin		6.5%	11.6%	11.3%	9.7%	10.9%	10.9%	13.4%	15.0%	12.8%	8.8%	12.5%	13.9%	15.2%	17.4%	11.2%	14.5%	18.2%	17.3%
EBITDA margin		23.2%	27.1%	29.0%	25.1%	23.6%	26.2%	28.8%	30.8%	28.3%	21.8%	27.4%	29.3%	33.3%	34.8%	25.8%	30.9%	34.9%	35.1%
Capex/Sales		12.6%	9.1%	7.7%	5.7%	9.2%	7.9%	5.5%	10.2%	6.7%	10.2%	8.1%	8.8%	15.3%	28.8%	14.3%	16.9%	11.8%	12.1%



(NIS millions, except for EPS)

		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
Bezeq International																			
Key Income Statement Metrics																			
Revenues		815	242	255	259	265	1,021	323	321	326	334	1,304	314	326	329	337	1,306	324	327
	QoQ Change			5.4%	1.6%	2.3%	25.3%	21.9%	-0.6%	1.6%	2.5%	27.7%	-6.0%	3.8%	1.0%	2.4%	0.1%	-3.7%	0.7%
	YoY Change							33.5%	25.9%	25.9%	26.0%		-2.8%	1.5%	0.9%	0.9%		3.4%	0.3%
Operating profit		93	33	38	36	25	132	51	54	54	45	204	55	63	59	65	242	60	68
	QoQ Change			15.2%	-5.3%	-30.6%	41.9%	104.0%	5.9%	0.0%	-16.7%		21.8%	14.2%	-5.7%	10.4%		-7.6%	12.3%
	YoY Change							80.0%	42.1%	50.0%	80.0%	54.5%	7.5%	15.9%	9.3%	44.8%	18.4%	9.9%	8.0%
Net profit		104	18	29	29	20	96	37	39	39	38	153	42	47	44	46	178	44	56
	QoQ Change			61.1%	0.0%	-31.0%	85.0%	85.0%	5.4%	0.0%	-2.6%		9.2%	13.4%	-6.5%	4.0%		-3.6%	26.5%
	YoY Change						-7.7%	105.6%	34.5%	34.5%	90.0%	59.4%	12.2%	20.7%	12.8%	20.4%	16.5%	6.3%	18.6%
Depreciation & amortization		87	20	16	19	32	87	23	22	21	21	87	20	20	20	20	80	20	21
	QoQ Change			-20.0%	18.8%	68.4%	0.0%	-28.1%	-4.3%	-4.5%	0.0%		-4.8%	1.6%	-1.6%	-1.6%		-0.4%	5.5%
	YoY Change							15.0%	37.5%	10.5%	-34.4%	0.0%	-13.0%	-7.7%	-4.8%	-6.3%	-8.0%	-2.0%	1.8%
EBITDA		180	53	54	55	57	219	74	76	75	66	291	75	83	79	85	322	80	88
