



Bezeq Facts & Figures Q1 2018

Three months ending March 31, 2018

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		(NIS millions, except for EPS)												
		FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Group ⁽¹⁾														
Key Income Statement Metrics														
Revenues		9,055	9,985	2,559	2,511	2,510	2,504	10,084	2,453	2,463	2,415	2,458	9,789	2,361
	QoQ Change			-1.8%	-1.9%	0.0%	-0.2%		-2.0%	0.4%	-1.9%	1.8%		-3.9%
	YoY Change	-5.3%	10.3%	17.7%	-3.5%	-3.5%	-3.9%	1.0%	-4.1%	-1.9%	-3.8%	-1.8%	-2.9%	-3.8%
Depreciation & amortization		1,281	1,684	449	440	442	408	1,739	428	424	436	427	1,715	525
	QoQ Change			-2.2%	-2.0%	0.5%	-7.7%		4.9%	-0.9%	2.8%	-2.1%		23.0%
	YoY Change	-2.3%	31.5%	41.6%	-2.4%	-3.3%	-11.1%	3.3%	-4.7%	-3.6%	-1.4%	4.7%	-1.4%	22.7%
Salaries		1,768	1,957	513	495	501	503	2,012	504	494	502	505	2,005	510
	QoQ Change			-0.4%	-3.5%	1.2%	0.4%		0.2%	-2.0%	1.6%	0.6%		1.0%
	YoY Change	-5.6%	10.7%	16.9%	-0.4%	-1.0%	-2.3%	2.8%	-1.8%	-0.2%	0.2%	0.4%	-0.3%	1.2%
Other operating expenses (income)		(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	96	68	23
	QoQ Change			-93.4%	-340.0%	116.7%	N/M		N/M	-75.0%	2200.0%	N/M		-76.0%
	YoY Change	N/M	-83.8%	N/M	-91.5%	100.0%	-56.6%	N/M	N/M	-91.7%	-11.5%	190.9%	N/M	N/M
Operating Profit		3,226	2,570	574	616	599	532	2,321	566	573	544	427	2,110	462
	QoQ Change			17.6%	7.3%	-2.8%	-11.2%		6.4%	1.2%	-5.1%	-21.5%		8.2%
	YoY Change	14.4%	-20.3%	-9.7%	-22.4%	-8.1%	9.0%	-9.7%	-1.4%	-7.0%	-9.2%	-19.7%	-9.1%	-18.4%
Finance expenses (income), net		130	263	102	105	104	136	447	101	102	94	120	417	108
	QoQ Change			N/M	2.9%	-1.0%	30.8%		-25.7%	1.0%	-7.8%	27.7%		-10.0%
	YoY Change	-10.3%	102.3%	175.7%	-18.6%	4.0%	N/M	70.0%	-1.0%	-2.9%	-9.6%	-11.8%	-6.7%	6.9%
Income taxes		815	598	183	133	99	210	625	113	111	128	101	453	93
	QoQ Change			53.8%	-27.3%	-25.6%	112.1%		-46.2%	-1.8%	15.3%	-21.1%		-7.9%
	YoY Change	25.2%	-26.6%	20.4%	-27.3%	-31.3%	76.5%	4.5%	-38.3%	-16.5%	29.3%	-51.9%	-27.5%	-17.7%
Net profit attributed to Bezeq shareholders		2,111	1,721	288	377	394	185	1,244	350	358	322	205	1,235	260
	QoQ Change			-22.0%	30.9%	4.5%	-53.0%		89.2%	2.3%	-10.1%	-36.3%		26.8%
	YoY Change	19.2%	-18.5%	-37.8%	-21.8%	-3.2%	-49.9%	-27.7%	21.5%	-5.0%	-18.3%	10.8%	-0.7%	-25.7%
Adjusted EBITDA (excluding IFRS 16 and other operating income/expenses)		3,921	4,159	1,028	1,044	1,015	973	4,060	990	996	957	950	3,893	908
	QoQ Change			0.5%	1.6%	-2.8%	-4.1%		1.7%	0.6%	-3.9%	-0.7%		-4.4%
	YoY Change	-4.7%	6.1%	9.8%	-5.4%	-7.4%	-4.9%	-2.4%	-3.7%	-4.6%	-5.7%	-2.4%	-4.1%	-8.3%
EBITDA, reported		4,507	4,254	1,023	1,056	1,041	940	4,060	994	997	980	854	3,825	987
	QoQ Change			8.0%	3.2%	-1.4%	-9.7%		5.7%	0.3%	-1.7%	-12.9%		15.6%
	YoY Change	9.1%	-5.6%	7.3%	-15.2%	-6.1%	-0.7%	-4.6%	-2.8%	-5.6%	-5.9%	-9.1%	-5.8%	-0.7%
Adjusted EBITDA (excluding IFRS 16)														885
Earnings Per Share - Diluted		0.77	0.62	0.10	0.14	0.14	0.07	0.45	0.13	0.13	0.12	0.07	0.45	0.09
Shares Outstanding - Diluted		2,755	2,763	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
Operating & General Expenses														
Total operating & general expenses		3,366	3,869	1,018	972	994	1,028	4,012	959	973	956	1,003	3,891	841
	QoQ Change			-4.7%	-4.5%	2.3%	3.4%		-6.7%	1.5%	-1.7%	4.9%		-16.2%
	YoY Change	-5.9%	14.9%	27.4%	-3.0%	-0.6%	-3.7%	3.7%	-5.8%	0.1%	-3.8%	-2.4%	-3.0%	-12.3%
Terminal equipment & materials		928	880	216	201	177	237	831	202	230	181	242	855	189
	QoQ Change			-15.6%	-6.9%	-11.9%	33.9%		-14.8%	13.9%	-21.3%	33.7%		-21.9%
	YoY Change	-13.4%	-5.2%	-4.4%	-2.0%	-8.3%	-7.4%	-5.6%	-6.5%	14.4%	2.3%	2.1%	2.9%	-6.4%
Interconnect & payments to telecom operators		847	909	212	211	211	191	825	196	206	201	202	805	192
	QoQ Change			-3.6%	-0.5%	0.0%	-9.5%		2.6%	5.1%	-2.4%	0.5%		-5.0%
	YoY Change	-6.4%	7.3%	0.0%	-12.4%	-10.6%	-13.2%	-9.2%	-7.5%	-2.4%	-4.7%	5.8%	-2.4%	-2.0%
Maintenance of buildings and sites		639	616	154	145	151	155	605	147	138	152	147	584	71
	QoQ Change			3.4%	-5.8%	4.1%	2.6%		-5.2%	-6.1%	10.1%	-3.3%		-51.7%
	YoY Change	5.3%	-3.6%	2.7%	-7.1%	-6.2%	4.0%	-1.8%	-4.5%	-4.8%	0.7%	-5.2%	-3.5%	-51.7%
Marketing & general		603	640	177	168	180	172	697	144	134	159	158	595	145
	QoQ Change			-5.3%	-5.1%	7.1%	-4.4%		-16.3%	-6.9%	18.7%	-0.6%		-8.2%
	YoY Change	7.1%	6.1%	37.2%	5.0%	9.8%	-8.0%	8.9%	-18.6%	-20.2%	-11.7%	-8.1%	-14.6%	0.7%
Services and maintenance by sub-contractors		137	199	63	61	68	69	261	67	64	67	62	260	71
	QoQ Change			8.6%	-3.2%	11.5%	1.5%		-2.9%	-4.5%	4.7%	-7.5%		14.5%
	YoY Change	-15.4%	45.3%	85.3%	10.9%	30.8%	19.0%	31.2%	6.3%	4.9%	-1.5%	-10.1%	-0.4%	6.0%
Vehicle maintenance		154	167	42	39	42	41	164	42	39	38	37	156	17
	QoQ Change			-4.5%	-7.1%	7.7%	-2.4%		2.4%	-7.1%	-2.6%	-2.6%		-54.1%
	YoY Change	1.3%	8.4%	20.0%	-4.9%	-10.6%	-6.8%	-1.8%	0.0%	0.0%	-9.5%	-9.8%	-4.9%	-59.5%
Content		58	458	154	147	165	163	629	161	162	158	155	636	156
	QoQ Change			0.0%	-4.5%	12.2%	-1.2%		-1.2%	0.6%	-2.5%	-1.9%		0.6%
	YoY Change	-10.8%	689.7%	N/M	2.1%	12.2%	N/M	37.3%	4.5%	10.2%	-4.2%	-4.9%	1.1%	-3.1%

