



Bezeq Facts & Figures Q4 & FY 2014

Three months and year ending December 31, 2014

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		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Bezeq Group ⁽¹⁾																	
Key Income Statement Metrics																	
Revenues		11,136	11,015	11,519	11,987	11,373	10,278	2,405	2,351	2,398	2,409	9,563	2,311	2,250	2,232	2,262	9,055
	QoQ Change							-1.8%	-2.2%	2.0%	0.5%		-4.1%	-2.6%	-0.8%	1.3%	
	YoY Change		-1.1%	4.6%	4.1%	-5.1%	-9.6%	-12.2%	-9.4%	-3.8%	-1.6%	-7.0%	-3.9%	-4.3%	-6.9%	-6.1%	-5.3%
Operating Profit		2,321	2,640	2,972	3,744	3,255	3,041	761	744	721	593	2,819	688	1,234	671	633	3,226
	QoQ Change							-2.2%	-2.2%	-3.1%	-17.8%		16.0%	79.4%	-45.6%	-5.7%	
	YoY Change		13.7%	12.6%	26.0%	-13.1%	-6.6%	-10.5%	-0.3%	8.1%	-23.8%	-7.3%	-9.6%	65.9%	-6.9%	6.7%	14.4%
Net profit attributed to Bezeq shareholders		1,330	1,627	3,603	2,443	2,074	1,861	497	473	449	352	1,771	457	810	428	416	2,111
	QoQ Change							-4.8%	-4.8%	-5.1%	-21.6%		29.8%	77.2%	-47.2%	-2.8%	
	YoY Change		22.3%	121.5%	-32.2%	-15.1%	-10.3%	-14.6%	14.0%	31.3%	-32.6%	-4.8%	-8.0%	71.2%	-4.7%	18.2%	19.2%
Earnings Per Share - Basic		0.51	0.62	1.37	0.91	0.77	0.68	0.18	0.17	0.16	0.13	0.65	0.17	0.30	0.16	0.15	0.77
Earnings Per Share - Diluted		0.50	0.61	1.34	0.90	0.76	0.68	0.18	0.17	0.16	0.13	0.65	0.17	0.29	0.16	0.15	0.77
Depreciation & amortization		1,509	1,458	1,485	1,409	1,395	1,436	328	326	329	328	1,311	314	319	327	321	1,281
	QoQ Change							-9.1%	-0.6%	0.9%	-0.3%		-4.3%	1.6%	2.5%	-1.8%	
	YoY Change		-3.4%	1.9%	-5.1%	-1.0%	2.9%	-8.4%	-8.9%	-8.4%	-9.1%	-8.7%	-4.3%	-2.1%	-0.6%	-2.1%	-2.3%
Salaries		2,192	2,161	1,990	2,024	2,090	1,976	499	468	464	441	1,872	448	443	437	440	1,768
	QoQ Change							11.1%	-6.2%	-0.9%	-5.0%		1.6%	-1.1%	-1.4%	0.7%	
	YoY Change		-1.4%	-7.9%	1.7%	3.3%	-5.5%	-2.3%	-7.3%	-9.2%	-1.8%	-5.3%	-10.2%	-5.3%	-5.8%	-0.2%	-5.6%
Other operating expenses (income)		N/A	96	201	-216	139	-128	-72	-18	-6	81	-15	-8	-568	-25	15	-586
	QoQ Change							-37.9%	-75.0%	-66.7%	NM		NM	NM	NM	NM	
	YoY Change			109.4%	NM	NM	NM	213.0%	NM	0.0%	NM	-88.3%	-88.9%	NM	NM	-81.5%	NM
Finance expenses (income), net		182	140	-31	109	212	151	24	27	45	49	145	42	32	39	17	130
	QoQ Change							-61.9%	12.5%	66.7%	8.9%		-14.3%	-23.8%	21.9%	-56.4%	
	YoY Change		-23.1%		94.5%	-28.8%	-154.5%	-64.9%	-18.2%	-22.2%	-4.0%	75.0%	18.5%	-13.3%	-65.3%	-10.3%	
Share in losses of equity accounted investees		N/A	N/A	N/A	-261	-245	-40	-40	-67	-88	-57	-252	-19	-79	-34	-38	-170
	QoQ Change							233.3%	67.5%	31.3%	-35.2%		-66.7%	315.8%	-57.0%	11.8%	
	YoY Change				-17.2%	13.4%	-31.0%	-19.3%	-4.3%	375.0%	2.9%	-52.5%	17.9%	-61.4%	-33.3%	-32.5%	
EBITDA		3,830	4,098	4,457	5,153	4,650	4,477	1,089	1,070	1,050	921	4,130	1,002	1,553	998	954	4,507
	QoQ Change							-4.4%	-1.7%	-1.9%	-12.3%		8.8%	55.0%	-35.7%	-4.4%	
	YoY Change		7.0%	8.8%	15.6%	-9.8%	-3.7%	-9.9%	-3.1%	2.3%	-19.1%	-7.8%	-8.0%	45.1%	-5.0%	3.6%	9.1%
Shares Outstanding - Basic		2,605	2,605	2,635	2,675	2,714	2,720	2,725	2,725	2,726	2,729	2,741	2,731	2,734	2,737	2,741	2,736
Shares Outstanding - Diluted		2,641	2,649	2,685	2,717	2,725	2,726	2,726	2,729	2,743	2,749	2,741	2,749	2,752	2,755	2,761	2,754
Key Cash Flow Metrics																	
Operating cash flow		2,697	3,068	3,655	3,696	3,186	4,014	972	1,102	1,143	935	4,152	1,043	1,064	950	739	3,796
	QoQ Change							-3.0%	13.4%	3.7%	-18.2%		11.6%	2.0%	-10.7%	-22.2%	
	YoY Change		13.7%	19.1%	1.1%	-13.8%	26.0%	-2.6%	11.3%	11.6%	-6.7%	3.4%	7.3%	-3.4%	-16.9%	-21.0%	-8.6%
Capital expenditures, gross (accounting)		1,086	1,632	1,505	1,645	1,939	1,543	254	331	305	347	1,237	318	338	317	328	1,301
	QoQ Change							-24.9%	30.3%	-7.9%	13.8%		-8.4%	6.3%	-6.2%	3.5%	
	YoY Change		50.3%	-7.8%	9.3%	17.9%	-20.4%	-46.5%	-13.6%	-12.1%	2.7%	-19.8%	25.2%	2.1%	3.9%	-5.5%	5.2%
Capital expenditures, gross (cash flow)		991	1,531	1,535	1,622	1,903	1,540	289	301	320	318	1,228	315	323	322	315	1,275
	QoQ Change							-12.7%	4.2%	6.3%	-0.6%		-0.9%	2.5%	-0.3%	-2.2%	
	YoY Change		54.5%	0.2%	5.7%	17.3%	-19.1%	-37.2%	-21.2%	-12.8%	-3.9%	-20.3%	9.0%	7.3%	0.6%	-0.9%	3.8%
Capital expenditures, net (cash flow)		814	1,384	1,445	1,489	1,637	1,235	246	178	267	225	916	286	277	250	232	1,045
	QoQ Change							28.1%	-27.6%	50.0%	-15.7%		27.1%	-3.1%	-9.7%	-7.2%	
	YoY Change		70.0%	4.4%	3.0%	9.9%	-24.6%	-40.4%	-50.6%	-1.1%	17.2%	-25.8%	16.3%	55.6%	-6.4%	3.1%	14.1%
Free cash flow		1,883	1,684	2,210	2,207	1,549	2,779	726	924	876	710	3,236	757	787	700	507	2,751
	QoQ Change							-10.4%	27.3%	-5.2%	-18.9%		6.6%	4.0%	-11.1%	-27.6%	
	YoY Change		-10.6%	31.3%	-0.1%	-29.8%	79.4%	24.1%	46.7%	16.2%	-12.3%	16.4%	4.3%	-14.8%	-20.1%	-28.6%	-15.0%
Key Balance Sheet Metrics																	
Total debt		5,034	4,356	4,136	5,717	9,578	9,546	9,388	9,939	9,838	9,827	9,827	9,717	9,349	10,363	10,087	10,087
Cash & short-term investments		1,589	816	734	372	2,298	1,547	2,085	2,007	1,256	1,742	1,742	2,394	2,398	4,094	2,883	2,883
Net debt		3,445	3,540	3,402	5,345	7,280	7,999	7,303	7,932	8,582	8,085	8,085	7,323	6,951	6,269	7,204	7,204
Ratios																	
Operating margin		20.8%	24.0%	25.8%	31.2%	28.6%	29.6%	31.6%	31.6%	30.1%	24.6%	29.5%	29.8%	54.8%	30.1%	28.0%	35.6%
Net margin		11.9%	14.8%	31.3%	20.4%	18.2%	18.1%	20.7%	20.1%	18.7%	14.6%	18.5%	19.8%	36.0%	19.2%	18.4%	23.3%
EBITDA margin		34.4%	37.2%	38.7%	43.0%	40.9%	43.6%	45.3%	45.5%	43.8%	38.2%	43.2%	43.4%	69.0%	44.7%	42.2%	49.8%
Capex/Sales		9.8%	14.8%	13.1%	13.7%	17.0%	15.0%	10.6%	14.1%	12.7%	14.4%	12.9%	13.8%	15.0%	14.2%	14.5%	14.4%
Total debt / EBITDA (ttm)		1.31	1.06	0.93	1.11	2.06	2.13	2.15	2.30	2.26	2.38	2.38	2.40	2.07	2.32	2.24	2.24
Net debt / EBITDA (ttm)		0.90	0.86	0.76	1.04	1.57	1.79	1.68	1.83	1.97	1.96	1.96	1.81	1.54	1.40	1.60	1.60