	QoQ Change			1.9%	1.9%	3.6%	29.8%	29.8%	2.7%	-1.3%	-12.0%		13.3%	10.8%	-4.7%	7.4%		-5.9%	10.6%
	YoY Change						21.7%	39.6%	40.7%	36.4%	15.8%	32.9%	1.1%	9.1%	5.3%	28.5%	10.5%	6.7%	6.5%
Key Cash Flow Metrics																			
Operating cash flow		183	N/A	N/A	N/A	N/A	204	-2	32	33	30	93	8	51	32	73	163	84	83
	QoQ Change						11.5%		N/M	3.1%	-9.1%		-74.9%	577.4%	-37.2%	126.7%		15.1%	-1.0%
	YoY Change											-54.4%	N/M	59.2%	-3.0%	141.8%	75.3%	1010.7%	62.4%
Capital expenditures, gross		63	13	14	20	15	62	21	18	29	36	104	28	31	33	27	118	21	26
	QoQ Change			7.7%	42.9%	-25.0%	-1.6%	40.0%	-14.3%	61.1%	24.1%		-23.6%	12.4%	6.7%	-19.5%		-19.5%	21.9%
	YoY Change							61.5%	28.6%	45.0%	140.0%	67.7%	31.0%	71.8%	13.8%	-26.2%	13.5%	-22.2%	-15.6%
Capital expenditures, net		61	13	14	20	15	62	21	18	27	34	100	28	31	33	26	117	21	26
	QoQ Change			7.7%	42.9%	-25.0%	1.6%	40.0%	-14.3%	50.0%	25.9%		-19.1%	12.4%	6.7%	-22.5%		-16.3%	21.9%
	YoY Change						1.6%	61.5%	28.6%	35.0%	126.7%	61.3%	31.0%	71.8%	22.2%	-24.8%	17.0%	-22.2%	-15.6%
Free cash flow		122	N/A	N/A	N/A	N/A	142	-23	14	6	-4	-7	-20	20	9	47	56	62	62
	QoQ Change						16.4%		N/M	-57.1%	N/M		N/M	N/M	-55.0%	422.0%		32.2%	-0.8%
	YoY Change											N/M	N/M	42.9%	50.0%	N/M	N/M	N/M	207.8%
Ratios																			
Operating margin		11.4%	13.6%	14.9%	13.9%	9.4%	12.9%	15.8%	16.8%	16.6%	13.5%	15.6%	17.5%	19.2%	17.9%	19.3%	18.5%	18.6%	20.7%
Net margin		12.8%	7.4%	11.4%	11.2%	7.5%	9.4%	11.5%	12.1%	12.0%	11.4%	11.7%	13.2%	14.4%	13.4%	13.6%	13.7%	13.6%	17.1%
EBITDA margin		22.1%	21.9%	21.2%	21.2%	21.5%	21.4%	22.9%	23.7%	23.0%	19.8%	22.3%	23.8%	25.4%	24.0%	25.2%	24.6%	24.6%	27.0%
Capex/Sales		7.7%	5.4%	5.5%	7.7%	5.7%	6.1%	6.5%	5.6%	8.9%	10.8%	8.0%	8.8%	9.5%	10.0%	7.9%	9.0%	6.6%	8.0%



