



Facts & Figures FY 2010

Year ending December 31, 2010

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(NIS millions, except for EPS)

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	2007	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010
Bezeq Group ^{(1) (2)}																
Key Income Statement Metrics																
Revenues	11,136	2,760	2,748	2,806	2,701	11,015	2,791	2,872	2,924	2,932	11,519	2,915	2,981	3,033	3,058	11,987
QoQ Change			-0.4%	2.1%	-3.7%		3.3%	2.9%	1.8%	0.3%		-0.6%	2.3%	1.7%	0.8%	
YoY Change						-1.1%	1.1%	4.5%	4.2%	8.6%	4.6%	4.4%	3.8%	3.7%	4.3%	4.1%
Operating Profit	2,321	641	772	775	452	2,640	799	818	875	480	2,972	874	990	979	901	3,744
QoQ Change			20.4%	0.4%	-41.7%		76.8%	2.4%	7.0%	-45.1%		82.1%	13.3%	-1.1%	-8.0%	
YoY Change						13.7%	24.6%	6.0%	12.9%	6.2%	12.6%	9.4%	21.0%	11.9%	87.7%	26.0%
Net profit attributed to Bezeq shareholders	1,330	411	456	462	298	1,627	608	541	2,088	366	3,603	642	638	588	575	2,443
QoQ Change			10.9%	1.3%	-35.5%		104.0%	-11.0%	286.0%	-82.5%		75.4%	-0.6%	-7.8%	-2.2%	
YoY Change						22.3%	47.9%	18.6%	351.9%	22.8%	121.5%	5.6%	17.9%	-71.8%	57.1%	-32.2%
Earnings Per Share - Basic	0.51	0.15	0.17	0.18	0.12	0.62	0.23	0.21	0.79	0.14	1.37	0.24	0.24	0.22	0.21	0.91
Earnings Per Share - Diluted	0.50	0.15	0.17	0.17	0.12	0.61	0.23	0.20	0.79	0.12	1.34	0.24	0.24	0.22	0.21	0.90
Depreciation & amortization	1,509	368	361	365	364	1,458	371	377	361	376	1,485	343	348	350	368	1,409
QoQ Change			-1.9%	1.1%	-0.3%		1.9%	1.6%	-4.2%	4.2%		-8.8%	1.5%	0.6%	5.1%	
YoY Change						-3.4%	0.8%	4.4%	-1.1%	3.3%	1.9%	-7.5%	-7.7%	-3.0%	-2.1%	-5.1%
EBITDA	3,830	1,009	1,133	1,140	816	4,098	1,170	1,195	1,236	856	4,457	1,217	1,338	1,329	1,269	5,153
QoQ Change			12.3%	0.6%	-28.4%		43.4%	2.1%	3.4%	-30.7%		42.2%	9.9%	-0.7%	-4.5%	
YoY Change						7.0%	16.0%	5.5%	8.4%	4.9%	8.8%	4.0%	12.0%	7.5%	48.2%	15.6%
Shares Outstanding - Basic	2,605	2,605	2,605	2,605	2,605	2,605	2,606	2,617	2,628	2,657	2,635	2,663	2,675	2,677	2,682	2,675
Shares Outstanding - Diluted	2,641	2,649	2,648	2,648	2,649	2,649	2,647	2,667	2,677	2,702	2,685	2,710	2,713	2,715	2,720	2,717
Key Cash Flow Metrics																
Operating cash flow	2,697	534	727	1,115	693	3,068	1,134	715	1,021	785	3,655	806	976	1,166	748	3,696
QoQ Change			36.1%	53.4%	-37.9%		63.8%	-37.0%	42.9%	-23.1%		2.7%	21.1%	19.5%	-35.8%	
YoY Change						13.7%	112.5%	-1.7%	-8.4%	13.3%	19.1%	-28.9%	36.6%	14.2%	-4.7%	1.1%
Capital expenditures, gross (accounting)	1,086	263	563	297	509	1,632	395	399	326	385	1,505	360	427	381	478	1,645
QoQ Change			114.1%	-47.2%	71.4%		-22.4%	1.0%	-18.3%	18.1%		-6.5%	18.6%	-10.8%	25.5%	
YoY Change						50.3%	50.2%	-29.1%	9.8%	-24.4%	-7.8%	-8.9%	7.0%	16.9%	24.2%	9.3%
Capital expenditures, gross (cash flow)	991	287	346	539	359	1,531	410	381	384	360	1,535	369	396	376	481	1,622
QoQ Change			20.9%	55.6%	-33.4%		14.0%	-7.0%	0.8%	-6.2%		2.4%	7.3%	-5.1%	27.9%	
YoY Change						54.5%	42.9%	10.0%	-28.8%	0.3%	0.2%	-9.9%	3.9%	-2.1%	33.5%	5.7%
Capital expenditures, net (cash flow)	814	226	320	525	313	1,384	359	370	364	352	1,445	354	370	328	439	1,491
QoQ Change			42.0%	63.9%	-40.3%		14.5%	3.2%	-1.6%	-3.2%		0.5%	4.5%	-11.4%	33.8%	
YoY Change						70.0%	58.9%	15.5%	-30.7%	12.5%	4.4%	-1.3%	0.0%	-9.9%	24.6%	3.2%
Free cash flow	1,883	308	406	590	379	1,684	776	345	657	433	2,210	452	606	838	309	2,205
QoQ Change			31.7%	45.2%	-35.7%		104.5%	-55.6%	90.7%	-34.1%		4.5%	34.1%	38.3%	-63.1%	
YoY Change						-10.6%	151.6%	-15.2%	11.4%	14.0%	31.3%	-41.7%	75.9%	27.5%	-28.6%	-0.2%
Key Balance Sheet Metrics																
Total debt	5,034	4,797	4,530	4,483	4,356	4,356	4,531	4,168	4,166	4,136	4,136	3,880	5,229	5,727	5,717	5,717
Cash & short-term investments	1,589	1,597	803	1,256	816	816	1,736	882	1,459	734	734	956	242	1,412	372	372
Net debt	3,445	3,200	3,727	3,227	3,540	3,540	2,795	3,286	2,707	3,402	3,402	2,924	4,987	4,315	5,345	5,345
Ratios																
Operating margin	20.8%	23.2%	28.1%	27.6%	16.7%	24.0%	28.6%	28.5%	29.9%	16.4%	25.8%	30.0%	33.2%	32.3%	29.5%	31.2%
Net margin	11.9%	14.9%	16.6%	16.5%	11.0%	14.8%	21.8%	18.6%	21.4%	12.5%	31.3%	22.0%	21.4%	19.4%	18.8%	20.4%
EBITDA margin	34.4%	36.6%	41.2%	40.6%	30.2%	37.2%	41.9%	41.6%	42.3%	29.2%	38.7%	41.7%	44.9%	43.8%	41.5%	43.0%
Capex/Sales	9.8%	9.5%	20.5%	10.6%	18.8%	14.8%	14.2%	13.9%	11.1%	13.1%	13.1%	12.3%	14.3%	12.6%	15.6%	13.7%
Total debt / EBITDA (ttm)	1.31				1.06	1.06	1.06	0.96	0.94	0.93	0.93	0.86	1.13	1.21	1.11	1.11
Net debt / EBITDA (ttm)	0.90				0.86	0.86	0.66	0.76	0.61	0.76	0.76	0.65	1.07	0.91	1.04	1.04

