



Facts & Figures Q4 & FY 2012

Three months and year ending December 31, 2012

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(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Bezeq Group															
Key Income Statement Metrics															
Revenues		11,136	11,015	11,519	11,987	2,913	2,893	2,917	2,650	11,373	2,740	2,595	2,494	2,449	10,278
	QoQ Change					-4.7%	-0.7%	0.8%	-9.2%		3.4%	-5.3%	-3.9%	-1.8%	
	YoY Change		-1.1%	4.6%	4.1%	-0.1%	-3.0%	-3.8%	-13.3%	-5.1%	-5.9%	-10.3%	-14.5%	-7.6%	-9.6%
Operating Profit		2,321	2,640	2,972	3,744	665	935	944	698	3,242	850	746	667	772	3,035
	QoQ Change					-26.2%	40.6%	1.0%	-26.1%		21.8%	-12.2%	-10.6%	15.7%	
	YoY Change		13.7%	12.6%	26.0%	-23.9%	-5.6%	-3.6%	-22.5%	-13.4%	27.8%	-20.2%	-29.3%	10.6%	-6.4%
Net profit attributed to Bezeq shareholders		1,330	1,627	3,603	2,443	407	585	550	524	2,066	582	415	342	519	1,858
	QoQ Change					-29.2%	43.7%	-6.0%	-4.7%		11.1%	-28.7%	-17.6%	51.8%	
	YoY Change		22.3%	121.5%	-32.2%	-36.6%	-8.3%	-6.5%	-8.9%	-15.4%	43.0%	-29.1%	-37.8%	-1.0%	-10.1%
Earnings Per Share - Basic		0.51	0.62	1.37	0.91	0.15	0.22	0.20	0.19	0.76	0.21	0.15	0.13	0.19	0.68
Earnings Per Share - Diluted		0.50	0.61	1.34	0.90	0.15	0.21	0.20	0.19	0.76	0.21	0.15	0.13	0.19	0.68
Depreciation & amortization		1,509	1,458	1,485	1,409	335	348	357	355	1,395	358	358	359	361	1,436
	QoQ Change					-9.0%	3.9%	2.6%	-0.6%		0.8%	0.0%	0.3%	0.6%	
	YoY Change		-3.4%	1.9%	-5.1%	-2.3%	0.0%	2.0%	-3.5%	-1.0%	6.9%	2.9%	0.6%	1.7%	2.9%
Salaries		2,192	2,161	1,990	2,024	532	540	540	491	2,103	511	505	511	455	1,982
	QoQ Change					-1.1%	1.5%	0.0%	-9.1%		4.1%	-1.2%	1.2%	-11.0%	
	YoY Change		-1.4%	-7.9%	1.7%	5.3%	10.4%	9.8%	-8.7%	3.9%	-3.9%	-6.5%	-5.4%	-7.3%	-5.8%
General & operating expenses		5,075	4,660	4,871	5,026	1,131	1,132	1,182	1,049	4,494	1,044	969	963	977	3,953
	QoQ Change					-13.9%	0.1%	4.4%	-11.3%		-0.5%	-7.2%	-0.6%	1.5%	
	YoY Change		-8.2%	4.5%	3.2%	-7.1%	-7.5%	-7.0%	-20.1%	-10.6%	-7.7%	-14.4%	-18.5%	-6.9%	-12.0%
Other expenses (income)		39	96	201	-216	250	-62	-106	57	139	-23	17	-6	-116	-128
	QoQ Change					NM	NM	71.0%	NM		NM	NM	NM	1833.3%	
	YoY Change		146.2%	109.4%	NM	NM	-11.4%	79.7%	NM	NM	NM	NM	-94.3%	NM	NM
EBITDA		3,830	4,098	4,457	5,153	1,000	1,283	1,301	1,053	4,637	1,208	1,104	1,026	1,133	4,471
	QoQ Change					-21.2%	28.3%	1.4%	-19.1%		14.7%	-8.6%	-7.1%	10.4%	
	YoY Change		7.0%	8.8%	15.6%	-17.8%	-4.1%	-2.1%	-17.0%	-10.0%	20.8%	-14.0%	-21.1%	7.6%	-3.6%