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



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Group (cont'd)													
Key Cash Flow Metrics													
Operating cash flow	3,796	3,740	922	870	902	832	3,526	826	875	982	842	3,525	909
QoQ Change			3.7%	-5.6%	3.7%	-7.8%		-0.7%	5.9%	12.2%	-14.3%		8.0%
YoY Change	-8.6%	-1.5%	-4.1%	3.6%	-14.1%	-6.4%	-5.7%	-10.4%	0.6%	8.9%	1.2%	0.0%	10.0%
Capital expenditures, gross (cash flow)	1,275	1,635	345	387	349	335	1,416	380	406	353	391	1,530	368
QoQ Change			4.9%	12.2%	-9.8%	-4.0%		13.4%	6.8%	-13.1%	10.8%		-5.9%
YoY Change	3.8%	28.2%	-6.3%	-24.3%	-18.3%	1.8%	-13.4%	10.1%	4.9%	1.1%	16.7%	8.1%	-3.2%
Proceeds from sale of assets	230	151	42	56	24	16	138	10	18	48	22	98	8
QoQ Change			31.3%	33.3%	-57.1%	-33.3%		-37.5%	80.0%	166.7%	-54.2%		-63.6%
YoY Change	-26.3%	-34.3%	223.1%	-33.3%	9.1%	-50.0%	-8.6%	-76.2%	-67.9%	100.0%	37.5%	-29.0%	-20.0%
Capital expenditures, net	1,045	1,484	303	331	325	319	1,278	370	388	305	369	1,432	360
QoQ Change			2.0%	9.2%	-1.8%	-1.8%		16.0%	4.9%	-21.4%	21.0%		-2.4%
YoY Change	14.1%	42.0%	-14.6%	-22.5%	-19.8%	7.4%	-13.9%	22.1%	17.2%	-6.2%	15.7%	12.1%	-2.7%
Lease payments (IFRS 16)													126
Free cash flow	2,751	2,256	619	539	577	513	2,248	456	487	677	473	2,093	423
QoQ Change			4.6%	-12.9%	7.1%	-11.1%		-11.1%	6.8%	39.0%	-30.1%		-10.6%
YoY Change	-15.0%	-18.0%	2.1%	30.5%	-10.5%	-13.3%	-0.4%	-26.3%	-9.6%	17.3%	-7.8%	-6.9%	-7.2%
Working Capital													
Change in trade & other receivables	549	322	(12)	75	53	(10)	106	(7)	23	105	72	193	74
Change in inventory	28	(20)	(9)	14	2	(27)	(20)	(20)	8	2	(25)	(35)	(5)
Change in trade & other payables	(39)	(271)	39	(137)	(12)	86	(24)	(24)	(15)	103	(54)	10	42
Change in provisions	(63)	18	(12)	3	(3)	(7)	(19)	1	(2)	16	0	15	8
Change in employee benefits	3	110	1	(9)	(92)	35	(65)	(6)	9	(65)	29	(33)	7
Change in other liabilities (incl broadcasting rights)	4	(9)	(3)	(5)	16	15	23	(9)	(25)	4	(4)	(34)	1
Total changes in assets and liabilities	482	150	4	(59)	(36)	92	1	(65)	(2)	165	18	116	127
Income tax paid, net	527	462	105	100	92	158	455	106	122	118	100	446	207
Interest paid	431	494	32	192	32	202	458	22	177	18	198	415	5
Funds From Operations (FFO)	3,314	3,590	918	929	938	740	3,525	891	877	817	824	3,409	656
Ratios													
Operating margin	35.6%	25.7%	22.4%	24.5%	23.9%	21.2%	23.0%	23.1%	23.3%	22.5%	17.4%	21.6%	19.6%
Net margin	23.3%	17.2%	11.3%	15.0%	15.7%	7.4%	12.3%	14.3%	14.5%	13.3%	8.3%	12.6%	11.0%
EBITDA margin	49.8%	42.6%	40.0%	42.1%	41.5%	37.5%	40.3%	40.5%	40.5%	40.6%	34.7%	39.1%	41.8%
Capex/Sales	14.1%	16.4%	13.5%	15.4%	13.9%	13.4%	14.0%	15.5%	16.5%	14.6%	15.9%	15.6%	15.6%



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Group (cont'd)													
Balance Sheet													
Cash & cash equivalents	N/A	555	1,221	1,338	938	648	648	792	1,854	2,471	2,181	2,181	1,826
Investments	N/A	762	556	912	908	586	586	578	19	94	289	289	1,390
Trade receivables	N/A	2,058	2,042	2,029	1,998	2,000	2,000	1,976	1,991	1,948	1,915	1,915	1,827
Other receivables	N/A	269	299	205	191	219	219	297	347	294	270	270	306
Eurocom DBS Ltd., related party	N/A	-	-	29	29	-	-	35	56	43	43	43	25
Inventory	N/A	115	123	109	96	106	106	114	105	101	125	125	130
Total current assets		3,759	4,241	4,622	4,160	3,559	3,559	3,792	4,372	4,951	4,823	4,823	5,504
Trade and other receivables	N/A	674	662	647	641	644	644	595	507	520	493	493	466
Broadcasting rights	N/A	456	456	455	450	432	432	438	456	457	454	454	451
Right-of-use assets													1,417
Fixed assets	N/A	6,894	6,902	6,872	6,840	6,876	6,876	6,886	6,868	6,817	6,798	6,798	6,782
Intangible assets	N/A	3,332	3,260	3,195	3,121	3,047	3,047	2,986	2,943	2,894	2,768	2,768	2,728
Deferred tax assets	N/A	1,178	1,105	1,099	1,103	1,007	1,007	1,008	1,015	1,014	1,019	1,019	1,027
Deferred expenses and non-current investments	N/A	386	407	397	388	382	382	429	457	489	494	494	547
Total non-current assets		12,920	12,792	12,665	12,543	12,388	12,388	12,342	12,246	12,191	12,026	12,026	13,418
Total assets		16,679	17,033	17,287	16,703	15,947	15,947	16,134	16,618	17,142	16,849	16,849	18,922
Debentures, loans and borrowings	N/A	1,913	2,073	1,958	2,135	1,825	1,825	1,594	958	555	1,632	1,632	1,609
Lease liability													428
Trade and other payables	N/A	1,657	1,843	1,576	1,599	1,610	1,610	1,705	1,608	1,807	1,699	1,699	1,820
Current tax liabilities	N/A	624	622	628	171	104	104	112	112	118	152	152	43
Liability to Eurocom DBS Ltd.	N/A	233	206	208	6	32	32	6	-	-	-	-	-
Employee benefits	N/A	378	380	370	280	315	315	308	318	251	280	280	286
Provisions	N/A	100	88	90	87	80	80	81	79	94	94	94	103
Dividend payable	N/A	-	-	-	665	-	-	-	-	708	-	-	-
Total current liabilities			5,212	4,830	4,943	3,966	3,966	3,806	3,075	3,533	3,857	3,857	4,289
Loans and debentures	N/A	8,800	8,532	9,546	9,111	9,128	9,128	9,109	10,561	10,978	10,229	10,229	10,547
Lease liability													1,006
Employee benefits	N/A	240	238	239	237	258	258	260	259	260	272	272	272
Derivative and other liabilities	N/A	226	262	252	257	244	244	250	251	292	234	234	258
Deferred tax liabilities	N/A	51	50	75	81	101	101	103	99	104	73	73	86
Provisions	N/A	46	46	46	47	47	47	47	48	48	40	40	39
Total non-current liabilities		9,363	9,128	10,158	9,733	9,778	9,778	9,769	11,218	11,682	10,848	10,848	12,208
Total equity		2,411	2,693	2,299	2,027	2,203	2,203	2,559	2,325	1,927	2,144	2,144	2,425
Total debt	10,087	10,713	10,605	11,504	11,246	10,953	10,953	10,703	11,519	11,533	11,861	11,861	12,156
Net debt	7,204	9,396	8,828	9,254	9,400	9,719	9,719	9,333	9,646	8,968	9,391	9,391	8,940
Net debt / EBITDA (ttm)	1.60	2.21	2.04	2.24	2.31	2.39	2.39	2.32	2.43	2.29	2.46	2.46	2.34