¹ As of August 21, 2009, the Company ceased consolidating yes' financial results and started accounting for its investment in yes according to the equity method. The Bezeq Group's financial data herein reflect the yes deconsolidation as of December 31, 2007.

² The Bezeq Group results reflect the consolidation of Walla! as of April 25, 2010. Q2-10 and Q3-10 include a one-time profit from the consolidation and subsequent sale of Walla!.



(NIS millions, except for EPS)

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
	2007	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	
Bezeq Fixed-Line																	
Key Income Statement Metrics																	
Total Revenues	5,713	1,408	1,354	1,388	1,348	5,498	1,326	1,318	1,343	1,316	5,303	1,304	1,307	1,323	1,329	5,263	
QoQ Change			-3.8%	2.5%	-2.9%		-1.6%	-0.6%	1.9%	-2.0%		-0.9%	0.2%	1.2%	0.5%		
YoY Change						-3.8%	-5.8%	-2.7%	-3.2%	-2.4%	-3.5%	-1.7%	-0.8%	-1.5%	1.0%	-0.8%	
Telephony Revenues	3,905	N/A	N/A	N/A	N/A	3,572	839	828	843	823	3,333	785	795	788	792	3,160	
QoQ Change								-1.3%	1.8%	-2.4%		-4.6%	1.3%	-0.9%	0.5%		
YoY Change						-8.5%					-6.7%	-6.4%	-4.0%	-6.5%	-3.8%	-5.2%	
Broadband Internet Revenues	712	N/A	N/A	N/A	N/A	790	207	210	221	225	863	236	235	249	257	977	
QoQ Change								1.4%	5.2%	1.8%		4.9%	-0.4%	6.0%	3.2%		
YoY Change						11.0%					9.2%	14.0%	11.9%	12.7%	14.2%	13.2%	
Transmission & Data Revenues	754	N/A	N/A	N/A	N/A	811	207	213	217	214	851	223	221	219	219	882	
QoQ Change								2.9%	1.9%	-1.4%		4.2%	-0.9%	-0.9%	0.0%		
YoY Change						7.6%					4.9%	7.7%	3.8%	0.9%	2.3%	3.6%	
Other Service Revenues	342	N/A	N/A	N/A	N/A	325	73	67	62	54	256	60	56	67	61	244	
QoQ Change								-8.2%	-7.5%	-12.9%		11.1%	-6.7%	19.6%	-9.0%		
YoY Change						-5.0%					-21.2%	-17.8%	-16.4%	8.1%	13.0%	-4.7%	
Operating profit	1,319	373	442	428	232	1,475	437	434	491	161	1,523	490	503	556	494	2,043	
QoQ Change			18.5%	-3.2%	-45.8%		88.4%	-0.7%	13.1%	-67.2%		204.3%	2.7%	10.5%	-11.2%		
YoY Change						11.8%	17.2%	-1.8%	14.7%	-30.6%	3.3%	12.1%	15.9%	13.2%	206.8%	34.1%	
Net profit ⁽¹⁾	737	244	290	271	145	950	336	316	319	136	1,107	360	349	377	340	1,426	
QoQ Change			18.9%	-6.6%	-46.5%		131.7%	-6.0%	0.9%	-57.4%		164.7%	-3.1%	8.0%	-9.8%		
YoY Change						28.9%	37.7%	9.0%	17.7%	-6.2%	16.5%	7.1%	10.4%	18.2%	150.0%	28.8%	
Depreciation & amortization	941	218	211	214	209	852	211	205	184	194	794	170	171	171	178	690	
QoQ Change			-3.2%	1.4%	-2.3%		1.0%	-2.8%	-10.2%	5.4%		-12.4%	0.6%	0.0%	4.1%		