Shares Outstanding - Basic		2,605	2,605	2,635	2,675	2,688	2,699	2,706	2,711	2,714	2,715	2,718	2,721	2,725	2,720
Shares Outstanding - Diluted		2,641	2,649	2,685	2,717	2,722	2,724	2,724	2,725	2,725	2,727	2,724	2,725	2,726	2,725
Key Cash Flow Metrics															
Operating cash flow		2,697	3,068	3,655	3,696	775	670	882	859	3,186	998	990	1,024	1,002	4,014
	QoQ Change					3.6%	-13.5%	31.6%	-2.6%		16.2%	-0.8%	3.4%	-2.1%	
	YoY Change		13.7%	19.1%	1.1%	-3.8%	-31.4%	-24.4%	14.8%	-13.8%	28.8%	47.8%	16.1%	16.6%	26.0%
Capital expenditures, gross (accounting)		1,086	1,632	1,505	1,645	513	495	437	494	1,939	475	383	347	338	1,543
	QoQ Change					7.3%	-3.5%	-11.7%	13.0%		-3.8%	-19.4%	-9.4%	-2.6%	
	YoY Change		50.3%	-7.8%	9.3%	42.5%	15.9%	14.7%	3.3%	17.9%	-7.4%	-22.6%	-20.6%	-31.6%	-20.4%
Capital expenditures, gross (cash flow)		991	1,531	1,535	1,622	500	455	479	469	1,903	460	382	367	331	1,540
	QoQ Change					4.0%	-9.0%	5.3%	-2.1%		-1.9%	-17.0%	-3.9%	-9.8%	
	YoY Change		54.5%	0.2%	5.7%	35.5%	14.9%	27.4%	-2.5%	17.3%	-8.0%	-16.0%	-23.4%	-29.4%	-19.1%
Capital expenditures, net (cash flow)		814	1,384	1,445	1,489	313	406	374	544	1,637	413	360	270	192	1,235
	QoQ Change					-28.4%	29.7%	-7.9%	45.5%		-24.1%	-12.8%	-25.0%	-28.9%	
	YoY Change		70.0%	4.4%	3.0%	-11.6%	9.7%	14.0%	24.5%	9.9%	31.9%	-11.3%	-27.8%	-64.7%	-24.6%
Free cash flow		1,883	1,684	2,210	2,207	462	264	508	315	1,549	585	630	754	810	2,779
	QoQ Change					48.6%	-42.9%	92.4%	-38.0%		85.7%	7.7%	19.7%	7.4%	
	YoY Change		-10.6%	31.3%	-0.1%	2.2%	-56.4%	-39.4%	1.3%	-29.8%	26.6%	138.6%	48.4%	157.1%	79.4%
Key Balance Sheet Metrics															
Total debt		5,034	4,356	4,136	5,717	5,638	6,984	9,614	9,578	9,578	9,416	9,125	8,939	9,546	9,546
Cash & short-term investments		1,589	816	734	372	701	487	3,620	2,298	2,298	2,770	1,229	1,747	1,547	1,547
Net debt		3,445	3,540	3,402	5,345	4,937	6,497	5,994	7,280	7,280	6,646	7,896	7,192	7,999	7,999
Ratios															
Operating margin		20.8%	24.0%	25.8%	31.2%	22.8%	32.3%	32.4%	26.3%	28.5%	31.0%	28.7%	26.7%	31.5%	29.5%
Net margin		11.9%	14.8%	31.3%	20.4%	14.0%	20.2%	18.9%	19.8%	18.2%	21.2%	16.0%	13.7%	21.2%	18.1%
EBITDA margin		34.4%	37.2%	38.7%	43.0%	34.3%	44.3%	44.6%	39.7%	40.8%	44.1%	42.5%	41.1%	46.3%	43.5%
Capex/Sales		9.8%	14.8%	13.1%	13.7%	17.6%	17.1%	15.0%	18.6%	17.0%	17.3%	14.8%	13.9%	13.8%	15.0%
Total debt / EBITDA (ttm)		1.31	1.06	0.93	1.11	1.14	1.43	1.98	2.07	2.07	1.94	1.96	2.04	2.14	2.14
Net debt / EBITDA (ttm)		0.90	0.86	0.76	1.04	1.00	1.33	1.24	1.57	1.57	1.37	1.69	1.64	1.79	1.79

