



## Bezeq Facts & Figures Q4 & FY 2019

Three months and year ending December 31, 2019

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(NIS millions, except for EPS)

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
<b>Bezeq Group <sup>(1)</sup></b>											
<b>Key Income Statement Metrics</b>											
Revenues	9,789	2,361	2,333	2,301	2,326	9,321	2,256	2,224	2,247	2,202	8,929
QoQ Change		-3.9%	-1.2%	-1.4%	1.1%		-3.0%	-1.4%	1.0%	-2.0%	
YoY Change	-2.9%	-3.8%	-5.3%	-4.7%	-5.4%	-4.8%	-4.4%	-4.7%	-2.3%	-5.3%	-4.2%
Depreciation, amortization & impairment	1,715	525	537	547	580	2,189	466	478	481	487	1,912
QoQ Change		23.0%	2.3%	1.9%	6.0%		-19.7%	2.6%	0.6%	1.2%	
YoY Change	-1.4%	22.7%	26.7%	25.5%	35.8%	27.6%	-11.2%	-11.0%	-12.1%	-16.0%	-12.7%
Salaries	2,005	510	503	494	485	1,992	492	489	474	478	1,933
QoQ Change		1.0%	-1.4%	-1.8%	-1.8%		1.4%	-0.6%	-3.1%	0.8%	
YoY Change	-0.3%	1.2%	1.8%	-1.6%	-4.0%	-0.6%	-3.5%	-2.8%	-4.0%	-1.4%	-3.0%
Other operating expenses (income), net	(19)	23	84	6	521	634	(25)	(414)	39	179	(221)
Loss from impairment of assets	87	-	-	10	1,665	1,675	-	951	-	102	1,053
Operating profit (loss)	2,110	462	371	429	(1,810)	(548)	511	(94)	459	113	989
QoQ Change		8.2%	-19.7%	15.6%	N/M		N/M	N/M	N/M	-75.4%	
YoY Change	-9.1%	-18.4%	-35.3%	-21.1%	N/M	N/M	10.6%	N/M	7.0%	N/M	N/M
Finance expenses (income), net	417	108	110	109	108	435	99	136	205	109	549
QoQ Change		-10.0%	1.9%	-0.9%	-0.9%		-8.3%	37.4%	50.7%	-46.8%	
YoY Change	-6.7%	6.9%	7.8%	16.0%	-10.0%	4.3%	-8.3%	23.6%	88.1%	0.9%	26.2%
Income taxes	453	93	65	85	(163)	80	112	1,342	62	9	1,525
QoQ Change		-7.9%	-30.1%	30.8%	N/M		N/M	1098.2%	-95.4%	-85.5%	
YoY Change	-27.5%	-17.7%	-41.4%	-33.6%	N/M	-82.3%	20.4%	1964.6%	-27.1%	N/M	1806.3%
Net profit (loss), reported	1,235	260	195	234	(1,755)	(1,066)	300	(1,573)	191	(5)	(1,087)
QoQ Change		26.8%	-25.0%	20.0%	N/M		N/M	N/M	N/M	-102.6%	
YoY Change	-0.7%	-25.7%	-45.5%	-27.3%	N/M	N/M	15.4%	N/M	-18.4%	N/M	2.0%
ADJUSTED NET PROFIT (excluding other operating income/expenses and one-time impairment)	1,308	278	260	249	197	983	291	225	221	213	950
EBITDA, reported	3,825	987	908	976	(1,230)	1,641	977	384	940	600	2,901
QoQ Change		15.6%	-8.0%	7.5%	N/M		N/M	-60.7%	144.8%	-36.2%	