(NIS millions, except for EPS)

		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
yes																			
Key Income Statement Metrics																			
Revenues		1,222	332	338	340	345	1,355	354	354	360	347	1,415	381	380	375	377	1,513	384	376
	QoQ Change			1.8%	0.6%	1.5%	10.9%	2.6%	0.0%	1.7%	-3.6%	4.4%	9.9%	-0.4%	-1.2%	0.4%	6.9%	1.9%	-2.0%
	YoY Change							6.6%	4.7%	5.9%	0.6%		7.7%	7.3%	4.2%	8.5%	0.6%		-1.0%
Operating profit		-64	-5	7	-11	10	1	25	31	-4	4	56	27	43	52	55	177	66	59
	QoQ Change			N/M	N/M	N/M	N/M	150.0%	24.0%	N/M	N/M	N/M	570.0%	58.8%	23.1%	5.4%	19.4%	19.4%	-10.5%
	YoY Change							N/M	342.9%	N/M	-60.0%	N/M	7.2%	37.3%	N/M	1281.2%	216.1%	146.1%	38.8%
Net profit		-346	-84	-97	-97	-42	-320	-48	-65	70	-75	-118	-66	-99	-82	-18	-265	-1	-95
	QoQ Change			15.5%	0.0%	-56.7%	-7.5%	-5.5%	1.5%	35.4%	N/M	N/M	-12.3%	50.9%	-17.3%	-78.3%	-93.3%	7829.5%	
	YoY Change							-42.9%	-33.0%	N/M	78.6%	-63.1%	37.1%	52.8%	N/M	-76.3%	124.6%	-98.2%	-4.2%
Depreciation & amortization		285	73	74	74	72	293	68	69	66	70	273	65	61	59	66	250	57	56
	QoQ Change			1.4%	0.0%	-2.7%	2.8%	-5.5%	1.5%	-4.3%	6.1%	-7.6%	-7.6%	-6.3%	-2.6%	11.4%	-13.9%	-1.7%	
	YoY Change							-6.8%	-6.8%	-10.8%	-2.7%	-6.8%	-4.9%	-12.2%	-10.6%	-6.1%	-8.4%	-12.6%	-8.3%
EBITDA		221	68	81	63	82	294	93	100	62	74	329	92	103	111	121	427	122	115
	QoQ Change			19.1%	-22.2%	30.1%	33.0%	13.5%	7.5%	-38.0%	19.4%	11.9%	23.6%	12.7%	8.0%	8.6%	29.8%	1.3%	-6.4%
	YoY Change							36.8%	23.5%	-1.6%	-9.7%		-1.6%	3.1%	79.7%	63.5%	29.8%	33.9%	11.1%
Key Cash Flow Metrics																			
Operating cash flow		137	N/A	N/A	N/A	N/A	244	93	25	56	76	250	84	32	97	134	347	91	93
	QoQ Change						78.1%		-73.1%	124.0%	35.7%		10.7%	-61.5%	199.7%	37.7%		-32.1%	3.0%
	YoY Change							18.4%	0.0%	86.7%	-3.6%	2.5%	-9.6%	29.5%	73.2%	75.7%	38.8%	7.8%	188.5%
Capital expenditures, gross		259	54	55	39	38	186	45	45	84	81	255	79	40	56	63	238	61	60
	QoQ Change			1.9%	-29.1%	-2.6%	-28.2%	18.4%	0.0%	86.7%	-3.6%	37.1%	-2.0%	-50.2%	41.6%	12.6%		-2.6%	-2.4%
	YoY Change							-16.7%	-18.2%	115.4%	113.2%		76.4%	-12.1%	-33.3%	-22.2%	-6.7%	-22.7%	51.5%
Capital expenditures, net		258	54	55	39	38	186	45	45	84	81	255	79	40	56	63	238	61	60
	QoQ Change			1.9%	-29.1%	-2.6%	-27.9%	18.4%	0.0%	86.7%	-3.6%	37.1%	-2.0%	-50.2%	41.6%	12.6%		-2.6%	-2.4%
	YoY Change							-16.7%	-18.2%	115.4%	113.2%		76.4%	-12.1%	-33.3%	-22.2%	-6.7%	-22.7%	51.5%
Free cash flow		-121	N/A	N/A	N/A	N/A	58	48	-20	-28	-5	-5	5	-7	41	70	109	29	33
	QoQ Change						N/M		N/M	40.0%	-82.1%	N/M	N/M	N/M	N/M	71.9%		N/M	14.2%
	YoY Change												-90.2%	-64.1%	N/M	N/M	N/M	523.4%	-565.8%
Ratios																			
Operating margin		-5.2%	-1.5%	2.1%	-3.2%	2.9%	0.1%	7.1%	8.8%	-1.1%	1.2%	4.0%	7.0%	11.2%	14.0%	14.7%	11.7%	17.2%	15.7%
Net margin		-28.3%	-25.3%	-28.7%	-28.5%	-12.2%	-23.6%	-13.6%	-18.4%	19.4%	-21.6%	-8.3%	-17.3%	-26.1%	-21.9%	-4.7%	-17.5%	-0.3%	-25.3%
EBITDA margin		18.1%	20.5%	24.0%	18.5%	23.8%	21.7%	26.3%	28.2%	17.2%	21.3%	23.3%	24.0%	27.2%	29.7%	32.1%	28.2%	31.9%	30.5%
Capex/Sales		21.2%	16.3%	16.3%	11.5%	11.0%	13.7%	12.7%	12.7%	23.3%	23.3%	18.0%	20.8%	10.4%	14.9%	16.7%	15.7%	16.0%	15.9%



	FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
Bezeq Fixed Line																		
Key Performance Indicators																		
Total outgoing minutes (in millions)	17,246	4,133	4,035	4,107	3,884	16,160	3,802	3,654	3,760	3,653	14,869	3,511	3,346	3,428	3,154	13,439	3,121	3,014
QoQ Change			-2.4%	1.8%	-5.4%		-2.1%	-3.9%	2.9%	-2.8%		-3.9%	-4.7%	2.5%	-8.0%		-1.0%	-3.4%
YoY Change						-6.3%	-8.0%	-9.4%	-8.4%	-5.9%	-8.0%	-7.7%	-8.4%	-8.8%	-13.7%	-9.6%	-11.1%	-9.9%
Total incoming minutes (in millions)	4,960	1,371	1,393	1,470	1,493	5,727	1,545	1,553	1,651	1,661	6,411	1,673	1,651	1,719	1,648	6,691	1,654	1,664
QoQ Change			1.6%	5.5%	1.6%		3.5%	0.5%	6.3%	0.6%		0.7%	-1.3%	4.1%	-4.1%		0.4%	0.6%
YoY Change						15.5%	12.7%	11.5%	12.3%	11.3%	11.9%	8.3%	6.3%	4.1%	-0.8%	4.4%	-1.1%	0.8%
Total access lines (in 000's)	2,848	2,831	2,822	2,813	2,808	2,808	2,798	2,778	2,767	2,761	2,761	2,711	2,681	2,645	2,615	2,615	2,579	2,547
QoQ Change			-0.3%	-0.3%	-0.2%		-0.4%	-0.7%	-0.4%	-0.2%		-1.8%	-1.1%	-1.3%	-1.1%		-1.4%	-1.2%
YoY Change						-1.4%	-1.2%	-1.6%	-1.6%	-1.7%	-1.7%	-3.1%	-3.5%	-4.4%	-5.3%	-5.3%	-4.9%	-5.0%
Bezeq ARPL - Voice & fixed fees (in NIS) (1)	92	90	89	90	88	89	89	86	86	86	87	84	82	85	82	83	81	81
QoQ Change			-1.1%	1.1%	-2.2%		1.1%	-3.4%	0.0%	0.0%		-2.3%	-2.4%	3.7%	-3.5%		-1.0%	-0.2%
YoY Change						-3.3%	-1.1%	-3.4%	-4.4%	-2.3%	-2.2%	-5.6%	-4.7%	-1.2%	-4.7%	-4.6%	-3.3%	-1.2%
ADSL lines (in 000's)	804	826	846	867	892	892	912	924	942	963	963	970	982	994	1,005	1,005	1,011	1,016
QoQ Change			2.4%	2.5%	2.9%		2.2%	1.3%	1.9%	2.2%		0.7%	1.2%	1.2%	1.1%		0.6%	0.5%
YoY Change						10.9%	10.4%	9.2%	8.7%	8.0%	8.0%	6.4%	6.3%	5.5%	4.4%	4.4%	4.2%	3.5%
Bezeq ARPU - ADSL (in NIS)	63	61	60	59	60	60	62	62	64	69	64	68	66	68	67	67	68	69
QoQ Change			-2.5%	-0.8%	1.7%		3.3%	0.0%	3.2%	7.8%		-1.4%	-2.9%	3.0%	-1.5%		1.5%	1.5%
YoY Change						-4.8%	1.6%	4.2%	8.5%	15.0%	6.7%	9.7%	6.5%	6.3%	-2.9%	4.7%	0.0%	4.5%
Number of employees	8,108	8,135	8,179	8,188	8,076	8,076	7,693	7,489	7,658	7,614	7,614	7,458	7,425	7,417	7,530	7,530	7,545	7,399
QoQ Change			0.5%	0.1%	-1.4%		-4.7%	-2.7%	2.3%	-0.6%		-2.0%	-0.4%	-0.1%	1.5%		0.2%	-1.9%
YoY Change						-0.4%	-8.4%	-6.5%	-5.7%	-5.7%	-5.7%	-3.1%	-0.9%	-3.1%	-1.1%	-1.1%	1.2%	-0.4%



