



Facts & Figures Q2 2010

Three months ending June 30, 2010

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For further information:

Bezeq Investor Relations

Phone +9722 539 5441

ir@bezeq.co.il

www.bezeq.co.il



		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
	(NIS millions, except for EPS)	2007	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2010	2010
Bezeq Group ^{(1) (2)}														
Key Income Statement Metrics														
Revenues		11,136	2,760	2,748	2,806	2,701	11,015	2,791	2,872	2,924	2,932	11,519	2,915	2,981
	QoQ Change			-0.4%	2.1%	-3.7%	-1.1%	3.3%	2.9%	1.8%	0.3%		-0.6%	2.3%
	YoY Change							1.1%	4.5%	4.2%	8.6%		4.4%	3.8%
Operating Profit ³		2,321	641	772	775	452	2,640	799	818	875	480	2,972	874	990
	QoQ Change			20.4%	0.4%	-41.7%	13.7%	76.8%	2.4%	7.0%	-45.1%		82.1%	13.3%
	YoY Change							24.6%	6.0%	12.9%	6.2%		9.4%	21.0%
Net profit attributed to Bezeq shareholders ⁴		1,330	411	456	462	298	1,627	608	541	2,088	366	3,603	642	638
	QoQ Change			10.9%	1.3%	-35.5%	104.0%	104.0%	-11.0%	286.0%	-82.5%		75.4%	-0.6%
	YoY Change						22.3%	47.9%	18.6%	351.9%	22.8%		5.6%	17.9%
Earnings Per Share - Basic		0.51	0.15	0.17	0.18	0.12	0.62	0.23	0.21	0.79	0.14	1.37	0.24	0.24
Earnings Per Share - Diluted		0.50	0.15	0.17	0.17	0.12	0.61	0.23	0.20	0.79	0.13	1.34	0.24	0.24
Depreciation & amortization		1,509	368	361	365	364	1,458	371	377	361	376	1,485	343	348
	QoQ Change			-1.9%	1.1%	-0.3%	-3.4%	1.9%	1.6%	-4.2%	4.2%		-8.8%	1.5%
	YoY Change							0.8%	4.4%	-1.1%	3.3%		1.9%	-7.7%
EBITDA		3,830	1,009	1,133	1,140	816	4,098	1,170	1,195	1,236	856	4,457	1,217	1,338
	QoQ Change			12.3%	0.6%	-28.4%	7.0%	43.4%	2.1%	3.4%	-30.7%		42.2%	9.9%
	YoY Change							16.0%	5.5%	8.4%	4.9%		4.0%	12.0%
Shares Outstanding - Basic		2,605	2,605	2,605	2,605	2,605	2,605	2,606	2,617	2,628	2,657	2,635	2,663	2,675
Shares Outstanding - Diluted		2,641	2,649	2,648	2,648	2,649	2,649	2,647	2,667	2,677	2,702	2,684	2,709	2,713
Key Cash Flow Metrics														
Operating cash flow ⁵		2,697	534	727	1,115	693	3,068	1,134	715	1,021	785	3,655	806	976
	QoQ Change			36.1%	53.4%	-37.9%	13.7%	63.8%	-37.0%	42.9%	-23.1%		2.7%	21.1%
	YoY Change							112.5%	-1.7%	-8.4%	13.3%		-28.9%	36.6%
Capital expenditures, gross (accounting)		1,086	263	563	297	509	1,632	395	399	326	384	1,504	360	427
	QoQ Change			114.1%	-47.2%	71.4%	-22.4%	-22.4%	1.0%	-18.3%	17.8%		-6.3%	18.6%
	YoY Change						50.3%	50.2%	-29.1%	9.8%	-24.6%		-8.9%	7.0%
Capital expenditures, gross (cash flow)		991	287	346	539	359	1,531	410	381	384	360	1,535	369	396
	QoQ Change			20.9%	55.6%	-33.4%	14.0%	14.0%	-7.0%	0.8%	-6.2%		2.4%	7.3%
	YoY Change						54.5%	42.9%	10.0%	-28.8%	0.3%		-9.9%	3.9%
Capital expenditures, net (cash flow)		814	226	320	525	313	1,384	359	370	364	352	1,445	354	370
	QoQ Change			42.0%	63.9%	-40.3%	70.0%	14.5%	3.2%	-1.6%	-3.2%		0.5%	4.5%
	YoY Change							58.9%	15.5%	-30.7%	12.5%		-1.3%	0.0%
Free cash flow		1,886	308	408	600	380	1,697	776	350	657	434	2,216	452	606
	QoQ Change			32.4%	46.9%	-36.6%	-10.0%	103.9%	-54.9%	88.0%	-34.0%		4.2%	34.1%
	YoY Change							151.6%	-14.4%	9.6%	14.0%		-41.7%	73.4%
Key Balance Sheet Metrics														
Total debt		5,034	4,797	4,530	4,483	4,356	4,356	4,531	4,168	4,166	4,136	4,136	3,880	5,229
Cash & short-term investments		1,589	1,597	803	1,256	816	816	1,736	882	1,459	734	734	956	242
Net debt		3,445	3,200	3,727	3,227	3,540	3,540	2,795	3,286	2,707	3,402	3,402	2,924	4,987
Ratios														
Operating margin		20.8%	23.2%	28.1%	27.6%	16.7%	24.0%	28.6%	28.5%	29.9%	16.4%	25.8%	30.0%	33.2%
Net margin		11.9%	14.9%	16.6%	16.5%	11.0%	14.8%	21.8%	18.8%	71.4%	12.5%	31.3%	22.0%	21.4%
EBITDA margin		34.4%	36.6%	41.2%	40.6%	30.2%	37.2%	41.9%	41.6%	42.3%	29.2%	38.7%	41.7%	44.9%
Capex/Sales		9.8%	9.5%	20.5%	10.6%	18.8%	14.8%	14.2%	13.9%	11.1%	13.1%	13.1%	12.3%	14.3%
Total debt / EBITDA (ttm)		1.31				1.06	1.06	1.06	0.96	0.94	0.93	0.93	0.86	1.13
Net debt / EBITDA (ttm)		0.90				0.86	0.86	0.66	0.76	0.61	0.76	0.76	0.65	1.07

