



## **Bezeq Facts & Figures Q3 2015**

Three months ending September 30, 2015

### **Index of contents**

**Sheet I - Income statement, cash flows and balance sheet**

**Sheet II - Other Income**

**Sheet III- Key Performance Indicators (KPIs)**

**Sheet IV- Dividends**

**Sheet V - Glossary**

### ***For further information:***

Bezeq Investor Relations

Phone +9722 539 5441

[ir@bezeq.co.il](mailto:ir@bezeq.co.il)

[www.bezeq.co.il](http://www.bezeq.co.il)



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq Group <sup>(1)</sup></b>																
<b>Key Income Statement Metrics</b>																
Revenues		11,136	11,015	11,519	11,987	11,373	10,278	9,563	2,311	2,250	2,232	2,262	9,055	2,174	2,603	2,602
	QoQ Change								-4.1%	-2.6%	-0.8%	1.3%		-3.9%	19.7%	0.0%
	YoY Change		-1.1%	4.6%	4.1%	-5.1%	-9.6%	-7.0%	-3.9%	-4.3%	-6.9%	-6.1%	-5.3%	-5.9%	15.7%	16.6%
Operating Profit		2,321	2,640	2,972	3,744	3,255	3,041	2,819	688	1,234	671	633	3,226	636	794	652
	QoQ Change								16.0%	79.4%	-45.6%	-5.7%		0.5%	24.8%	-17.9%
	YoY Change		13.7%	12.6%	26.0%	-13.1%	-6.6%	-7.3%	-9.6%	65.9%	-6.9%	6.7%	14.4%	-7.6%	-35.7%	-2.8%
Net profit attributed to Bezeq shareholders		1,330	1,627	3,603	2,443	2,074	1,861	1,771	457	810	428	416	2,111	463	482	407
	QoQ Change								29.8%	77.2%	-47.2%	-2.8%		11.3%	4.1%	-15.6%
	YoY Change		22.3%	121.5%	-32.2%	-15.1%	-10.3%	-4.8%	-8.0%	71.2%	-4.7%	18.2%	19.2%	-1.3%	-40.5%	-4.9%
Earnings Per Share - Basic		0.51	0.62	1.37	0.91	0.77	0.68	0.65	0.17	0.30	0.16	0.15	0.77	0.17	0.18	0.15
Earnings Per Share - Diluted		0.50	0.61	1.34	0.90	0.76	0.68	0.65	0.17	0.29	0.16	0.15	0.77	0.17	0.17	0.15
Depreciation & amortization		1,509	1,458	1,485	1,409	1,395	1,436	1,311	314	319	327	321	1,281	317	451	457
	QoQ Change								-4.3%	1.6%	2.5%	-1.8%		-1.2%	42.3%	1.3%
	YoY Change		-3.4%	1.9%	-5.1%	-1.0%	2.9%	-8.7%	-4.3%	-2.1%	-0.6%	-2.1%	-2.3%	1.0%	41.4%	39.8%
Salaries		2,192	2,161	1,990	2,024	2,090	1,976	1,872	448	443	437	440	1,768	439	497	506
	QoQ Change								1.6%	-1.1%	-1.4%	0.7%		-0.2%	13.2%	1.8%
	YoY Change		-1.4%	-7.9%	1.7%	3.3%	-5.5%	-5.3%	-10.2%	-5.3%	-5.8%	-0.2%	-5.6%	-2.0%	12.2%	15.8%
Other operating expenses (income)		N/A	96	201	-216	139	-128	-15	-8	-568	-25	15	-586	-17	-141	-13
	QoQ Change								N/M	N/M	N/M	N/M		N/M	N/M	-90.8%
	YoY Change			N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M		N/M	N/M	-48.0%
Finance expenses (income), net		182	140	-31	109	212	151	145	42	32	39	17	130	37	129	100
	QoQ Change								-14.3%	-23.8%	21.9%	-56.4%		117.6%	248.6%	-22.5%
	YoY Change		-23.1%			94.5%	-28.8%	-4.0%	75.0%	18.5%	-13.3%	-65.3%	-10.3%	-11.9%	303.1%	156.4%
Share in (losses) profits of equity accounted investees		N/A	N/A	N/A	-261	-216	-245	-252	-19	-79	-34	-38	-170	16	-	-1
	QoQ Change								-66.7%	315.8%	-57.0%	11.8%		N/M	-100.0%	N/M
	YoY Change					-17.2%	13.4%	2.9%	-52.5%	17.9%	-61.4%	-33.3%	-32.5%	N/M	-100.0%	N/M
EBITDA		3,830	4,098	4,457	5,153	4,650	4,477	4,130	1,002	1,553	998	954	4,507	953	1,245	1,109
	QoQ Change								8.8%	55.0%	-35.7%	-4.4%		-0.1%	30.6%	-10.9%
	YoY Change		7.0%	8.8%	15.6%	-9.8%	-3.7%	-7.8%	-8.0%	45.1%	-5.0%	3.6%	9.1%	-4.9%	-19.8%	-11.1%
Shares Outstanding - Basic		2,605	2,605	2,635	2,675	2,714	2,720	2,726	2,731	2,734	2,737	2,741	2,736	2,744	2,746	2,750
Shares Outstanding - Diluted		2,641	2,649	2,685	2,717	2,725	2,726	2,741	2,749	2,752	2,755	2,761	2,754	2,759	2,759	2,762
<b>Key Cash Flow Metrics</b>																
Operating cash flow		2,697	3,068	3,655	3,696	3,186	4,014	4,152	1,043	1,064	950	739	3,796	961	840	1,050
	QoQ Change								11.6%	2.0%	-10.7%	-22.2%		30.0%	-12.6%	25.0%
	YoY Change		13.7%	19.1%	1.1%	-13.8%	26.0%	3.4%	7.3%	-3.4%	-16.9%	-21.0%	-8.6%	-7.9%	-21.1%	10.5%
Capital expenditures, gross (accounting)		1,086	1,632	1,505	1,645	1,939	1,543	1,237	318	338	317	328	1,301	392	493	381
	QoQ Change								-8.4%	6.3%	-6.2%	3.5%		19.5%	25.8%	-22.7%
	YoY Change		50.3%	-7.8%	9.3%	17.9%	-20.4%	-19.8%	25.2%	2.1%	3.9%	-5.5%	5.2%	23.3%	45.9%	20.2%
Capital expenditures, gross (cash flow)		991	1,531	1,535	1,622	1,903	1,540	1,228	315	323	322	315	1,275	368	511	427
	QoQ Change								-0.9%	2.5%	-0.3%	-2.2%		16.8%	38.9%	-16.4%
	YoY Change		54.5%	0.2%	5.7%	17.3%	-19.1%	-20.3%	9.0%	7.3%	0.6%	-0.9%	3.8%	16.8%	58.2%	32.6%
Capital expenditures, net (cash flow)		814	1,384	1,445	1,489	1,637	1,235	916	286	277	250	232	1,045	355	427	405
	QoQ Change								27.1%	-3.1%	-9.7%	-7.2%		53.0%	20.3%	-5.2%
	YoY Change		70.0%	4.4%	3.0%	9.9%	-24.6%	-25.8%	16.3%	55.6%	-6.4%	3.1%	14.1%	24.1%	54.2%	62.0%
Free cash flow		1,883	1,684	2,210	2,207	1,549	2,779	3,236	757	787	700	507	2,751	606	413	645
	QoQ Change								6.6%	4.0%	-11.1%	-27.6%		19.5%	-31.8%	56.2%
	YoY Change		-10.6%	31.3%	-0.1%	-29.8%	79.4%	16.4%	4.3%	-14.8%	-20.1%	-28.6%	-15.0%	-19.9%	-47.5%	-7.9%
<b>Key Balance Sheet Metrics</b>																
Total debt		5,034	4,356	4,136	5,717	9,578	9,546	9,827	9,717	9,349	10,363	10,087	10,087	11,912	11,368	11,077
Cash & short-term investments		1,589	816	734	372	2,298	1,547	1,742	2,394	2,398	4,094	2,883	2,883	3,709	1,825	2,156
Net debt		3,445	3,540	3,402	5,345	7,280	7,999	8,085	7,323	6,951	6,269	7,204	7,204	8,203	9,543	8,921
<b>Ratios</b>																
Operating margin		20.8%	24.0%	25.8%	31.2%	28.6%	29.6%	29.5%	29.8%	54.8%	30.1%	28.0%	35.6%	29.3%	30.5%	25.1%
Net margin		11.9%	14.8%	31.3%	20.4%	18.2%	18.1%	18.5%	19.8%	36.0%	19.2%	18.4%	23.3%	21.3%	18.5%	15.6%
EBITDA margin		34.4%	37.2%	38.7%	43.0%	40.9%	43.6%	43.2%	43.4%	69.0%	44.7%	42.2%	49.8%	43.8%	47.8%	42.6%
Capex/Sales		9.8%	14.8%	13.1%	13.7%	17.0%	15.0%	12.9%	13.8%	15.0%	14.2%	14.5%	14.4%	18.0%	18.9%	14.6%
Total debt / EBITDA (ttm)		1.31	1.06	0.93	1.11	2.06	2.13	2.38	2.40	2.07	2.32	2.24	2.24	2.67	2.74	2.60
Net debt / EBITDA (ttm)		0.90	0.86	0.76	1.04	1.57	1.79	1.96	1.81	1.54	1.40	1.60	1.60	1.84	2.30	2.09