		FY 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009
Pelephone																			
Key Performance Indicators																			
Subscribers (in 000's)		2,287	2,306	2,323	2,366	2,427	2,427	2,478	2,513	2,560	2,622	2,622	2,595	2,636	2,698	2,649	2,649	2,669	2,694
	QoQ Change			0.7%	1.9%	2.6%		2.1%	1.4%	1.9%	2.4%		-1.0%	1.6%	2.4%	-1.8%		0.8%	0.9%
	YoY Change						6.1%	7.5%	8.2%	8.2%	8.0%	8.0%	4.7%	4.9%	5.4%	1.0%	1.0%	2.9%	2.2%
ARPU (in NIS)		138	136	141	142	136	138	132	129	135	130	131	126	128	129	122	126	128	131
	QoQ Change			3.7%	0.7%	-4.2%		-2.9%	-2.3%	4.7%	-3.7%		-3.1%	1.6%	0.8%	-5.4%		4.9%	2.3%
	YoY Change						0.0%	-2.9%	-8.5%	-4.9%	-4.4%	-5.1%	-4.5%	-0.8%	-4.4%	-6.2%	-3.8%	1.6%	2.3%
MOU (per sub, per month)		338	345	346	357	347	349	344	350	363	358	354	355	358	359	335	352	323	329
	QoQ Change			0.3%	3.2%	-2.8%		-0.9%	1.7%	3.7%	-1.4%		-0.8%	0.8%	0.3%	-6.7%		-3.6%	1.9%
	YoY Change						3.3%	-0.3%	1.2%	1.7%	3.2%	1.4%	3.2%	2.3%	-1.1%	-6.4%	-0.6%	-9.0%	-8.1%
3G subscribers (in 000's)		60	85	115	146	255	255	358	471	607	749	749	867	977	1,068	1,151	1,151	1,217	1,307
	QoQ Change			35.3%	27.0%	74.7%		40.4%	31.6%	28.9%	23.4%		15.8%	12.7%	9.3%	7.8%		5.7%	7.4%
	YoY Change						325.0%	321.2%	309.6%	315.8%	193.7%	193.7%	142.2%	107.4%	75.9%	53.7%	53.7%	40.4%	33.8%
% data of total cellular service revenue		8.6%	10.0%	10.3%	10.9%	11.6%	10.7%	12.0%	12.5%	12.8%	13.6%	12.7%	15.0%	15.5%	16.2%	18.4%	16.3%	18.5%	19.2%

YES

Key Performance Indicators																			
Subscribers (in 000's)		521	528	535	539	540	540	542	543	545	549	549	549	551	556	560	560	560	562
	QoQ Change			1.3%	0.7%	0.2%		0.4%	0.2%	0.4%	0.7%		0.0%	0.4%	0.9%	0.7%		0.0%	0.4%
	YoY Change						3.6%	2.7%	1.5%	1.1%	1.7%	1.7%	1.3%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
ARPU (in NIS)		205	211	212	211	214	212	218	218	220	212	217	231	230	226	225	228	228	224
	QoQ Change			0.5%	-0.5%	1.4%		1.9%	0.0%	0.9%	-3.6%		9.0%	-0.4%	-1.7%	-0.4%		1.3%	-1.8%
	YoY Change						3.3%	3.3%	2.8%	4.3%	-0.9%	2.4%	6.0%	5.5%	2.7%	6.1%	5.1%	-1.3%	-2.6%



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

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.