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

² The Bezeq Group results reflect the consolidation of Walla! as of April 25th, 2010. Q2-10 includes a one-time profit from the consolidation of Walla!.

³ In 2008, NIS 25 million related to a provision for early retirement, which was recorded as other operating expenses, were reclassified to finance expenses and allocated to their respective quarters.

⁴ Group net profit attributed to Bezeq shareholders was retroactively adjusted from 1.1.08 due to the adoption of IAS 27 and IFRS 3.

⁵ In 2008, dividends and interest received were reclassified from operating cash flow to cash flow from investment activities.



(NIS millions, except for EPS)

	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010
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Bezeq Fixed-Line

Key Income Statement Metrics

Revenues		5,713	1,408	1,354	1,388	1,348	5,498	1,326	1,318	1,343	1,316	5,303	1,304	1,307
	QoQ Change			-3.8%	2.5%	-2.9%		-1.6%	-0.6%	1.9%	-2.0%		-0.9%	0.2%
	YoY Change						-3.8%	-5.8%	-2.7%	-3.2%	-2.4%	-3.5%	-1.7%	-0.8%
Operating profit		1,319	373	442	428	232	1,475	437	434	491	161	1,523	490	503
	QoQ Change			18.5%	-3.2%	-45.8%		88.4%	-0.7%	13.1%	-67.2%		204.3%	2.7%
	YoY Change						11.8%	17.2%	-1.8%	14.7%	-30.6%	3.3%	12.1%	15.9%
Net profit ⁽¹⁾		737	244	290	271	145	950	336	316	318	137	1,107	360	349
	QoQ Change			18.9%	-6.6%	-46.5%		131.7%	-6.0%	0.6%	-56.9%		162.8%	-3.1%
	YoY Change						28.9%	37.7%	9.0%	17.3%	-5.5%	16.5%	7.1%	10.4%
Depreciation & amortization		941	218	211	214	209	852	211	205	184	194	794	170	171
	QoQ Change			-3.2%	1.4%	-2.3%		1.0%	-2.8%	-10.2%	5.4%		-12.4%	0.6%
	YoY Change						-9.5%	-3.2%	-2.8%	-14.0%	-7.2%	-6.8%	-19.4%	-16.6%
EBITDA		2,260	591	653	642	441	2,327	648	639	675	355	2,317	660	674
	QoQ Change			10.5%	-1.7%	-31.3%		46.9%	-1.4%	5.6%	-47.4%		85.9%	2.1%
	YoY Change						3.0%	9.6%	-2.1%	5.1%	-19.5%	-0.4%	1.9%	5.5%