<sup>(1)</sup> The Bezeq Group's financial data includes year balance sheet data as of Q1 2015 and income statement and cash flow data as of Q2 2015.



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq Group (cont'd)</b>															
<b>Operating &amp; General Expenses</b>															
<b>Total operating &amp; general expenses</b>	<b>5,075</b>	<b>4,660</b>	<b>4,871</b>	<b>5,026</b>	<b>4,494</b>	<b>3,953</b>	<b>3,576</b>	<b>869</b>	<b>822</b>	<b>822</b>	<b>853</b>	<b>3,366</b>	<b>799</b>	<b>1,002</b>	<b>1,000</b>
QoQ Change								-10.0%	-5.4%	0.0%	3.8%		-6.3%	25.4%	-0.2%
YoY Change		-8.2%	4.5%	3.2%	-10.6%	-12.0%	-9.5%	-2.2%	-1.1%	-7.6%	-11.7%	-5.9%	-8.1%	21.9%	21.7%
<b>Terminal equipment &amp; materials</b>	<i>N/A</i>	<i>N/A</i>	<b>1,163</b>	<b>1,225</b>	<b>1,693</b>	<b>1,263</b>	<b>1,071</b>	<b>262</b>	<b>212</b>	<b>200</b>	<b>254</b>	<b>928</b>	<b>226</b>	<b>205</b>	<b>193</b>
QoQ Change								-13.2%	-19.1%	-5.7%	27.0%		-11.0%	-9.3%	-5.9%
YoY Change				5.3%	38.2%	-25.4%	-15.2%	1.6%	-14.2%	-24.2%	-15.9%	-13.4%	-13.7%	-3.3%	-3.5%
<b>Interconnect &amp; payments to telecom operators</b>	<i>N/A</i>	<i>N/A</i>	<b>1,762</b>	<b>1,876</b>	<b>910</b>	<b>900</b>	<b>905</b>	<b>206</b>	<b>208</b>	<b>219</b>	<b>214</b>	<b>847</b>	<b>212</b>	<b>241</b>	<b>236</b>
QoQ Change								-6.8%	1.0%	5.3%	-2.3%		-0.9%	13.7%	-2.1%
YoY Change				6.5%	-51.5%	-1.1%	0.6%	-8.0%	-8.8%	-5.6%	-3.2%	-6.4%	2.9%	15.9%	7.8%
<b>Maintenance of buildings and sites</b>	<i>N/A</i>	<i>N/A</i>	<b>647</b>	<b>640</b>	<b>641</b>	<b>663</b>	<b>607</b>	<b>156</b>	<b>156</b>	<b>163</b>	<b>164</b>	<b>639</b>	<b>150</b>	<b>156</b>	<b>161</b>
QoQ Change								3.3%	0.0%	4.5%	0.6%		-8.5%	4.0%	3.2%
YoY Change				-1.1%	0.2%	3.4%	-8.4%	-3.1%	22.8%	-3.0%	8.6%	5.3%	-3.8%	0.0%	-1.2%
<b>Marketing &amp; general</b>	<i>N/A</i>	<i>N/A</i>	<b>626</b>	<b>622</b>	<b>655</b>	<b>556</b>	<b>563</b>	<b>153</b>	<b>153</b>	<b>152</b>	<b>145</b>	<b>603</b>	<b>129</b>	<b>160</b>	<b>164</b>
QoQ Change								-10.5%	0.0%	-0.7%	-4.6%		-11.0%	24.0%	2.5%
YoY Change				-0.6%	5.3%	-15.1%	1.3%	9.3%	21.4%	20.6%	-15.2%	7.1%	-15.7%	4.6%	7.9%
<b>Services and maintenance by sub-contractors</b>	<i>N/A</i>	<i>N/A</i>	<b>218</b>	<b>189</b>	<b>170</b>	<b>158</b>	<b>162</b>	<b>40</b>	<b>38</b>	<b>35</b>	<b>24</b>	<b>137</b>	<b>34</b>	<b>55</b>	<b>52</b>
QoQ Change								-27.3%	-5.0%	-7.9%	-31.4%		41.7%	61.8%	-5.5%
YoY Change				-13.3%	-10.1%	-7.1%	2.5%	5.3%	5.6%	6.1%	-56.4%	-15.4%	-15.0%	44.7%	48.6%
<b>Vehicle maintenance</b>	<i>N/A</i>	<i>N/A</i>	<b>177</b>	<b>188</b>	<b>142</b>	<b>162</b>	<b>152</b>	<b>37</b>	<b>40</b>	<b>38</b>	<b>39</b>	<b>154</b>	<b>35</b>	<b>41</b>	<b>47</b>
QoQ Change								-5.1%	8.1%	-5.0%	2.6%		-10.3%	17.1%	14.6%
YoY Change				6.2%	-24.5%	14.1%	-6.2%	0.0%	5.3%	0.0%	0.0%	1.3%	-5.4%	2.5%	23.7%
<b>Content services</b>	<i>N/A</i>	<i>N/A</i>	<b>151</b>	<b>156</b>	<b>123</b>	<b>103</b>	<b>65</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>13</b>	<b>58</b>	<b>13</b>	<b>144</b>	<b>147</b>
QoQ Change								0.0%	0.0%	0.0%	-13.3%		0.0%	N/M	2.1%
YoY Change				3.3%	-21.2%	-16.3%	-36.9%	-11.8%	-11.8%	-6.3%	-13.3%	-10.8%	-13.3%	N/M	N/M
<b>Changes in Working Capital (Cash Flow Statement)</b>															
<b>Inventory</b>	<b>(6)</b>	<b>42</b>	<b>(114)</b>	<b>84</b>	<b>(33)</b>	<b>74</b>	<b>9</b>	<b>21</b>	<b>13</b>	<b>9</b>	<b>(15)</b>	<b>28</b>	<b>9</b>	<b>(9)</b>	<b>6</b>
<b>Trade &amp; other receivables</b>	<b>(441)</b>	<b>(54)</b>	<b>(546)</b>	<b>(300)</b>	<b>(756)</b>	<b>505</b>	<b>646</b>	<b>163</b>	<b>224</b>	<b>142</b>	<b>20</b>	<b>549</b>	<b>84</b>	<b>61</b>	<b>51</b>
<b>Trade &amp; other payables</b>	<b>18</b>	<b>(210)</b>	<b>247</b>	<b>(21)</b>	<b>(131)</b>	<b>(233)</b>	<b>27</b>	<b>(62)</b>	<b>(45)</b>	<b>(11)</b>	<b>79</b>	<b>(39)</b>	<b>(45)</b>	<b>(150)</b>	<b>21</b>
<b>Total changes in working capital</b>	<b>(429)</b>	<b>(222)</b>	<b>(413)</b>	<b>(237)</b>	<b>(920)</b>	<b>346</b>	<b>682</b>	<b>122</b>	<b>192</b>	<b>140</b>	<b>84</b>	<b>538</b>	<b>48</b>	<b>(98)</b>	<b>78</b>