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Fixed-Line													
Key Income Statement Metrics (Revenues)													
Total Revenues	4,317	4,407	1,112	1,100	1,089	1,082	4,383	1,078	1,058	1,061	1,047	4,244	1,063
QoQ Change			2.2%	-1.1%	-1.0%	-0.6%		-0.4%	-1.9%	0.3%	-1.3%		1.5%
YoY Change	-3.6%	2.1%	-0.1%	-0.5%	-1.1%	-0.6%	-0.5%	-3.1%	-3.8%	-2.6%	-3.2%	-3.2%	-1.4%
Broadband Internet	1,394	1,450	371	374	374	381	1,500	382	380	385	397	1,544	396
QoQ Change			2.2%	0.8%	0.0%	1.9%		0.3%	-0.5%	1.3%	3.1%		-0.3%
YoY Change	8.3%	4.0%	3.6%	2.2%	3.0%	5.0%	3.4%	3.0%	1.6%	2.9%	4.2%	2.9%	3.7%
Telephony	1,668	1,499	359	351	351	331	1,392	334	320	318	309	1,281	302
QoQ Change			-3.0%	-2.2%	0.0%	-5.7%		0.9%	-4.2%	-0.6%	-2.8%		-2.3%
YoY Change	-15.4%	-10.1%	-5.8%	-6.4%	-5.9%	-10.5%	-7.1%	-7.0%	-8.8%	-9.4%	-6.6%	-8.0%	-9.6%
Transmission & data	1,022	1,053	271	268	258	272	1,069	250	245	244	236	975	247
QoQ Change			4.2%	-1.1%	-3.7%	5.4%		-8.1%	-2.0%	-0.4%	-3.3%		4.7%
YoY Change	3.2%	3.0%	2.3%	1.9%	-2.6%	4.6%	1.5%	-7.7%	-8.6%	-5.4%	-13.2%	-8.8%	-1.2%
Cloud & digital services	N/A	184	50	48	52	53	203	56	57	57	60	230	62
QoQ Change			8.7%	-4.0%	8.3%	1.9%		5.7%	1.8%	0.0%	5.3%		3.3%
YoY Change			4.2%	11.6%	13.0%	15.2%	10.3%	12.0%	18.8%	9.6%	13.2%	13.3%	10.7%
Other	233	221	61	59	54	45	219	56	56	57	45	214	56
QoQ Change			27.1%	-3.3%	-8.5%	-16.7%		24.4%	0.0%	1.8%	-21.1%		24.4%
YoY Change	1.3%	-5.2%	0.0%	1.7%	0.0%	-6.3%	-0.9%	-8.2%	-5.1%	5.6%	0.0%	-2.3%	0.0%
Revenues from Residential Customers	2,498	2,507	N/A	N/A	N/A	N/A	2,329	N/A	N/A	N/A	N/A	2,232	N/A
% of total revenues	57.9%	56.9%					53.1%					52.6%	
Revenues from Business Customers	1,819	1,900	N/A	N/A	N/A	N/A	2,054	N/A	N/A	N/A	N/A	2,012	N/A
% of total revenues	42.1%	43.1%					46.9%					47.4%	
Key Income Statement Metrics													
Depreciation & amortization	688	725	183	185	188	161	717	180	177	186	185	728	204
QoQ Change			-1.1%	1.1%	1.6%	-14.4%		11.8%	-1.7%	5.1%	-0.5%		10.3%
YoY Change	0.7%	5.4%	4.0%	2.8%	2.2%	-13.0%	-1.1%	-1.6%	-4.3%	-1.1%	14.9%	1.5%	13.3%
Salaries	895	912	230	217	225	226	898	224	220	224	223	891	228
QoQ Change			1.3%	-5.7%	3.7%	0.4%		-0.9%	-1.8%	1.8%	-0.4%		2.2%
YoY Change	-8.7%	1.9%	1.3%	-4.0%	-3.0%	-0.4%	-1.5%	-2.6%	-1.4%	-0.4%	-1.3%	-0.8%	1.8%
Other operating expenses (income)	(23)	(99)	(9)	(12)	(26)	34	(13)	(4)	(1)	(24)	6	(23)	18
QoQ Change			N/M	33.3%	116.7%	N/M		N/M	-75.0%	2300.0%	-125.0%		200.0%
YoY Change	-70.5%	330.4%	-47.1%	-91.4%	100.0%	N/M	-86.9%	-55.6%	-91.7%	-7.7%	-82.4%	76.9%	N/M
Operating profit	1,980	2,148	536	540	519	481	2,076	513	496	492	470	1,971	473
QoQ Change			25.5%	0.7%	-3.9%	-7.3%		6.7%	-0.8%	-0.8%	-4.5%		0.6%
YoY Change	-0.9%	8.5%	-2.0%	-18.4%	1.4%	12.6%	-3.4%	-4.3%	-8.1%	-5.2%	-2.3%	-5.1%	-7.8%
Finance expenses (income), net	400	332	101	105	93	146	445	92	82	107	122	403	121
QoQ Change			431.6%	4.0%	-11.4%	57.0%		-37.0%	-10.9%	30.5%	14.0%		-0.8%
YoY Change	-9.5%	-17.0%	34.7%	5.0%	-32.6%	668.4%	34.0%	-8.9%	-21.9%	15.1%	-16.4%	-9.4%	31.5%
Income taxes	478	492	107	109	83	100	399	102	97	109	88	396	89
QoQ Change				1.9%	-23.9%	20.5%		2.0%	-4.9%	12.4%	-19.3%		1.1%
YoY Change	16.6%	2.9%					-18.9%	-4.7%	-11.0%	31.3%	-12.0%	-0.8%	-12.7%
Net profit ⁽¹⁾	1,102	1,324	328	326	343	235	1,232	319	317	276	260	1,172	263
QoQ Change			-3.5%	-0.6%	5.2%	-31.5%		35.7%	-0.6%	-12.9%	-5.8%		1.2%
YoY Change	-3.8%	20.1%	-5.2%	-14.1%	34.0%	-30.9%	-6.9%	-2.7%	-2.8%	-19.5%	10.6%	-4.9%	-17.6%
Adjusted EBITDA (excluding IFRS 16 and other operating income/expenses)	2,645	2,774	710	713	681	676	2,780	689	672	654	661	2,676	672
QoQ Change			4.1%	0.4%	-4.5%	-0.7%		1.9%	-2.5%	-2.7%	1.1%		1.7%
YoY Change	1.6%	4.9%	0.6%	1.4%	-0.3%	-0.9%	0.2%	-3.0%	-5.8%	-4.0%	-3.7%	-3.7%	-2.5%
EBITDA, reported	2,668	2,873	719	725	707	642	2,793	693	673	678	655	2,699	677
QoQ Change			17.5%	0.8%	-2.5%	-9.2%		7.9%	-2.9%	0.7%	-3.4%		3.4%
YoY Change	-0.5%	7.7%	-0.6%	-13.9%	1.6%	4.9%	-2.8%	-3.6%	-7.2%	-4.1%	2.0%	-3.4%	-2.3%
Adjusted EBITDA (excluding IFRS 16)													654
Key Cash Flow Metrics													
Operating cash flow	2,259	2,358	539	517	526	482	2,064	600	465	573	587	2,225	516
QoQ Change			-19.3%	-4.1%	1.7%	-8.4%		24.5%	-22.5%	23.2%	2.4%		-12.1%
YoY Change	-0.7%	4.4%	-1.6%	13.4%	-23.3%	-27.8%	-12.5%	11.3%	-10.1%	8.9%	21.8%	7.8%	-14.0%
Capital expenditures, gross (cash flow)	822	849	195	227	207	205	834	210	219	170	226	825	205
QoQ Change			-1.0%	16.4%	-8.8%	-1.0%		2.4%	4.3%	-22.4%	32.9%		-9.3%
YoY Change	4.2%	3.3%	-15.6%	18.8%	-10.0%	4.1%	-1.8%	7.7%	-3.5%	-17.9%	10.2%	-1.1%	-2.4%
Capital expenditures, net	601	703	154	173	185	190	702	200	203	124	204	731	198
QoQ Change			-6.1%	12.3%	6.9%	2.7%		5.3%	1.5%	-38.9%	64.5%		-2.9%
YoY Change	23.9%	17.0%	-29.7%	55.9%	-11.5%	15.9%	-0.1%	29.9%	17.3%	-33.0%	7.4%	4.1%	-1.0%
Lease payments (IFRS 16)													33
Free cash flow	1,658	1,655	385	344	341	292	1,362	400	262	449	383	1,494	285
QoQ Change			-23.6%	-10.6%	-0.9%	-14.4%		37.0%	-34.5%	71.4%	-14.7%		-25.6%
YoY Change	-7.3%	-0.2%	17.0%	-0.3%	-28.5%	-42.1%	-17.7%	3.9%	-23.8%	31.7%	31.2%	9.7%	-28.8%