⁽¹⁾ The Bezeq Group's financial data reflects the deconsolidation of yes as of December 31, 2007



(NIS millions, except for EPS) FY 2007 FY 2008 FY 2009 FY 2010 FY 2011 FY 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013 FY 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 FY 2014

Bezeq Group (cont'd)																	
Operating & General Expenses																	
Total operating & general expenses		5,075	4,660	4,871	5,026	4,494	3,953	889	831	890	966	3,576	869	822	822	853	3,366
	QoQ Change							-9.0%	-6.5%	7.1%	8.5%		-10.0%	-5.4%	0.0%	3.8%	
	YoY Change		-8.2%	4.5%	3.2%	-10.6%	-12.0%	-2.14%	-14.2%	-7.6%	-1.1%	-9.5%	-2.2%	-1.1%	-7.6%	-11.7%	-5.9%
Terminal equipment & materials		N/A	N/A	1,163	1,225	1,693	1,263	258	247	264	302	1,071	262	212	200	254	928
	QoQ Change							-15.7%	-4.3%	6.9%	14.4%		-13.2%	-19.1%	-5.7%	27.0%	
	YoY Change				5.3%	38.2%	-25.4%	-31.9%	-15.7%	-7.4%	-1.3%	-15.2%	1.6%	-14.2%	-24.2%	-15.9%	-13.4%
Interconnect & payments to telecom operators		N/A	N/A	1,762	1,876	910	900	224	228	232	221	905	206	208	219	214	847
	QoQ Change							-0.4%	1.8%	1.8%	-4.7%		-6.8%	1.0%	5.3%	-2.3%	
	YoY Change				6.5%	-51.5%	-1.1%	0.0%	2.7%	1.3%	-1.8%	0.6%	-8.0%	-8.8%	-5.6%	-3.2%	-6.4%
Maintenance of buildings and sites		N/A	N/A	647	640	641	663	161	127	168	151	607	156	156	163	164	639
	QoQ Change							-7.5%	-21.1%	32.3%	-10.1%		3.3%	0.0%	4.5%	0.6%	
	YoY Change				-1.1%	0.2%	3.4%	-0.6%	-19.6%	-0.6%	-13.2%	-8.4%	-3.1%	22.8%	-3.0%	8.6%	5.3%
Marketing & general		N/A	N/A	626	622	655	556	140	126	126	171	563	139	142	140	134	555
	QoQ Change							11.1%	-10.0%	0.0%	35.7%		-18.7%	2.2%	-1.4%	-4.3%	
	YoY Change				-0.6%	5.3%	-15.1%	14.8%	-17.1%	-19.2%	35.7%	1.3%	-0.7%	12.7%	11.1%	-21.6%	-1.4%
Services and maintenance by sub-contractors		N/A	N/A	218	189	170	158	38	36	33	55	162	40	38	35	24	137
	QoQ Change							-17.4%	-5.3%	-8.3%	66.7%		-27.3%	-5.0%	-7.9%	-31.4%	
	YoY Change				-13.3%	-10.1%	-7.1%	-11.6%	5.9%	-5.7%	19.6%	2.5%	5.3%	5.6%	6.1%	-56.4%	-15.4%
Vehicle maintenance		N/A	N/A	177	188	142	162	37	38	38	39	152	37	40	38	39	154
	QoQ Change							-9.8%	2.7%	0.0%	2.6%		-5.1%	8.1%	-5.0%	2.6%	
	YoY Change				6.2%	-24.5%	14.1%	-2.6%	-2.6%	-13.6%	-4.9%	-6.2%	0.0%	5.3%	0.0%	0.0%	1.3%
Content services		N/A	N/A	151	156	123	103	17	17	16	15	65	15	15	15	13	58
	QoQ Change							-50.0%	0.0%	-5.9%	-6.3%		0.0%	0.0%	0.0%	-13.3%	
	YoY Change				3.3%	-21.2%	-16.3%	-29.2%	-29.2%	-23.8%	-55.9%	-36.9%	-11.8%	-11.8%	-6.3%	-13.3%	-10.8%
Collection fees (royalties)		N/A	N/A	127	130	160	148	14	12	13	12	51	14	11	12	11	48
	QoQ Change							-44.0%	-14.3%	8.3%	-7.7%		16.7%	-21.4%	9.1%	-8.3%	
	YoY Change				2.4%	23.1%	-7.5%	-73.1%	-74.5%	-45.8%	-52.0%	-65.5%	0.0%	-8.3%	-7.7%	-8.3%	-5.9%
Key Working Capital Metrics (Balance Sheet)																	
ST trade receivables		2,403	2,373	2,491	2,701	3,059	2,927	2,875	2,863	2,791	2,651	2,651	2,499	2,335	2,225	2,227	2,227
	QoQ Change (NIS)							-52	-12	-72	-140		-152	-164	-110	2	
	YoY Change (NIS)		-30	118	210	358	-132					-276					-424
ST other receivables		247	211	171	227	286	321	402	334	340	344	344	293	325	286	238	238
	QoQ Change (NIS)							81	-68	6	4		-51	32	-39	-48	
	YoY Change (NIS)		-36	-40	56	59	35					23					-106
LT trade & other receivables		535	576	887	1,114	1,499	1,074	950	817	701	652	652	618	587	567	566	566
	QoQ Change (NIS)							-124	-133	-116	-49		-34	-31	-20	-1	
	YoY Change (NIS)		41	311	227	385	-425					-422					-86
Inventory		203	158	263	178	204	123	148	142	122	117	117	100	89	83	96	96
	QoQ Change (NIS)							25	-6	-20	-5		-17	-11	-6	13	
	YoY Change (NIS)		-45	105	-85	26	-81					-6					-21
Trade payables		1,533	1,381	1,091	1,061	890	790	651	685	629	719	719	624	638	572	664	664
	QoQ Change (NIS)							-139	34	-56	90		-95	14	-66	92	
	YoY Change (NIS)		-152	-290	-30	-171	-100					-71					-55
Other payables		792	912	733	803	848	703	808	646	794	707	707	818	651	787	710	710
	QoQ Change (NIS)							105	-162	148	-87		111	-167	136	-77	
	YoY Change (NIS)		120	-179	70	45	-145					4					3