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



		FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Bezeq Fixed-Line															
Key Income Statement Metrics (Revenues)															
Total Revenues		5,713	5,498	5,303	5,263	1,178	1,170	1,186	1,114	4,648	1,199	1,161	1,149	1,121	4,630
	QoQ Change					-11.4%	-0.7%	1.4%	-6.1%		7.6%	-3.2%	-1.0%	-2.4%	
	YoY Change		-3.8%	-3.5%	-0.8%	-9.7%	-10.5%	-10.4%	-16.2%	-11.7%	1.8%	-0.8%	-3.1%	0.6%	-0.4%
Telephony Revenues		3,905	3,572	3,333	3,160	617	607	612	557	2,393	588	572	557	537	2,254
	QoQ Change					-22.1%	-1.6%	0.8%	-9.0%		5.6%	-2.7%	-2.6%	-3.6%	
	YoY Change		-8.5%	-6.7%	-5.2%	-21.4%	-23.6%	-22.3%	-29.7%	-24.3%	-4.7%	-5.8%	-9.0%	-3.6%	-5.8%
Broadband Internet Revenues		712	790	863	977	265	269	276	282	1,092	296	285	291	294	1,166
	QoQ Change					3.1%	1.5%	2.6%	2.2%		5.0%	-3.7%	2.1%	1.0%	
	YoY Change		11.0%	9.2%	13.2%	12.3%	14.5%	10.8%	9.7%	11.8%	11.7%	5.9%	5.4%	4.3%	6.8%
Transmission & Data Revenues		754	811	851	882	228	233	239	231	931	245	247	243	241	976
	QoQ Change					4.1%	2.2%	2.6%	-3.3%		6.1%	0.8%	-1.6%	-0.8%	
	YoY Change		7.6%	4.9%	3.6%	2.2%	5.4%	9.1%	5.5%	5.6%	7.5%	6.0%	1.7%	4.3%	4.8%
Other Service Revenues		342	325	256	244	68	61	59	44	232	70	57	58	49	234
	QoQ Change					11.5%	-10.3%	-3.3%	-25.4%		59.1%	-18.6%	1.8%	-15.5%	
	YoY Change		-5.0%	-21.2%	-4.7%	13.3%	8.9%	-11.9%	-27.9%	-4.9%	2.9%	-6.6%	-1.7%	11.4%	0.9%
Key Income Statement Metrics															
Operating profit		1,319	1,475	1,523	2,043	211	517	546	384	1,658	539	437	419	558	1,953
	QoQ Change					-57.3%	145.0%	5.6%	-29.7%		40.4%	-18.9%	-4.1%	33.2%	
	YoY Change		11.8%	3.3%	34.1%	-56.9%	2.8%	-1.8%	-22.3%	-18.8%	155.5%	-15.5%	-23.3%	45.3%	17.8%
Net profit ⁽¹⁾		737	950	1,107	1,426	123	330	311	301	1,065	348	263	246	367	1,224
	QoQ Change					-63.8%	168.3%	-5.8%	-3.2%		15.6%	-24.4%	-6.5%	49.2%	
	YoY Change		28.9%	16.5%	28.8%	-65.8%	-5.4%	-17.5%	-11.5%	-25.3%	182.9%	-20.3%	-20.9%	21.9%	14.9%
Depreciation & amortization		941	852	794	690	162	171	180	175	688	178	178	185	189	730
	QoQ Change					-9.0%	5.6%	5.3%	-2.8%		1.7%	0.0%	3.9%	2.2%	
	YoY Change		-9.5%	-6.8%	-13.1%	-4.7%	0.0%	5.3%	-1.7%	-0.3%	9.9%	4.1%	2.8%	8.0%	6.1%
Salaries		1,293	1,202	1,094	1,079	284	291	284	230	1,089	267	267	274	234	1,042
	QoQ Change					-4.1%	2.5%	-2.4%	-19.0%		16.1%	0.0%	2.6%	-14.6%	
	YoY Change		-7.0%	-9.0%	-1.4%	2.5%	16.4%	10.9%	-22.3%	0.9%	-6.0%	-8.2%	-3.5%	1.7%	-4.3%
General & operating expenses		2,121	1,873	1,690	1,609	271	253	282	268	1,074	237	263	278	255	1,033
	QoQ Change					-35.8%	-6.6%	11.5%	-5.0%		-11.6%	11.0%	5.7%	-8.3%	
	YoY Change		-11.7%	-9.8%	-4.8%	-30.9%	-36.1%	-29.3%	-36.5%	-33.3%	-12.5%	4.0%	-1.4%	-4.9%	-3.8%
EBITDA		2,260	2,327	2,317	2,733	373	688	726	559	2,346	717	615	604	747	2,683
	QoQ Change					-44.5%	84.5%	5.5%	-23.0%		28.3%	-14.2%	-1.8%	23.7%	
	YoY Change		3.0%	-0.4%	18.0%	-43.5%	2.1%	-0.1%	-16.8%	-14.2%	92.2%	-10.6%	-16.8%	33.6%	14.4%
Key Cash Flow Metrics															
Operating cash flow		1,379	1,691	2,220	2,140	419	496	641	550	2,106	651	376	470	512	2,009
	QoQ Change					-22.4%	18.4%	29.2%	-14.2%		18.4%	-42.2%	25.0%	8.9%	
	YoY Change		22.6%	31.3%	-3.6%	6.6%	-5.2%	-6.3%	1.8%	-1.6%	55.4%	-24.2%	-26.7%	-6.9%	-4.6%
Capital expenditures, gross (accounting)		513	600	844	1,041	340	310	243	281	1,174	262	239	238	206	945
	QoQ Change					15.6%	-8.8%	-21.6%	15.6%		-6.8%	-8.8%	-0.4%	-13.4%	
	YoY Change		17.0%	40.7%	23.3%	49.1%	15.2%	-2.8%	-4.4%	12.8%	-22.9%	-22.9%	-2.1%	-26.7%	-19.5%
Capital expenditures, gross (cash flow)		505	616	853	1,032	319	319	268	259	1,165	269	238	249	202	958
	QoQ Change					5.6%	0.0%	-16.0%	-3.4%		3.9%	-11.5%	4.6%	-18.9%	
	YoY Change		22.0%	38.5%	21.0%	34.0%	29.1%	9.4%	-14.2%	12.9%	-15.7%	-25.4%	-7.1%	-22.0%	-17.8%
Capital expenditures, net (cash flow)		336	472	767	900	247	271	200	219	937	223	216	153	66	658
	QoQ Change					-4.6%	9.7%	-26.2%	9.5%		1.8%	-3.1%	-29.2%	-56.9%	
	YoY Change		40.5%	62.5%	17.3%	10.8%	22.6%	1.5%	-15.4%	4.1%	-9.7%	-20.3%	-23.5%	-69.9%	-29.8%
Free cash flow		1,043	1,219	1,453	1,240	287	225	441	216	1,169	428	160	317	446	1,351
	QoQ Change					2.1%	-21.6%	96.0%	-51.0%		98.2%	-62.6%	98.1%	40.7%	
	YoY Change		16.9%	19.2%	-14.7%	68.8%	-25.5%	-9.4%	-23.2%	-5.7%	49.1%	-28.9%	-28.1%	106.5%	15.6%
Ratios															
Operating margin		23.1%	26.8%	28.7%	38.8%	17.9%	44.2%	46.0%	34.5%	35.7%	45.0%	37.6%	36.5%	49.8%	42.2%
Net margin		12.9%	17.3%	20.9%	27.1%	10.4%	28.2%	26.2%	27.0%	22.9%	29.0%	22.7%	21.4%	32.7%	26.4%
EBITDA margin		39.6%	42.3%	43.7%	51.9%	31.7%	58.8%	61.2%	50.2%	50.5%	59.8%	53.0%	52.6%	66.6%	57.9%
Capex/Sales		9.0%	10.9%	15.9%	19.8%	28.9%	26.5%	20.5%	25.2%	25.3%	21.9%	20.6%	20.7%	18.4%	20.4%