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq Fixed-Line</b>																
<b>Key Income Statement Metrics (Revenues)</b>																
<b>Total Revenues</b>		5,713	5,498	5,303	5,263	4,648	4,630	4,478	1,077	1,073	1,081	1,086	4,317	1,113	1,105	1,101
	QoQ Change								-2.2%	-0.4%	0.7%	0.5%		2.5%	-0.7%	-0.4%
	YoY Change		-3.8%	-3.5%	-0.8%	-11.7%	-0.4%	-3.3%	-4.6%	-4.3%	-4.1%	-1.4%	-3.6%	3.3%	3.0%	1.9%
<b>Telephony Revenues</b>		3,905	3,572	3,333	3,160	2,393	2,254	1,971	426	415	418	409	1,668	403	396	395
	QoQ Change								-9.0%	-2.6%	0.7%	-2.2%		-1.5%	-1.7%	-0.3%
	YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-12.6%	-16.5%	-17.5%	-14.7%	-12.6%	-15.4%	-5.4%	-4.6%	-5.5%
<b>Broadband Internet Revenues</b>		712	790	863	977	1,092	1,166	1,287	332	345	353	364	1,394	383	387	385
	QoQ Change								2.5%	3.9%	2.3%	3.1%		5.2%	1.0%	-0.5%
	YoY Change		11.0%	9.2%	13.2%	11.8%	6.8%	10.4%	7.1%	7.5%	6.3%	12.3%	8.3%	15.4%	12.2%	9.1%
<b>Transmission &amp; Data Revenues</b>		754	811	851	882	931	976	990	259	255	251	257	1,022	266	264	267
	QoQ Change								3.6%	-1.5%	-1.6%	2.4%		3.5%	-0.8%	1.1%
	YoY Change		7.6%	4.9%	3.6%	5.6%	4.8%	1.4%	4.9%	5.8%	-0.4%	2.8%	3.2%	2.7%	3.5%	6.4%
<b>Other Service Revenues</b>		342	325	256	244	232	234	230	60	58	59	56	233	61	58	54
	QoQ Change								1.7%	-3.3%	1.7%	-5.1%		8.9%	-4.9%	-6.9%
	YoY Change		-5.0%	-21.2%	-4.7%	-4.9%	0.9%	-1.7%	-3.2%	3.6%	11.3%	-5.1%	1.3%	1.7%	0.0%	-8.5%
<b>Revenues from Residential Customers</b>		N/A	3,303	3,165	3,128	2,777	2,716	2,605	N/A	N/A	N/A	N/A	2,498	N/A	N/A	N/A
	% of total revenues		60.1%	59.7%	59.4%	59.7%	58.7%	58.2%					57.9%			
<b>Revenues from Business Customers</b>		N/A	2,195	2,138	2,134	1,871	1,914	1,873	N/A	N/A	N/A	N/A	1,819	N/A	N/A	N/A
	% of total revenues		39.9%	40.3%	40.5%	40.3%	41.3%	41.8%					42.1%			
<b>Key Income Statement Metrics</b>																
<b>Operating profit</b>		1,319	1,475	1,523	2,043	1,671	1,959	1,998	504	471	498	507	1,980	547	662	512
	QoQ Change								9.8%	-6.5%	5.7%	1.8%		7.9%	21.0%	-22.7%
	YoY Change		11.8%	3.3%	34.1%	-18.2%	17.2%	2.0%	-5.8%	-7.6%	0.8%	10.5%	-0.9%	8.5%	40.6%	2.8%
<b>Net profit <sup>(1)</sup></b>		737	950	1,107	1,426	1,073	1,227	1,146	295	251	263	293	1,102	346	382	256
	QoQ Change								12.2%	-14.9%	4.8%	11.4%		18.1%	10.4%	-33.0%
	YoY Change		28.9%	16.5%	28.8%	-24.8%	14.4%	-6.6%	-2.6%	-14.0%	-8.7%	11.4%	-3.8%	17.3%	52.2%	-2.7%
<b>Depreciation &amp; amortization</b>		941	852	794	690	688	730	683	168	172	178	170	688	176	180	184
	QoQ Change								-3.4%	2.4%	3.5%	-4.5%		3.5%	2.3%	2.2%
	YoY Change		-9.5%	-6.8%	-13.1%	-0.3%	6.1%	-6.4%	0.6%	2.4%	2.3%	-2.3%	0.7%	4.8%	4.7%	3.4%
<b>Salaries</b>		1,293	1,202	1,094	1,079	1,076	1,036	980	223	228	227	217	895	227	226	232
	QoQ Change								-0.9%	2.2%	-0.4%	-4.4%		4.6%	-0.4%	2.7%
	YoY Change		-7.0%	-9.0%	-1.4%	-0.3%	-3.7%	-5.4%	-17.4%	-5.8%	-6.6%	-3.6%	-8.7%	1.8%	-0.9%	2.2%
<b>Other operating expenses (income)</b>		39	96	202	-158	139	-128	-78	-8	14	-25	-4	-23	-17	-139	-13
	QoQ Change								N/M	-275.0%	N/M	N/M		N/M	717.6%	-90.6%
	YoY Change		146.2%	N/M	N/M	N/M	N/M	-39.1%	-89.0%	-182.4%	212.5%	N/M	-70.5%	N/M	N/M	-48.0%
<b>Finance expenses (income), net</b>		188	125	-15	90	240	259	442	93	110	116	81	400	75	100	138
	QoQ Change								-8.8%	18.3%	5.5%	-30.2%		-7.4%	33.3%	38.0%
	YoY Change		-33.5%	N/M	N/M	166.7%	7.9%	70.7%	-5.1%	-1.8%	-10.8%	-20.6%	-9.5%	-19.4%	-9.1%	19.0%
<b>EBITDA</b>		2,260	2,327	2,317	2,733	2,359	2,689	2,681	672	643	676	677	2,668	723	842	696
	QoQ Change								6.2%	-4.3%	5.1%	0.1%		6.8%	16.5%	-17.3%
	YoY Change		3.0%	-0.4%	18.0%	-13.7%	14.0%	-0.3%	-4.3%	-5.2%	1.2%	7.0%	-0.5%	7.6%	30.9%	3.0%
<b>Key Cash Flow Metrics</b>																
<b>Operating cash flow</b>		1,379	1,691	2,220	2,140	2,106	2,009	2,274	616	545	599	499	2,259	548	456	686
	QoQ Change								17.1%	-11.5%	9.9%	-16.7%		9.8%	-16.8%	50.4%
	YoY Change		22.6%	31.3%	-3.6%	-1.6%	-4.6%	13.2%	9.8%	-2.0%	-5.1%	-5.1%	-0.7%	-11.0%	-16.3%	14.5%
<b>Capital expenditures, gross (accounting)</b>		513	600	844	1,041	1,174	945	777	215	215	198	207	835	228	203	208
	QoQ Change								-4.4%	0.0%	-7.9%	4.5%		10.1%	-11.0%	2.5%
	YoY Change		17.0%	40.7%	23.3%	12.8%	-19.5%	-17.8%	31.1%	9.1%	3.7%	-8.0%	7.5%	6.0%	-5.6%	5.1%
<b>Capital expenditures, gross (cash flow)</b>		505	616	853	1,032	1,165	958	789	210	207	210	195	822	231	191	230
	QoQ Change								-5.4%	-1.4%	1.4%	-7.1%		18.5%	-17.3%	20.4%
	YoY Change		22.0%	38.5%	21.0%	12.9%	-17.8%	-17.6%	14.8%	11.3%	6.1%	-12.2%	4.2%	10.0%	-7.7%	9.5%
<b>Capital expenditures, net (cash flow)</b>		336	472	767	900	937	658	485	182	165	141	113	601	219	111	209
	QoQ Change								37.9%	-9.3%	-14.5%	-19.9%		93.8%	-49.3%	88.3%
	YoY Change		40.5%	62.5%	17.3%	4.1%	-29.8%	-26.3%	29.1%	166.1%	-6.0%	-14.4%	23.9%	20.3%	-32.7%	48.2%
<b>Free cash flow</b>		1,043	1,219	1,453	1,240	1,169	1,351	1,789	434	380	458	386	1,658	329	345	477
	QoQ Change								10.2%	-12.4%	20.5%	-15.7%		-14.8%	4.9%	38.3%
	YoY Change		16.9%	19.2%	-14.7%	-5.7%	15.6%	32.4%	3.3%	-23.1%	-4.8%	-2.0%	-7.3%	-24.2%	-9.2%	4.1%
<b>Ratios</b>																
<b>Operating margin</b>		23.1%	26.8%	28.7%	38.8%	36.0%	42.3%	44.6%	46.8%	43.9%	46.1%	46.7%	45.9%	49.1%	59.9%	46.5%
<b>Net margin</b>		12.9%	17.3%	20.9%	27.1%	23.1%	26.5%	25.6%	27.4%	23.4%	24.3%	27.0%	25.5%	31.1%	34.6%	23.3%
<b>EBITDA margin</b>		39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	59.9%	62.4%	59.9%	62.5%	62.3%	61.8%	65.0%	76.2%	63.2%
<b>Capex/Sales</b>		9.0%	10.9%	15.9%	19.8%	25.3%	20.4%	17.4%	20.0%	20.0%	18.3%	19.1%	19.3%	20.5%	18.4%	18.9%