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Bezeq Fixed-Line																
Key Income Statement Metrics (Revenues)																
Total Revenues	5,713	5,498	5,303	5,263	4,648	4,630	1,129	1,121	1,127	1,101	4,478	1,077	1,073	1,081	1,086	4,317
QoQ Change							0.7%	-0.7%	0.5%	-2.3%		-2.2%	-0.4%	0.7%	0.5%	
YoY Change		-3.8%	-3.5%	-0.8%	-11.7%	-0.4%	-5.8%	-3.4%	-1.9%	-1.8%	-3.3%	-4.6%	-4.3%	-4.1%	-1.4%	-3.6%
Telephony Revenues	3,905	3,572	3,333	3,160	2,393	2,254	510	503	490	468	1,971	426	415	418	409	1,668
QoQ Change							-5.0%	-1.4%	-2.6%	-4.5%		-9.0%	-2.6%	0.7%	-2.2%	
YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-13.3%	-12.1%	-12.0%	-12.8%	-12.6%	-16.5%	-17.5%	-14.7%	-12.6%	-15.4%
Broadband Internet Revenues	712	790	863	977	1,092	1,166	310	321	332	324	1,287	332	345	353	364	1,394
QoQ Change							5.4%	3.5%	3.4%	-2.4%		2.5%	3.9%	2.3%	3.1%	
YoY Change		11.0%	9.2%	13.2%	11.8%	6.8%	4.7%	12.6%	14.1%	10.2%	10.4%	7.1%	7.5%	6.3%	12.3%	8.3%
Transmission & Data Revenues	754	811	851	882	931	976	247	241	252	250	990	259	255	251	257	1,022
QoQ Change							2.5%	-2.4%	4.6%	-0.8%		3.6%	-1.5%	-1.6%	2.4%	
YoY Change		7.6%	4.9%	3.6%	5.6%	4.8%	0.8%	-2.4%	3.7%	3.7%	1.4%	4.9%	5.8%	-0.4%	2.8%	3.2%
Other Service Revenues	342	325	256	244	232	234	62	56	53	59	230	60	58	59	56	233
QoQ Change							26.5%	-9.7%	-5.4%	11.3%		1.7%	-3.3%	1.7%	-5.1%	
YoY Change		-5.0%	-21.2%	-4.7%	-4.9%	0.9%	-11.4%	-1.8%	-8.6%	20.4%	-1.7%	-3.2%	3.6%	11.3%	-5.1%	1.3%
Revenues from Residential Customers	N/A	3,303	3,165	3,128	2,777	2,716	N/A	N/A	N/A	N/A	2,605	N/A	N/A	N/A	N/A	2,498
% of total revenues		60.1%	59.7%	59.4%	59.7%	58.7%					58.2%					57.9%
Revenues from Business Customers	N/A	2,195	2,138	2,134	1,871	1,914	N/A	N/A	N/A	N/A	1,873	N/A	N/A	N/A	N/A	1,819
% of total revenues		39.9%	40.3%	40.5%	40.3%	41.3%					41.8%					42.1%
Key Income Statement Metrics																
Operating profit	1,319	1,475	1,523	2,043	1,671	1,959	535	510	494	459	1,998	504	471	498	507	1,980
QoQ Change							-5.1%	-4.7%	-3.1%	-7.1%		9.8%	-6.5%	5.7%	1.8%	
YoY Change		11.8%	3.3%	34.1%	-18.2%	17.2%	-0.7%	16.7%	17.9%	-18.6%	2.0%	-5.8%	-7.6%	0.8%	10.5%	-0.9%
Net profit ⁽¹⁾	737	950	1,107	1,426	1,073	1,227	348	351	360	312	1,371	332	314	324	345	1,315
QoQ Change							-5.9%	0.9%	2.6%	-13.3%		6.4%	-5.4%	3.2%	6.5%	
YoY Change		28.9%	16.5%	28.8%	-24.8%	14.4%	0.0%	33.5%	46.3%	-15.7%	11.7%	-4.6%	-10.5%	-10.0%	10.6%	-4.1%
Depreciation & amortization	941	852	794	690	688	730	167	168	174	174	683	168	172	178	170	688
QoQ Change							-11.6%	0.6%	3.6%	0.0%		-3.4%	2.4%	3.5%	-4.5%	
YoY Change		-9.5%	-6.8%	-13.1%	-0.3%	6.1%	-6.2%	-5.6%	-5.9%	-7.9%	-6.4%	0.6%	2.4%	2.3%	-2.3%	0.7%
Salaries	1,293	1,202	1,094	1,079	1,076	1,036	270	242	243	225	980	223	228	227	217	895
QoQ Change							18.4%	-10.4%	0.4%	-7.4%		-0.9%	2.2%	-0.4%	-4.4%	
YoY Change		-7.0%	-9.0%	-1.4%	-0.3%	-3.7%	1.1%	-9.4%	-11.3%	-1.3%	-5.4%	-17.4%	-5.8%	-6.6%	-3.6%	-8.7%
Other operating expenses (income)	39	96	202	-158	139	-128	-73	-17	-8	20	-78	-8	14	-25	-4	-23
QoQ Change							-36.5%	-76.7%	-52.9%	N/M		N/M	-275.0%	N/M	N/M	
YoY Change		146.2%	N/M	N/M	N/M	N/M	231.8%	N/M	14.3%	N/M	-39.1%	-89.0%	-182.4%	212.5%	N/M	-70.5%
Finance expenses (income), net	188	125	-15	90	240	259	52	53	57	55	217	56	47	56	28	187
QoQ Change							-26.8%	1.9%	7.5%	-3.5%		1.8%	-16.1%	19.1%	-50.0%	
YoY Change		-33.5%	N/M	N/M	166.7%	7.9%	6.1%	-30.3%	-9.5%	-22.5%	-16.2%	7.7%	-11.3%	-1.8%	-49.1%	-13.8%
EBITDA	2,260	2,327	2,317	2,733	2,359	2,689	702	678	668	633	2,681	672	643	676	677	2,668
QoQ Change							-6.8%	-3.4%	-1.5%	-5.2%		6.2%	-4.3%	5.1%	0.1%	
YoY Change		3.0%	-0.4%	18.0%	-13.7%	14.0%	-2.1%	10.2%	10.6%	-15.9%	-0.3%	-4.3%	-5.2%	1.2%	7.0%	-0.5%
Key Cash Flow Metrics																
Operating cash flow	1,379	1,691	2,220	2,140	2,106	2,009	561	556	631	526	2,274	616	545	599	499	2,259
QoQ Change							9.6%	-0.9%	13.5%	-16.6%		17.1%	-11.5%	9.9%	-16.7%	
YoY Change		22.6%	31.3%	-3.6%	-1.6%	-4.6%	-13.8%	47.9%	34.3%	2.7%	13.2%	9.8%	-2.0%	-5.1%	-0.7%	
Capital expenditures, gross (accounting)	513	600	844	1,041	1,174	945	164	197	191	225	777	215	215	198	207	835
QoQ Change							-20.4%	20.1%	-3.0%	17.8%		-4.4%	0.0%	-7.9%	4.5%	
YoY Change		17.0%	40.7%	23.3%	12.8%	-19.5%	-37.4%	-17.6%	-19.7%	9.2%	-17.8%	31.1%	9.1%	3.7%	-8.0%	7.5%
Capital expenditures, gross (cash flow)	505	616	853	1,032	1,165	958	183	186	198	222	789	210	207	210	195	822
QoQ Change							-9.4%	1.6%	6.5%	12.1%		-5.4%	-1.4%	1.4%	-7.1%	
YoY Change		22.0%	38.5%	21.0%	12.9%	-17.8%	-32.0%	-21.8%	-20.5%	9.9%	-17.6%	14.8%	11.3%	6.1%	-12.2%	4.2%
Capital expenditures, net (cash flow)	336	472	767	900	937	658	141	62	150	132	485	182	165	141	113	601
QoQ Change							113.6%	-56.0%	141.9%	-12.0%		37.9%	-9.3%	-14.5%	-19.9%	
YoY Change		40.5%	62.5%	17.3%	4.1%	-29.8%	-36.8%	-71.3%	-2.0%	100.0%	-26.3%	29.1%	166.1%	-6.0%	-14.4%	23.9%
Free cash flow	1,043	1,219	1,453	1,240	1,169	1,351	420	494	481	394	1,789	434	380	458	386	1,658
QoQ Change							-5.8%	17.6%	-2.6%	-18.1%		10.2%	-12.4%	20.5%	-15.7%	
YoY Change		16.9%	19.2%	-14.7%	-5.7%	15.6%	-1.9%	208.8%	51.7%	-11.7%	32.4%	3.3%	-23.1%	-4.8%	-2.0%	-7.3%
Ratios																
Operating margin	23.1%	26.8%	28.7%	38.8%	36.0%	42.3%	47.4%	45.5%	43.8%	41.7%	44.6%	46.8%	43.9%	46.1%	46.7%	45.9%
Net margin	12.9%	17.3%	20.9%	27.1%	23.1%	26.5%	30.8%	31.3%	31.9%	28.3%	30.6%	30.8%	29.3%	30.0%	31.8%	30.5%
EBITDA margin	39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	62.2%	60.5%	59.3%	57.5%	59.9%	62.4%	59.9%	62.5%	62.3%	61.8%
Capex/Sales	9.0%	10.9%	15.9%	19.8%	25.3%	20.4%	14.5%	17.6%	16.9%	20.4%	17.4%	20.0%	20.0%	18.3%	19.1%	19.3%