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



		FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Telephone															
Key Income Statement Metrics (Revenues)															
Total Revenues		4,684	4,713	5,376	5,732	1,450	1,438	1,421	1,239	5,548	1,244	1,148	1,049	1,027	4,468
	QoQ Change					-1.2%	-0.8%	-1.2%	-12.8%		0.4%	-7.7%	-8.6%	-2.1%	
	YoY Change		0.6%	14.1%	6.6%	4.1%	0.6%	-1.5%	-15.6%	-3.2%	-14.2%	-20.2%	-26.2%	-17.1%	-19.5%
Service Revenues		3,972	4,020	4,256	4,550	949	925	914	849	3,637	834	857	816	754	3,261
	QoQ Change					-17.1%	-2.5%	-1.2%	-7.1%		-1.8%	2.8%	-4.8%	-7.6%	
	YoY Change		1.2%	5.9%	6.9%	-14.2%	-18.9%	-21.1%	-25.9%	-20.1%	-12.1%	-7.4%	-10.7%	-11.2%	-10.3%
Equipment Revenues		712	693	1,120	1,182	501	513	507	390	1,911	410	291	233	273	1,207
	QoQ Change					55.1%	2.4%	-1.2%	-23.1%		5.1%	-29.0%	-19.9%	17.2%	
	YoY Change		-2.7%	61.6%	5.5%	74.6%	77.5%	79.2%	20.7%	61.7%	-18.2%	-43.3%	-54.0%	-30.0%	-36.8%
Key Income Statement Metrics															
Operating profit		805	933	1,190	1,383	399	357	342	262	1,360	267	259	199	167	892
	QoQ Change					16.3%	-10.5%	-4.2%	-23.4%		1.9%	-3.0%	-23.2%	-16.1%	
	YoY Change		15.9%	27.5%	16.2%	23.9%	-1.4%	-3.9%	-23.6%	-1.7%	-33.1%	-27.5%	-41.8%	-36.3%	-34.4%
Net profit		585	682	875	1,033	310	279	263	204	1,056	216	194	154	134	698
	QoQ Change					15.7%	-10.0%	-5.7%	-22.4%		5.9%	-10.2%	-20.6%	-13.0%	
	YoY Change		16.6%	28.3%	18.1%	19.7%	4.5%	10.0%	-23.9%	2.2%	-30.3%	-30.5%	-41.4%	-34.3%	-33.9%
Depreciation & amortization		479	523	603	601	139	143	139	140	561	135	137	130	129	531
	QoQ Change					-9.7%	2.9%	-2.8%	0.7%		-3.6%	1.5%	-5.1%	-0.8%	
	YoY Change		9.2%	15.3%	-0.3%	-6.7%	-4.0%	-6.7%	-9.1%	-6.7%	-2.9%	-4.2%	-6.5%	-7.9%	-5.3%
EBITDA		1,284	1,456	1,794	1,984	539	500	481	401	1,921	402	396	329	296	1,423
	QoQ Change					8.5%	-7.2%	-3.8%	-16.6%		0.2%	-1.5%	-16.9%	-10.0%	
	YoY Change		13.4%	23.2%	10.6%	14.4%	-2.2%	-4.8%	-19.3%	-3.2%	-25.4%	-20.8%	-31.6%	-26.2%	-25.9%
Key Cash Flow Metrics															
Operating cash flow		1,228	1,277	1,115	1,219	308	101	168	223	800	294	556	490	388	1,728
	QoQ Change					238.5%	-67.2%	66.3%	32.7%		31.8%	89.1%	-11.9%	-20.8%	
	YoY Change		4.0%	-12.7%	9.3%	-12.0%	-73.3%	-58.0%	145.1%	-34.4%	-4.5%	450.5%	191.7%	74.0%	116.0%
Capital expenditures, gross (accounting)		440	911	508	431	122	109	98	113	442	121	113	77	86	397
	QoQ Change					10.9%	-10.7%	-10.1%	15.3%		7.1%	-6.6%	-31.9%	11.7%	
	YoY Change		107.0%	-44.2%	-15.2%	10.9%	-2.7%	-1.0%	2.7%	2.6%	-0.8%	3.7%	-21.4%	-23.9%	-10.2%
Capital expenditures, gross (cash flow)		381	798	559	397	133	86	107	93	419	115	109	84	76	384
	QoQ Change					44.6%	-35.3%	24.4%	-13.1%		23.7%	-5.2%	-22.9%	-9.5%	
	YoY Change		109.4%	-29.9%	-29.0%	44.6%	-24.6%	8.1%	1.1%	5.5%	-13.5%	26.7%	-21.5%	-18.3%	-8.4%
Capital expenditures, net (cash flow)		376	795	555	397	133	86	71	92	382	115	109	84	73	381
	QoQ Change					44.6%	-35.3%	-17.4%	29.6%		25.0%	-5.2%	-22.9%	-13.1%	
	YoY Change		111.4%	-30.2%	-28.5%	44.6%	-24.6%	-28.3%	0.0%	-3.8%	-13.5%	26.7%	18.3%	-20.7%	-0.3%
Free cash flow		852	482	560	822	175	15	97	131	418	179	447	406	315	1,347
	QoQ Change					N/M	-91.4%	546.7%	35.1%		36.6%	149.7%	-9.2%	-22.4%	
	YoY Change		-43.4%	16.2%	46.8%	-32.2%	-94.3%	-67.8%	N/M	-49.1%	2.3%	2880.0%	318.6%	140.5%	222.2%
Ratios															
Operating margin		17.2%	19.8%	22.1%	24.1%	27.5%	24.8%	24.1%	21.1%	24.5%	21.5%	22.6%	19.0%	16.3%	20.0%
Net margin		12.5%	14.5%	16.3%	18.0%	21.4%	19.4%	18.5%	16.5%	19.0%	17.4%	16.9%	14.7%	13.0%	15.6%
EBITDA margin		27.4%	30.9%	33.4%	34.6%	37.2%	34.8%	33.8%	32.4%	34.6%	32.3%	34.5%	31.4%	28.8%	31.9%
Capex/Sales		9.4%	19.3%	9.4%	7.5%	8.4%	7.6%	6.9%	9.1%	8.0%	9.7%	9.8%	7.3%	8.4%	8.9%