YoY Change	-5.8%	-0.7%	-8.9%	-0.4%	N/M	-57.1%	-1.0%	-57.7%	-3.7%	N/M	76.8%
ADJUSTED EBITDA (excluding other operating income/expenses and one-time impairment)	3,893	1,010	992	992	956	3,950	952	921	979	881	3,733
QoQ Change		6.3%	-1.8%	0.0%	N/M		-0.4%	-3.3%	6.3%	-10.0%	
YoY Change	-4.1%	2.0%	-0.4%	3.7%	N/M	1.5%	-5.7%	-7.2%	-1.3%	-7.8%	-5.5%
Earnings Per Share - Diluted	0.45	0.09	0.07	0.08	(0.63)	(0.39)	0.11	(0.57)	0.07	0.00	(0.39)
Shares Outstanding - Diluted	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
<b>Operating &amp; General Expenses</b>											
Total operating & general expenses	3,891	841	838	815	885	3,379	812	814	794	843	3,263
QoQ Change		-16.2%	-0.4%	-2.7%	8.6%		-8.2%	0.2%	-2.5%	6.2%	
YoY Change	-3.0%	-12.3%	-13.9%	-14.7%	-11.8%	-13.2%	-3.4%	-2.9%	-2.6%	-4.7%	-3.4%
Terminal equipment & materials	855	189	171	167	210	737	184	173	183	221	761
QoQ Change		-21.9%	-9.5%	-2.3%	25.7%		-12.4%	-6.0%	5.8%	20.8%	
YoY Change	2.9%	-6.4%	-25.7%	-7.7%	-13.2%	-13.8%	-2.6%	1.2%	9.6%	5.2%	3.3%
Interconnect & payments to telecom operators	805	192	196	197	204	789	189	194	193	181	757
QoQ Change		-5.0%	2.1%	0.5%	3.6%		-7.4%	2.6%	-0.5%	-6.2%	
YoY Change	-2.4%	-2.0%	-4.9%	-2.0%	1.0%	-2.0%	-1.6%	-1.0%	-2.0%	-11.3%	-4.1%
Maintenance of buildings and sites	584	71	68	74	73	286	68	65	70	68	271
QoQ Change		-51.7%	-4.2%	8.8%	-1.4%		-6.8%	-4.4%	7.7%	-2.9%	
YoY Change	-3.5%	-51.7%	-50.7%	-51.3%	-50.3%	-51.0%	-4.2%	-4.4%	-5.4%	-6.8%	-5.2%
Marketing & general	595	145	146	135	129	555	123	118	120	128	489
QoQ Change		-8.2%	0.7%	-7.5%	-4.4%		-4.7%	-4.1%	1.7%	6.7%	
YoY Change	-14.6%	0.7%	9.0%	-15.1%	-18.4%	-6.7%	-15.2%	-19.2%	-11.1%	-0.8%	-11.9%
Services and maintenance by sub-contractors	260	71	68	68	70	277	70	68	63	69	270
QoQ Change		14.5%	-4.2%	0.0%	2.9%		0.0%	-2.9%	-7.4%	9.5%	
YoY Change	-0.4%	6.0%	6.3%	1.5%	12.9%	6.5%	-1.4%	0.0%	-7.4%	-1.4%	-2.5%
Vehicle maintenance	156	17	20	19	26	82	18	20	16	17	71
QoQ Change		-54.1%	17.6%	-5.0%	36.8%		-30.8%	11.1%	-20.0%	6.3%	
YoY Change	-4.9%	-59.5%	-48.7%	-50.0%	-29.7%	-47.4%	5.9%	0.0%	-15.8%	-34.6%	-13.4%
Content	636	156	169	155	173	653	160	176	149	159	644
QoQ Change		0.6%	8.3%	-8.3%	11.6%		-7.5%	10.0%	-15.3%	6.7%	
YoY Change	1.1%	-3.1%	4.3%	-1.9%	11.6%	2.7%	2.6%	4.1%	-3.9%	-8.1%	-1.4%