⁽¹⁾ Net profit does not include share in profits/losses of equity-accounted investees.



(NIS millions, except for EPS)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Bezeq Fixed-Line (cont'd)																
Operating & general expenses																
Total general & operating expenses	2,121	1,873	1,690	1,609	1,074	1,033	230	218	224	223	895	190	188	203	196	777
QoQ Change							-9.8%	-5.2%	2.8%	-0.4%		-14.8%	-1.1%	8.0%	-3.4%	
YoY Change		-11.7%	-9.8%	-4.8%	-33.3%	-3.8%	-3.0%	-17.1%	-19.4%	-12.5%	-13.4%	-17.4%	-13.8%	-9.4%	-12.1%	-13.2%
Maintenance of buildings and sites	N/A	N/A	278	240	247	245	59	55	61	58	233	55	53	57	52	217
QoQ Change							11.3%	-6.8%	10.9%	-4.9%		-5.2%	-3.6%	7.5%	-8.8%	
YoY Change				-13.7%	2.9%	-0.8%	-6.3%	-6.8%	-12.9%	9.4%	-4.9%	-6.8%	-3.6%	-6.6%	-10.3%	-6.9%
Interconnect & payments to telecom operators	N/A	N/A	871	855	314	281	57	58	55	50	220	42	39	42	38	161
QoQ Change							-10.9%	1.8%	-5.2%	-9.1%		-16.0%	-7.1%	7.7%	-9.5%	
YoY Change				-1.8%	-63.3%	-10.5%	-24.0%	-19.4%	-21.4%	-21.9%	-21.7%	-26.3%	-32.8%	-23.6%	-24.0%	-26.8%
Marketing & general	N/A	N/A	218	196	194	159	44	41	47	54	186	42	45	53	48	188
QoQ Change							-20.0%	-6.8%	14.6%	14.9%		-22.2%	7.1%	17.8%	-9.4%	
YoY Change				-10.1%	-1.0%	-18.0%	450.0%	-2.4%	-13.0%	-1.8%	17.0%	-4.5%	9.8%	12.8%	-11.1%	1.1%
Terminal equipment & materials	N/A	N/A	80	88	89	111	27	23	22	18	90	12	10	11	16	49
QoQ Change							-15.6%	-14.8%	-4.3%	-18.2%		-33.3%	-16.7%	10.0%	45.5%	
YoY Change				10.0%	1.1%	24.7%	12.5%	-14.8%	-21.4%	-43.8%	-18.9%	-55.6%	-56.5%	-50.0%	-11.1%	-45.6%
Services and maintenance by sub-contractors	N/A	N/A	96	76	76	73	16	16	15	17	64	16	15	14	16	61
QoQ Change							-15.8%	0.0%	-6.3%	13.3%		-5.9%	-6.3%	-6.7%	14.3%	
YoY Change				-20.8%	0.0%	-3.9%	-20.0%	-15.8%	0.0%	-10.5%	-12.3%	0.0%	-6.3%	-6.7%	-5.9%	-4.7%
Vehicle maintenance	N/A	N/A	96	101	78	83	20	19	18	19	76	17	19	20	20	76
QoQ Change							-4.8%	-5.0%	-5.3%	5.6%		-10.5%	11.8%	5.3%	0.0%	
YoY Change				5.2%	-22.8%	6.4%	5.3%	5.6%	-28.0%	-9.5%	-8.4%	-15.0%	0.0%	11.1%	5.3%	0.0%
Collection fees (royalties)	N/A	N/A	51	53	76	81	7	6	6	7	26	6	7	6	6	25
QoQ Change							-36.4%	-14.3%	0.0%	16.7%		-14.3%	16.7%	-14.3%	0.0%	
YoY Change				3.9%	43.4%	6.6%	-75.0%	-76.9%	-62.5%	-36.4%	-67.9%	-14.3%	16.7%	0.0%	-14.3%	-3.8%