Key Cash Flow Metrics ⁽²⁾

Operating cash flow		1,379	N/A	N/A	N/A	N/A	1,691	635	408	526	651	2,220	393	523
	QoQ Change						22.6%		-35.7%	28.9%	23.8%		-39.6%	33.1%
	YoY Change											31.3%	-38.1%	28.2%
Capital expenditures, gross (accounting)		513	128	139	112	221	600	210	209	191	234	844	228	269
	QoQ Change			8.6%	-19.4%	97.3%		-5.0%	-8.6%	22.5%			-2.6%	18.0%
	YoY Change						17.0%	64.1%	50.4%	70.5%	5.9%	40.7%	8.6%	28.7%
Capital expenditures, gross (cash flow)		505	158	132	156	170	616	238	191	204	220	853	238	247
	QoQ Change			-16.5%	18.2%	9.0%		40.0%	-19.7%	6.8%	7.8%		8.2%	3.8%
	YoY Change						22.0%	50.6%	44.7%	30.8%	29.4%	38.5%	0.0%	29.3%
Capital expenditures, net (cash flow)		336	98	107	144	123	472	189	182	185	211	767	223	221
	QoQ Change			9.2%	34.6%	-14.6%		53.7%	-3.7%	1.6%	14.1%		5.7%	-0.9%
	YoY Change						40.5%	92.9%	70.1%	28.5%	71.5%	62.5%	18.0%	21.4%
Free cash flow		1,047	N/A	N/A	N/A	N/A	1,521	846	256	481	448	2,031	635	502
	QoQ Change						45.3%		-69.7%	87.9%	-6.9%		41.7%	-20.9%
	YoY Change											33.5%	-24.9%	96.1%

Key Balance Sheet Metrics ⁽²⁾

Total debt		4,696	N/A	N/A	N/A	N/A	4,276	4,496	N/A	N/A	N/A	4,234	4,052	5,403
Cash & short-term investments		817	N/A	N/A	N/A	N/A	116	1,251	N/A	N/A	N/A	370	570	21
Net debt		3,879	N/A	N/A	N/A	N/A	4,160	3,245	N/A	N/A	N/A	3,864	3,482	5,382

Ratios

Operating margin		23.1%	26.5%	32.6%	30.8%	17.2%	26.8%	33.0%	32.9%	36.6%	12.2%	28.7%	37.6%	38.5%
EBITDA margin		39.6%	42.0%	48.2%	46.3%	32.7%	42.3%	48.9%	48.5%	50.3%	27.0%	43.7%	50.6%	51.6%
Capex/Sales		9.0%	9.1%	10.3%	8.1%	16.4%	10.9%	15.8%	15.9%	14.2%	17.8%	15.9%	17.5%	20.6%
Total debt / EBITDA (ttm)		2.08					1.84	1.89				1.83	1.74	2.29
Net debt / EBITDA (ttm)		1.72					1.79	1.36				1.67	1.50	2.28

¹ Net profit does not include profit/loss of subsidiaries.

² Beginning FY 2009, the Israeli Securities Authority directives require the publication of a separate report for Bezeq Fixed-Line, including full balance sheet, income statement and cash flow data. Prior years quarterly data is not required by law and is presented in this metrics file for convenience purposes only.