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



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq Fixed-Line (cont'd)</b>																
<b>Operating &amp; general expenses</b>																
<b>Total general &amp; operating expenses</b>		<b>2,121</b>	<b>1,873</b>	<b>1,690</b>	<b>1,609</b>	<b>1,074</b>	<b>1,033</b>	<b>895</b>	<b>190</b>	<b>188</b>	<b>203</b>	<b>196</b>	<b>777</b>	<b>180</b>	<b>176</b>	<b>186</b>
	QoQ Change								-14.8%	-1.1%	8.0%	-3.4%		-8.2%	-2.2%	5.7%
	YoY Change		-11.7%	-9.8%	-4.8%	-33.3%	-3.8%	-13.4%	-17.4%	-13.8%	-9.4%	-12.1%	-13.2%	-5.3%	-6.4%	-8.4%
<b>Maintenance of buildings and sites</b>		<i>N/A</i>	<i>N/A</i>	<b>278</b>	<b>240</b>	<b>247</b>	<b>245</b>	<b>233</b>	<b>55</b>	<b>53</b>	<b>57</b>	<b>52</b>	<b>217</b>	<b>51</b>	<b>47</b>	<b>54</b>
	QoQ Change								-5.2%	-3.6%	7.5%	-8.8%		-1.9%	-7.8%	14.9%
	YoY Change				-13.7%	2.9%	-0.8%	-4.9%	-6.8%	-3.6%	-6.6%	-10.3%	-6.9%	-7.3%	-11.3%	-5.3%
<b>Interconnect &amp; payments to telecom operators</b>		<i>N/A</i>	<i>N/A</i>	<b>871</b>	<b>855</b>	<b>314</b>	<b>281</b>	<b>220</b>	<b>42</b>	<b>39</b>	<b>42</b>	<b>38</b>	<b>161</b>	<b>38</b>	<b>37</b>	<b>35</b>
	QoQ Change								-16.0%	-7.1%	7.7%	-9.5%		0.0%	-2.6%	-5.4%
	YoY Change				-1.8%	-63.3%	-10.5%	-21.7%	-26.3%	-32.8%	-23.6%	-24.0%	-26.8%	-9.5%	-5.1%	-16.7%
<b>Marketing &amp; general</b>		<i>N/A</i>	<i>N/A</i>	<b>218</b>	<b>196</b>	<b>194</b>	<b>159</b>	<b>186</b>	<b>48</b>	<b>52</b>	<b>59</b>	<b>54</b>	<b>213</b>	<b>47</b>	<b>48</b>	<b>49</b>
	QoQ Change								-11.1%	8.3%	13.5%	-8.5%		-13.0%	2.1%	2.1%
	YoY Change				-10.1%	-1.0%	-18.0%	17.0%	9.1%	26.8%	25.5%	0.0%	14.5%	-2.1%	-7.7%	-16.9%
<b>Terminal equipment &amp; materials</b>		<i>N/A</i>	<i>N/A</i>	<b>80</b>	<b>88</b>	<b>89</b>	<b>111</b>	<b>90</b>	<b>12</b>	<b>10</b>	<b>11</b>	<b>16</b>	<b>49</b>	<b>11</b>	<b>11</b>	<b>10</b>
	QoQ Change								-33.3%	-16.7%	10.0%	45.5%		-31.3%	0.0%	-9.1%
	YoY Change				10.0%	1.1%	24.7%	-18.9%	-55.6%	-56.5%	-50.0%	-11.1%	-45.6%	-8.3%	10.0%	-9.1%
<b>Services and maintenance by sub-contractors</b>		<i>N/A</i>	<i>N/A</i>	<b>96</b>	<b>76</b>	<b>76</b>	<b>73</b>	<b>64</b>	<b>16</b>	<b>15</b>	<b>14</b>	<b>16</b>	<b>61</b>	<b>16</b>	<b>14</b>	<b>17</b>
	QoQ Change								-5.9%	-6.3%	-6.7%	14.3%		0.0%	-12.5%	21.4%
	YoY Change				-20.8%	0.0%	-3.9%	-12.3%	0.0%	-6.3%	-6.7%	-5.9%	-4.7%	0.0%	-6.7%	21.4%
<b>Vehicle maintenance</b>		<i>N/A</i>	<i>N/A</i>	<b>96</b>	<b>101</b>	<b>78</b>	<b>83</b>	<b>76</b>	<b>17</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>76</b>	<b>17</b>	<b>19</b>	<b>21</b>
	QoQ Change								-10.5%	11.8%	5.3%	0.0%		-15.0%	11.8%	10.5%
	YoY Change				5.2%	-22.8%	6.4%	-8.4%	-15.0%	0.0%	11.1%	5.3%	0.0%	0.0%	0.0%	5.0%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Telephone</b>															
<b>Key Income Statement Metrics (Revenues)</b>															
Total Revenues	4,684	4,713	5,376	5,732	5,548	4,468	3,809	917	843	824	835	3,419	727	721	729
QoQ Change								-6.7%	-8.1%	-2.3%	1.3%		-12.9%	-0.8%	1.1%
YoY Change		0.6%	14.1%	6.6%	-3.2%	-19.5%	-14.7%	-4.9%	-7.9%	-13.0%	-15.1%	-10.2%	-20.7%	-14.5%	-11.5%
Service Revenues	3,972	4,020	4,256	4,550	3,637	3,261	2,808	637	622	610	584	2,453	499	502	521
QoQ Change								-7.4%	-2.4%	-1.9%	-4.3%		-14.6%	0.6%	3.8%
YoY Change		1.2%	5.9%	6.9%	-20.1%	-10.3%	-13.9%	-10.8%	-10.6%	-14.1%	-15.1%	-12.6%	-21.7%	-19.3%	-14.6%
Equipment Revenues	712	693	1,120	1,182	1,911	1,207	1,001	280	221	214	251	966	228	219	208
QoQ Change								-5.1%	-2.1%	-3.2%	17.3%		-9.2%	-3.9%	-5.0%
YoY Change		-2.7%	61.6%	5.5%	61.7%	-36.8%	-17.1%	12.0%	0.9%	-9.7%	-14.9%	-3.5%	-18.6%	-0.9%	-2.8%
Revenues from Private Customers	N/A	2,437	2,751	2,899	2,985	2,461	2,114	N/A	N/A	N/A	N/A	1,930	N/A	N/A	N/A
% 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	1,695	N/A	N/A	N/A	N/A	1,490	N/A	N/A	N/A
% of total revenues		48.3%	48.8%	49.4%	46.2%	44.9%	44.5%					43.6%			
<b>Key Income Statement Metrics</b>															
Gross profit	1,337	1,478	1,784	1,978	1,961	1,428	1,098	236	231	223	192	882	120	133	143
QoQ Change								-5.6%	-2.1%	-3.5%	-13.9%		-37.5%	10.8%	7.5%
YoY Change		10.5%	20.7%	10.9%	-0.9%	-27.2%	-23.1%	-18.1%	-19.8%	-18.0%	-23.2%	-19.7%	-49.2%	-42.4%	-35.9%
Operating profit	805	933	1,190	1,383	1,360	892	608	126	127	122	74	449	32	53	61
QoQ Change								65.8%	0.8%	-3.9%	-39.3%		-56.8%	65.6%	15.1%
YoY Change		15.9%	27.5%	16.2%	-1.7%	-34.4%	-31.8%	-27.6%	-31.7%	-29.1%	-2.6%	-26.2%	-74.6%	-58.3%	-50.0%
Net profit	585	682	875	1,033	1,056	698	521	108	106	100	59	373	36	49	55
QoQ Change								61.2%	-1.9%	-5.7%	-41.0%		-39.0%	36.1%	12.2%
YoY Change		16.6%	28.3%	18.1%	2.2%	-33.9%	-25.4%	-29.4%	-34.2%	-28.6%	-11.9%	-28.4%	-66.7%	-53.8%	-45.0%
Cost of sales	3,347	3,235	3,592	3,754	3,587	3,040	2,711	681	612	601	643	2,537	607	588	586
QoQ Change								-7.1%	-10.1%	-1.8%	7.0%		-5.6%	-3.1%	-0.3%
YoY Change		-3.3%	11.0%	4.5%	-4.4%	-15.2%	-10.8%	0.7%	-2.4%	-11.0%	-12.3%	-6.4%	-10.9%	-3.9%	-2.5%
Sales & marketing expenses	430	405	461	468	480	422	320	83	76	76	74	309	63	57	59
QoQ Change								-7.8%	-8.4%	0.0%	-2.6%		-14.9%	-9.5%	3.5%
YoY Change		-5.8%	13.8%	1.5%	2.6%	-12.1%	-24.2%	-3.5%	1.3%	10.1%	-17.8%	-3.4%	-24.1%	-25.0%	-22.4%
General & administrative expenses	102	140	133	127	121	114	109	27	28	25	26	106	25	23	23
QoQ Change								17.4%	3.7%	-10.7%	4.0%		-3.8%	-8.0%	0.0%
YoY Change		37.3%	-5.0%	-4.5%	-4.7%	-5.8%	-4.4%	-3.6%	3.7%	-19.4%	13.0%	-2.8%	-7.4%	-17.9%	-8.0%
Depreciation & amortization	479	523	603	601	561	531	458	106	105	108	111	430	104	106	109
QoQ Change								-6.2%	-0.9%	2.9%	2.8%		-6.3%	1.9%	2.8%
YoY Change		9.2%	15.3%	-0.3%	-6.7%	-5.3%	-13.7%	-12.4%	-7.1%	-2.7%	-1.8%	-6.1%	-1.9%	1.0%	0.9%
EBITDA	1,284	1,456	1,794	1,984	1,921	1,423	1,065	232	232	231	184	879	136	159	170
QoQ Change								23.4%	0.0%	-0.4%	-20.3%		-26.1%	16.9%	6.9%
YoY Change		13.4%	23.2%	10.6%	-3.2%	-25.9%	-25.2%	-21.4%	-22.4%	-18.4%	-2.1%	-17.5%	-41.4%	-31.5%	-26.4%
<b>Key Cash Flow Metrics</b>															
Operating cash flow	1,228	1,277	1,115	1,219	800	1,728	1,591	349	420	286	158	1,213	351	202	163
QoQ Change								6.7%	20.3%	-31.9%	-44.8%		122.2%	-42.5%	-19.3%
YoY Change		4.0%	-12.7%	9.3%	-34.4%	116.0%	-7.9%	-1.4%	-10.3%	-35.3%	-51.7%	-23.8%	0.6%	-51.9%	-43.0%
Capital expenditures, gross (accounting)	440	911	508	431	442	397	335	67	96	87	89	339	97	196	70
QoQ Change								-28.7%	43.3%	-9.4%	2.3%		9.0%	102.1%	-64.3%
YoY Change		107.0%	-44.2%	-15.2%	2.6%	-10.2%	-15.6%	19.6%	5.5%	-7.4%	-5.3%	1.2%	44.8%	104.2%	-19.5%
Capital expenditures, gross (cash flow)	381	798	559	397	419	384	320	73	90	84	82	329	73	199	91
QoQ Change								-6.4%	23.3%	-6.7%	-2.4%		-11.0%	172.6%	-54.3%
YoY Change		109.4%	-29.9%	-29.0%	5.5%	-8.4%	-16.7%	10.6%	7.1%	-8.7%	5.1%	2.8%	0.0%	121.1%	8.3%
Capital expenditures, net (cash flow)	376	795	555	397	382	381	315	73	85	83	80	321	72	199	90
QoQ Change								-5.2%	16.4%	-2.4%	-3.6%		-10.0%	176.4%	-54.8%
YoY Change		111.4%	-30.2%	-28.5%	-3.8%	-0.3%	-17.3%	10.6%	1.2%	-5.7%	3.9%	1.9%	-1.4%	134.1%	8.4%
Free cash flow	852	482	560	822	418	1,347	1,276	276	335	203	78	892	279	3	73
QoQ Change								10.4%	21.4%	-39.4%	-61.6%		257.7%	-98.9%	2333.3%
YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	-5.3%	-4.2%	-12.8%	-42.7%	-68.8%	-30.1%	1.1%	-99.1%	-64.0%
<b>Ratios</b>															
Gross profit margin	28.5%	31.4%	33.2%	34.5%	35.3%	32.0%	28.8%	25.7%	27.4%	27.1%	23.0%	25.8%	16.5%	18.4%	19.6%
Operating margin	17.2%	19.8%	22.1%	24.1%	24.5%	20.0%	16.0%	13.7%	15.1%	14.8%	8.9%	13.1%	4.4%	7.4%	8.4%
Net margin	12.5%	14.5%	16.3%	18.0%	19.0%	15.6%	13.7%	11.8%	12.6%	12.1%	7.1%	10.9%	5.0%	6.8%	7.5%
EBITDA margin	27.4%	30.9%	33.4%	34.6%	34.6%	31.9%	28.0%	25.3%	27.5%	28.0%	22.0%	25.7%	18.7%	22.1%	23.3%
Capex/Sales	9.4%	19.3%	9.4%	7.5%	8.0%	8.9%	8.8%	7.3%	11.4%	10.6%	10.7%	9.9%	13.3%	27.2%	9.6%