		FY 2007	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Bezeq International															
Key Income Statement Metrics															
Revenues		1,304	1,306	1,318	1,380	329	332	351	341	1,354	332	330	339	339	1,340
	QoQ Change					-5.9%	0.9%	5.5%	-2.7%		-2.6%	-0.7%	2.6%	0.3%	
	YoY Change		0.2%	0.9%	4.8%	-4.0%	-2.2%	1.0%	-2.5%	-1.9%	0.9%	-0.8%	-3.5%	-0.5%	-1.0%
Operating profit		204	242	261	320	61	60	61	59	241	50	53	55	61	219
	QoQ Change					-6.5%	-0.9%	1.7%	-4.5%		-15.4%	6.8%	3.7%	12.2%	
	YoY Change		18.6%	8.0%	22.6%	-1.1%	-51.2%	-11.8%	-9.9%	-24.6%	-18.5%	-12.2%	-10.5%	5.2%	-9.2%
Net profit		153	178	200	254	46	46	46	44	182	36	39	40	45	160
	QoQ Change					0.2%	0.8%	-0.9%	-4.2%		-18.6%	8.6%	3.6%	10.8%	
	YoY Change		16.6%	12.1%	27.0%	-1.1%	-57.2%	-14.0%	-4.1%	-28.3%	-22.1%	-16.1%	-12.3%	1.5%	-12.4%
Depreciation & amortization		87	80	84	94	24	26	28	30	109	34	34	35	34	136
	QoQ Change					-3.6%	8.8%	5.9%	8.1%		13.6%	0.3%	0.2%	-4.1%	
	YoY Change		-7.5%	5.2%	11.9%	7.4%	14.8%	18.9%	20.1%	15.5%	41.6%	30.4%	23.3%	9.4%	25.2%
EBITDA		290	322	345	414	85	87	89	89	350	84	87	89	95	355
	QoQ Change					-5.4%	1.9%	3.0%	-0.6%		-5.5%	4.1%	2.3%	5.9%	
	YoY Change		10.8%	7.3%	20.0%	1.2%	-40.9%	-4.0%	-1.3%	-15.5%	-1.4%	0.8%	0.1%	6.6%	1.5%
Key Cash Flow Metrics															
Operating cash flow		93	163	320	290	42	68	57	76	243	58	64	63	87	272
	QoQ Change					-53.4%	62.2%	-15.7%	32.2%		-23.1%	9.9%	-1.7%	36.7%	
	YoY Change		76.3%	95.5%	-9.2%	-29.4%	3.4%	-23.0%	-15.7%	-16.1%	39.1%	-5.7%	9.9%	13.7%	11.7%
Capital expenditures, gross (accounting)		131	120	150	160	49	71	85	80	285	81	29	29	30	169
	QoQ Change					-29.0%	44.9%	19.7%	-5.9%		1.3%	-64.2%	0.0%	3.4%	
	YoY Change		-8.4%	25.0%	6.7%	145.0%	65.1%	193.1%	15.9%	78.1%	65.3%	-59.2%	-65.9%	-62.5%	-40.7%
Capital expenditures, gross (cash flow)		103	119	120	180	46	47	92	104	288	71	36	30	39	175
	QoQ Change					-42.6%	2.1%	95.2%	13.2%		-31.5%	-49.7%	-17.0%	31.0%	
	YoY Change		14.7%	1.1%	49.9%	25.3%	43.4%	205.3%	29.3%	60.4%	54.4%	-23.8%	-67.6%	-62.5%	-39.2%
Capital expenditures, net (cash flow)		100	118	120	180	46	47	92	103	288	71	36	29	38	173
	QoQ Change					-43.0%	2.6%	95.0%	12.8%		-31.6%	-49.5%	-19.8%	33.4%	
	YoY Change		18.7%	1.4%	50.0%	24.7%	43.4%	206.1%	28.8%	60.1%	54.3%	-24.1%	-68.8%	-63.1%	-39.8%
Free cash flow		-7	45	200	110	-4	21	-34	-27	-44	-12	29	35	49	99
	QoQ Change					N/M	N/M	N/M	-19.7%		-55.4%	N/M	20.9%	39.5%	
	YoY Change		N/M	341.0%	-44.7%	N/M	-36.1%	N/M	N/M	N/M	223.9%	35.1%	N/M	N/M	N/M
Ratios															
Operating margin		15.6%	18.5%	19.8%	23.2%	18.5%	18.1%	17.5%	17.2%	17.8%	14.9%	16.1%	16.2%	18.1%	16.3%
Net margin		11.7%	13.7%	15.2%	18.4%	14.0%	13.9%	13.1%	12.9%	13.5%	10.8%	11.8%	11.9%	13.1%	11.9%
EBITDA margin		22.3%	24.6%	26.2%	30.0%	25.8%	26.1%	25.5%	26.0%	25.9%	25.3%	26.5%	26.4%	27.9%	26.5%
Capex/Sales		10.0%	9.2%	11.4%	11.6%	14.9%	21.4%	24.2%	23.5%	21.1%	24.4%	8.8%	8.6%	8.8%	12.6%



		FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
		2007	2008	2009	2010	2011	2011	2011	2011	2011	2012	2012	2012	2012	2012	
		(NIS millions, except for EPS)														
yes																
Key Income Statement Metrics																
Revenues		1,415	1,513	1,530	1,583	406	404	405	404	1,619	417	409	403	407	1,636	
	QoQ Change					1.3%	-0.4%	0.4%	-0.4%		3.2%	-1.9%	-1.5%	1.3%		
	YoY Change		6.9%	1.2%	3.4%	3.6%	2.0%	2.6%	0.9%	2.3%	2.8%	1.2%	-0.7%	1.0%	1.1%	
Operating profit		56	177	248	178	61	65	63	106	295	52	74	54	73	253	
	QoQ Change					51.2%	6.4%	-3.0%	67.3%		-51.3%	44.3%	-27.5%	34.6%		
	YoY Change		216.3%	40.1%	-28.2%	4.6%	796.5%	-11.7%	161.1%	65.4%	-15.9%	14.0%	-14.8%	-30.7%	-14.3%	
Net profit		-118	-265	-222	-314	-73	-88	-76	8	-230	-64	-107	-119	-21	-310	
	QoQ Change					-12.9%	20.4%	-14.1%	N/M		N/M	67.0%	11.3%	-82.2%		
	YoY Change		125.1%	-16.0%	41.0%	787.6%	-38.1%	-3.1%	N/M	-26.8%	-13.0%	20.7%	56.4%	N/M	35.1%	
Depreciation & amortization		273	250	234	285	69	71	74	63	276	66	54	64	64	248	
	QoQ Change					-19.3%	3.7%	4.1%	-15.5%		5.2%	-18.3%	19.8%	-0.4%		
	YoY Change		-8.5%	-6.3%	21.6%	7.6%	4.3%	9.3%	-26.4%	-2.9%	-4.0%	-24.4%	-13.0%	2.5%	-10.2%	
EBITDA		329	427	482	463	130	136	137	168	571	118	128	118	137	501	
	QoQ Change					3.5%	5.0%	0.7%	22.2%		-29.8%	8.7%	-7.7%	15.1%		
	YoY Change		29.7%	13.0%	-4.0%	6.1%	80.8%	-1.5%	33.7%	23.4%	-9.2%	-6.0%	-13.8%	-18.6%	-12.3%	
Key Cash Flow Metrics																
Operating cash flow		250	347	410	492	141	119	134	119	513	116	100	83	119	418	
	QoQ Change					7.4%	-15.9%	13.0%	-11.5%		-2.4%	-13.7%	-17.6%	44.8%		
	YoY Change		38.9%	18.1%	20.0%	13.7%	8.4%	6.4%	-9.7%	4.4%	-18.0%	-15.8%	-38.5%	0.6%	-18.5%	
Capital expenditures, gross (accounting)		299	265	270	295	79	75	68	69	291	60	88	102	74	324	
	QoQ Change					15.5%	-5.1%	-9.3%	1.5%		-13.0%	46.7%	15.9%	-27.5%		
	YoY Change		-11.4%	1.9%	9.4%	19.7%	-5.1%	-17.1%	0.8%	-1.5%	-24.1%	17.3%	50.0%	7.2%	11.3%	
Capital expenditures, gross (cash flow)		255	238	262	278	71	64	67	62	264	56	69	87	72	284	
	QoQ Change					-20.5%	-9.5%	4.6%	-7.9%		-9.1%	22.8%	25.0%	-16.8%		
	YoY Change		-6.7%	10.1%	6.4%	16.5%	1.8%	4.1%	-30.6%	-5.0%	-20.7%	7.5%	28.6%	17.1%	7.5%	
Capital expenditures, net (cash flow)		255	238	261	277	71	64	67	62	264	56	69	87	72	284	
	QoQ Change					-20.5%	-9.4%	4.4%	-7.7%		-9.2%	23.0%	25.1%	-17.0%		
	YoY Change		-6.7%	9.7%	6.2%	16.7%	2.1%	5.5%	-30.6%	-4.8%	-20.7%	7.6%	28.8%	17.5%	7.6%	
Free cash flow		-5	109	149	215	70	54	67	57	250	60	31	-4	47	134	
	QoQ Change					66.5%	-22.6%	23.0%	-15.0%		4.7%	-48.2%	N/M	N/M		
	YoY Change		NM	36.2%	44.0%	10.9%	17.0%	7.3%	34.9%	16.2%	-15.2%	-43.3%	N/M	-17.3%	-46.2%	
Ratios																
Operating margin		4.0%	11.7%	16.2%	11.3%	15.1%	16.2%	15.6%	26.2%	18.2%	12.4%	18.2%	13.4%	17.8%	15.4%	
Net margin		-8.3%	-17.5%	-14.5%	-19.8%	-18.1%	-21.9%	-18.7%	2.0%	-14.2%	-15.3%	-26.1%	-29.5%	-5.2%	-19.0%	
EBITDA margin		23.3%	28.2%	31.5%	29.3%	32.0%	33.8%	33.9%	41.6%	35.3%	28.3%	31.4%	29.4%	33.4%	30.6%	
Capex/Sales		21.1%	17.5%	17.6%	18.7%	19.5%	18.6%	16.8%	17.1%	18.0%	14.4%	21.5%	25.3%	18.1%	19.8%	