<sup>(1)</sup> 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 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
<b>Bezeq Group (cont'd)</b>											
<b>Key Cash Flow Metrics</b>											
Operating cash flow	3,525	909	806	883	914	3,512	765	624	787	748	2,924
QoQ Change		8.0%	-11.3%	9.6%	3.5%		-16.3%	-18.4%	26.1%	-5.0%	
YoY Change	0.0%	10.0%	-7.9%	-10.1%	8.6%	-0.4%	-15.8%	-22.6%	-10.9%	-18.2%	-16.7%
Capital expenditures, gross (cash flow)	1,530	368	531	412	416	1,727	373	525	329	324	1,551
QoQ Change		-5.9%	44.3%	-22.4%	1.0%		-10.3%	40.8%	-37.3%	-1.5%	
YoY Change	8.1%	-3.2%	30.8%	16.7%	6.4%	12.9%	1.4%	-1.1%	-20.1%	-22.1%	-10.2%
Proceeds from sale of assets	98	8	(57)	12	272	235	41	341	15	12	409
QoQ Change		-63.6%	N/M	N/M	2166.7%		-84.9%	731.7%	-95.6%	-20.0%	
YoY Change	-29.0%	-20.0%	N/M	-75.0%	1136.4%	139.8%	412.5%	-698.2%	25.0%	-95.6%	74.0%
Capital expenditures, net	1,432	360	588	400	144	1,492	332	184	314	312	1,142
QoQ Change		-2.4%	63.3%	-32.0%	-64.0%		130.6%	-44.6%	70.7%	-0.6%	
YoY Change	12.1%	-2.7%	51.5%	31.1%	-61.0%	4.2%	-7.8%	-68.7%	-21.5%	116.7%	-23.5%
Lease payments (IFRS 16)		126	96	109	91	422	117	90	115	92	414
Free cash flow	2,093	423	122	374	679	1,598	316	350	358	344	1,368
QoQ Change		-10.6%	-71.2%	206.6%	81.6%		-53.5%	10.8%	2.3%	-3.9%	
YoY Change	-6.9%	-7.2%	-74.9%	-44.8%	43.6%	-23.7%	-25.3%	186.9%	-4.3%	-49.3%	-14.4%
<b>Working Capital</b>											
Change in trade & other receivables	193	74	60	66	41	241	(28)	46	8	65	91
Change in inventory	(35)	(5)	18	(7)	(11)	(5)	(9)	0	4	(11)	(16)
Change in trade & other payables	10	42	(152)	(30)	2	(138)	9	(185)	43	20	(113)
Change in provisions	15	8	7	(3)	69	81	(30)	3	(5)	(17)	(49)
Change in employee benefits	(33)	7	77	(40)	445	489	(46)	(52)	(58)	106	(50)
Change in other liabilities (incl broadcasting rights)	(34)	1	(17)	(2)	18	-	(12)	6	(11)	18	(8)
Total changes in assets and liabilities	116	127	(7)	(16)	564	668	(116)	(182)	(19)	172	(145)
Income tax paid, net	446	207	93	82	85	467	49	104	89	83	325
Interest paid	415	5	199	5	212	421	5	185	21	181	392
Funds From Operations (FFO)	3,409	656	717	790	681	2,844	764	716	691	898	3,069
<b>Ratios</b>											
Operating margin	21.6%	19.6%	15.9%	18.6%	-77.8%	-5.9%	22.7%	-4.2%	20.4%	5.1%	11.1%
Net margin	12.6%	11.0%	8.4%	10.2%	-75.5%	-11.4%	13.3%	-70.7%	8.5%	-0.2%	-12.2%
EBITDA margin	39.1%	41.8%	38.9%	42.4%	-52.9%	17.6%	43.3%	17.3%	41.8%	27.2%	32.5%
Capex/Sales	15.6%	15.6%	22.8%	17.9%	17.9%	18.5%	16.5%	23.6%	14.6%	14.7%	17.4%
<b>Adjusted EBITDA and Adjusted Net Profit Calculations</b>											
EBITDA reported	3,825	987	908	976	(1,230)	1,641	977	384	940	600	2,901
Other operating expenses (income), net	(19)	23	84	6	521	634	(25)	(414)	39	179	(221)
Loss from impairment of assets	87	-	-	10	1,665	1,675	-	951	-	102	1,053
ADJUSTED EBITDA	3,893	1,010	992	992	956	3,950	952	921	979	881	3,733
NET PROFIT reported	1,235	260	195	234	(1,755)	(1,066)	300	(1,573)	191	(5)	(1,087)
Other operating expenses (income), after tax	(14)	18	65	5	401	488	(9)	(319)	30	138	(160)
Loss from impairment of assets (yes and Walla)	87	-	-	10	1,551	1,561	-	-	-	-	-
Loss from impairment of Pelephone assets	-	-	-	-	-	-	-	951	-	-	951
Loss from impairment of Bezeq International assets	-	-	-	-	-	-	-	-	-	80	80
Tax asset write-off	-	-	-	-	-	-	-	1,166	-	-	1,166
ADJUSTED NET PROFIT	1,308	278	260	249	197	983	291	225	221	213	950