Bezeq

(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Fixed-Line (cont'd)													
Operating & general expenses													
Total general & operating expenses	777	721	172	170	183	180	705	165	166	183	163	677	140
QoQ Change			-3.9%	-1.2%	7.6%	-1.6%		-8.3%	0.6%	10.2%	-10.9%		-14.1%
YoY Change	-13.2%	-7.2%	-4.4%	-3.4%	-1.6%	0.6%	-2.2%	-4.1%	-2.4%	0.0%	-9.4%	-4.0%	-15.2%
Maintenance of buildings and sites	217	202	49	46	49	45	189	47	45	49	44	185	34
QoQ Change			-2.0%	-6.1%	6.5%	-8.2%		4.4%	-4.3%	8.9%	-10.2%		-22.7%
YoY Change	-6.9%	-6.9%	-3.9%	-2.1%	-9.3%	-10.0%	-6.4%	-4.1%	-2.2%	0.0%	-2.2%	-2.1%	-27.7%
Interconnect & payments to telecom operators	161	145	34	33	34	29	130	31	29	31	27	118	28
QoQ Change			-2.9%	-2.9%	3.0%	-14.7%		6.9%	-6.5%	6.9%	-12.9%		3.7%
YoY Change	-26.8%	-9.9%	-10.5%	-10.8%	-2.9%	-17.1%	-10.3%	-8.8%	-12.1%	-8.8%	-6.9%	-9.2%	-9.7%
Marketing & general	213	188	43	44	55	53	195	42	44	54	48	188	40
QoQ Change			-2.3%	2.3%	25.0%	-3.6%		-20.8%	4.8%	22.7%	-11.1%		-16.7%
YoY Change	14.5%	-11.7%	-8.5%	-8.3%	12.2%	20.5%	3.7%	-2.3%	0.0%	-1.8%	-9.4%	-3.6%	-4.8%
Terminal equipment & materials	49	48	12	12	11	12	47	10	12	12	10	44	11
QoQ Change			-25.0%	0.0%	-8.3%	9.1%		-16.7%	20.0%	0.0%	-16.7%		10.0%
YoY Change	-45.6%	-2.0%	9.1%	9.1%	10.0%	-25.0%	-2.1%	-16.7%	0.0%	9.1%	-16.7%	-6.4%	10.0%
Services and maintenance by sub-contractors	61	60	17	17	16	22	72	17	19	19	18	73	20
QoQ Change			30.8%	0.0%	-5.9%	37.5%		-22.7%	11.8%	0.0%	-5.3%		11.1%
YoY Change	-4.7%	-1.6%	6.3%	21.4%	-5.9%	69.2%	20.0%	0.0%	11.8%	18.8%	-18.2%	1.4%	17.6%
Vehicle maintenance	76	78	17	18	18	19	72	18	17	18	16	69	7
QoQ Change			-19.0%	5.9%	0.0%	5.6%		-5.3%	-5.6%	5.9%	-11.1%		-56.3%
YoY Change	0.0%	2.6%	0.0%	-5.3%	-14.3%	-9.5%	-7.7%	5.9%	-5.6%	0.0%	-15.8%	-4.2%	-61.1%
Ratios													
Operating margin	45.9%	48.7%	48.2%	49.1%	47.7%	44.5%	47.4%	47.6%	46.9%	46.4%	44.9%	46.4%	44.5%
Net margin	25.5%	30.0%	29.5%	29.6%	31.5%	21.7%	28.1%	29.6%	30.0%	26.0%	24.8%	27.6%	24.7%
EBITDA margin	61.8%	65.2%	64.7%	65.9%	64.9%	59.3%	63.7%	64.3%	63.6%	63.9%	62.6%	63.6%	63.7%
Capex/Sales	19.0%	19.3%	17.5%	20.6%	19.0%	18.9%	19.0%	19.5%	20.7%	16.0%	21.6%	19.4%	19.3%