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Telephone																	
Key Income Statement Metrics (Revenues)																	
Total Revenues		4,684	4,713	5,376	5,732	5,548	4,468	964	915	947	983	3,809	917	843	824	835	3,419
	QoQ Change							-6.1%	-5.1%	3.5%	3.8%		-6.7%	-8.1%	-2.3%	1.3%	
	YoY Change		0.6%	14.1%	6.6%	-3.2%	-19.5%	-22.5%	-20.3%	-9.7%	-4.3%	-14.7%	-4.9%	-7.9%	-13.0%	-15.1%	-10.2%
Service Revenues		3,972	4,020	4,256	4,550	3,637	3,261	714	696	710	688	2,808	637	622	610	584	2,453
	QoQ Change							-5.3%	-2.5%	2.0%	-3.1%		-7.4%	-2.4%	-1.9%	-4.3%	
	YoY Change		1.2%	5.9%	6.9%	-20.1%	-10.3%	-14.4%	-18.8%	-13.0%	-8.8%	-13.9%	-10.8%	-10.6%	-14.1%	-15.1%	-12.6%
Equipment Revenues		712	693	1,120	1,182	1,911	1,207	250	219	237	295	1,001	280	221	214	251	966
	QoQ Change							-8.4%	-12.4%	8.2%	24.5%		-5.1%	-21.1%	-3.2%	17.3%	
	YoY Change		-2.7%	61.6%	5.5%	61.7%	-36.8%	-39.0%	-24.7%	1.7%	8.1%	-17.1%	12.0%	0.9%	-9.7%	-14.9%	-3.5%
Revenues from Private Customers		N/A	2,437	2,751	2,899	2,985	2,461	N/A	N/A	N/A	N/A	2,114	N/A	N/A	N/A	N/A	1,930
	% of total revenues		51.7%	51.2%	50.6%	53.8%	55.1%					55.5%					56.4%
Revenues from Business Customers		N/A	2,276	2,625	2,833	2,563	2,007	N/A	N/A	N/A	N/A	1,695	N/A	N/A	N/A	N/A	1,490
	% of total revenues		48.3%	48.8%	49.4%	46.2%	44.9%					44.5%					43.6%
Key Income Statement Metrics																	
Gross profit		1,337	1,478	1,784	1,978	1,961	1,428	288	288	272	250	1,098	236	231	223	192	882
	QoQ Change							0.7%	0.0%	-5.6%	-8.1%		-5.6%	-2.1%	-3.5%	-13.9%	
	YoY Change		10.5%	20.7%	10.9%	-0.9%	-27.2%	-30.3%	-27.3%	-18.3%	-12.6%	-23.1%	-18.1%	-19.8%	-18.0%	-23.2%	-19.7%
Operating profit		805	933	1,190	1,383	1,360	892	174	186	172	76	608	126	127	122	74	449
	QoQ Change							4.2%	6.9%	-7.5%	-55.8%		65.8%	0.8%	-3.9%	-39.3%	
	YoY Change		15.9%	27.5%	16.2%	-1.7%	-34.4%	-34.8%	-28.2%	-13.6%	-54.5%	-31.8%	-27.6%	-31.7%	-29.1%	-2.6%	-26.2%
Net profit		585	682	875	1,033	1,056	698	153	161	140	67	521	108	106	100	59	373
	QoQ Change							14.2%	5.2%	-13.0%	-52.1%		61.2%	-1.9%	-5.7%	-41.0%	
	YoY Change		16.6%	28.3%	18.1%	2.2%	-33.9%	-29.2%	-17.0%	-9.1%	-50.0%	-25.4%	-29.4%	-34.2%	-28.6%	-11.9%	-28.4%
Cost of sales		3,347	3,235	3,592	3,754	3,587	3,040	676	627	675	733	2,711	681	612	601	643	2,537
	QoQ Change							-8.8%	-7.2%	7.7%	8.6%		-7.1%	-10.1%	-1.8%	7.0%	
	YoY Change		-3.3%	11.0%	4.5%	-4.4%	-15.2%	-18.7%	-16.6%	-5.7%	-1.1%	-10.8%	0.7%	-2.4%	-11.0%	-12.3%	-6.4%
Sales & marketing expenses		430	405	461	468	480	422	86	75	69	90	320	83	76	76	74	309
	QoQ Change							-4.4%	-12.8%	-8.0%	30.4%		-7.8%	-8.4%	0.0%	-2.6%	
	YoY Change		-5.8%	13.8%	1.5%	2.6%	-12.1%	-25.9%	-32.4%	-34.3%	0.0%	-24.2%	-3.5%	1.3%	10.1%	-17.8%	-3.4%
General & administrative expenses		102	140	133	127	121	114	28	27	31	23	109	27	28	25	26	106
	QoQ Change							-3.4%	-3.6%	14.8%	-25.8%		17.4%	3.7%	-10.7%	4.0%	
	YoY Change		37.3%	-5.0%	-4.5%	-4.7%	-5.8%	-6.7%	3.8%	6.9%	-20.7%	-4.4%	-3.6%	3.7%	-19.4%	13.0%	-2.8%
Depreciation & amortization		479	523	603	601	561	531	121	113	111	113	458	106	105	108	111	430
	QoQ Change							-6.2%	-6.6%	-1.8%	1.8%		-6.2%	-0.9%	2.9%	2.8%	
	YoY Change		9.2%	15.3%	-0.3%	-6.7%	-5.3%	-10.4%	-17.5%	-14.6%	-12.4%	-13.7%	-12.4%	-7.1%	-2.7%	-1.8%	-6.1%
EBITDA		1,284	1,456	1,794	1,984	1,921	1,423	295	299	283	188	1,065	232	232	231	184	879
	QoQ Change							-0.3%	1.4%	-5.4%	-33.6%		23.4%	0.0%	-0.4%	-20.3%	
	YoY Change		13.4%	23.2%	10.6%	-3.2%	-25.9%	-26.6%	-24.5%	-14.0%	-36.5%	-25.2%	-21.4%	-22.4%	-18.4%	-2.1%	-17.5%
Key Cash Flow Metrics																	
Operating cash flow		1,228	1,277	1,115	1,219	800	1,728	354	468	442	327	1,591	349	420	286	158	1,213
	QoQ Change							-8.8%	32.2%	-5.6%	-26.0%		6.7%	20.3%	-31.9%	-44.8%	
	YoY Change		4.0%	-12.7%	9.3%	-34.4%	116.0%	20.4%	-15.8%	-9.8%	-15.7%	-7.9%	-1.4%	-10.3%	-35.3%	-51.7%	-23.8%
Capital expenditures, gross (accounting)		440	911	508	431	442	397	56	91	94	94	335	67	96	87	89	339
	QoQ Change							-34.9%	62.5%	3.3%	0.0%		-28.7%	43.3%	-9.4%	2.3%	
	YoY Change		107.0%	-44.2%	-15.2%	2.6%	-10.2%	-53.7%	-19.5%	22.1%	9.3%	-15.6%	19.6%	5.5%	-7.4%	-5.3%	1.2%
Capital expenditures, gross (cash flow)		381	798	559	397	419	384	66	84	92	78	320	73	90	84	82	329
	QoQ Change							-13.2%	27.3%	9.5%	-15.2%		-6.4%	23.3%	-6.7%	-2.4%	
	YoY Change		109.4%	-29.9%	-29.0%	5.5%	-8.4%	-42.6%	-22.9%	9.5%	2.6%	-16.7%	10.6%	7.1%	-8.7%	5.1%	2.8%
Capital expenditures, net (cash flow)		376	795	555	397	382	381	66	84	88	77	315	73	85	83	80	321
	QoQ Change							-9.6%	27.3%	4.8%	-12.5%		-5.2%	16.4%	-2.4%	-3.6%	
	YoY Change		111.4%	-30.2%	-28.5%	-3.8%	-0.3%	-42.6%	-22.9%	4.8%	5.5%	-17.3%	10.6%	1.2%	-5.7%	3.9%	1.9%
Free cash flow		852	482	560	822	418	1,347	288	384	354	250	1,276	276	335	203	78	892
	QoQ Change							-8.6%	33.3%	-7.8%	-29.4%		10.4%	21.4%	-39.4%	-61.6%	
	YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	60.9%	-14.1%	-12.8%	-20.6%	-5.3%	-4.2%	-12.8%	-42.7%	-68.8%	-30.1%
Ratios																	
Gross profit margin		28.5%	31.4%	33.2%	34.5%	35.3%	32.0%	29.9%	31.5%	28.7%	25.4%	28.8%	25.7%	27.4%	27.1%	23.0%	25.8%
Operating margin		17.2%	19.8%	22.1%	24.1%	24.5%	20.0%	18.0%	20.3%	18.2%	7.7%	16.0%	13.7%	15.1%	14.8%	8.9%	13.1%
Net margin		12.5%	14.5%	16.3%	18.0%	15.6%	15.9%	15.9%	17.6%	14.8%	6.8%	13.7%	11.8%	12.6%	12.1%	7.1%	10.9%
EBITDA margin		27.4%	30.9%	33.4%	34.6%	34.6%	31.9%	30.6%	32.7%	29.9%	19.1%	28.0%	25.3%	27.5%	28.0%	22.0%	25.7%
Capex/Sales		9.4%	19.3%	9.4%	7.5%	8.0%	8.9%	5.8%	9.9%	9.9%	9.6%	8.8%	7.3%	11.4%	10.6%	10.7%	9.9%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Bezeq International																
Key Income Statement Metrics																
Total Revenues	1,304	1,306	1,318	1,380	1,354	1,340	346	359	360	369	1,433	355	365	385	398	1,504
QoQ Change							1.8%	3.8%	0.2%	2.6%		-3.6%	2.8%	5.4%	3.5%	
YoY Change		0.2%	0.9%	4.8%	-1.9%	-1.0%	4.0%	8.8%	6.2%	8.6%	6.9%	2.8%	1.8%	7.0%	8.0%	5.0%
Revenues from ILD services	N/A	502	502	501	413	383	N/A	N/A	N/A	N/A	401	N/A	N/A	N/A	N/A	395
% of total revenues		38.4%	38.1%	36.3%	30.5%	28.6%					28.0%					26.3%
Revenues from Internet, Data & ICT services	N/A	804	816	879	941	957	N/A	N/A	N/A	N/A	1,032	N/A	N/A	N/A	N/A	1,109
% of total revenues		61.6%	61.9%	63.7%	69.5%	71.4%					72.0%					73.7%
Revenues from Private Customers	N/A	513	520	523	528	538	N/A	N/A	N/A	N/A	535	N/A	N/A	N/A	N/A	529
% of total revenues		39.3%	39.5%	37.9%	39.0%	40.1%					37.3%					35.2%
Revenues from Business Customers	N/A	793	798	857	826	802	N/A	N/A	N/A	N/A	898	N/A	N/A	N/A	N/A	975
% of total revenues		60.7%	60.6%	62.1%	61.0%	59.8%					62.7%					64.8%
Key Income Statement Metrics																
Gross profit	445	526	541	558	566	544	138	140	138	139	554	137	137	139	140	553
QoQ Change							-1.3%	1.9%	-1.9%	0.7%		-1.1%	0.1%	1.0%	1.1%	
YoY Change		18.2%	2.9%	3.1%	1.4%	-3.8%	5.2%	3.9%	-1.1%	-0.7%	1.8%	-0.5%	-2.2%	0.7%	1.1%	-0.2%
Operating profit	204	242	261	320	241	219	56	60	55	56	227	58	58	59	57	232
QoQ Change							-9.2%	7.6%	-8.9%	2.8%		3.2%	-0.9%	2.6%	-3.8%	
YoY Change		18.6%	8.0%	22.6%	-24.6%	-9.2%	12.9%	13.7%	0.0%	-8.5%	3.8%	4.1%	-4.2%	7.9%	1.0%	2.1%
Net profit	153	178	200	254	182	160	37	44	39	38	158	42	41	42	40	164
QoQ Change							-16.0%	16.2%	-11.0%	-1.0%		8.5%	-2.0%	2.3%	-3.6%	
YoY Change		16.6%	12.1%	27.0%	-28.3%	-12.4%	4.7%	12.0%	-3.8%	-14.0%	-0.9%	11.1%	-6.3%	7.7%	4.9%	4.0%
Cost of sales	859	780	777	822	788	796	208	218	222	230	879	218	228	246	258	951
QoQ Change							3.7%	5.1%	1.7%	3.7%		-5.2%	4.4%	8.0%	4.9%	
YoY Change		-9.2%	-0.4%	5.8%	-4.1%	1.0%	3.2%	12.5%	11.4%	14.8%	10.4%	5.0%	4.4%	10.9%	12.2%	8.2%
Sales & marketing expenses	147	181	175	192	209	209	51	50	49	54	205	50	50	53	54	208
QoQ Change							-0.9%	-2.5%	-1.3%	10.2%		-7.8%	0.1%	6.4%	1.8%	
YoY Change		23.1%	-3.3%	9.7%	8.9%	0.1%	2.6%	-5.5%	-9.1%	5.1%	-1.9%	-2.2%	0.4%	8.2%	0.0%	1.5%
General & administrative expenses	94	103	105	109	116	117	30	30	33	26	119	29	30	26	28	112
QoQ Change							8.3%	0.2%	10.9%	-22.0%		10.2%	3.7%	-12.7%	8.5%	
YoY Change		9.6%	1.9%	3.8%	6.7%	0.7%	-4.8%	4.4%	13.3%	-6.2%	1.7%	-4.5%	-1.1%	-22.2%	8.3%	-5.8%
Depreciation & amortization	87	80	84	94	109	136	31	33	33	33	130	32	32	32	33	130
QoQ Change							-5.4%	4.0%	1.3%	-0.3%		-2.4%	1.2%	0.0%	1.7%	
YoY Change		-7.5%	5.2%	11.9%	15.5%	25.2%	-8.9%	-5.5%	-4.5%	-0.7%	-4.9%	2.5%	-0.2%	-1.5%	0.5%	0.3%
EBITDA	290	322	345	414	350	355	87	93	88	89	357	90	90	92	90	362
QoQ Change							-7.9%	6.3%	-5.3%	1.6%		1.1%	-0.1%	1.7%	-1.8%	
YoY Change		10.8%	7.3%	20.0%	-15.5%	1.5%	3.9%	6.1%	-1.8%	-5.7%	0.5%	3.5%	-2.8%	4.4%	0.8%	1.4%
Key Cash Flow Metrics																
Operating cash flow	93	163	320	290	243	272	58	81	71	77	288	74	95	71	71	311
QoQ Change							-32.4%	39.2%	-12.0%	7.3%		-4.0%	29.6%	-25.4%	0.0%	
YoY Change		76.3%	95.5%	-9.2%	-16.1%	11.7%	-0.2%	26.5%	13.2%	-11.1%	5.7%	26.3%	17.5%	-0.5%	-7.2%	8.2%
Capital expenditures, gross (accounting)	131	120	150	160	285	169	26	39	16	25	106	33	24	28	25	110
QoQ Change							-13.3%	50.0%	-59.0%	56.3%		32.0%	-27.3%	16.7%	-10.7%	
YoY Change		-8.4%	25.0%	6.7%	78.1%	-40.7%	-67.9%	34.5%	-44.8%	-16.7%	-37.3%	26.9%	-38.5%	75.0%	0.0%	3.8%
Capital expenditures, gross (cash flow)	103	119	120	180	288	175	31	28	25	21	105	31	24	27	28	110
QoQ Change							-20.5%	-10.6%	-9.3%	-16.2%		46.6%	-22.4%	14.6%	3.7%	
YoY Change		14.7%	1.1%	49.9%	60.4%	-39.2%	-56.5%	-22.8%	-15.6%	-46.0%	-40.4%	-0.4%	-13.6%	9.2%	35.2%	5.6%
Capital expenditures, net (cash flow)	100	118	120	180	288	173	31	27	21	18	97	31	23	27	28	109
QoQ Change							-19.5%	-11.6%	-21.1%	-16.4%		70.9%	-23.3%	13.7%	4.4%	
YoY Change		18.7%	1.4%	50.0%	60.1%	-39.8%	-56.5%	-23.9%	-25.1%	-53.1%	-43.9%	-0.4%	-13.6%	24.6%	55.5%	11.7%
Free cash flow	-7	45	200	110	-44	99	28	54	50	59	191	43	72	44	43	203
QoQ Change							-42.7%	95.8%	-7.4%	17.5%		-26.8%	67.1%	-38.2%	-2.6%	
YoY Change		N/M	341.0%	-44.7%	N/M	N/M	N/M	89.3%	45.0%	22.1%	92.4%	56.0%	33.1%	-11.2%	-26.3%	6.4%
Ratios																
Gross profit margin	34.1%	40.3%	41.1%	40.4%	41.8%	40.6%	39.8%	39.1%	38.2%	37.6%	38.7%	38.6%	37.6%	36.0%	35.2%	36.8%
Operating margin	15.6%	18.5%	19.8%	23.2%	17.8%	16.3%	16.2%	16.8%	15.3%	15.3%	17.8%	16.4%	15.8%	15.4%	14.3%	15.4%
Net margin	11.7%	13.7%	15.2%	18.4%	13.5%	11.9%	10.8%	12.1%	10.8%	10.4%	11.0%	11.7%	11.2%	10.9%	10.1%	10.9%
EBITDA margin	22.3%	24.6%	26.2%	30.0%	25.9%	26.5%	25.2%	25.9%	24.4%	24.2%	24.9%	25.4%	24.7%	23.8%	22.6%	24.1%
Capex/Sales	10.0%	9.2%	11.4%	11.6%	21.1%	12.6%	7.5%	10.9%	4.4%	6.8%	7.4%	9.3%	6.6%	7.3%	6.3%	7.3%