(NIS millions, except for EPS)

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
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## Bezeq Group (cont'd)

### Balance Sheet

Cash & cash equivalents	2,181	1,826	923	1,408	890	890	1,265	971	639	400	400
Investments	289	1,390	1,676	1,517	1,404	1,404	1,347	1,944	1,750	1,195	1,195
Trade receivables	1,915	1,827	1,822	1,792	1,773	1,773	1,760	1,744	1,746	1,689	1,689
Other receivables	270	306	288	292	267	267	279	288	317	313	313
Eurocom DBS Ltd., related party	43	25	25	20	-	-	-	-	-	-	-
Inventory	125	130	96	86	97	97	102	100	94	93	93
Assets held for sale	-	-	-	-	-	-	-	-	-	43	43
<b>Total current assets</b>	<b>4,823</b>	<b>5,504</b>	<b>4,830</b>	<b>5,115</b>	<b>4,431</b>	<b>4,431</b>	<b>4,753</b>	<b>5,047</b>	<b>4,546</b>	<b>3,733</b>	<b>3,733</b>
Trade and other receivables	493	466	447	423	470	470	511	535	442	477	477
Broadcasting rights	454	451	467	470	60	60	69	59	63	59	59
Right-of-use assets	-	1,417	1,424	1,434	1,504	1,504	1,444	1,394	1,361	1,292	1,292
Fixed assets	6,798	6,782	6,811	6,789	6,214	6,214	6,215	6,245	6,217	6,096	6,096
Intangible assets	2,768	2,728	2,687	2,627	1,919	1,919	1,923	977	968	935	935
Deferred tax assets	1,019	1,027	1,035	1,041	1,205	1,205	1,193	12	18	59	59
Deferred expenses and non-current investments	494	547	530	519	462	462	463	465	469	386	386
Investment property	-	-	130	140	58	58	58	-	-	-	-
<b>Total non-current assets</b>	<b>12,026</b>	<b>13,418</b>	<b>13,531</b>	<b>13,443</b>	<b>11,892</b>	<b>11,892</b>	<b>11,876</b>	<b>9,687</b>	<b>9,538</b>	<b>9,304</b>	<b>9,304</b>
<b>Total assets</b>	<b>16,849</b>	<b>18,922</b>	<b>18,361</b>	<b>18,558</b>	<b>16,323</b>	<b>16,323</b>	<b>16,629</b>	<b>14,734</b>	<b>14,084</b>	<b>13,037</b>	<b>13,037</b>
Debentures, loans and borrowings	1,632	1,609	1,796	1,798	1,542	1,542	1,538	1,625	1,126	1,007	1,007
Lease liability	-	428	417	443	445	445	422	434	427	416	416
Trade and other payables	1,699	1,820	1,583	1,602	1,690	1,690	1,845	1,427	1,503	1,413	1,413
Current tax liabilities	152	43	-	9	-	-	10	20	15	-	-
Liability to Eurocom DBS Ltd.	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	280	286	369	330	581	581	500	443	365	654	654
Provisions	94	103	110	106	175	175	145	148	143	119	125
Dividend payable	-	-	-	318	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>3,857</b>	<b>4,289</b>	<b>4,275</b>	<b>4,606</b>	<b>4,433</b>	<b>4,433</b>	<b>4,460</b>	<b>4,097</b>	<b>3,579</b>	<b>3,609</b>	<b>3,615</b>
Loans and debentures	10,229	10,547	10,204	10,149	9,637	9,637	9,618	9,709	9,393	8,551	8,551
Lease liability	-	1,006	1,034	1,024	1,106	1,106	1,061	1,022	989	941	969
Employee benefits	272	272	267	266	445	445	482	487	539	356	356
Derivative and other liabilities	234	258	210	212	174	174	168	163	178	139	139
Deferred tax liabilities	73	86	74	91	56	56	54	53	50	43	43
Provisions	40	39	40	40	38	38	39	39	39	49	49
<b>Total non-current liabilities</b>	<b>10,848</b>	<b>12,208</b>	<b>11,829</b>	<b>11,782</b>	<b>11,456</b>	<b>11,456</b>	<b>11,422</b>	<b>11,473</b>	<b>11,188</b>	<b>10,079</b>	<b>10,107</b>
<b>Total equity</b>	<b>2,144</b>	<b>2,425</b>	<b>2,257</b>	<b>2,170</b>	<b>434</b>	<b>434</b>	<b>747</b>	<b>(836)</b>	<b>(683)</b>	<b>(685)</b>	<b>(685)</b>
Gross debt	11,861	12,156	12,000	11,947	11,179	11,179	11,156	11,334	10,519	9,558	9,558
Cash and short-term investments	2,470	3,216	2,599	2,925	2,294	2,294	2,612	2,915	2,389	1,595	1,595
Net debt	9,391	8,940	9,401	9,022	8,885	8,885	8,544	8,419	8,130	7,963	7,963
Net debt / Adjusted EBITDA (ttm)	2.4	2.3	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4