YoY Change						-9.5%	-3.2%	-2.8%	-14.0%	-7.2%	-6.8%	-19.4%	-16.6%	-7.1%	-8.2%	-13.1%	
EBITDA	2,260	591	653	642	441	2,327	648	639	675	355	2,317	660	674	727	672	2,733	
QoQ Change			10.5%	-1.7%	-31.3%		46.9%	-1.4%	5.6%	-47.4%		85.9%	2.1%	7.9%	-7.6%		
YoY Change						3.0%	9.6%	-2.1%	5.1%	-19.5%	-0.4%	1.9%	5.5%	7.7%	89.3%	18.0%	
Key Cash Flow Metrics ⁽²⁾																	
Operating cash flow	1,379	N/A	N/A	N/A	N/A	1,691	635	408	526	651	2,220	393	523	684	540	2,140	
QoQ Change									28.9%	23.8%		-39.6%	33.1%	30.8%	-21.1%		
YoY Change						22.6%		-35.7%			31.3%	-38.1%	28.2%	30.0%	-17.1%	-3.6%	
Capital expenditures, gross (accounting)	513	128	139	112	221	600	210	209	191	234	844	228	269	250	294	1,041	
QoQ Change			8.6%	-19.4%	97.3%		-5.0%	-0.5%	-8.6%	22.5%		-2.6%	18.0%	-7.1%	17.6%		
YoY Change						17.0%	64.1%	50.4%	70.5%	5.9%	40.7%	8.6%	28.7%	30.9%	25.6%	23.3%	
Capital expenditures, gross (cash flow)	505	158	132	156	170	616	238	191	204	220	853	238	247	245	302	1,032	
QoQ Change			-16.5%	18.2%	9.0%		40.0%	-19.7%	6.8%	7.8%		8.2%	3.8%	-0.8%	23.3%		
YoY Change						22.0%	50.6%	44.7%	30.8%	29.4%	38.5%	0.0%	29.3%	20.1%	37.3%	21.0%	
Capital expenditures, net (cash flow)	336	98	107	144	123	472	189	182	185	211	767	223	221	197	259	900	
QoQ Change			9.2%	34.6%	-14.6%		53.7%	-3.7%	1.6%	14.1%		5.7%	-0.9%	-10.9%	31.5%		
YoY Change						40.5%	92.9%	70.1%	28.5%	71.5%	62.5%	18.0%	21.4%	6.5%	22.7%	17.3%	
Free cash flow	1,043	N/A	N/A	N/A	N/A	1,219	446	226	341	440	1,453	170	302	487	281	1,240	
QoQ Change								-49.3%	50.9%	29.0%		-61.4%	77.6%	61.3%	-42.3%		
YoY Change						16.9%					19.2%	-61.9%	33.6%	42.8%	-36.1%	-14.7%	
Ratios																	
Operating margin	23.1%	26.5%	32.6%	30.8%	17.2%	26.8%	33.0%	32.9%	36.6%	12.2%	28.7%	37.6%	38.5%	42.0%	37.2%	38.8%	
Net margin	12.9%	17.3%	21.4%	19.5%	10.8%	17.3%	25.3%	24.0%	23.8%	10.3%	20.9%	27.6%	26.7%	28.5%	25.6%	27.1%	
EBITDA margin	39.6%	42.0%	48.2%	46.3%	32.7%	42.3%	48.9%	48.5%	50.3%	27.0%	43.7%	50.6%	51.6%	55.0%	50.6%	51.9%	
Capex/Sales	9.0%	9.1%	10.3%	8.1%	16.4%	10.9%	15.8%	15.9%	14.2%	17.8%	15.9%	17.5%	20.6%	18.9%	22.1%	19.8%	

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

² Beginning FY 2009, the Israeli Securities Authority directives require the publication of a separate report for Bezeq Fixed-Line, including full balance sheet, income statement and cash flow data. Prior years quarterly data is presented in this metrics file for convenience purposes only.