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
yes																	
Key Income Statement Metrics																	
Revenues		1,415	1,513	1,530	1,583	1,619	1,636	404	404	410	418	1,635	424	428	432	440	1,724
	QoQ Change							-1.1%	0.1%	1.6%	1.8%		1.5%	0.9%	1.1%	1.9%	
	YoY Change		6.9%	1.2%	3.4%	2.3%	1.1%	-3.2%	-1.2%	1.9%	2.4%	0.0%	5.0%	5.9%	5.4%	5.4%	5.4%
Gross profit		298	421	488	454	591	569	145	143	152	143	584	155	152	156	150	613
	QoQ Change							2.9%	-1.7%	6.7%	-6.4%		8.6%	-1.7%	2.5%	-4.0%	
	YoY Change		41.6%	15.9%	-7.0%	30.1%	-3.7%	0.7%	-6.5%	17.2%	0.9%	2.6%	6.6%	6.6%	2.4%	5.0%	5.1%
Operating profit		56	177	248	178	295	253	67	68	72	60	268	73	67	76	57	273
	QoQ Change							-7.2%	0.2%	7.1%	-17.0%		21.3%	-8.3%	13.3%	-24.5%	
	YoY Change		216.3%	40.1%	-28.2%	65.4%	-14.3%	30.7%	-9.3%	34.1%	-17.3%	5.8%	8.1%	-1.1%	4.5%	-4.9%	1.9%
Net profit		-118	-265	-222	-314	-230	-310	-61	-101	-136	-83	-381	-34	-115	-86	-87	-322
	QoQ Change							187.2%	66.3%	34.8%	-39.0%		-59.3%	241.6%	-25.6%	1.2%	
	YoY Change		125.1%	-16.0%	41.0%	-26.8%	35.1%	-4.9%	-5.4%	14.7%	292.5%	22.7%	-44.4%	14.3%	-37.0%	4.6%	-15.5%
Cost of sales		1,117	1,091	1,042	1,129	1,028	1,067	258	261	258	275	1,052	269	275	276	290	1,110
	QoQ Change							-3.1%	1.1%	-1.2%	6.6%		-2.2%	2.4%	0.3%	5.2%	
	YoY Change		-2.3%	-4.5%	8.3%	-8.9%	3.8%	-5.2%	2.0%	-5.5%	3.1%	-1.4%	4.1%	5.5%	7.1%	5.7%	5.6%
Sales & marketing expenses		138	128	122	143	153	166	39	36	41	37	154	40	40	34	40	154
	QoQ Change							25.7%	-7.4%	13.7%	-9.8%		6.6%	1.4%	-15.8%	18.4%	
	YoY Change		-6.9%	-4.6%	17.1%	6.7%	8.9%	-26.9%	-12.9%	2.8%	19.4%	-7.6%	1.3%	10.9%	-17.9%	7.7%	-0.1%
General & administrative expenses		104	116	118	133	143	150	39	39	39	45	162	42	45	47	53	187
	QoQ Change							3.4%	0.7%	-0.7%	16.9%		-6.6%	6.8%	2.9%	12.9%	
	YoY Change		11.6%	1.4%	12.5%	7.9%	4.8%	-1.2%	6.1%	7.9%	20.9%	8.3%	9.3%	15.9%	20.1%	16.0%	15.3%
Depreciation & amortization		273	250	234	285	276	248	62	64	66	71	263	70	74	75	79	298
	QoQ Change							-3.5%	3.5%	3.0%	7.1%		-1.3%	5.9%	1.4%	5.7%	
	YoY Change		-8.5%	-6.3%	21.6%	-2.9%	-10.2%	-5.9%	19.1%	2.4%	10.1%	5.8%	12.6%	15.2%	13.4%	12.0%	13.3%
EBITDA		329	427	482	463	571	502	130	132	138	131	530	143	141	151	135	570
	QoQ Change							-4.8%	1.2%	5.1%	-5.4%		8.9%	-1.4%	7.0%	-10.3%	
	YoY Change		29.7%	13.0%	-4.0%	23.4%	-12.3%	10.4%	2.6%	16.9%	-4.5%	5.7%	9.5%	6.8%	8.8%	3.5%	7.5%
Key Cash Flow Metrics																	
Operating cash flow		250	347	410	492	513	418	122	110	126	134	491	113	106	101	122	442
	QoQ Change							1.7%	-9.4%	14.2%	6.5%		-15.8%	-6.5%	-3.9%	20.4%	
	YoY Change		38.9%	18.1%	20.0%	4.4%	-18.5%	4.9%	10.1%	52.5%	12.1%	17.5%	-7.2%	-4.3%	-19.5%	-8.8%	-10.1%
Capital expenditures, gross (accounting)		299	265	270	295	291	324	71	76	98	82	327	87	70	78	97	332
	QoQ Change							-4.1%	7.0%	28.9%	-16.3%		6.1%	-19.5%	11.4%	24.4%	
	YoY Change		-11.4%	1.9%	9.4%	-1.5%	11.3%	-13.6%	-3.9%	10.8%	0.9%	22.5%	-7.9%	-20.4%	18.3%	1.5%	
Capital expenditures, gross (cash flow)		255	238	262	278	264	284	90	85	67	83	324	78	68	64	95	305
	QoQ Change							24.5%	-5.5%	-21.2%	23.6%		-5.8%	-12.6%	-6.5%	50.0%	
	YoY Change		-6.7%	10.1%	6.4%	-5.0%	7.5%	59.0%	22.4%	-22.8%	14.7%	13.9%	-13.2%	-19.7%	-4.7%	15.6%	-5.8%
Capital expenditures, net (cash flow)		255	238	261	277	264	284	90	85	67	82	323	78	68	64	95	304
	QoQ Change							24.9%	-5.5%	-21.3%	23.8%		-5.7%	-12.6%	-6.5%	49.9%	
	YoY Change		-6.7%	9.7%	6.2%	-4.8%	7.6%	59.3%	22.3%	-23.0%	14.8%	13.9%	-13.2%	-19.7%	-4.6%	15.5%	-5.8%
Free cash flow		-5	109	149	215	250	134	32	26	59	50	167	35	38	38	27	138
	QoQ Change							-33.0%	-20.1%	131.8%	-15.2%		-30.1%	6.9%	0.7%	-28.6%	
	YoY Change		NM	36.2%	44.0%	16.2%	-46.2%	-46.4%	-17.3%	NM	5.2%	24.3%	9.9%	46.9%	-36.2%	-47.9%	-17.8%
Ratios																	
Gross profit margin		21.0%	27.9%	31.9%	28.7%	36.5%	34.8%	36.0%	35.4%	37.2%	34.2%	35.7%	36.6%	35.6%	36.1%	34.1%	35.6%
Operating margin		4.0%	11.7%	16.2%	11.3%	18.2%	15.4%	16.7%	16.7%	17.6%	14.4%	16.4%	17.2%	15.6%	17.5%	13.0%	15.8%
Net margin		-8.3%	-17.5%	-14.5%	-19.8%	-14.2%	-19.0%	-15.0%	-25.0%	-33.2%	-19.9%	-23.3%	-8.0%	-27.0%	-19.8%	-19.7%	-18.7%
EBITDA margin		23.3%	28.2%	31.5%	29.3%	35.3%	30.7%	32.3%	32.6%	33.7%	31.3%	32.4%	33.7%	32.9%	34.8%	30.7%	33.1%
Capex/Sales		21.1%	17.5%	17.6%	18.7%	18.0%	19.8%	17.6%	18.8%	23.9%	19.6%	20.0%	20.5%	16.4%	18.0%	22.0%	19.3%