(NIS millions, except for EPS)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq International</b>															
<b>Key Income Statement Metrics</b>															
<b>Total Revenues</b>	1,304	1,306	1,318	1,380	1,354	1,340	1,433	355	365	385	398	1,504	393	391	389
QoQ Change								-3.6%	2.8%	5.4%	3.5%		-1.4%	-0.6%	-0.4%
YoY Change		0.2%	0.9%	4.8%	-1.9%	-1.0%	6.9%	2.8%	1.8%	7.0%	8.0%	5.0%	10.6%	7.0%	1.1%
<b>Revenues from ILD services</b>	N/A	502	502	501	413	383	401	N/A	N/A	N/A	N/A	395	N/A	N/A	N/A
% of total revenues		38.4%	38.1%	36.3%	30.5%	28.6%	28.0%					26.3%			
<b>Revenues from Internet, Data &amp; ICT services</b>	N/A	804	816	879	941	957	1,032	N/A	N/A	N/A	N/A	1,109	N/A	N/A	N/A
% of total revenues		61.6%	61.9%	63.7%	69.5%	71.4%	72.0%					73.7%			
<b>Revenues from Private Customers</b>	N/A	513	520	523	528	538	535	N/A	N/A	N/A	N/A	529	N/A	N/A	N/A
% of total revenues		39.3%	39.5%	37.9%	39.0%	40.1%	37.3%					35.2%			
<b>Revenues from Business Customers</b>	N/A	793	798	857	826	802	898	N/A	N/A	N/A	N/A	975	N/A	N/A	N/A
% of total revenues		60.7%	60.6%	62.1%	61.0%	59.8%	62.7%					64.8%			
<b>Key Income Statement Metrics</b>															
<b>Gross profit</b>	445	526	541	558	566	544	554	137	137	139	140	553	142	141	138
QoQ Change								-1.1%	0.1%	1.0%	1.1%		1.4%	-0.7%	-1.9%
YoY Change		18.2%	2.9%	3.1%	1.4%	-3.8%	1.8%	-0.5%	-2.2%	0.7%	1.1%	-0.2%	3.7%	2.9%	-0.1%
<b>Operating profit</b>	204	242	261	320	241	219	227	58	58	59	57	232	61	62	59
QoQ Change								3.2%	-0.9%	2.6%	-3.8%		6.2%	1.4%	-4.4%
YoY Change		18.6%	8.0%	22.6%	-24.6%	-9.2%	3.8%	4.1%	-4.2%	7.9%	1.0%	2.1%	3.9%	7.2%	-0.1%
<b>Net profit</b>	153	178	200	254	182	160	158	42	41	42	40	164	44	45	41
QoQ Change								8.5%	-2.0%	2.3%	-3.6%		8.5%	2.7%	-8.2%
YoY Change		16.6%	12.1%	27.0%	-28.3%	-12.4%	-0.9%	11.1%	-6.3%	7.7%	4.9%	4.0%	4.9%	9.9%	-1.5%
<b>Cost of sales</b>	859	780	777	822	788	796	879	218	228	246	258	951	251	250	251
QoQ Change								-5.2%	4.4%	8.0%	4.9%		-2.9%	-0.5%	0.4%
YoY Change		-9.2%	-0.4%	5.8%	-4.1%	1.0%	10.4%	5.0%	4.4%	10.9%	12.2%	8.2%	14.9%	9.5%	1.8%
<b>Sales &amp; marketing expenses</b>	147	181	175	192	209	209	205	50	50	53	54	208	53	54	49
QoQ Change								-7.8%	0.1%	6.4%	1.8%		-2.3%	0.6%	-7.8%
YoY Change		23.1%	-3.3%	9.7%	8.9%	0.1%	-1.9%	-2.2%	0.4%	8.2%	0.0%	1.5%	5.9%	6.5%	-7.6%
<b>General &amp; administrative expenses</b>	94	103	105	109	116	117	119	29	30	26	28	112	28	26	30
QoQ Change								10.2%	3.7%	-12.7%	8.5%		0.7%	-9.1%	16.5%
YoY Change		9.6%	1.9%	3.8%	6.7%	0.7%	1.7%	-4.5%	-1.1%	-22.2%	8.3%	-5.8%	-1.0%	-13.2%	15.7%
<b>Depreciation &amp; amortization</b>	87	80	84	94	109	136	130	32	32	32	33	130	32	32	33
QoQ Change								-2.4%	1.2%	0.0%	1.7%		-2.4%	0.3%	2.1%
YoY Change		-7.5%	5.2%	11.9%	15.5%	25.2%	-4.9%	2.5%	-0.2%	-1.5%	0.5%	0.3%	0.5%	-0.5%	1.6%
<b>EBITDA</b>	290	322	345	414	350	355	357	90	90	92	90	362	93	94	92
QoQ Change								1.1%	-0.1%	1.7%	-1.8%		3.6%	1.0%	-2.1%
YoY Change		10.8%	7.3%	20.0%	-15.5%	1.5%	0.5%	3.5%	-2.8%	4.4%	0.8%	1.4%	3.2%	4.4%	0.5%
<b>Key Cash Flow Metrics</b>															
<b>Operating cash flow</b>	93	163	320	290	243	272	288	74	95	71	71	311	62	74	69
QoQ Change								-4.0%	29.6%	-25.4%	0.0%		-13.1%	19.8%	-7.6%
YoY Change		76.3%	95.5%	-9.2%	-16.1%	11.7%	5.7%	26.3%	17.5%	-0.5%	-7.2%	8.2%	-16.0%	-22.3%	-3.7%
<b>Capital expenditures, gross (accounting)</b>	131	120	150	160	285	169	106	33	24	28	25	110	56	20	27
QoQ Change								32.0%	-27.3%	16.7%	-10.7%		124.0%	-64.3%	35.0%
YoY Change		-8.4%	25.0%	6.7%	78.1%	-40.7%	-37.3%	26.9%	-38.5%	75.0%	0.0%	3.8%	69.7%	-16.7%	-3.6%
<b>Capital expenditures, gross (cash flow)</b>	103	119	120	180	288	175	105	31	24	27	28	110	53	26	28
QoQ Change								46.6%	-22.4%	14.6%	3.7%		86.7%	-51.3%	9.5%
YoY Change		14.7%	1.1%	49.9%	60.4%	-39.2%	-40.4%	-0.4%	-13.6%	9.2%	35.2%	5.6%	72.2%	8.1%	3.3%
<b>Capital expenditures, net (cash flow)</b>	100	118	120	180	288	173	97	31	23	27	28	109	53	26	28
QoQ Change								70.9%	-23.3%	13.7%	4.4%		89.9%	-51.4%	9.5%
YoY Change		18.7%	1.4%	50.0%	60.1%	-39.8%	-43.9%	-0.4%	-13.6%	24.6%	55.5%	11.7%	72.9%	9.4%	5.4%
<b>Free cash flow</b>	-7	45	200	110	-44	99	191	43	72	44	43	203	9	48	40
QoQ Change								-26.8%	67.1%	-38.2%	-2.6%		-79.2%	437.9%	-16.6%
YoY Change		N/M	341.0%	-44.7%	N/M	N/M	92.4%	56.0%	33.1%	-11.2%	-26.3%	6.4%	-79.1%	-32.7%	-9.2%
<b>Ratios</b>															
<b>Gross profit margin</b>	34.1%	40.3%	41.1%	40.4%	41.8%	40.6%	38.7%	38.6%	37.6%	36.0%	35.2%	36.8%	36.1%	36.1%	35.6%
<b>Operating margin</b>	15.6%	18.5%	19.8%	23.2%	17.8%	16.3%	15.9%	16.4%	15.8%	15.4%	14.3%	15.4%	15.5%	15.8%	15.2%
<b>Net margin</b>	11.7%	13.7%	15.2%	18.4%	13.5%	11.9%	11.0%	11.7%	11.2%	10.9%	10.1%	10.9%	11.1%	11.5%	10.6%
<b>EBITDA margin</b>	22.3%	24.6%	26.2%	30.0%	25.9%	26.5%	24.9%	25.4%	24.7%	23.8%	22.6%	24.1%	23.7%	24.1%	23.7%
<b>Capex/Sales</b>	10.0%	9.2%	11.4%	11.6%	21.1%	12.6%	7.4%	9.3%	6.6%	7.3%	6.3%	7.3%	14.2%	5.1%	6.9%



		FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
		2007	2008	2009	2010	2011	2012	2013	2014	2014	2014	2014	2014	2015	2015	2015	
<b>yes</b>																	
<b>Key Income Statement Metrics</b>																	
Revenues		1,415	1,513	1,530	1,583	1,619	1,636	1,635	424	428	432	440	1,724	440	439	446	
	QoQ Change								1.5%	0.9%	1.1%	1.9%		0.0%	-0.2%	1.5%	
	YoY Change		6.9%	1.2%	3.4%	2.3%	1.1%	0.0%	5.0%	5.9%	5.4%	5.4%	5.4%	3.9%	2.7%	3.1%	
Gross profit		298	421	488	454	591	569	584	132	130	133	126	521	120	126	132	
	QoQ Change								-7.4%	-1.4%	1.7%	-4.9%		-4.8%	4.9%	4.9%	
	YoY Change		41.6%	15.9%	-7.0%	30.1%	-3.7%	2.6%	-9.1%	-8.9%	-13.1%	-11.7%	-10.8%	-9.3%	-3.4%	-0.4%	
Operating profit		56	177	248	178	295	253	268	73	67	76	57	273	59	70	74	
	QoQ Change								21.3%	-8.3%	13.3%	-24.5%		3.3%	19.2%	4.6%	
	YoY Change		216.3%	40.1%	-28.2%	65.4%	-14.3%	5.8%	8.1%	-1.1%	4.5%	-4.9%	1.9%	-19.0%	5.3%	-2.7%	
Net profit		-118	-265	-222	-314	-230	-310	-381	-34	-115	-86	-87	-322	-3	-166	-75	
	QoQ Change								-59.3%	241.6%	-25.6%	1.2%		-96.6%	NM	NM	
	YoY Change		125.1%	-16.0%	41.0%	-26.8%	35.1%	22.7%	-44.4%	14.3%	-37.0%	4.6%	-15.5%	-91.2%	43.8%	-12.8%	
Cost of sales		1,117	1,091	1,042	1,129	1,028	1,067	1,052	292	297	300	314	1,203	320	313	314	
	QoQ Change								6.1%	2.0%	0.8%	4.9%		1.9%	-2.2%	0.3%	
	YoY Change		-2.3%	-4.5%	8.3%	-8.9%	3.8%	-1.4%	13.0%	14.0%	16.3%	14.4%	14.4%	9.8%	5.4%	4.9%	
Sales & marketing expenses		138	128	122	143	153	166	154	40	40	34	40	154	36	34	37	
	QoQ Change								6.6%	1.4%	-15.8%	18.4%		-10.9%	-3.4%	7.5%	
	YoY Change		-6.9%	-4.6%	17.1%	6.7%	8.9%	-7.6%	1.3%	10.9%	-17.9%	7.7%	-0.1%	-10.0%	-14.2%	9.5%	
General & administrative expenses		104	116	118	133	143	150	162	20	23	23	29	95	25	21	21	
	QoQ Change								-56.8%	18.4%	-1.0%	25.0%		-12.5%	-16.8%	-1.2%	
	YoY Change		11.6%	1.4%	12.5%	7.9%	4.8%	8.3%	-49.5%	-40.6%	-40.8%	-36.7%	-41.7%	28.1%	-9.9%	-10.1%	
Depreciation & amortization		273	250	234	285	276	248	263	70	74	75	79	298	76	80	78	
	QoQ Change								-1.3%	5.9%	1.4%	5.7%		-3.5%	4.8%	-2.4%	
	YoY Change		-8.5%	-6.3%	21.6%	-2.9%	-10.2%	5.8%	12.6%	15.2%	13.4%	12.0%	13.3%	9.6%	8.5%	4.5%	
EBITDA		329	427	482	463	571	502	530	143	141	151	135	570	135	150	152	
	QoQ Change								8.9%	-1.4%	7.0%	-10.3%		0.3%	11.1%	0.9%	
	YoY Change		29.7%	13.0%	-4.0%	23.4%	-12.3%	5.7%	9.5%	6.8%	8.8%	3.5%	7.5%	-5.0%	7.0%	0.9%	
<b>Key Cash Flow Metrics</b>																	
Operating cash flow		250	347	410	492	513	418	491	113	106	101	122	442	149	106	145	
	QoQ Change								-15.8%	-6.5%	-3.9%	20.4%		21.8%	-28.4%	35.9%	
	YoY Change		38.9%	18.1%	20.0%	4.4%	-18.5%	17.5%	-7.2%	-4.3%	-19.5%	-8.8%	-10.1%	31.7%	0.9%	42.8%	
Capital expenditures, gross (accounting)		299	265	270	295	291	324	327	87	70	78	97	332	80	61	73	
	QoQ Change								6.1%	-19.5%	11.4%	24.4%		-17.5%	-23.8%	19.7%	
	YoY Change		-11.4%	1.9%	9.4%	-1.5%	11.3%	0.9%	22.5%	-7.9%	-20.4%	18.3%	1.5%	-8.0%	-12.9%	-6.4%	
Capital expenditures, gross (cash flow)		255	238	262	278	264	284	324	78	68	64	95	305	65	82	75	
	QoQ Change								-5.8%	-12.6%	-6.5%	50.0%		-32.0%	26.2%	-8.9%	
	YoY Change		-6.7%	10.1%	6.4%	-5.0%	7.5%	13.9%	-13.2%	-19.7%	-4.7%	15.6%	-5.8%	-16.6%	20.4%	17.3%	
Capital expenditures, net (cash flow)		255	238	261	277	264	284	323	78	68	64	95	304	65	82	75	
	QoQ Change								-5.7%	-12.6%	-6.5%	49.9%		-32.1%	26.5%	-8.8%	
	YoY Change		-6.7%	9.7%	6.2%	-4.8%	7.6%	13.9%	-13.2%	-19.7%	-4.6%	15.5%	-5.8%	-16.8%	20.3%	17.4%	
Free cash flow		-5	109	149	215	250	134	167	35	38	38	27	138	84	25	70	
	QoQ Change								-30.1%	6.9%	0.7%	-28.6%		210.9%	-70.7%	184.5%	
	YoY Change		NM	36.2%	44.0%	16.2%	-46.2%	24.3%	9.9%	46.9%	-36.2%	-47.9%	-17.8%	139.0%	-34.4%	85.4%	
<b>Ratios</b>																	
Gross profit margin		21.0%	27.9%	31.9%	28.7%	36.5%	34.8%	35.7%	31.2%	30.5%	30.7%	28.6%	30.2%	27.2%	28.6%	29.6%	
Operating margin		4.0%	11.7%	16.2%	11.3%	18.2%	15.4%	16.4%	17.2%	15.6%	17.5%	13.0%	15.8%	13.4%	16.0%	16.5%	
Net margin		-8.3%	-17.5%	-14.5%	-19.8%	-14.2%	-19.0%	-23.3%	-8.0%	-27.0%	-19.8%	-19.7%	-18.7%	-0.7%	-37.8%	-16.8%	
EBITDA margin		23.3%	28.2%	31.5%	29.3%	35.3%	30.7%	32.4%	33.7%	32.9%	34.8%	30.7%	33.1%	30.8%	34.3%	34.1%	
Capex/Sales		21.1%	17.5%	17.6%	18.7%	18.0%	19.8%	20.0%	20.5%	16.4%	18.0%	22.0%	19.3%	18.2%	13.9%	16.4%	