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Telephone													
Key Income Statement Metrics (Revenues)													
Total Revenues	3,419	2,890	671	658	649	652	2,630	628	632	635	651	2,546	619
QoQ Change			-5.9%	-1.9%	-1.4%	0.5%		-3.7%	0.6%	0.5%	2.5%		-4.9%
YoY Change	-10.2%	-15.5%	-7.7%	-8.7%	-11.0%	-8.6%	-9.0%	-6.4%	-4.0%	-2.2%	-0.2%	-3.2%	-1.4%
Service Revenues	2,453	1,999	455	456	468	439	1,818	435	449	461	437	1,782	431
QoQ Change			-4.6%	0.2%	2.6%	-6.2%		-0.9%	3.2%	2.7%	-5.2%		-1.4%
YoY Change	-12.6%	-18.5%	-8.8%	-9.2%	-10.2%	-8.0%	-9.1%	-4.4%	-1.5%	-1.5%	-0.5%	-2.0%	-0.9%
Equipment Revenues	966	891	216	202	181	213	812	193	183	174	214	764	188
QoQ Change			-8.5%	-6.5%	-10.4%	17.7%		-9.4%	-5.2%	-4.9%	23.0%		-12.1%
YoY Change	-3.5%	-7.8%	-5.3%	-7.8%	-13.0%	-9.7%	-8.9%	-10.6%	-9.4%	-3.9%	0.5%	-5.9%	-2.6%
Revenues from Private Customers	1,930	1,750	N/A	N/A	N/A	N/A	1,616	N/A	N/A	N/A	N/A	1,541	N/A
% of total revenues	56.4%	60.6%					61.4%					60.5%	
Revenues from Business Customers	1,490	1,140	N/A	N/A	N/A	N/A	1,015	N/A	N/A	N/A	N/A	1,005	N/A
% of total revenues	43.6%	39.4%					38.6%					39.5%	
Key Income Statement Metrics													
Cost of sales	2,537	2,383	579	560	536	573	2,248	553	529	534	555	2,171	531
QoQ Change			-3.8%	-3.3%	-4.3%	6.9%		-3.5%	-4.3%	0.9%	4.3%		-4.3%
YoY Change	-6.4%	-6.1%	-4.6%	-4.8%	-8.5%	-4.8%	-5.7%	-4.5%	-5.5%	-0.4%	-3.1%	-3.4%	-4.0%
Gross profit	882	507	92	98	113	79	382	75	103	101	96	375	88
QoQ Change			-17.1%	6.5%	15.3%	-30.1%		-5.1%	37.3%	-1.9%	-5.0%		-8.3%
YoY Change	-19.7%	-42.5%	-23.3%	-26.3%	-21.0%	-28.8%	-24.7%	-18.5%	5.1%	-10.6%	21.5%	-1.8%	17.3%
Sales & marketing expenses	309	247	66	68	65	61	260	48	51	58	58	215	62
QoQ Change			-2.9%	3.0%	-4.4%	-6.2%		-21.3%	6.3%	13.7%	0.0%		6.9%
YoY Change	-3.4%	-20.1%	4.8%	19.3%	10.2%	-10.3%	5.3%	-27.3%	-25.0%	-10.8%	-4.9%	-17.3%	29.2%
General & administrative expenses	106	98	25	22	21	21	89	22	22	21	23	88	24
QoQ Change			-7.4%	-12.0%	-4.5%	0.0%		4.8%	0.0%	-4.5%	9.5%		4.3%
YoY Change	-2.8%	-7.5%	0.0%	-4.3%	-8.7%	-22.2%	-9.2%	-12.0%	0.0%	0.0%	9.5%	-1.1%	9.1%
Other operating expenses	18	5	-	-	-	1	1	-	-	-	-	-	-
Salaries (included in oper. exps)	417	381	96	94	94	94	378	98	94	94	98	384	100
QoQ Change			-3.0%	-2.1%	0.0%	0.0%		4.3%	-4.1%	0.0%	4.3%		2.0%
YoY Change	-5.0%	-8.6%	0.0%	-2.1%	4.4%	-5.1%	-0.8%	2.1%	0.0%	0.0%	4.3%	1.6%	2.0%
Depreciation & amortization (included in oper. exps)	430	419	104	95	92	89	380	94	99	100	90	383	158
QoQ Change			4.0%	-8.7%	-3.2%	-3.3%		5.6%	5.3%	1.0%	-10.0%		75.6%
YoY Change	-6.1%	-2.6%	0.0%	-10.4%	-15.6%	-11.0%	-9.3%	-9.6%	4.2%	8.7%	1.1%	0.8%	68.1%
Operating profit	449	157	1	8	27	(4)	32	5	30	22	15	72	2
QoQ Change			-90.9%	700.0%	237.5%	-114.8%		N/M	500.0%	-26.7%	-31.8%		-86.7%
YoY Change	-26.2%	-65.0%	-96.9%	-84.9%	-55.7%	-136.4%	-79.6%	400.0%	275.0%	-18.5%	-475.0%	125.0%	-60.0%
Net profit	373	151	13	13	32	3	61	16	34	24	21	95	9
QoQ Change			18.2%	0.0%	146.2%	-90.6%		433.3%	112.5%	-29.4%	-12.5%		-57.1%
YoY Change	-28.4%	-59.5%	-63.9%	-73.5%	-41.8%	-72.7%	-59.6%	23.1%	161.5%	-25.0%	600.0%	55.7%	-43.8%
EBITDA reported	879	576	105	103	119	85	412	99	129	122	105	455	160
QoQ Change			-5.4%	-1.9%	15.5%	-28.6%		16.5%	30.3%	-5.4%	-13.9%		52.4%
YoY Change	-17.5%	-34.5%	-22.8%	-35.2%	-30.0%	-23.4%	-28.5%	-5.7%	25.2%	2.5%	23.5%	10.4%	61.6%
Adjusted EBITDA (excluding IFRS 16)													98
Key Cash Flow Metrics													
Operating cash flow	1,213	730	185	180	152	65	582	117	193	209	86	605	239
QoQ Change			1221.4%	-2.7%	-15.6%	-57.2%		80.0%	65.0%	8.3%	-58.9%		177.9%
YoY Change	-23.8%	-39.8%	-47.3%	-10.9%	-6.7%	364.3%	-20.3%	-36.8%	7.2%	37.5%	32.3%	4.0%	104.3%
Capital expenditures, gross (cash flow)	329	428	52	63	64	64	243	73	82	78	77	310	69
QoQ Change			-20.0%	21.2%	1.6%	0.0%		14.1%	12.3%	-4.9%	-1.3%		-10.4%
YoY Change	2.8%	30.1%	-28.8%	-68.3%	-29.7%	-1.5%	-43.2%	40.4%	30.2%	21.9%	20.3%	27.6%	-5.5%
Capital expenditures, net (cash flow)	321	426	51	63	64	63	241	73	82	78	76	309	69
QoQ Change			-21.5%	23.5%	1.6%	-1.6%		15.9%	12.3%	-4.9%	-2.6%		-9.2%
YoY Change	1.9%	32.7%	-29.2%	-68.3%	-28.9%	-3.1%	-43.4%	43.1%	30.2%	21.9%	20.6%	28.2%	-5.5%
Lease payments (IFRS 16)													75
Free cash flow	892	304	134	117	88	2	341	44	111	131	10	296	95
QoQ Change			N/M	-12.7%	-24.8%	-97.7%		2100.0%	152.3%	18.0%	-92.4%		850.0%
YoY Change	-30.1%	-65.9%	-52.0%	3800.0%	20.5%	-103.9%	12.2%	-67.2%	-5.1%	48.9%	400.0%	-13.2%	115.9%
Ratios													
Gross profit margin	25.8%	17.5%	13.7%	14.9%	17.4%	12.1%	14.5%	11.9%	16.3%	15.9%	14.7%	14.7%	14.2%
Operating margin	13.1%	5.4%	0.1%	1.2%	4.2%	-0.6%	1.2%	0.8%	4.7%	3.5%	2.3%	2.8%	0.3%
Net margin	10.9%	5.2%	1.9%	2.0%	4.9%	0.5%	2.3%	2.5%	5.4%	3.8%	3.2%	3.7%	1.5%
EBITDA margin	25.7%	19.9%	15.6%	15.7%	18.3%	13.0%	15.7%	15.8%	20.4%	19.2%	16.1%	17.9%	25.8%
Capex/Sales	9.6%	14.8%	7.7%	9.6%	9.9%	9.8%	9.2%	11.6%	13.0%	12.3%	11.8%	12.2%	11.1%



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq International													
Key Income Statement Metrics													
Total Revenues	1,504	1,578	395	377	384	392	1,548	384	407	367	379	1,537	352
QoQ Change			-2.5%	-4.6%	1.9%	2.1%		-2.0%	6.0%	-9.8%	3.3%		-7.1%
YoY Change	5.0%	4.9%	0.5%	-3.6%	-1.3%	-3.2%	-1.9%	-2.8%	8.0%	-4.4%	-3.3%	-0.7%	-8.3%
Revenues from ILD services	395	379	N/A	N/A	N/A	N/A	325	N/A	N/A	N/A	N/A	268	N/A
% of total revenues	26.3%	24.0%					21.0%					17.4%	
Revenues from Internet, Data & ICT services	1,109	1,199	N/A	N/A	N/A	N/A	1,223	N/A	N/A	N/A	N/A	1,269	N/A
% of total revenues	73.7%	76.0%					79.0%					82.6%	
Revenues from Private Customers	529	555	N/A	N/A	N/A	N/A	570	N/A	N/A	N/A	N/A	563	N/A
% of total revenues	35.2%	35.2%					36.8%					36.6%	
Revenues from Business Customers	975	1,023	N/A	N/A	N/A	N/A	978	N/A	N/A	N/A	N/A	974	N/A
% of total revenues	64.8%	64.8%					63.2%					63.4%	
Key Income Statement Metrics													
Cost of sales	951	1,015	258	246	256	255	1,015	258	288	253	259	1,058	238
QoQ Change			-1.9%	-4.7%	4.1%	-0.4%		1.2%	11.6%	-12.2%	2.4%		-8.1%
YoY Change	8.2%	6.7%	-1.6%	-1.6%	2.0%	-3.0%	0.0%	0.0%	17.1%	-1.2%	1.6%	4.2%	-7.8%
Gross profit	553	563	137	131	128	137	533	126	119	114	120	479	114
QoQ Change			-3.5%	-4.4%	-2.3%	7.0%		-8.0%	-5.6%	-4.2%	5.3%		-5.0%
YoY Change	-0.2%	1.8%	-3.5%	-7.1%	-7.2%	-3.5%	-5.3%	-8.0%	-9.2%	-10.9%	-12.4%	-10.1%	-9.5%
Sales & marketing expenses	209	209	57	56	55	53	221	48	46	48	45	187	50
QoQ Change			5.6%	-1.8%	-1.8%	-3.6%		-9.4%	-4.2%	4.3%	-6.3%		11.1%
YoY Change	1.8%	0.0%	7.5%	5.7%	12.2%	-1.9%	5.7%	-15.8%	-17.9%	-12.7%	-15.1%	-15.4%	4.2%
General & administrative expenses	112	116	29	28	28	33	118	29	27	28	31	115	28
QoQ Change			-6.5%	-3.4%	0.0%	17.9%		-12.1%	-6.9%	3.7%	10.7%		-9.7%
YoY Change	-5.9%	3.6%	3.6%	0.0%	-3.4%	6.5%	1.7%	0.0%	-3.6%	0.0%	-6.1%	-2.5%	-3.4%
Other operating expenses (income)	-	(2)	14	-	-	4	18	-	1	(1)	3	3	2
Salaries (included in oper. exps)	298	303	83	82	83	82	330	84	81	81	78	324	83
QoQ Change			7.8%	-1.2%	1.2%	-1.2%		2.4%	-3.6%	0.0%	-3.7%		6.4%
YoY Change	3.8%	1.7%	7.8%	10.8%	10.7%	6.5%	8.9%	1.2%	-1.2%	-2.4%	-4.9%	-1.8%	-1.2%
Depreciation & amortization (included in oper. exps)	130	132	33	35	35	34	137	33	33	34	35	135	43
QoQ Change			-5.7%	6.1%	0.0%	-2.9%		-2.9%	0.0%	3.0%	2.9%		22.9%
YoY Change	0.8%	1.5%	3.1%	9.4%	6.1%	-2.9%	3.8%	0.0%	-5.7%	-2.9%	2.9%	-1.5%	30.3%
Operating profit	232	240	37	47	45	47	176	49	45	39	41	174	34
QoQ Change			-36.2%	27.0%	-4.3%	4.4%		4.3%	-8.2%	-13.3%	5.1%		-17.1%
YoY Change	2.0%	3.4%	-39.3%	-24.2%	-23.7%	-19.0%	-26.7%	32.4%	-4.3%	-13.3%	-12.8%	-1.1%	-30.6%
Net profit	165	172	26	33	33	33	125	36	33	27	31	127	24
QoQ Change			-38.1%	26.9%	0.0%	0.0%		9.1%	-8.3%	-18.2%	14.8%		-22.6%
YoY Change	4.3%	4.2%	-40.9%	-26.7%	-19.5%	-21.4%	-27.3%	38.5%	0.0%	-18.2%	-6.1%	1.6%	-33.3%
EBITDA reported	362	372	70	82	80	81	313	82	78	73	76	309	77
QoQ Change			-24.7%	17.1%	-2.4%	1.3%		1.2%	-4.9%	-6.4%	4.1%		1.3%
YoY Change	1.6%	2.8%	-24.7%	-12.8%	-13.0%	-12.9%	-15.9%	17.1%	-4.9%	-8.8%	-6.2%	-1.3%	-6.1%
Adjusted EBITDA (excluding IFRS 16)													68
Key Cash Flow Metrics													
Operating cash flow	312	301	49	69	65	86	269	52	69	74	82	277	67
QoQ Change			-49.0%	40.8%	-5.8%	32.3%		-39.5%	32.7%	7.2%	10.8%		-18.3%
YoY Change	8.4%	-3.5%	-21.0%	-6.8%	-5.8%	-10.4%	-10.6%	6.1%	0.0%	13.8%	-4.7%	3.0%	28.8%
Capital expenditures, gross (cash flow)	110	128	37	33	24	26	120	29	46	31	36	142	31
QoQ Change			76.0%	-10.8%	-27.3%	8.3%		11.5%	58.6%	-32.6%	16.1%		-13.9%
YoY Change	5.2%	16.4%	-30.1%	28.0%	-15.0%	23.7%	-6.3%	-21.6%	39.4%	29.2%	38.5%	18.3%	6.9%
Capital expenditures, net (cash flow)	108	128	37	33	24	25	119	29	46	29	35	139	31
QoQ Change			76.2%	-10.8%	-27.3%	4.2%		16.0%	58.6%	-37.0%	20.7%		-11.4%
YoY Change	11.2%	18.5%	-30.2%	26.9%	-14.3%	19.0%	-7.0%	-21.6%	39.4%	20.8%	40.0%	16.8%	6.9%
Lease payments (IFRS 16)													9
Free cash flow	204	173	12	36	41	61	150	23	23	45	47	138	27
QoQ Change			-84.0%	200.0%	13.9%	48.8%		-62.3%	0.0%	95.7%	4.4%		-42.6%
YoY Change	7.0%	-15.2%	33.3%	-25.0%	0.0%	-18.7%	-13.3%	91.7%	-36.1%	9.8%	-23.0%	-8.0%	17.4%
Ratios													
Gross profit margin	36.8%	35.7%	34.7%	34.7%	33.3%	34.9%	34.4%	32.8%	29.2%	31.1%	31.7%	31.2%	32.4%
Operating margin	15.4%	15.2%	9.4%	12.5%	11.7%	12.0%	11.4%	12.8%	11.1%	10.6%	10.8%	11.3%	9.7%
Net margin	11.0%	10.9%	6.6%	8.8%	8.6%	8.4%	8.1%	9.4%	8.1%	7.4%	8.2%	8.3%	6.8%
EBITDA margin	24.1%	23.6%	17.7%	21.8%	20.8%	20.7%	20.2%	21.4%	19.2%	19.9%	20.1%	20.1%	21.9%
Capex/Sales	7.3%	8.1%	9.4%	8.8%	6.3%	6.6%	7.8%	7.6%	11.3%	8.4%	9.5%	9.2%	8.8%