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Bezeq Fixed-Line																
Key Performance Indicators																
Total outgoing minutes (in millions)	14,711	13,260	12,017	10,699	9,758	8,694	1,788	1,805	1,712	1,742	7,047	1,608	1,522	1,588	1,482	6,200
QoQ Change							-9.7%	1.0%	-5.2%	1.8%		-7.7%	-5.3%	4.3%	-6.7%	
YoY Change		-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-24.2%	-18.9%	-19.5%	-12.0%	-18.9%	-10.1%	-15.7%	-7.2%	-14.9%	-12.0%
Total incoming minutes (in millions)	6,411	6,691	6,718	6,547	6,240	6,225	1,503	1,550	1,521	1,541	6,115	1,467	1,424	1,498	1,440	5,829
QoQ Change							-4.3%	3.1%	-1.9%	1.3%		-4.8%	-2.9%	5.2%	-3.9%	
YoY Change		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-2.6%	2.2%	-4.6%	-1.9%	-1.8%	-2.4%	-8.1%	-1.5%	-6.6%	-4.7%
Total access lines (in 000's)	2,749	2,604	2,483	2,366	2,367	2,268	2,242	2,224	2,223	2,216	2,216	2,214	2,205	2,205	2,205	2,205
QoQ Change							-1.1%	-0.8%	0.0%	-0.3%		-0.1%	-0.4%	0.0%	0.0%	
YoY Change		-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-5.3%	-4.8%	-3.3%	-2.3%	-2.3%	-1.2%	-0.9%	-0.8%	-0.5%	-0.5%
ARPL - including interconnect fees (in NIS)	<i>N/A</i>	111	109	109	85	81	75	75	73	70	74	64	63	63	62	63
QoQ Change							-3.8%	0.0%	-2.7%	-4.1%		-8.6%	-1.6%	0.0%	-1.6%	
YoY Change			-1.8%	0.0%	-22.0%	-4.7%	-9.6%	-7.4%	-8.8%	-10.3%	-8.6%	-14.7%	-16.0%	-13.7%	-11.4%	-14.9%
Churn rate (%)	9.5%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	11.6%	15.3%	3.7%	3.5%	2.8%	3.1%	13.1%	3.0%	2.8%	2.8%	2.5%	11.1%
Broadband Internet lines (in 000's)	963	1,005	1,035	1,066	1,111	1,169	1,185	1,202	1,230	1,263	1,263	1,289	1,308	1,335	1,364	1,364
QoQ Change							1.4%	1.4%	2.3%	2.7%		2.1%	1.5%	2.1%	2.2%	
YoY Change		4.4%	3.0%	3.0%	4.2%	5.2%	5.7%	5.8%	6.7%	8.0%	8.0%	8.8%	8.8%	8.5%	8.0%	8.0%
Broadband Internet ARPU (in NIS)	64	67	69	75	80	81	83	85	86	82	84	82	84	85	85	84
QoQ Change							3.8%	2.4%	1.2%	-4.7%		0.0%	2.4%	1.2%	0.0%	
YoY Change		4.7%	3.0%	8.7%	6.7%	1.3%	-1.2%	6.3%	7.5%	2.5%	3.7%	-1.2%	-1.2%	-1.2%	3.7%	0.0%
Average broadband speed per subscriber (end of period, Mbps)	1.7	2.2	2.7	4.3	6.7	9.6	10.4	15.2	17.3	18.1	18.1	20.0	21.9	24.0	32.5	32.5
QoQ Change							8.3%	46.2%	13.8%	4.6%		10.5%	9.5%	9.6%	35.4%	
YoY Change		29.4%	22.7%	59.3%	55.8%	43.3%	38.7%	83.1%	92.2%	88.5%	88.5%	92.3%	44.1%	38.7%	79.6%	79.6%
Number of employees	7,614	7,530	7,364	7,216	7,076	7,422	<i>N/A</i>	<i>N/A</i>	6,576	6,479	6,479	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	5,964	5,964
QoQ Change										-1.5%						
YoY Change		-1.1%	-2.2%	-2.0%	-1.9%	4.9%					-12.7%					-7.9%