	FY 2008	FY 2009	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Bezeq Fixed-Line													
Key Performance Indicators													
Total outgoing minutes (in millions)	13,260	12,017	10,699	2,521	2,415	2,482	2,339	9,758	2,360	2,226	2,126	1,979	8,691
QoQ Change				-3.8%	-4.2%	2.8%	-5.8%		0.9%	-5.7%	-4.5%	-6.9%	
YoY Change	-9.9%	-9.4%	-11.0%	-7.7%	-11.1%	-5.6%	-10.8%	-8.8%	-6.4%	-7.8%	-14.3%	-15.4%	-10.9%
Total incoming minutes (in millions)	6,691	6,718	6,547	1,577	1,535	1,602	1,526	6,240	1,543	1,516	1,595	1,571	6,225
QoQ Change				-4.1%	-2.7%	4.4%	-4.7%		1.1%	-1.7%	5.2%	-1.5%	
YoY Change	4.4%	0.4%	-2.5%	-2.8%	-6.1%	-2.7%	-7.2%	-4.7%	-2.2%	-1.2%	-0.4%	2.9%	-0.2%
Total access lines (in 000's)	2,604	2,483	2,366	2,358	2,356	2,363	2,367	2,367	2,368	2,335	2,299	2,268	2,268
QoQ Change				-0.3%	-0.1%	0.3%	0.2%		0.0%	-1.4%	-1.5%	-1.3%	
YoY Change	-5.3%	-4.6%	-4.7%	15.0%	-2.7%	-1.3%	0.0%	0.0%	0.4%	-0.9%	-2.7%	-4.2%	-4.2%
ARPL - Voice & fixed fees (in NIS)	83	82	81	79	77	78	70	76	74	73	73	71	73
QoQ Change				-4.8%	-2.5%	1.3%	-10.3%		5.7%	-1.4%	0.0%	-2.7%	
YoY Change	-4.6%	-1.2%	-1.2%	-1.3%	-4.9%	-4.9%	-15.7%	-6.2%	-6.3%	-5.2%	-6.4%	1.4%	-3.9%
Churn rate (%)	N/A	N/A	N/A	3.3%	2.8%	2.8%	2.8%	11.6%	3.2%	3.9%	4.2%	4.0%	15.3%
Broadband Internet lines (in 000's)	1,005	1,035	1,066	1,079	1,088	1,100	1,111	1,111	1,121	1,136	1,153	1,169	1,169
QoQ Change				1.2%	0.8%	1.1%	1.0%		0.9%	1.3%	1.5%	1.4%	
YoY Change	4.4%	3.0%	3.0%	3.3%	3.5%	4.2%	4.2%	4.2%	3.9%	4.4%	4.8%	5.2%	5.2%
Broadband Internet ARPU (in NIS)	67	69	75	79	80	81	81	80	84	80	80	80	81
QoQ Change				1.3%	1.3%	1.3%	0.0%		3.7%	-4.8%	0.0%	0.0%	
YoY Change	4.7%	3.0%	8.7%	8.2%	11.1%	6.6%	3.8%	6.7%	6.3%	0.0%	-1.2%	-1.2%	1.3%
NGN subscribers as % of total internet subscribers covered by NGN network	N/A	N/A	N/A	40%	43%	47%	51%	51%	55%	57%	60%	62%	62%
Average broadband speed per subscriber (end of period, Mbps)	2.2	2.7	4.3	4.8	5.3	6.0	6.7	6.7	7.5	8.3	9.0	9.6	9.6
QoQ Change				11.6%	10.4%	13.2%	11.7%		11.9%	10.7%	8.4%	6.7%	
YoY Change	29.4%	22.7%	59.3%	60.0%	55.9%	57.9%	55.8%	55.8%	56.3%	56.6%	50.0%	43.3%	43.3%
Number of employees	7,530	7,364	7,216	7,216	7,123	7,087	7,076	7,076	7,208	7,274	7,343	7,422	7,422
QoQ Change				0.0%	-1.3%	-0.5%	-0.2%		1.9%	0.9%	0.9%	1.1%	
YoY Change	-1.1%	-2.2%	-2.0%	-1.6%	-2.8%	-2.9%	-1.9%	-1.9%	-0.1%	2.1%	3.6%	4.9%	4.9%