	<i>NIS Millions</i>										
	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	
<b>Bezeq Group</b>											
<b>Other Operating Expenses (Income), Net</b>											
Profit from increase to controlling stake in Yes	-	-	-	-	-	-	-	(12)	-	-	
Profit from the sale of shares in Coral Tel Ltd.	-	-	-	(582)	-	-	(582)	-	-	-	
Profit from the sale of property, plant and equipment (mainly real estate)	(29)	(120)	(12)	(102)	(27)	(26)	(167)	(11)	(148)	(13)	
Profit from copper sales	(7)	(47)	(5)	(2)	(1)	-	(8)	-	-	-	
Provision (cancellation)-contingent liabilities, net	2	-	-	-	(5)	(18)	(23)	6	6	-	
Provision for early retirement	53	90	8	117	8	43	176	-	1	-	
Expenses for a collective agreement at Telephone	61	61	-	-	-	18	18	-	-	-	
Loss from the discontinuation of a software development project	1	1	-	-	-	-	-	-	-	-	
Other	-	-	1	1	-	(2)	-	-	-	-	
<b>Total other operating expenses (income), net</b>	<b>81</b>	<b>(15)</b>	<b>(8)</b>	<b>(568)</b>	<b>(25)</b>	<b>15</b>	<b>(586)</b>	<b>(17)</b>	<b>(141)</b>	<b>(13)</b>	