(NIS millions, except for EPS)

FY 2007 Q1 2008 Q2 2008 Q3 2008 Q4 2008 FY 2008 Q1 2009 Q2 2009 Q3 2009 Q4 2009 FY 2009 Q1 2010 Q2 2010

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Key Income Statement Metrics

Revenues		4,684	1,173	1,188	1,214	1,138	4,713	1,265	1,346	1,372	1,393	5,376	1,393	1,429
	QoQ Change			1.3%	2.2%	-6.3%		11.2%	6.4%	1.9%	1.5%		0.0%	2.6%
	YoY Change						0.6%	7.8%	13.3%	13.0%	22.4%	14.1%	10.1%	6.2%
Operating profit		805	215	266	293	159	933	302	321	316	251	1,190	322	362
	QoQ Change			23.7%	10.2%	-45.7%	15.9%	89.9%	6.3%	-1.6%	-20.6%	27.5%	28.3%	12.4%
	YoY Change						40.5%	20.7%	7.8%	57.9%	27.5%	6.6%	6.6%	12.8%
Net profit		585	163	180	211	128	682	230	233	231	181	875	259	267
	QoQ Change			10.4%	17.2%	-39.3%	16.6%	79.7%	1.3%	-0.9%	-21.6%	43.1%	43.1%	3.1%
	YoY Change						41.1%	29.4%	9.5%	41.4%	28.3%	12.6%	14.6%	
Depreciation & amortization		479	129	130	129	135	523	139	151	155	158	603	149	149
	QoQ Change			0.8%	-0.8%	4.7%		3.0%	8.6%	2.6%	1.9%		-5.7%	0.0%
	YoY Change						9.2%	7.8%	16.2%	20.2%	17.0%	15.3%	7.2%	-1.3%
EBITDA		1,284	344	396	422	294	1,456	441	472	471	410	1,794	471	511
	QoQ Change			15.1%	6.6%	-30.3%	13.4%	50.0%	7.0%	-0.2%	-13.0%	23.2%	14.9%	8.5%
	YoY Change							28.2%	19.2%	11.6%	39.5%	6.8%	8.3%	

Key Cash Flow Metrics

Operating cash flow		1,228	256	344	379	298	1,277	375	290	395	55	1,115	350	378
	QoQ Change			34.4%	10.2%	-21.4%		25.8%	-22.7%	36.2%	-86.1%		536.4%	8.0%
	YoY Change						4.0%	46.5%	-15.7%	4.2%	-81.5%	-12.7%	-6.7%	30.3%
Capital expenditures, gross (accounting)		440	108	374	172	257	911	165	127	107	109	508	110	112
	QoQ Change			246.3%	-54.0%	49.4%	107.0%	-35.8%	-23.0%	-15.7%	1.9%		0.9%	1.8%
	YoY Change						52.8%	-66.0%	-37.8%	-57.6%	-44.2%	-33.3%	-33.3%	-11.8%
Capital expenditures, gross (cash flow)		381	103	182	350	163	798	149	163	146	101	559	92	114
	QoQ Change			76.7%	92.3%	-53.4%	109.4%	-8.6%	9.4%	-10.4%	-30.8%		-8.9%	23.9%
	YoY Change						44.7%	-10.4%	-58.3%	-38.0%	-29.9%	-38.3%	-30.1%	
Capital expenditures, net (cash flow)		376	102	181	350	162	795	149	159	146	101	555	92	114
	QoQ Change			77.5%	93.4%	-53.7%	111.4%	-8.0%	6.7%	-8.2%	-30.8%		-8.9%	23.9%
	YoY Change						46.1%	-12.2%	-58.3%	-37.7%	-30.2%	-38.3%	-28.3%	
Free cash flow		852	154	163	29	136	482	226	131	249	-45	560	258	264
	QoQ Change			5.8%	-82.2%	369.0%	-43.4%	66.2%	-42.0%	90.1%	-118.1%	16.2%	-673.3%	2.3%
	YoY Change							46.8%	-19.6%	758.6%	-133.1%	14.2%	101.5%	