FY 2008 FY 2009 FY 2010 Q1 2011 Q2 2011 Q3 2011 Q4 2011 FY 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 FY 2012

Pelephone

Key Performance Indicators

Subscribers (in 000's)		2,649	2,766	2,857	2,861	2,827	2,842	2,847	2,847	2,876	2,859	2,839	2,800	2,800
	QoQ Change				0.1%	-1.2%	0.5%	0.2%		1.0%	-0.6%	-0.7%	-1.4%	
	YoY Change	1.0%	4.4%	3.3%	2.6%	0.7%	0.6%	-0.4%	-0.4%	0.5%	1.1%	-0.1%	-1.7%	-1.7%
MOU (per sub, per month)		352	333	349	359	370	385	384	375	399	409	425	442	419
	QoQ Change				-1.4%	3.1%	4.1%	-0.3%		3.9%	2.5%	3.9%	4.0%	
	YoY Change	-0.6%	-5.4%	4.8%	6.8%	6.3%	11.0%	5.5%	7.4%	11.1%	10.5%	10.4%	15.1%	11.7%
ARPU (in NIS)		N/A	N/A	111	110	109	107	100	107	97	99	95	89	95
	QoQ Change				0.9%	-0.9%	-1.8%	-6.5%		-3.0%	2.1%	-4.0%	-6.3%	
	YoY Change				0.0%	-1.8%	-5.3%	-8.3%	-3.6%	-11.8%	-9.2%	-11.2%	-11.0%	-11.2%
Churn rate (%)		N/A	13.8%	15.3%	5.0%	6.6%	6.1%	5.3%	22.9%	3.9%	6.0%	6.7%	5.9%	22.4%

yes

Key Performance Indicators

Subscribers (in 000's)		560	571	578	580	581	585	586	586	585	582	581	578	578
	QoQ Change				0.3%	0.2%	0.7%	0.2%		-0.2%	-0.5%	-0.2%	-0.5%	
	YoY Change	2.0%	2.0%	1.2%	1.6%	1.4%	1.7%	1.4%	1.4%	0.9%	0.2%	-0.7%	-1.4%	-1.4%
ARPU (in NIS)		228	226	230	234	232	232	229	232	237	234	231	234	234
	QoQ Change				1.3%	-0.9%	0.0%	-1.3%		3.5%	-1.3%	-1.3%	1.3%	
	YoY Change	5.1%	-0.9%	1.8%	2.2%	0.4%	1.3%	-0.9%	0.9%	1.3%	0.9%	-0.4%	2.2%	1.0%
Churn rate (%)		N/A	13.3%	13.0%	3.3%	2.9%	2.8%	2.8%	11.9%	3.6%	3.9%	4.1%	3.8%	15.4%



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