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Telephone																	
Key Performance Indicators																	
Subscribers (in 000's)		2,622	2,649	2,766	2,857	2,847	2,800	2,741	2,702	2,683	2,642	2,642	2,631	2,610	2,600	2,586	2,586
	QoQ Change							-2.1%	-1.4%	-0.7%	-1.5%		-0.4%	-0.8%	-0.4%	-0.5%	
	YoY Change		1.0%	4.4%	3.3%	-0.4%	-1.7%	-4.7%	-5.5%	-5.5%	-5.6%	-5.6%	-4.0%	-3.4%	-3.1%	-2.1%	-2.1%
ARPU (in NIS)		N/A	N/A	N/A	111	107	95	86	85	88	86	86	80	79	78	75	78
	QoQ Change							-3.4%	-1.2%	3.5%	-2.3%		-7.0%	-1.3%	-1.3%	-3.8%	
	YoY Change					-3.6%	-11.2%	-11.3%	-14.1%	-7.4%	-3.4%	-9.5%	-7.0%	-7.1%	-11.4%	-12.8%	-9.3%
Churn rate (%)		N/A	N/A	13.8%	15.3%	22.9%	22.4%	7.2%	6.9%	6.2%	8.3%	28.6%	7.5%	6.5%	7.3%	5.6%	27.0%
Number of employees			N/A	N/A	N/A	N/A	4,072	N/A	N/A	N/A	N/A	3,288	N/A	N/A	N/A	N/A	3,001
	QoQ Change																
	YoY Change											-19.3%					-8.7%
Bezeq International																	
Key Performance Indicators																	
Number of employees		2,621	2,325	2,445	2,112	2,262	2,102	N/A	N/A	N/A	N/A	2,007	N/A	N/A	N/A	N/A	1,932
	QoQ Change																
	YoY Change		-11.3%	5.2%	-13.6%	7.1%	-7.1%					-4.5%					-3.7%
Churn rate (%)		N/A	N/A	14.8%	12.7%	12.6%	18.4%	4.2%	4.5%	4.7%	4.6%	18.0%	4.0%	3.7%	4.5%	4.7%	17.0%
yes																	
Key Performance Indicators																	
Subscribers (in 000's)		549	560	571	578	586	578	578	583	593	601	601	607	613	623	632	632
	QoQ Change							0.0%	0.9%	1.7%	1.3%		1.0%	1.0%	1.6%	1.4%	
	YoY Change		2.0%	2.0%	1.2%	1.4%	-1.4%	-1.2%	0.2%	2.1%	4.0%	4.0%	5.0%	5.1%	5.1%	5.2%	5.2%
ARPU (in NIS)		217	228	226	230	232	234	233	232	233	233	233	234	234	233	234	234
	QoQ Change							-0.4%	-0.4%	0.4%	0.0%		0.4%	0.0%	-0.4%	0.4%	
	YoY Change		5.1%	-0.9%	1.8%	0.9%	1.0%	-1.7%	-0.9%	0.9%	-0.4%	-0.4%	0.4%	0.9%	0.0%	0.4%	0.4%
Churn rate (%)		N/A	N/A	13.3%	13.0%	11.9%	15.4%	3.8%	3.2%	3.4%	3.0%	13.5%	3.6%	3.1%	3.2%	2.9%	12.8%
Number of employees		N/A	1,999	2,158	2,229	2,227	2,276	N/A	N/A	N/A	N/A	2,208	N/A	N/A	N/A	N/A	2,042
	QoQ Change																
	YoY Change			8.0%	3.3%	-0.1%	2.2%					-3.0%					-7.5%



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
May 27, 2015	844	0.31	Semi-Annual Dividend (pending shareholder approval)
October 2, 2014	1,267	0.46	Semi-Annual Dividend (includes profits from sale of Coral Tel Ltd.)
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
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
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



	FY	FY	Q4	Q4
<i>NIS Millions</i>	2013	2014	2013	2014
Bezeq Group				
Other Operating Expenses (Income), Net				
Profit from the sale of shares in Coral Tel Ltd.	-	-582	-	-
<i>QoQ Change</i>				
<i>YoY Change</i>		-582		
Profit from the sale of property, plant and equipment (mainly real estate)	-120	-167	-29	-26
<i>QoQ Change</i>				3
<i>YoY Change</i>		-47		
Profit from copper sales	-47	-8	-7	-
<i>QoQ Change</i>				7
<i>YoY Change</i>		39		
Provision for contingent liabilities, net	-	-23	2	-20
<i>QoQ Change</i>				-22
<i>YoY Change</i>		-23		
Provision for early retirement	90	176	53	43
<i>QoQ Change</i>				-10
<i>YoY Change</i>		86		
Expenses for a collective agreement at Pelephone	61	18	61	18
<i>QoQ Change</i>				-43
<i>YoY Change</i>		-43		
Loss from the discontinuation of a software development project	1	-	1	-
<i>QoQ Change</i>				-1
<i>YoY Change</i>		-1		
Total other operating expenses (income), net	-15	-586	81	15
<i>QoQ Change</i>				-66
<i>YoY Change</i>		-571		