(NIS millions, except for EPS) FY 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019

**Bezeq Fixed-Line**

**Key Income Statement Metrics (Revenues)**

<b>Total Revenues</b>		<b>4,244</b>	<b>1,063</b>	<b>1,064</b>	<b>1,043</b>	<b>1,026</b>	<b>4,196</b>	<b>1,043</b>	<b>1,020</b>	<b>1,025</b>	<b>985</b>	<b>4,073</b>
	QoQ Change		1.5%	0.1%	-2.0%	-1.6%		1.7%	-2.2%	0.5%	-3.9%	
	YoY Change	-3.2%	-1.4%	0.6%	-1.7%	-2.0%	-1.1%	-1.9%	-4.1%	-1.7%	-4.0%	-2.9%
<b>Broadband Internet</b>		<b>1,544</b>	<b>396</b>	<b>403</b>	<b>401</b>	<b>396</b>	<b>1,596</b>	<b>397</b>	<b>396</b>	<b>393</b>	<b>392</b>	<b>1,578</b>
	QoQ Change		0.3%	1.8%	-0.5%	-1.2%		0.3%	-0.3%	-0.8%	-0.3%	
	YoY Change	2.9%	3.7%	5.8%	3.9%	0.3%	3.4%	0.3%	-1.7%	-2.0%	-1.0%	-1.1%
<b>Telephony</b>		<b>1,281</b>	<b>302</b>	<b>291</b>	<b>282</b>	<b>281</b>	<b>1,156</b>	<b>269</b>	<b>264</b>	<b>259</b>	<b>247</b>	<b>1,039</b>
	QoQ Change		-2.3%	-3.6%	-3.1%	-0.4%		-1.9%	-4.3%	-1.9%	-4.6%	
	YoY Change	-8.0%	-9.6%	-9.1%	-11.3%	-9.1%	-9.8%	-10.9%	-9.3%	-8.2%	-12.1%	-10.1%
<b>Transmission &amp; data</b>		<b>975</b>	<b>247</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>977</b>	<b>246</b>	<b>238</b>	<b>245</b>	<b>219</b>	<b>948</b>
	QoQ Change		4.2%	-1.2%	-0.4%	0.0%		1.2%	-3.3%	2.9%	-10.6%	
	YoY Change	-8.8%	-1.2%	0.0%	-0.4%	2.5%	0.2%	-0.4%	-2.5%	0.8%	-9.9%	-3.0%
<b>Cloud &amp; digital services</b>		<b>230</b>	<b>62</b>	<b>66</b>	<b>69</b>	<b>63</b>	<b>260</b>	<b>71</b>	<b>68</b>	<b>69</b>	<b>66</b>	<b>274</b>
	QoQ Change		3.3%	6.5%	4.5%	-8.7%		12.7%	-4.2%	1.5%	-4.3%	
	YoY Change	13.3%	10.7%	15.8%	21.1%	5.0%	13.0%	14.5%	3.0%	0.0%	4.8%	5.4%
<b>Other</b>		<b>214</b>	<b>56</b>	<b>60</b>	<b>48</b>	<b>43</b>	<b>207</b>	<b>60</b>	<b>54</b>	<b>59</b>	<b>61</b>	<b>234</b>
	QoQ Change		21.7%	7.1%	-20.0%	-10.4%		39.5%	-10.0%	9.3%	3.4%	
	YoY Change	-2.3%	0.0%	7.1%	-14.3%	-6.5%	-3.3%	7.1%	-10.0%	22.9%	41.9%	13.0%