(NIS millions, except for EPS)

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
yes													
Key Income Statement Metrics													
Revenues	1,724	1,774	439	434	434	438	1,745	424	416	406	404	1,650	375
QoQ Change			-2.2%	-1.1%	0.0%	0.9%		-3.2%	-1.9%	-2.4%	-0.5%		-7.2%
YoY Change	5.4%	2.9%	-0.2%	-1.1%	-2.7%	-2.4%	-1.6%	-3.4%	-4.1%	-6.5%	-7.8%	-5.4%	-11.6%
Cost of sales	1,203	1,289	321	312	314	314	1,261	315	313	312	320	1,260	318
QoQ Change			-6.1%	-2.8%	0.6%	0.0%		0.3%	-0.6%	-0.3%	2.6%		-0.6%
YoY Change	6.5%	7.1%	0.3%	-0.3%	0.0%	-8.2%	-2.2%	-1.9%	0.3%	-0.6%	1.9%	-0.1%	1.0%
Gross profit	521	485	118	122	120	124	484	109	103	94	84	390	57
QoQ Change			10.3%	3.4%	-1.6%	3.3%		-12.1%	-5.5%	-8.7%	-10.6%		-32.1%
YoY Change	3.2%	-6.9%	-1.7%	-3.2%	-9.1%	15.9%	-0.2%	-7.6%	-15.6%	-21.7%	-32.3%	-19.4%	-47.7%
Sales & marketing expenses	154	140	38	24	35	31	128	35	29	34	33	131	35
QoQ Change			18.8%	-36.8%	45.8%	-11.4%		12.9%	-17.1%	17.2%	-2.9%		6.1%
YoY Change	0.2%	-9.1%	5.6%	-31.4%	-5.4%	-3.1%	-8.6%	-7.9%	20.8%	-2.9%	6.5%	2.3%	0.0%
General & administrative expenses	94	95	23	21	23	25	92	22	25	25	24	96	23
QoQ Change			-17.9%	-8.7%	9.5%	8.7%		-12.0%	13.6%	0.0%	-4.0%		-4.2%
YoY Change	11.9%	1.1%	-8.0%	0.0%	9.5%	-10.7%	-3.2%	-4.3%	19.0%	8.7%	-4.0%	4.3%	4.5%
Salaries (included in oper. exps)	267	270	61	60	64	64	249	59	59	62	66	246	57
QoQ Change			-12.9%	-1.6%	6.7%	0.0%		-7.8%	0.0%	5.1%	6.5%		-13.6%
YoY Change		1.1%	-11.6%	-3.2%	-7.2%	-8.6%	-7.8%	-3.3%	-1.7%	-3.1%	3.1%	-1.2%	-3.4%
Depreciation & amortization (included in oper. exps)	297	322	76	74	75	71	296	70	71	72	72	285	79
QoQ Change			-13.6%	-2.6%	1.4%	-5.3%		-1.4%	1.4%	1.4%	0.0%		9.7%
YoY Change	13.0%	8.4%	0.0%	-7.5%	-3.8%	-19.3%	-8.1%	-7.9%	-4.1%	-4.0%	1.4%	-3.7%	12.9%
Operating profit	273	250	57	77	62	68	264	52	49	35	27	163	(1)
QoQ Change			21.3%	35.1%	-19.5%	9.7%		-23.5%	-5.8%	-28.6%	-22.9%		N/M
YoY Change	2.2%	-8.4%	-3.4%	10.0%	-16.2%	44.7%	5.6%	-8.8%	-36.4%	-43.5%	-60.3%	-38.3%	N/M
Finance expenses, net	111	90	19	12	26	1	58	27	32	(1)	13	71	(3)
QoQ Change				-36.8%	116.7%	-96.2%		2600.0%	18.5%	N/M	N/M		N/M
YoY Change	-31.1%	-18.9%					-35.6%	42.1%	166.7%	N/M	1200.0%	22.4%	N/M
Net profit (loss)	(322)	(354)	(71)	(114)	(142)	395	68	19	(151)	(123)	11	(244)	1
QoQ Change			-35.5%	60.6%	24.6%	N/M		-95.2%	N/M	-18.5%	-108.9%		-90.9%
YoY Change	-15.4%	9.9%	2266.7%	-31.3%	89.3%	N/M	N/M	N/M	32.5%	-13.4%	-97.2%	N/M	-94.7%
EBITDA reported	570	572	133	151	137	139	560	122	120	107	99	448	78
QoQ Change			-1.5%	13.5%	-9.3%	1.5%		-12.2%	-1.6%	-10.8%	-7.5%		-21.2%
YoY Change	7.6%	0.4%	-1.5%	0.7%	-9.9%	3.0%	-2.1%	-8.3%	-20.5%	-21.9%	-28.8%	-20.0%	-36.1%
Adjusted EBITDA (excluding IFRS 16)													70
Key Cash Flow Metrics													
Operating cash flow	442	505	158	110	154	207	629	51	169	115	95	430	86
QoQ Change			50.5%	-30.4%	40.0%	34.4%		-75.4%	231.4%	-32.0%	-17.4%		-9.5%
YoY Change	-10.1%	14.3%	6.0%	3.8%	6.2%	97.1%	24.6%	-67.7%	53.6%	-25.3%	-54.1%	-31.6%	68.6%
Capital expenditures, gross (cash flow)	305	265	59	58	51	41	209	60	53	69	53	235	62
QoQ Change			37.2%	-1.7%	-12.1%	-19.6%		46.3%	-11.7%	30.2%	-23.2%		17.0%
YoY Change	-5.6%	-13.1%	-9.2%	-29.3%	-32.0%	-4.7%	-21.1%	1.7%	-8.6%	35.3%	29.3%	12.4%	3.3%
Capital expenditures, net (cash flow)	305	265	59	58	50	41	208	60	52	69	53	234	62
QoQ Change			37.2%	-1.7%	-13.8%	-18.0%		46.3%	-13.3%	32.7%	-23.2%		17.0%
YoY Change	-5.6%	-13.1%	-9.2%	-29.3%	-33.3%	-4.7%	-21.5%	1.7%	-10.3%	38.0%	29.3%	12.5%	3.3%
Lease payments (IFRS 16)													8
Free cash flow	137	240	99	52	104	166	421	(9)	117	46	42	196	16
QoQ Change			59.7%	-47.5%	100.0%	59.6%		N/M	N/M	-60.7%	-8.7%		-61.9%
YoY Change	-17.8%	75.2%	17.9%	116.7%	48.6%	167.7%	75.4%	N/M	125.0%	-55.8%	-74.7%	-53.4%	N/M
Ratios													
Gross profit margin	30.2%	27.3%	26.9%	28.1%	27.6%	28.3%	27.7%	25.7%	24.8%	23.2%	20.8%	23.6%	15.2%
Operating margin	15.8%	14.1%	13.0%	17.7%	14.3%	15.5%	15.1%	12.3%	11.8%	8.6%	6.7%	9.9%	-0.3%
Net margin	(18.7%)	(20.0%)	(16.2%)	(26.3%)	(32.7%)	90.2%	3.9%	4.5%	(36.3%)	(30.3%)	2.7%	(14.8%)	0.3%
EBITDA margin	33.1%	32.2%	30.3%	34.8%	31.6%	31.7%	32.1%	28.8%	28.8%	26.4%	24.5%	27.2%	20.8%
Capex/Sales	17.7%	14.9%	13.4%	13.4%	11.8%	9.4%	12.0%	14.2%	12.7%	17.0%	13.1%	14.2%	16.5%