Other income



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Bezeq Fixed-Line</b>															
<b>Key Performance Indicators</b>															
<b>Total outgoing minutes (in millions)</b>	<b>14,711</b>	<b>13,260</b>	<b>12,017</b>	<b>10,699</b>	<b>9,758</b>	<b>8,694</b>	<b>7,047</b>	<b>1,608</b>	<b>1,522</b>	<b>1,588</b>	<b>1,482</b>	<b>6,200</b>	<b>1,459</b>	<b>1,396</b>	<b>1,373</b>
QoQ Change								-7.7%	-5.3%	4.3%	-6.7%		-1.6%	-4.3%	-1.6%
YoY Change		-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-10.1%	-15.7%	-7.2%	-14.9%	-12.0%	-9.3%	-8.3%	-13.5%
<b>Total incoming minutes (in millions)</b>	<b>6,411</b>	<b>6,691</b>	<b>6,718</b>	<b>6,547</b>	<b>6,240</b>	<b>6,225</b>	<b>6,115</b>	<b>1,467</b>	<b>1,424</b>	<b>1,498</b>	<b>1,440</b>	<b>5,829</b>	<b>1,428</b>	<b>1,385</b>	<b>1,408</b>
QoQ Change								-4.8%	-2.9%	5.2%	-3.9%		-0.8%	-3.0%	1.7%
YoY Change		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.8%	-2.4%	-8.1%	-1.5%	-6.6%	-4.7%	-2.7%	-2.7%	-6.0%
<b>Total access lines (in 000's)</b>	<b>2,749</b>	<b>2,604</b>	<b>2,483</b>	<b>2,366</b>	<b>2,367</b>	<b>2,268</b>	<b>2,216</b>	<b>2,214</b>	<b>2,205</b>	<b>2,205</b>	<b>2,205</b>	<b>2,205</b>	<b>2,208</b>	<b>2,204</b>	<b>2,193</b>
QoQ Change								-0.1%	-0.4%	0.0%	0.0%		0.1%	-0.2%	-0.5%
YoY Change		-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-2.3%	-1.2%	-0.9%	-0.8%	-0.5%	-0.5%	-0.3%	0.0%	-0.5%
<b>ARPL - including interconnect fees (in NIS)</b>	<i>N/A</i>	<b>111</b>	<b>109</b>	<b>109</b>	<b>85</b>	<b>81</b>	<b>74</b>	<b>64</b>	<b>63</b>	<b>63</b>	<b>62</b>	<b>63</b>	<b>61</b>	<b>60</b>	<b>60</b>
QoQ Change								-8.6%	-1.6%	0.0%	-1.6%		-1.6%	-1.6%	0.0%
YoY Change			-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.7%	-16.0%	-13.7%	-11.4%	-14.9%	-4.7%	-4.8%	-4.8%
<b>Churn rate (%)</b>	<b>9.5%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>11.6%</b>	<b>15.3%</b>	<b>13.1%</b>	<b>3.0%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>11.1%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.6%</b>
<b>Broadband Internet lines (in 000's)- Total</b>	<b>963</b>	<b>1,005</b>	<b>1,035</b>	<b>1,066</b>	<b>1,111</b>	<b>1,169</b>	<b>1,263</b>	<b>1,289</b>	<b>1,308</b>	<b>1,335</b>	<b>1,364</b>	<b>1,364</b>	<b>1,390</b>	<b>1,418</b>	<b>1,448</b>
QoQ Change								2.1%	1.5%	2.1%	2.2%		1.9%	2.0%	2.1%
YoY Change		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.8%	8.8%	8.5%	8.0%	8.0%	7.8%	8.4%	8.5%
<b>Broadband Internet lines (in 000's)-Wholesale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>78</b>	<b>177</b>
QoQ Change														609.1%	126.9%
YoY Change															
<b>Broadband Internet ARPU (in NIS) - Retail</b>	<b>64</b>	<b>67</b>	<b>69</b>	<b>75</b>	<b>80</b>	<b>81</b>	<b>84</b>	<b>82</b>	<b>84</b>	<b>85</b>	<b>85</b>	<b>84</b>	<b>87</b>	<b>88</b>	<b>88</b>
QoQ Change								0.0%	2.4%	1.2%	0.0%		2.4%	1.1%	0.0%
YoY Change		4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	-1.2%	-1.2%	-1.2%	3.7%	0.0%	6.1%	4.8%	3.5%
<b>Average broadband speed per subscriber (end of period, Mbps)</b>	<b>1.7</b>	<b>2.2</b>	<b>2.7</b>	<b>4.3</b>	<b>6.7</b>	<b>9.6</b>	<b>18.1</b>	<b>20.0</b>	<b>21.9</b>	<b>24.0</b>	<b>32.5</b>	<b>32.5</b>	<b>33.2</b>	<b>34.9</b>	<b>36.7</b>
QoQ Change								10.5%	9.5%	9.6%	35.4%		2.2%	5.1%	5.2%
YoY Change		29.4%	22.7%	59.3%	55.8%	43.3%	88.5%	92.3%	44.1%	38.7%	79.6%	79.6%	66.0%	59.4%	52.9%
<b>Number of employees</b>	<b>7,614</b>	<b>7,530</b>	<b>7,364</b>	<b>7,216</b>	<b>7,076</b>	<b>7,422</b>	<b>6,479</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>5,964</b>	<b>5,964</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
YoY Change		-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%				-7.9%				
<b>Market share - Internet</b>	<i>N/A</i>	<i>N/A</i>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>63%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>66%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>Market share - telephony (private sector)</b>	<i>N/A</i>	<i>N/A</i>	<b>72%</b>	<b>65%</b>	<b>63%</b>	<b>59%</b>	<b>57%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>56%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>Market share - telephony (business sector)</b>	<i>N/A</i>	<i>N/A</i>	<b>82%</b>	<b>78%</b>	<b>76%</b>	<b>75%</b>	<b>74%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>74%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
<b>Telephone</b>																
<b>Key Performance Indicators</b>																
Total Subscribers (in 000's)		2,622	2,649	2,766	2,857	2,847	2,800	2,642	2,631	2,610	2,600	2,586	2,586	2,565	2,566	2,569
	QoQ Change								-0.4%	-0.8%	-0.4%	-0.5%		-0.8%	0.0%	0.1%
	YoY Change		1.0%	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-4.0%	-3.4%	-3.1%	-2.1%	-2.1%	-2.5%	-1.7%	-1.2%
Prepaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	836	836	N/A	N/A	N/A
	YoY Change															
ARPU (in NIS)		N/A	N/A	N/A	111	107	95	86	80	79	78	75	78	65	65	68
	QoQ Change								-7.0%	-1.3%	-1.3%	-3.8%		-13.3%	0.0%	4.6%
	YoY Change					-3.6%	-11.2%	-9.5%	-7.0%	-7.1%	-11.4%	-12.8%	-9.3%	-18.8%	-17.7%	-12.8%
Churn rate		N/A	N/A	13.8%	15.3%	22.9%	22.4%	28.6%	7.5%	6.5%	7.3%	5.6%	27.0%	6.5%	6.1%	6.4%
Number of employees			N/A	N/A	N/A	N/A	4,072	3,288	N/A	N/A	N/A	N/A	3,001	N/A	N/A	N/A
	YoY Change							-19.3%					-8.7%			
Market share		29.2%	28.6%	29.0%	28.9%	29.0%	28.2%	26.3%	N/A	N/A	N/A	N/A	25.5%	N/A	N/A	N/A

<b>Bezeq International</b>																
<b>Key Performance Indicators</b>																
Number of employees		2,621	2,325	2,445	2,112	2,262	2,102	2,007	N/A	N/A	N/A	N/A	1,932	N/A	N/A	N/A
	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%	18.0%	4.0%	3.7%	4.5%	4.7%	17.0%	4.1%	4.2%	4.4%
Market share - ISP		36.0%	36.0%	36.0%	35.9%	37.5%	38.8%	40.6%	N/A	N/A	N/A	N/A	42%	N/A	N/A	N/A
Market share - ILD (Outgoing)		36.0%	36.0%	31.0%	30.7%	30.0%	24.6%	21.2%	N/A	N/A	N/A	N/A	23%	N/A	N/A	N/A

<b>yes</b>																
<b>Key Performance Indicators</b>																
Subscribers (in 000's)		549	560	571	578	586	578	601	607	613	623	632	632	634	638	639
	QoQ Change								1.0%	1.0%	1.6%	1.4%		0.3%	0.6%	0.2%
	YoY Change		2.0%	2.0%	1.2%	1.4%	-1.4%	4.0%	5.0%	5.1%	5.1%	5.2%	5.2%	4.4%	4.1%	2.6%
ARPU (in NIS)		217	228	226	230	232	234	233	234	234	233	234	234	232	230	232
	QoQ Change								0.4%	0.0%	-0.4%	0.4%		-0.9%	-0.9%	0.9%
	YoY Change		5.1%	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	0.9%	0.0%	0.4%	0.4%	-0.9%	-1.7%	-0.4%
Churn rate		N/A	N/A	13.3%	13.0%	11.9%	15.4%	13.5%	3.6%	3.1%	3.2%	2.9%	12.8%	3.4%	3.1%	3.9%
Number of employees		N/A	1,999	2,158	2,229	2,227	2,276	2,208	N/A	N/A	N/A	N/A	2,042	N/A	N/A	N/A
	YoY Change			8.0%	3.3%	-0.1%	2.2%	-3.0%					-7.5%			
Mkt share		37%	38%	38%	39%	40%	39%	40%	N/A	N/A	N/A	N/A	42%	N/A	N/A	N/A



## Bezeq Group Dividends

### Dividend History

<b>Dividend Distribution date</b>	<b>Total Amount (NIS m)</b>	<b>Dividend per share (NIS)</b>	<b>Dividend Type</b>
October 26, 2015	933	0.34	Semi-Annual Dividend
May 27, 2015	844	0.31	Semi-Annual Dividend
October 2, 2014	1,267	0.46	
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