(NIS millions, except for EPS)

	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Pelephone																
Key Income Statement Metrics																
Total Revenues	4,684	1,173	1,188	1,214	1,138	4,713	1,265	1,346	1,372	1,393	5,376	1,393	1,429	1,442	1,468	5,732
QoQ Change			1.3%	2.2%	-6.3%		11.2%	6.4%	1.9%	1.5%		0.0%	2.6%	0.9%	1.8%	
YoY Change						0.6%	7.8%	13.3%	13.0%	22.4%	14.1%	10.1%	6.2%	5.1%	5.4%	6.6%
Service Revenues	3,972	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	4,020	1,019	1,050	1,101	1,086	4,256	1,106	1,140	1,159	1,145	4,550
QoQ Change								3.0%	4.9%	-1.4%		1.8%	3.1%	1.7%	-1.2%	
YoY Change						1.2%					5.9%	8.5%	8.6%	5.3%	5.4%	6.9%
Equipment Revenues	712	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	693	246	296	271	307	1,120	287	289	283	323	1,182
QoQ Change								20.3%	-8.4%	13.3%		-6.5%	0.7%	-2.1%	14.1%	
YoY Change						-2.7%					61.6%	16.7%	-2.4%	4.4%	5.2%	5.5%
Operating profit	805	215	266	293	159	933	302	321	316	251	1,190	322	362	356	343	1,383
QoQ Change			23.7%	10.2%	-45.7%		89.9%	6.3%	-1.6%	-20.6%		28.3%	12.4%	-1.7%	-3.7%	
YoY Change						15.9%	40.5%	20.7%	7.8%	57.9%	27.5%	6.6%	12.8%	12.7%	36.7%	16.2%
Net profit	585	163	180	211	128	682	230	233	231	181	875	259	267	239	268	1,033
QoQ Change			10.4%	17.2%	-39.3%		79.7%	1.3%	-0.9%	-21.6%		43.1%	3.1%	-10.5%	12.1%	
YoY Change						16.6%	41.1%	29.4%	9.5%	41.4%	28.3%	12.6%	14.6%	3.3%	48.1%	18.1%
Depreciation & amortization	479	129	130	129	135	523	139	151	155	158	603	149	149	149	154	601
QoQ Change			0.8%	-0.8%	4.7%		3.0%	8.6%	2.6%	1.9%		-5.7%	0.0%	0.0%	3.4%	
YoY Change						9.2%	7.8%	16.2%	20.2%	17.0%	15.3%	7.2%	-1.3%	-3.9%	-2.5%	-0.3%
EBITDA	1,284	344	396	422	294	1,456	441	472	471	410	1,794	471	511	505	497	1,984
QoQ Change			15.1%	6.6%	-30.3%		50.0%	7.0%	-0.2%	-13.0%		14.9%	8.5%	-1.2%	-1.6%	
YoY Change						13.4%	28.2%	19.2%	11.6%	39.5%	23.2%	6.8%	8.3%	7.2%	21.2%	10.6%
Key Cash Flow Metrics																
Operating cash flow	1,228	256	344	379	298	1,277	375	290	395	55	1,115	350	378	400	91	1,219
QoQ Change			34.4%	10.2%	-21.4%		25.8%	-22.7%	36.2%	-86.1%		536.4%	8.0%	5.8%	-77.3%	
YoY Change						4.0%	46.5%	-15.7%	4.2%	-81.5%	-12.7%	-6.7%	30.3%	1.3%	65.5%	9.3%
Capital expenditures, gross (accounting)	440	108	374	172	257	911	165	127	107	109	508	110	112	99	110	431
QoQ Change			246.3%	-54.0%	49.4%		-35.8%	-23.0%	-15.7%	1.9%		0.9%	1.8%	-11.6%	11.1%	
YoY Change						107.0%	52.8%	-66.0%	-37.8%	-57.6%	-44.2%	-33.3%	-11.8%	-7.5%	0.9%	-15.2%
Capital expenditures, gross (cash flow)	381	103	182	350	163	798	149	163	146	101	559	92	114	99	92	397
QoQ Change			76.7%	92.3%	-53.4%		-8.6%	9.4%	-10.4%	-30.8%		-8.9%	23.9%	-13.2%	-7.1%	
YoY Change						109.4%	44.7%	-10.4%	-58.3%	-38.0%	-29.9%	-38.3%	-30.1%	-32.2%	-8.9%	-29.0%
Capital expenditures, net (cash flow)	376	102	181	350	162	795	149	159	146	101	555	92	114	99	92	397
QoQ Change			77.5%	93.4%	-53.7%		-8.0%	6.7%	-8.2%	-30.8%		-8.9%	23.9%	-13.2%	-7.1%	
YoY Change						111.4%	46.1%	-12.2%	-58.3%	-37.7%	-30.2%	-38.3%	-28.3%	-32.2%	-8.9%	-28.5%
Free cash flow	852	154	163	29	136	482	226	131	249	-45	560	258	264	301	-1	822
QoQ Change			5.8%	-82.2%	369.0%		66.2%	-42.0%	90.1%	-118.1%		-673.3%	2.3%	14.0%	-100.3%	
YoY Change						-43.4%	46.8%	-19.6%	758.6%	-133.1%	16.2%	14.2%	101.5%	20.9%	-97.8%	46.8%
Ratios																
Operating margin	17.2%	18.3%	22.4%	24.1%	14.0%	19.8%	23.9%	23.8%	23.0%	18.0%	22.1%	23.1%	25.3%	24.7%	23.4%	24.1%
Net margin	12.5%	13.9%	15.2%	17.4%	11.2%	14.5%	18.2%	17.3%	16.8%	13.0%	16.3%	18.6%	18.7%	16.6%	18.3%	18.0%
EBITDA margin	27.4%	29.3%	33.3%	34.8%	25.8%	30.9%	34.9%	35.1%	34.3%	29.4%	33.4%	33.8%	35.7%	35.0%	33.9%	34.6%
Capex/Sales	9.4%	9.2%	31.5%	14.2%	22.6%	19.3%	13.0%	9.4%	7.8%	7.8%	9.4%	7.9%	7.8%	6.9%	7.5%	7.5%