NIS Millions

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
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Bezeq Group

Other Operating Expenses (Income), Net

Loss from impairment of assets	-	-	-	-	-	-	-	-	-	-	-	87	87	-
Profit from increase to controlling stake in Yes	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of shares in Coral Tel Ltd.	-	(582)	-	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of property, plant and equipment (mainly real estate)*	(120)	(167)	(234)	(11)	(29)	(22)	(45)	(107)	(6)	(13)	(45)	(2)	(66)	(1)
Profit from copper sales	(47)	(8)	-	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	(23)	34	-	-	-	-	-	-	-	-	-	-	-
Provision for early retirement	90	176	117	1	14	3	78	96	-	-	3	20	23	12
Expenses for a collective agreement at Telephone	61	18	-	-	-	-	-	-	-	-	-	-	-	-
Loss from the discontinuation of a software development project	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	15	3	(7)	-	11	2	12	19	(9)	24	12
Total other operating expenses (income), net	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	96	68	23

* Includes profit from copper sales beginning Q1 2015



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Bezeq Fixed-Line																			
Key Performance Indicators																			
Total outgoing minutes (in millions)	13,260	12,017	10,699	9,758	8,694	7,047	6,200	5,607	1,316	1,257	1,297	1,136	5,006	1,177	1,098	1,132	1,068	4,475	1,055
QoQ Change									-4.6%	-4.5%	3.2%	-12.4%		3.6%	-6.7%	3.1%	-5.7%		-1.2%
YoY Change	-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.6%	-9.8%	-10.0%	-5.5%	-17.6%	-10.7%	-10.6%	-12.6%	-12.7%	-6.0%	-10.6%	-10.4%
Total incoming minutes (in millions)	6,691	6,718	6,547	6,240	6,225	6,115	5,829	5,628	1,348	1,314	1,383	1,252	5,297	1,281	1,220	1,266	1,205	4,972	1,191
QoQ Change									-3.9%	-2.5%	5.3%	-9.5%		2.3%	-4.8%	3.8%	-4.8%		-1.2%
YoY Change	4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.8%	-4.7%	-3.4%	-5.7%	-5.2%	-1.9%	-10.8%	-5.9%	-5.0%	-7.2%	-8.5%	-3.8%	-6.1%	-7.0%
Total access lines (in 000's)	2,604	2,483	2,366	2,367	2,268	2,216	2,205	2,087	2,068	2,050	2,031	2,010	2,010	1,986	1,961	1,942	1,916	1,916	1,889
QoQ Change									-0.9%	-0.9%	-0.9%	-1.0%		-1.2%	-1.3%	-1.0%	-1.3%		-1.4%
YoY Change	-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-2.3%	-0.5%	-5.4%	-2.7%	-3.2%	-3.4%	-3.7%	-3.7%	-4.0%	-4.3%	-4.4%	-4.7%	-4.7%	-4.9%
QoQ Line change (000's)	(145)	(121)	(117)	1	(99)	(52)	(11)	(118)	(19)	(18)	(19)	(21)	(77)	(24)	(25)	(19)	(26)	(94)	(27)
Average revenue per line (ARPL) (in NIS)	111	109	109	85	81	74	63	59	58	57	57	55	57	56	54	54	53	54	53
QoQ Change									-1.7%	-1.7%	0.0%	-3.5%		1.8%	-3.6%	0.0%	-1.9%		0.0%
YoY Change		-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-6.3%	-3.3%	-3.4%	-3.4%	-6.8%	-3.4%	-3.4%	-5.3%	-5.3%	-3.6%	-5.3%	-5.4%
Churn rate (telephony)	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	11.6%	15.3%	13.1%	11.1%	10.1%	2.8%	2.4%	2.6%	2.4%	10.2%	2.7%	2.4%	2.3%	2.4%	9.8%	3.0%
Broadband Internet lines (in 000's)- Total	1,005	1,035	1,066	1,111	1,169	1,263	1,364	1,479	1,503	1,521	1,539	1,558	1,558	1,580	1,593	1,608	1,635	1,635	1,653
QoQ Change									1.6%	1.2%	1.2%	1.2%		1.4%	0.8%	0.9%	1.7%		1.1%
YoY Change	4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	8.4%	8.1%	7.3%	6.3%	5.3%	5.3%	5.1%	4.7%	4.5%	4.9%	4.9%	4.6%
QoQ Line change (000's)	42	30	31	45	58	94	101	115	24	18	18	19	79	22	13	15	27	77	18
Broadband Internet lines (in 000's)-Wholesale	-	-	-	-	-	-	-	244	290	323	347	377	377	414	444	484	532	532	574
QoQ Change									18.9%	11.4%	7.4%	8.6%		9.8%	7.2%	9.0%	9.9%		7.9%
YoY Change									2536.4%	314.1%	96.0%		54.5%	42.8%	37.5%	39.5%	41.1%	41.1%	38.6%
QoQ Line change (000's)									46	33	24	30	133	37	30	40	48	155	42
Wholesale subs as % of total broadband subs								16.5%	19.3%	21.2%	22.5%	24.2%	24.2%	26.2%	27.9%	30.1%	32.5%	32.5%	34.7%
Broadband Internet lines (in 000's) - Retail	1,005	1,035	1,066	1,111	1,169	1,263	1,364	1,235	1,213	1,198	1,192	1,181	1,181	1,166	1,149	1,124	1,103	1,103	1,079
QoQ Change									-1.8%	-1.2%	-0.5%	-0.9%		-1.3%	-1.5%	-2.2%	-1.9%		-2.2%
YoY Change	4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-12.0%	-10.6%	-6.2%	-4.4%	-4.4%	-3.9%	-4.1%	-5.7%	-6.6%	-6.6%	-7.5%
QoQ Line change (000's)	42	30	31	45	58	94	101	(129)	(22)	(15)	(6)	(11)	(54)	(15)	(17)	(25)	(21)	(78)	(24)
Broadband Internet ARPU (in NIS) - Retail	67	69	75	80	81	84	84	88	90	90	88	90	89	90	90	90	92	90	92
QoQ Change									2.3%	0.0%	-2.2%	2.3%		0.0%	0.0%	0.0%	2.2%		0.0%
YoY Change	4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	3.4%	2.3%	0.0%	2.3%	1.1%	0.0%	0.0%	2.3%	2.2%	1.1%	2.2%
Average broadband speed per subscriber (end of period, Mbps)	2.2	2.7	4.3	6.7	9.6	18.1	32.5	37.8	38.9	40.2	41.8	43.4	43.4	45.1	47.2	49.5	51.5	51.5	53.5
QoQ Change									2.9%	3.3%	4.0%	3.8%		3.9%	4.7%	4.9%	4.0%		3.9%
YoY Change	29.4%	22.7%	59.3%	55.8%	43.3%	88.5%	79.6%	16.3%	17.2%	15.2%	13.9%	14.8%	14.8%	15.9%	17.4%	18.4%	18.7%	18.7%	18.6%
Number of employees	7,530	7,364	7,216	7,076	7,422	6,479	5,964	5,896	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	5,649	5,649	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	5,582	5,582	<i>N/A</i>
YoY Change	-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%				-4.2%							-1.2%
Market share - Internet	<i>N/A</i>	59%	59%	59%	60%	63%	66%	68%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	69%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	70%	<i>N/A</i>
Market share - telephony (private sector)	<i>N/A</i>	72%	65%	63%	59%	57%	56%	56%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	55%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	53%	<i>N/A</i>
Market share - telephony (business sector)	<i>N/A</i>	82%	78%	76%	75%	74%	74%	74%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	73%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	72%	<i>N/A</i>