Ratios

Operating margin		17.2%	18.3%	22.4%	24.1%	14.0%	19.8%	23.9%	23.8%	23.0%	18.0%	22.1%	23.1%	25.3%
Net margin		12.5%	13.9%	15.2%	17.4%	11.2%	14.5%	18.2%	17.3%	16.8%	13.0%	16.3%	18.6%	18.7%
EBITDA margin		27.4%	29.3%	33.3%	34.8%	25.8%	30.9%	34.9%	35.1%	34.3%	29.4%	33.4%	33.8%	35.7%
Capex/Sales		9.4%	9.2%	31.5%	14.2%	22.6%	19.3%	13.0%	9.4%	7.8%	7.8%	9.4%	7.9%	7.8%



(NIS millions, except for EPS)

	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010
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Bezeq International

Key Income Statement Metrics ¹

Revenues		1,304	314	326	329	337	1,306	324	327	332	334	1,318	343	342
	QoQ Change			3.8%	0.9%	2.5%		-3.8%	0.7%	1.8%	0.5%		2.7%	-0.3%
	YoY Change						0.2%	3.4%	0.3%	1.1%	-1.0%	0.9%	5.7%	4.7%
Operating profit		204	55	63	59	65	242	60	68	66	67	261	62	121
	QoQ Change			14.2%	-5.5%	10.1%		-7.5%	12.4%	-1.8%	0.5%		-7.7%	96.1%
	YoY Change						18.6%	9.8%	8.0%	12.3%	2.5%	8.0%	2.3%	78.6%
Net profit		153	42	47	44	46	178	44	56	51	49	200	46	105
	QoQ Change			13.4%	-6.5%	4.0%		-3.7%	26.5%	-9.1%	-2.5%		-6.0%	126.4%
	YoY Change						16.6%	6.2%	18.6%	15.2%	7.9%	12.1%	5.4%	88.5%
Depreciation & amortization		87	20	20	20	20	80	20	21	21	23	84	23	27
	QoQ Change			1.6%	-2.0%	-0.2%		-1.2%	5.4%	3.5%	5.4%		0.2%	17.4%
	YoY Change						-7.5%	-1.9%	1.8%	7.5%	13.5%	5.2%	15.2%	28.2%
EBITDA		290	75	83	79	85	322	80	88	88	89	345	84	147
	QoQ Change			10.8%	-4.7%	7.5%		-6.1%	10.7%	-0.6%	1.7%		-5.7%	75.0%
	YoY Change						10.8%	6.6%	6.5%	11.1%	5.1%	7.3%	5.5%	66.8%

Key Cash Flow Metrics ¹

Operating cash flow		93	8	51	32	73	163	84	83	82	72	320	59	66
	QoQ Change			577.4%	-37.4%	129.4%		14.2%	-1.0%	-1.3%	-11.7%		-17.5%	10.7%
	YoY Change						76.3%	1010.8%	62.4%	155.9%	-1.4%	95.7%	-28.8%	-20.4%
Capital expenditures, gross (accounting) ²		131	27	50	14	28	119	20	63	29	38	150	20	43
	QoQ Change			85.2%	-72.0%	100.0%		-28.6%	215.0%	-54.0%	31.0%		-47.4%	115.0%
	YoY Change						-9.2%	-25.9%	26.0%	107.1%	35.7%	26.1%	0.0%	-31.7%
Capital expenditures, gross (cash flow) ²		103	28	31	33	27	119	21	26	33	39	120	37	33
	QoQ Change			12.4%	7.7%	-19.1%		-20.4%	21.7%	28.3%	17.1%		-6.3%	-10.8%
	YoY Change						14.7%	-22.0%	-15.6%	0.5%	45.6%	1.3%	71.3%	25.6%
Capital expenditures, net (cash flow) ²		100	28	31	33	26	118	21	26	33	39	120	37	33
	QoQ Change			12.4%	7.7%	-20.7%		-19.2%	22.1%	28.5%	17.1%		-6.4%	-10.7%
	YoY Change						18.7%	-22.4%	-15.8%	0.5%	48.4%	1.6%	72.0%	25.8%
Free cash flow ²		-7	-20	20	9	47	56	62	62	48	33	205	23	33
	QoQ Change			NM	-55.8%	428.0%		33.1%	-0.9%	-21.9%	-31.4%		-31.0%	-45.3%
	YoY Change						NM	NM	208.0%	443.9%	-29.3%	268.8%	-63.4%	-46.3%