(NIS millions, except for EPS)

	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Bezeq International																
Key Income Statement Metrics ¹																
Revenues	1,304	314	326	329	337	1,306	324	327	332	334	1,318	343	340	347	350	1,380
QoQ Change			3.8%	0.9%	2.5%		-3.8%	0.7%	1.8%	0.5%		2.7%	-0.9%	2.2%	0.7%	
YoY Change						0.2%	3.4%	0.3%	1.1%	-1.0%	0.9%	5.7%	4.1%	4.5%	4.8%	4.8%
Operating profit	204	55	63	59	65	242	60	68	66	67	261	62	124	70	65	320
QoQ Change			14.2%	-5.5%	10.1%		-7.5%	12.4%	-1.8%	0.5%		-7.7%	101.5%	-43.9%	-6.5%	
YoY Change						18.6%	9.8%	8.0%	12.3%	2.5%	8.0%	2.3%	83.4%	4.8%	-1.5%	22.6%
Net profit	153	42	47	44	46	178	44	56	51	49	200	46	107	53	46	253
QoQ Change			13.4%	-6.5%	4.0%		-3.7%	26.5%	-9.1%	-2.5%		-6.0%	130.3%	-50.1%	-13.2%	
YoY Change						16.6%	6.2%	18.6%	15.2%	7.9%	12.1%	5.4%	91.8%	5.4%	-6.1%	26.6%
Depreciation & amortization	87	20	20	20	20	80	20	21	21	23	84	23	23	24	25	94
QoQ Change			1.6%	-2.0%	-0.2%		-1.2%	5.4%	3.5%	5.4%		0.2%	1.8%	2.3%	7.1%	
YoY Change						-7.5%	-1.9%	1.8%	7.5%	13.5%	5.2%	15.2%	11.3%	9.9%	11.7%	11.9%
EBITDA	290	75	83	79	85	322	80	88	88	89	345	84	147	93	90	414
QoQ Change			10.8%	-4.7%	7.5%		-6.1%	10.7%	-0.6%	1.7%		-5.7%	74.7%	-36.7%	-3.3%	
YoY Change						10.8%	6.6%	6.5%	11.1%	5.1%	7.3%	5.5%	66.5%	6.0%	1.0%	20.0%
Key Cash Flow Metrics ¹																
Operating cash flow	93	8	51	32	73	163	84	83	81	72	320	59	66	75	92	292
QoQ Change			577.4%	-37.4%	129.4%		14.2%	-1.0%	-1.5%	-11.4%		-17.6%	10.7%	13.3%	23.1%	
YoY Change						76.3%	1010.8%	62.4%	155.5%	-1.3%	95.7%	-28.8%	-20.4%	-8.4%	27.3%	-8.8%
Capital expenditures, gross (accounting)	131	27	50	14	29	120	20	63	29	38	150	20	43	29	69	160
QoQ Change			85.2%	-72.0%	107.1%		-31.0%	215.0%	-54.0%	31.0%		-47.4%	115.0%	-32.6%	137.9%	
YoY Change						-8.4%	-25.9%	26.0%	107.1%	31.0%	25.0%	0.0%	-31.7%	0.0%	81.6%	6.7%
Capital expenditures, gross (cash flow)	103	28	31	33	27	119	21	26	33	39	120	37	33	30	80	180
QoQ Change			12.4%	7.7%	-19.1%		-20.4%	21.7%	28.3%	16.2%		-5.6%	-10.8%	-8.4%	167.3%	
YoY Change						14.7%	-22.0%	-15.6%	0.5%	44.5%	1.1%	71.3%	25.6%	-10.3%	106.2%	49.9%
Capital expenditures, net (cash flow)	100	28	31	33	26	118	21	26	33	39	120	37	33	30	80	180
QoQ Change			12.4%	7.7%	-20.7%		-19.2%	22.1%	28.5%	16.2%		-5.6%	-10.7%	-8.7%	168.1%	
YoY Change						18.7%	-22.4%	-15.8%	0.5%	47.3%	1.4%	72.0%	25.8%	-10.6%	106.2%	50.0%
Free cash flow	-7	-20	20	-1	47	45	62	57	48	33	200	23	33	45	12	112
QoQ Change			NM	-107.1%	-3386.4%		33.1%	-8.9%	-15.3%	-30.6%		-31.6%	45.3%	35.1%	-73.9%	
YoY Change						NM	NM	183.0%	-3476.9%	-28.7%	341.7%	-63.4%	-41.6%	-6.8%	-64.9%	-43.9%
Ratios																
Operating margin	15.6%	17.5%	19.2%	18.0%	19.3%	18.5%	18.5%	20.7%	20.0%	20.0%	19.8%	17.9%	36.5%	20.0%	18.6%	23.2%
Net margin	11.7%	13.2%	14.4%	13.4%	13.6%	13.7%	13.6%	17.1%	15.2%	14.8%	15.2%	13.5%	31.5%	15.4%	13.3%	18.3%
EBITDA margin	22.3%	23.8%	25.4%	24.0%	25.2%	24.6%	24.6%	27.0%	26.4%	26.7%	26.2%	24.5%	43.2%	26.8%	25.7%	30.0%
Capex/Sales	10.0%	8.6%	15.3%	4.3%	8.6%	9.2%	6.2%	19.3%	8.7%	11.4%	11.4%	5.8%	12.6%	8.3%	19.7%	11.6%

¹ Q1-Q3 2010 results exclude Walla's financials, but include a one-time profit from the consolidation of Walla! recorded in Q2-10, and another small profit from the sale of Walla! to Bezeq recorded in Q3-10.



		FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
yes																	
Key Income Statement Metrics ¹																	
Revenues		1,415	381	380	375	376	1,513	384	376	380	390	1,530	391	396	395	400	1,583
	QoQ Change			-0.4%	-1.2%	0.3%		2.0%	-2.0%	1.2%	2.5%		0.3%	1.2%	-0.2%	1.2%	
	YoY Change						6.9%	0.6%	-1.0%	1.4%	3.7%	1.2%	2.0%	5.3%	3.9%	2.6%	3.4%
Operating profit		56	27	43	52	55	177	66	59	61	63	248	59	7	72	41	178
	QoQ Change			58.5%	23.2%	5.6%	19.2%	-10.5%	2.7%	3.1%			-6.2%	-87.6%	884.8%	-43.4%	
	YoY Change						216.3%	145.6%	38.8%	15.7%	13.0%	40.1%	-11.0%	-87.7%	18.3%	-35.1%	-28.2%
Net profit		-118	-66	-99	-82	-17	-265	-1	-95	-88	-38	-222	-8	-143	-78	-84	-314
	QoQ Change			51.0%	-17.3%	-78.7%		-93.4%	8152.7%	-7.0%	-57.4%		-78.1%	1627.2%	-45.1%	7.5%	
	YoY Change						125.1%	-98.2%	-4.2%	7.7%	115.5%	-16.0%	617.0%	50.1%	-11.4%	123.5%	41.0%
Depreciation & amortization		273	65	61	59	66	250	57	56	59	63	234	64	68	68	85	285
	QoQ Change			-6.4%	-3.1%	12.1%		-14.1%	-1.7%	6.1%	7.2%		0.9%	6.9%	-0.6%	25.4%	
	YoY Change						-8.5%	-12.6%	-8.3%	0.3%	-4.1%	-6.3%	12.7%	22.7%	15.0%	34.6%	21.6%
EBITDA		329	92	103	111	121	427	122	115	120	126	482	122	75	140	126	463
	QoQ Change			12.7%	7.8%	9.0%		1.1%	-6.4%	4.3%	5.1%		-2.6%	-38.4%	84.9%	-10.0%	
	YoY Change						29.7%	33.8%	11.1%	7.6%	3.8%	13.0%	0.0%	-34.2%	16.7%	-0.1%	-4.0%
Key Cash Flow Metrics																	
Operating cash flow		250	84	32	97	133	347	91	93	135	91	410	121	109	126	131	488
	QoQ Change			-61.5%	200.4%	37.1%		-32.0%	3.0%	44.6%	-32.9%		33.9%	-9.9%	15.3%	4.3%	
	YoY Change						38.9%	7.8%	188.5%	38.9%	-32.0%	18.1%	33.8%	17.1%	-6.6%	45.0%	19.2%
Capital expenditures, gross (accounting)		299	70	52	77	66	265	20	71	101	78	270	66	79	82	68	295
	QoQ Change			-25.7%	48.1%	-14.3%		-69.7%	255.0%	42.3%	-22.8%		-15.4%	19.7%	3.8%	-16.6%	
	YoY Change						-11.4%	-71.4%	36.5%	31.2%	18.2%	1.9%	230.0%	11.3%	-18.8%	-12.3%	9.4%
Capital expenditures, gross (cash flow)		255	79	40	56	63	238	61	60	87	53	262	61	63	64	90	278
	QoQ Change			-50.2%	41.2%	12.3%		-2.1%	-2.5%	45.9%	-39.6%		15.5%	3.6%	1.4%	40.3%	
	YoY Change						-6.7%	-22.6%	51.5%	56.5%	-15.8%	10.1%	-0.7%	5.5%	-26.6%	70.3%	6.4%
Capital expenditures, net (cash flow)		255	79	40	56	63	238	61	60	87	52	261	61	63	63	90	277
	QoQ Change			-50.2%	41.2%	12.3%		-2.1%	-2.5%	44.9%	-39.6%		16.0%	3.5%	0.1%	42.5%	
	YoY Change						-6.7%	-22.6%	51.5%	55.4%	-16.4%	9.7%	-1.0%	5.1%	-27.3%	71.4%	6.2%
Free cash flow		-5	5	-7	41	71	109	29	33	48	38	149	61	46	63	42	211
	QoQ Change			NM	NM	70.6%		-58.6%	14.4%	44.1%	-20.8%		58.5%	-23.3%	35.8%	-34.0%	
	YoY Change						NM	522.3%	NM	16.5%	-45.9%	36.2%	106.9%	38.6%	30.7%	8.8%	41.8%
Ratios																	
Operating margin		4.0%	7.0%	11.2%	14.0%	14.7%	11.7%	17.2%	15.7%	15.9%	16.0%	16.2%	15.0%	1.8%	18.1%	10.1%	11.3%
Net margin		-8.3%	-17.2%	-26.1%	-21.9%	-4.6%	-17.5%	-0.3%	-25.3%	-23.3%	-9.7%	-14.5%	-2.1%	-36.1%	-19.8%	-21.0%	-19.8%
EBITDA margin		23.3%	24.0%	27.2%	29.6%	32.2%	28.2%	31.9%	30.5%	31.4%	32.2%	31.5%	31.3%	19.1%	35.3%	31.4%	29.3%
Capex/Sales		21.1%	18.4%	13.7%	20.5%	17.5%	17.5%	5.2%	18.9%	26.5%	20.0%	17.6%	16.9%	20.0%	20.7%	17.1%	18.7%

¹ Q2-10 includes a provision related to retroactive royalties claimed by ACUM.