Bezeq - The Israel Telecommunication Corp. Ltd



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Telephone																			
Key Performance Indicators																			
Total Subscribers (in 000's)	2,649	2,766	2,857	2,847	2,800	2,642	2,586	2,651	2,692	2,260	2,348	2,402	2,402	2,430	2,410	2,475	2,525	2,525	2,546
QoQ Change									1.5%	-16.0%	3.9%	2.3%		1.2%	-0.8%	2.7%	2.0%		0.8%
YoY Change	1.0%	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	5.0%	-11.9%	-8.6%	-9.4%	-9.4%	-9.7%	6.6%	5.4%	5.1%	5.1%	4.8%
QoQ subscriber change (000's)									41	(432)	88	54	(249)	28	(20)	65	50	123	21
Prepaid Subscribers (in 000's)	N/A	N/A	N/A	N/A	N/A	N/A	836	925	N/A	N/A	N/A	733	733	N/A	N/A	N/A	770	770	N/A
YoY Change								10.6%					-20.8%					5.0%	
ARPU (in NIS)	N/A	N/A	111	107	95	86	78	64	57	68	68	62	63	60	61	63	58	61	57
QoQ Change									-5.0%	19.3%	0.0%	-8.8%		-3.2%	1.7%	3.3%	-7.9%		-1.7%
YoY Change				-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-12.3%	4.6%	0.0%	3.3%	-1.6%	5.3%	-10.3%	-7.4%	-6.5%	-3.2%	-5.0%
Churn rate	N/A	13.8%	15.3%	22.9%	22.4%	28.6%	28.0%	25.8%	5.2%	6.2%	6.1%	6.3%	23.7%	7.9%	6.3%	7.1%	6.9%	28.2%	8.0%
Number of employees	N/A	N/A	N/A	N/A	4,072	3,288	3,001	2,679	N/A	N/A	N/A	2,594	2,594	N/A	N/A	N/A	2,551	2,551	N/A
YoY Change						-19.3%	-8.7%	-10.7%					-3.2%					-1.7%	
Market share	28.6%	29.0%	28.9%	29.0%	28.2%	26.3%	25.5%	25.2%	N/A	N/A	22.7%	23.1%	23.1%	N/A	N/A	23.3%	N/A	N/A	N/A
Bezeq International																			
Key Performance Indicators																			
Number of employees	2,325	2,445	2,112	2,262	2,102	2,007	1,932	1,966	N/A	N/A	N/A	1,905	1,905	N/A	N/A	N/A	1,864	1,864	N/A
QoQ Change																			
YoY Change	-11.3%	5.2%	-13.6%	7.1%	-7.1%	-4.5%	-3.7%	1.8%					-3.1%					-2.2%	
Churn rate (ISP)	N/A	14.8%	12.7%	12.6%	18.4%	18.0%	17.0%	17.3%	5.2%	4.5%	5.5%	5.2%	20.4%	5.3%	5.0%	6.3%	6.8%	23.4%	6.0%
Market share - ISP	36.0%	36.0%	35.9%	37.5%	38.8%	40.6%	42%	44%	N/A	N/A	N/A	N/A	44%	N/A	N/A	42.1%	N/A	N/A	N/A
Market share - ILD (Outgoing)	36.0%	31.0%	30.7%	30.0%	24.6%	21.2%	23%	21%	N/A	N/A	N/A	N/A	21%	N/A	N/A	N/A	N/A	25.6%	N/A
yes																			
Key Performance Indicators																			
Subscribers (in 000's)	560	571	578	586	578	600	630	635	629	623	618	614	614	608	603	597	587	587	580
QoQ Change									-0.9%	-1.0%	-0.8%	-0.6%		-1.0%	-0.8%	-1.0%	-1.7%		-1.2%
YoY Change	2.0%	2.0%	1.2%	1.4%	-1.4%	3.8%	5.0%	0.8%	-0.5%	-2.0%	-3.0%	-3.3%	-3.3%	-3.3%	-3.2%	-3.4%	-4.4%	-4.4%	-4.6%
QoQ subscriber change (000's)									(6)	(6)	(5)	(4)	(21)	(6)	(5)	(6)	(10)	(27)	(7)
ARPU (in NIS)	228	226	230	232	234	233	234	233	231	231	233	237	233	232	229	226	226	228	214
QoQ Change									-1.7%	0.0%	0.9%	1.7%		-2.1%	-1.3%	-1.3%	0.0%		-5.3%
YoY Change	5.1%	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	-0.4%	-0.4%	0.0%	0.0%	0.9%	0.0%	0.4%	-0.9%	-3.0%	-4.6%	-2.1%	-7.8%
Churn rate	N/A	13.3%	13.0%	11.9%	15.4%	13.5%	12.8%	13.9%	4.2%	3.6%	4.5%	3.6%	15.9%	4.3%	3.8%	4.8%	5.9%	18.8%	6.1%
Number of employees	1,999	2,158	2,229	2,227	2,276	2,208	2,042	1,984	N/A	N/A	N/A	1,753	1,753	N/A	N/A	N/A	1,680	1,680	N/A
YoY Change		8.0%	3.3%	-0.1%	2.2%	-3.0%	-7.5%	-2.8%					-11.6%				-4.2%		
Mkt share	38%	38%	39%	40%	39%	40%	42%	42%	N/A	N/A	N/A	N/A	40%	N/A	N/A	N/A	N/A	37%	N/A

**Bezeq Group Dividends****Dividend History**

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
May 10, 2018	368	0.13	Semi-Annual Dividend
October 16, 2017	708	0.26	Semi-Annual Dividend
May 29, 2017	578	0.21	Semi-Annual Dividend
October 6, 2016	665	0.24	Semi-Annual Dividend
May 30, 2016	776	0.28	Semi-Annual Dividend
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	Semi-Annual Dividend
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



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
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
Adjusted EBITDA	= EBITDA excluding adoption of IFRS 16 and other operating income/expenses
Free cash flow	= Operating cash flows less net capital expenditures and lease payments
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE
FFO	= Cash flow from operating activities less changes in working capital and payments for leases
ARPL	= Average revenue per line
ARPU	= Average revenue per user
MOU	= Minutes of use
N/A	= Not available
N/M	= Not meaningful