Ratios

Operating margin	15.6%	17.5%	19.2%	18.0%	19.3%	18.5%	18.5%	20.7%	20.0%	20.0%	19.8%	17.9%	35.3%
Net margin	11.7%	13.2%	14.4%	13.4%	13.6%	13.7%	13.6%	17.1%	15.2%	14.8%	15.2%	13.5%	30.8%
EBITDA margin	22.3%	23.8%	25.4%	24.0%	25.2%	24.6%	24.6%	27.0%	26.4%	26.7%	26.2%	24.5%	43.1%
Capex/Sales	10.0%	8.6%	15.3%	4.3%	8.3%	9.1%	6.2%	19.3%	8.7%	11.4%	11.4%	5.8%	12.6%

¹ Q2-10 excludes Walla's financials, but includes a one-time profit from the consolidation of Walla!

² In 2008, Bezeq International capex and FCF were retroactively adjusted to include acquisitions of other intangible assets.



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

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



		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
	(NIS millions, except for EPS)	2007	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2010	2010
Walla!														
Key Income Statement Metrics														
Revenues		99	25	28	30	29	112	30	31	36	35	132	40	42
	QoQ Change			12.9%	8.9%	-3.4%	12.6%	3.2%	3.6%	16.0%	-3.9%	16.1%	16.1%	4.9%
	YoY Change							22.5%	12.4%	19.7%	19.1%	18.4%	34.1%	35.8%
Operating profit		18	5	6	6	7	24	7	6	7	8	28	6	4
	QoQ Change			24.2%	10.1%	15.5%	34.8%	-6.8%	-6.6%	11.9%	6.3%	16.0%	-18.2%	-39.2%
	YoY Change							47.2%	10.7%	12.5%	3.5%	16.0%	-9.1%	-40.8%
Net profit		16	3	4	4	5	17	6	4	5	5	20	5	3
	QoQ Change			24.4%	4.8%	16.3%	7.3%	-20.4%	11.8%	1.8%		15.5%	-6.1%	-42.9%
	YoY Change						9.9%	62.8%	4.2%	11.2%	-2.7%	15.5%	-14.9%	-39.0%
Depreciation & amortization		7	2	2	2	2	8	2	2	2	2	9	2	2
	QoQ Change			-0.9%	-0.8%	11.0%	2.7%	3.7%	0.5%	6.1%	-2.5%	14.5%	-1.6%	-5.3%
	YoY Change							13.2%	14.8%	22.7%	7.8%	14.5%	2.3%	-3.6%
EBITDA		25	6	8	8	9	32	9	8	9	10	36	8	6
	QoQ Change			17.0%	7.5%	14.5%	25.4%	-4.5%	-4.9%	10.5%	4.2%	15.6%	-14.5%	-30.4%
	YoY Change							37.5%	11.7%	14.8%	4.5%	15.6%	-6.4%	-31.5%
Key Cash Flow Metrics														
Operating cash flow		18	6	10	8	16	40	6	6	12	9	33	9	8
	QoQ Change			79.4%	-15.3%	90.0%	121.3%	-60.5%	-7.5%	98.7%	-19.5%	33.0%	-1.6%	-9.5%
	YoY Change							14.1%	-41.2%	38.0%	-41.5%	-16.9%	45.7%	42.5%
Capital expenditures, gross (accounting)		7	1	2	0	4	7	3	3	1	1	8	2	2
	QoQ Change			41.2%	-82.6%	1305.2%	-3.5%	-30.4%	-0.2%	-45.8%	-37.4%	13.0%	129.0%	-1.9%
	YoY Change							139.5%	69.4%	428.6%	-76.5%	13.0%	-22.5%	-23.8%
Capital expenditures, gross (cash flow)		7	2	1	1	4	8	2	2	2	1	6	3	1
	QoQ Change			-39.5%	30.2%	165.2%	24.6%	-52.6%	-16.5%	14.8%	-34.9%	13.0%	157.4%	-72.2%
	YoY Change							-0.9%	36.8%	20.6%	-70.4%	-24.4%	60.8%	-46.5%
Capital expenditures, net (cash flow)		7	2	1	1	4	8	2	1	2	1	6	3	1
	QoQ Change			-36.8%	25.7%	175.0%	23.3%	-52.6%	-17.0%	15.6%	-34.9%	13.0%	157.4%	-72.2%
	YoY Change							3.5%	35.8%	24.9%	-70.4%	-23.4%	60.8%	-46.2%
Free cash flow		11	4	9	7	12	32	4	4	10	8	27	6	7
	QoQ Change			133.2%	-20.4%	73.1%	177.3%	-63.0%	-3.6%	127.5%	-16.8%	23.5%	-23.5%	19.7%
	YoY Change							18.9%	-50.8%	40.6%	-32.4%	-15.3%	39.5%	73.3%
Ratios														
Operating margin		17.9%	18.8%	20.6%	20.9%	25.0%	21.4%	22.6%	20.3%	19.6%	21.7%	21.0%	15.3%	8.9%
Net margin		16.0%	14.0%	15.4%	14.8%	17.9%	15.6%	18.6%	14.3%	13.8%	14.6%	15.2%	11.8%	6.4%
EBITDA margin		25.3%	26.3%	27.3%	26.9%	31.9%	28.2%	29.5%	27.1%	25.8%	28.0%	27.5%	20.6%	13.7%
Capex/Sales		7.0%	4.5%	5.6%	0.9%	12.9%	6.0%	8.7%	8.4%	3.9%	2.6%	5.7%	5.0%	4.7%



	FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010
Bezeq Fixed-Line													
Key Performance Indicators													
Total outgoing minutes (in millions)	14,869	3,511	3,346	3,428	3,154	13,439	3,123	3,014	3,096	2,964	12,196	2,773	2,763
<i>QoQ Change</i>			-4.7%	2.5%	-8.0%		-1.0%	-3.5%	2.7%	-4.3%		-6.4%	-0.4%
<i>YoY Change</i>						-9.6%	-11.1%	-9.9%	-9.7%	-6.0%	-9.2%	-11.2%	-8.3%
Total incoming minutes (in millions)	6,411	1,673	1,651	1,719	1,648	6,691	1,654	1,659	1,731	1,674	6,718	1,627	1,634
<i>QoQ Change</i>			-1.3%	4.1%	-4.1%		0.4%	0.3%	4.3%	-3.3%		-2.8%	0.4%
<i>YoY Change</i>						4.4%	-1.1%	0.5%	0.7%	1.6%	0.4%	-1.6%	-1.5%
Total access lines (in 000's)	2,761	2,711	2,681	2,645	2,615	2,615	2,579	2,547	2,518	2,489	2,489	2,458	2,425
<i>QoQ Change</i>			-1.1%	-1.3%	-1.1%		-1.4%	-1.2%	-1.1%	-1.2%		-1.2%	-1.3%
<i>YoY Change</i>						-5.3%	-4.9%	-5.0%	-4.8%	-4.8%	-4.8%	-4.7%	-4.8%
Bezeq ARPL - Voice & fixed fees (in NIS) ¹	87	84	82	85	82	83	81	81	83	82	82	80	81
<i>QoQ Change</i>			-2.4%	3.7%	-3.5%		-1.0%	-0.2%	2.5%	-1.2%		-2.4%	1.3%
<i>YoY Change</i>						-4.6%	-3.3%	-1.2%	-2.4%	0.0%	-1.2%	-1.5%	0.0%
ADSL lines (in 000's)	963	970	982	994	1,005	1,005	1,011	1,016	1,026	1,035	1,035	1,045	1,051
<i>QoQ Change</i>			1.2%	1.2%	1.1%		0.6%	0.5%	1.0%	0.9%		1.0%	0.6%
<i>YoY Change</i>						4.4%	4.2%	3.5%	3.2%	3.0%	3.0%	3.4%	3.4%
Bezeq ARPU - ADSL (in NIS)	64	68	66	68	67	67	68	69	72	72	70	75	75
<i>QoQ Change</i>			-2.9%	3.0%	-1.5%		1.5%	1.5%	4.3%	0.0%		4.2%	0.0%
<i>YoY Change</i>						4.7%	0.0%	4.5%	5.9%	7.5%	4.5%	10.3%	8.7%
Number of employees	7,614	7,458	7,425	7,417	7,530	7,530	7,545	7,399	7,335	7,364	7,364	7,332	7,325
<i>QoQ Change</i>			-0.4%	-0.1%	1.5%		0.2%	-1.9%	-0.9%	0.4%		-0.4%	-0.1%
<i>YoY Change</i>						-1.1%	1.2%	-0.4%	-1.1%	-2.2%	-2.2%	-2.8%	-1.0%