<b>Revenues from Residential Customers</b>		<b>2,232</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,101</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,029</b>
	% of total revenues	52.6%					50.1%					49.8%
<b>Revenues from Business Customers</b>		<b>2,012</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,095</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,044</b>
	% of total revenues	47.4%					49.9%					50.2%

**Key Income Statement Metrics**

<b>Depreciation &amp; amortization</b>		<b>728</b>	<b>204</b>	<b>211</b>	<b>218</b>	<b>217</b>	<b>850</b>	<b>207</b>	<b>204</b>	<b>225</b>	<b>225</b>	<b>861</b>
	QoQ Change		10.3%	3.4%	3.3%	-0.5%		-4.6%	-1.4%	10.3%	0.0%	
	YoY Change	1.5%	13.3%	19.2%	17.2%	17.3%	16.8%	1.5%	-3.3%	3.2%	3.7%	1.3%
<b>Salaries</b>		<b>891</b>	<b>228</b>	<b>232</b>	<b>233</b>	<b>219</b>	<b>912</b>	<b>233</b>	<b>231</b>	<b>224</b>	<b>223</b>	<b>911</b>
	QoQ Change		2.2%	1.8%	0.4%	-6.0%		6.4%	-0.9%	-3.0%	-0.4%	
	YoY Change	-0.8%	1.8%	5.5%	4.0%	-1.8%	2.4%	2.2%	-0.4%	-3.9%	1.8%	-0.1%
<b>Other operating expenses (income), net</b>		<b>(23)</b>	<b>18</b>	<b>89</b>	<b>(2)</b>	<b>509</b>	<b>614</b>	<b>(69)</b>	<b>(423)</b>	<b>(8)</b>	<b>94</b>	<b>(406)</b>
<b>Operating profit (loss)</b>		<b>1,971</b>	<b>473</b>	<b>387</b>	<b>451</b>	<b>(87)</b>	<b>1,224</b>	<b>531</b>	<b>875</b>	<b>440</b>	<b>296</b>	<b>2,142</b>
	QoQ Change		0.6%	-18.2%	16.5%	N/M		N/M	64.8%	-49.7%	-32.7%	
	YoY Change	-5.1%	-7.8%	-22.0%	-8.3%	N/M	-37.9%	12.3%	126.1%	-2.4%	N/M	75.0%
<b>Finance expenses (income), net</b>		<b>403</b>	<b>121</b>	<b>119</b>	<b>113</b>	<b>117</b>	<b>470</b>	<b>106</b>	<b>141</b>	<b>207</b>	<b>115</b>	<b>569</b>