	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Bezeq Fixed-Line																
Key Performance Indicators																
Total outgoing minutes (in millions)	14,869	3,511	3,346	3,428	3,154	13,439	3,123	3,014	3,096	2,964	12,196	2,775	2,764	2,676	2,668	10,883
QoQ Change			-4.7%	2.5%	-8.0%		-1.0%	-3.5%	2.7%	-4.3%		-6.4%	-0.4%	-3.2%	-0.3%	
YoY Change						-9.6%	-11.1%	-9.9%	-9.7%	-6.0%	-9.2%	-11.1%	-8.3%	-13.6%	-10.0%	-10.8%
Total incoming minutes (in millions)	6,411	1,673	1,651	1,719	1,648	6,691	1,654	1,659	1,731	1,674	6,718	1,623	1,634	1,646	1,644	6,547
QoQ Change			-1.3%	4.1%	-4.1%		0.4%	0.3%	4.3%	-3.3%		-3.0%	0.7%	0.7%	-0.1%	
YoY Change						4.4%	-1.1%	0.5%	0.7%	1.6%	0.4%	-1.9%	-1.5%	-4.9%	-1.8%	-2.5%
Total access lines (in 000's) ¹	2,761	2,711	2,681	2,645	2,615	2,615	2,579	2,547	2,518	2,489	2,489	2,458	2,425	2,395	2,365	2,365
QoQ Change			-1.1%	-1.3%	-1.1%		-1.4%	-1.2%	-1.1%	-1.2%		-1.2%	-1.3%	-1.2%	-1.3%	
YoY Change						-5.3%	-4.9%	-5.0%	-4.8%	-4.8%	-4.8%	-4.7%	-4.8%	-4.9%	-5.0%	-5.0%
ARPL - Voice & fixed fees (in NIS) ²	87	84	82	85	82	83	81	81	83	82	82	80	81	82	83	81
QoQ Change			-2.4%	3.7%	-3.5%		-1.0%	-0.2%	2.5%	-1.2%		-2.4%	1.3%	1.2%	1.2%	
YoY Change						-4.6%	-3.3%	-1.2%	-2.4%	0.0%	-1.2%	-1.5%	0.0%	-1.2%	1.2%	-1.2%
Broadband Internet lines (in 000's)	963	970	982	994	1,005	1,005	1,011	1,016	1,026	1,035	1,035	1,045	1,051	1,056	1,066	1,066
QoQ Change			1.2%	1.2%	1.1%		0.6%	0.5%	1.0%	0.9%		1.0%	0.6%	0.5%	0.9%	
YoY Change						4.4%	4.2%	3.5%	3.2%	3.0%	3.0%	3.4%	3.4%	2.9%	3.0%	3.0%
Broadband Internet ARPU (in NIS) ³	64	68	66	67	66	67	67	67	70	70	69	73	72	76	78	75
QoQ Change			-2.9%	1.5%	-1.5%		1.5%	0.0%	4.5%	0.0%		4.3%	-1.4%	5.6%	2.6%	
YoY Change						4.7%	-1.5%	1.5%	4.5%	6.1%	3.0%	9.0%	7.5%	8.6%	11.4%	8.7%
NGN subscribers as % of total internet subscribers covered by NGN network	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1%	3%	8%	12%	12%	17%	23%	27%	34%	34%
QoQ Change								200.0%	166.7%	50.0%		41.7%	35.3%	17.4%	25.9%	
YoY Change													666.7%	237.5%	183.3%	183.3%
Average broadband speed per subscriber (end of period, Mbps)	1.7	1.9	2.0	2.1	2.2	2.2	2.3	2.4	2.5	2.7	2.7	3.0	3.4	3.8	4.3	4.3
QoQ Change			5.3%	5.0%	4.8%		4.5%	4.3%	4.2%	8.0%		11.1%	13.3%	11.8%	13.2%	
YoY Change						29.4%	21.1%	20.0%	19.0%	22.7%	22.7%	30.4%	41.7%	52.0%	59.3%	59.3%
Number of employees	7,614	7,458	7,425	7,417	7,530	7,530	7,545	7,399	7,335	7,364	7,364	7,332	7,325	7,299	7,216	7,216
QoQ Change			-0.4%	-0.1%	1.5%		0.2%	-1.9%	-0.9%	0.4%		-0.4%	-0.1%	-0.4%	-1.1%	
YoY Change						-1.1%	1.2%	-0.4%	-1.1%	-2.2%	-2.2%	-2.8%	-1.0%	-0.5%	-2.0%	-2.0%

¹ Inactive subscribers are those whose lines have been physically disconnected (except for a subscriber in the first three months of collection proceedings).