¹ Not including revenues from data communications and transmissions services, services to communications providers, and contract and other services



		FY 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010
Pelephone														
Key Performance Indicators														
Subscribers (in 000's)		2,622	2,595	2,636	2,698	2,649	2,649	2,669	2,694	2,721	2,766	2,766	2,789	2,807
	QoQ Change			1.6%	2.4%	-1.8%		0.8%	0.9%	1.0%	1.7%		0.8%	0.6%
	YoY Change						1.0%	2.9%	2.2%	0.9%	4.4%	4.4%	4.5%	4.2%
ARPU (in NIS)		131	126	128	129	122	126	128	131	136	132	132	133	136
	QoQ Change			1.6%	0.8%	-5.4%		4.9%	2.3%	3.8%	-2.9%		0.8%	2.3%
	YoY Change						-3.8%	1.6%	2.3%	5.4%	8.2%	4.8%	3.9%	3.8%
MOU (per sub, per month)		354	355	358	359	335	352	323	329	339	339	333	336	348
	QoQ Change			0.8%	0.3%	-6.7%		-3.6%	1.9%	3.0%	0.0%		-0.9%	3.6%
	YoY Change						-0.6%	-9.0%	-8.1%	-5.6%	1.2%	-5.4%	4.0%	5.8%
3G subscribers (in 000's)		749	867	977	1,068	1,151	1,151	1,217	1,307	1,407	1,531	1,531	1,619	1,698
	QoQ Change			12.7%	9.3%	7.8%		5.7%	7.4%	7.7%	8.8%		5.7%	4.9%
	YoY Change						53.7%	40.4%	33.8%	31.7%	33.0%	33.0%	33.0%	29.9%
% data of total cellular service revenue		12.7%	15.0%	15.5%	16.2%	18.4%	16.3%	18.5%	19.1%	20.0%	20.8%	19.6%	22.6%	23.0%

yes

Key Performance Indicators														
Subscribers (in 000's)		549	549	551	556	560	560	560	562	567	571	571	571	573
	QoQ Change			0.4%	0.9%	0.7%		0.0%	0.4%	0.9%	0.7%		0.0%	0.4%
	YoY Change						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
ARPU (in NIS)		217	231	230	226	225	228	228	224	224	229	226	229	231
	QoQ Change			-0.4%	-1.7%	-0.4%		1.3%	-1.8%	0.0%	2.2%		0.0%	0.9%
	YoY Change						5.1%	-1.3%	-2.6%	-0.9%	1.8%	-0.9%	0.4%	3.1%



GLOSSARY

Glossary

EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization (trailing twelve months)
Free Cash Flow	= Operating cash flows less net capital expenditures plus dividends received
Net Capital Expenditures	= Purchase of property, plant & equipment (less proceeds from sale) and investment in intangible assets
ARPU	= Average Revenue Per User
MOU	= Minutes of Use
N/A	= Not Available
N/M	= Not Meaningful