	QoQ Change		-0.8%	-1.7%	-5.0%	3.5%		-9.4%	33.0%	46.8%	-44.4%	
	YoY Change	-9.4%	31.5%	45.1%	5.6%	-4.1%	16.6%	-12.4%	18.5%	83.2%	-1.7%	21.1%
<b>Income taxes</b>		<b>396</b>	<b>89</b>	<b>66</b>	<b>81</b>	<b>(49)</b>	<b>187</b>	<b>104</b>	<b>172</b>	<b>58</b>	<b>47</b>	<b>381</b>
	QoQ Change		1.1%	-25.8%	22.7%	N/M		N/M	65.4%	-66.3%	-19.0%	
	YoY Change	-0.8%	-12.7%	-32.0%	-25.7%	N/M	-52.8%	16.9%	160.6%	-28.4%	N/M	103.7%
<b>Net profit, reported</b>		<b>1,172</b>	<b>263</b>	<b>202</b>	<b>257</b>	<b>(155)</b>	<b>567</b>	<b>321</b>	<b>562</b>	<b>175</b>	<b>134</b>	<b>1,192</b>
	QoQ Change		1.2%	-23.2%	27.2%	N/M		N/M	75.1%	-68.9%	-23.4%	
	YoY Change	-4.9%	-17.6%	-36.3%	-6.9%	N/M	-51.6%	22.1%	178.2%	-31.9%	N/M	110.2%
<b>ADJUSTED net profit (excluding other operating income/expenses)</b>		<b>1,155</b>	<b>277</b>	<b>271</b>	<b>255</b>	<b>237</b>	<b>1,040</b>	<b>268</b>	<b>236</b>	<b>169</b>	<b>206</b>	<b>879</b>
<b>EBITDA, reported</b>		<b>2,699</b>	<b>677</b>	<b>598</b>	<b>669</b>	<b>130</b>	<b>2,074</b>	<b>738</b>	<b>1,079</b>	<b>665</b>	<b>521</b>	<b>3,003</b>
	QoQ Change		3.4%	-11.7%	11.9%	-80.6%		467.7%	46.2%	-38.4%	-21.7%	
	YoY Change	-3.4%	-2.3%	-11.1%	-1.3%	-80.2%	-23.2%	9.0%	80.4%	-0.6%	300.8%	44.8%
<b>ADJUSTED EBITDA (excluding other operating income/expenses)</b>		<b>2,676</b>	<b>695</b>	<b>687</b>	<b>667</b>	<b>639</b>	<b>2,688</b>	<b>669</b>	<b>656</b>	<b>657</b>	<b>615</b>	<b>2,597</b>
	QoQ Change		5.1%	-1.2%	-2.9%	-4.2%		4.7%	-1.9%	0.2%	-6.4%	
	YoY Change	-3.7%	0.9%	2.2%	2.0%	-3.3%	0.4%	-3.7%	-4.5%	-1.5%	-3.8%	-3.4%