² Not including revenues from data communications and transmissions services, internet services, services to communications providers, and contract and other services. Based on average subscribers for the period.

³ Total revenue from Internet services excluding revenue from business directory services, divided by average internet subscribers. Until September 30, 2010, ARPU included revenue from business directory services. In view of the change in the definition of Internet services for calculating ARPU, the data in respect of the period to September 30, 2010 (inclusive) was recalculated and is shown in the table according to the new definition.



		FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Pelephone																	
Key Performance Indicators																	
Subscribers (in 000's) ¹		2,622	2,595	2,636	2,698	2,649	2,649	2,669	2,694	2,721	2,766	2,766	2,789	2,807	2,825	2,857	2,857
	QoQ Change			1.6%	2.4%	-1.8%		0.8%	0.9%	1.0%	1.7%		0.8%	0.6%	0.6%	1.1%	
	YoY Change						1.0%	2.9%	2.2%	0.9%	4.4%	4.4%	4.5%	4.2%	3.8%	3.3%	3.3%
ARPU (in NIS) ²		131	126	128	129	122	126	128	131	136	132	132	133	136	137	134	135
	QoQ Change			1.6%	0.8%	-5.4%		4.9%	2.3%	3.8%	-2.9%		0.8%	2.3%	0.7%	-2.2%	
	YoY Change						-3.8%	1.6%	2.3%	5.4%	8.2%	4.8%	3.9%	3.8%	0.7%	1.5%	2.3%
MOU (per sub, per month) ³		354	355	358	359	335	352	323	329	339	339	333	336	348	347	364	349
	QoQ Change			0.8%	0.3%	-6.7%		-3.6%	1.9%	3.0%	0.0%		-0.9%	3.6%	-0.3%	4.9%	
	YoY Change						-0.6%	-9.0%	-8.1%	-5.6%	1.2%	-5.4%	4.0%	5.8%	2.4%	7.4%	4.8%
Churn rate (%) ⁴		N/A	N/A	N/A	N/A	N/A	N/A	3.3%	3.3%	3.8%	3.4%	13.8%	3.9%	3.9%	3.5%	3.9%	15.3%
	QoQ Change								0.0%	15.2%	-10.5%		14.7%	0.0%	-10.3%	11.4%	
	YoY Change												18.2%	18.2%	-7.9%	14.7%	10.9%
HSPA subscribers (in 000's)		N/A	N/A	N/A	N/A	N/A	N/A	117	283	471	676	676	845	1,005	1,160	1,325	1,325
	QoQ Change								141.9%	66.4%	43.5%		25.0%	18.9%	15.4%	14.2%	
	YoY Change												622.2%	255.1%	146.3%	96.0%	96.0%
Data, VAS and content as % of total cellular service revenues		12.7%	15.0%	15.5%	16.2%	18.4%	16.3%	18.5%	19.1%	20.0%	20.8%	19.6%	22.6%	23.0%	24.5%	25.0%	23.8%

¹ Subscriber data excludes inactive subscribers connected to Pelephone's services for six months or more. An inactive subscriber is one who in the past six months has not received or made at least one call or who has not paid for Pelephone's services.

² Average monthly revenue per subscriber is calculated by dividing total revenue from cellular services (airtime, usage fees, call completion fees, roaming services, value added services and sundry), repair services and warranty in the period, by the average total number of subscribers in that month.

³ Average monthly use per subscriber (in minutes) is calculated according to a monthly average of total outgoing and incoming minutes in the period, divided by the average total number of subscribers in the same period.

⁴ Churn rate is calculated according to the proportion of subscribers who have disconnected from the Company's services and subscribers who have become inactive during the period, out of the total number of active subscribers during the period.

yes

		FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Key Performance Indicators																	
Subscribers (in 000's) ¹		549	549	551	556	560	560	560	562	567	571	571	571	573	575	578	578
	QoQ Change			0.4%	0.9%	0.7%		0.0%	0.4%	0.9%	0.7%		0.0%	0.4%	0.3%	0.5%	
	YoY Change						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.4%	1.2%	1.2%
ARPU (in NIS) ²		217	231	230	226	225	228	228	224	224	229	226	229	231	229	231	230
	QoQ Change			-0.4%	-1.7%	-0.4%		1.3%	-1.8%	0.0%	2.2%		0.0%	0.9%	-0.9%	0.9%	
	YoY Change						5.1%	-1.3%	-2.6%	-0.9%	1.8%	-0.9%	0.4%	3.1%	2.2%	0.9%	1.8%

¹ Subscriber – one household or small business customer. For a business customer with numerous intake points or decoders (such as a hotel, kibbutz or gym), the number of subscribers is calculated by dividing the total payment received from the business customer by the average revenue from a small business customer.

² ARPU includes total yes revenues (content and equipment, premium channels, technical services, advanced services, one-time sales of content, revenue from channels, internet and others) divided by average subscribers for the period.



GLOSSARY

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization; ttm = trailing twelve months
Free cash flow	= Operating cash flows minus net capital expenditures
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, minus proceeds from the sale of PPE
ARPU	= Average revenue per user
MOU	= Minutes of use
N/A	= Not available
N/M	= Not meaningful