**Key Cash Flow Metrics**

<b>Operating cash flow</b>		<b>2,225</b>	<b>516</b>	<b>507</b>	<b>583</b>	<b>600</b>	<b>2,206</b>	<b>471</b>	<b>416</b>	<b>484</b>	<b>476</b>	<b>1,847</b>
	QoQ Change		-12.1%	-1.7%	15.0%	2.9%		-21.5%	-11.7%	16.3%	-1.7%	
	YoY Change	7.8%	-14.0%	9.0%	1.7%	2.2%	-0.9%	-8.7%	-17.9%	-17.0%	-20.7%	-16.3%
<b>Capital expenditures, gross (cash flow)</b>		<b>825</b>	<b>205</b>	<b>313</b>	<b>233</b>	<b>225</b>	<b>976</b>	<b>210</b>	<b>333</b>	<b>145</b>	<b>193</b>	<b>881</b>
	QoQ Change		-9.3%	52.1%	-25.6%	-3.4%		-6.7%	58.6%	-56.5%	33.1%	
	YoY Change	-1.1%	-2.4%	42.9%	37.1%	-0.4%	18.3%	2.4%	6.4%	-37.8%	-14.2%	-9.7%
<b>Proceeds from sale of assets</b>		<b>94</b>	<b>7</b>	<b>(58)</b>	<b>8</b>	<b>270</b>	<b>227</b>	<b>39</b>	<b>340</b>	<b>14</b>	<b>14</b>	<b>407</b>
<b>Capital expenditures, net</b>		<b>731</b>	<b>198</b>	<b>371</b>	<b>225</b>	<b>(45)</b>	<b>749</b>	<b>171</b>	<b>(7)</b>	<b>131</b>	<b>179</b>	<b>474</b>
	QoQ Change		-2.9%	87.4%	-39.4%	N/M		N/M	-104.1%	-1971.4%	36.6%	
	YoY Change	4.1%	-1.0%	82.8%	81.5%	N/M	2.5%	-13.6%	-101.9%	-41.8%	N/M	-36.7%
<b>Lease payments (IFRS 16)</b>			<b>33</b>	<b>29</b>	<b>28</b>	<b>9</b>	<b>99</b>	<b>34</b>	<b>27</b>	<b>25</b>	<b>28</b>	<b>114</b>
<b>Free cash flow</b>		<b>1,494</b>	<b>285</b>	<b>107</b>	<b>330</b>	<b>636</b>	<b>1,358</b>	<b>266</b>	<b>396</b>	<b>328</b>	<b>269</b>	<b>1,259</b>
	QoQ Change		-25.6%	-62.5%	208.4%	92.7%		-58.2%	48.9%	-17.2%	-18.0%	
	YoY Change	9.7%	-28.8%	-59.2%	-26.5%	66.1%	-9.1%	-6.7%	270.1%	-0.6%	-57.7%	-7.3%

**Ratios**

<b>Operating margin</b>		<b>46.4%</b>	<b>44.5%</b>	<b>36.4%</b>	<b>43.2%</b>	<b>-8.5%</b>	<b>29.2%</b>	<b>50.9%</b>	<b>85.8%</b>	<b>42.9%</b>	<b>30.1%</b>	<b>52.6%</b>
<b>Net margin</b>		<b>27.6%</b>	<b>24.7%</b>	<b>19.0%</b>	<b>24.6%</b>	<b>-15.1%</b>	<b>13.5%</b>	<b>30.8%</b>	<b>55.1%</b>	<b>17.1%</b>	<b>13.6%</b>	<b>29.3%</b>
<b>EBITDA margin</b>		<b>63.6%</b>	<b>63.7%</b>	<b>56.2%</b>	<b>64.1%</b>	<b>12.7%</b>	<b>49.4%</b>	<b>70.8%</b>	<b>105.8%</b>	<b>64.9%</b>	<b>52.9%</b>	<b>73.7%</b>
<b>Capex/Sales</b>		<b>19.4%</b>	<b>19.3%</b>	<b>29.4%</b>	<b>22.3%</b>	<b>21.9%</b>	<b>23.3%</b>	<b>20.1%</b>	<b>32.6%</b>	<b>14.1%</b>	<b>19.6%</b>	<b>21.6%</b>



(NIS millions, except for EPS) **FY 2017** **Q1 2018** **Q2 2018** **Q3 2018** **Q4 2018** **FY 2018** **Q1 2019** **Q2 2019** **Q3 2019** **Q4 2019** **FY 2019**

**Bezeq Fixed-Line (cont'd)**

**Operating & general expenses**

<b>Total operating &amp; general expenses</b>	<b>677</b>	<b>140</b>	<b>145</b>	<b>143</b>	<b>168</b>	<b>596</b>	<b>141</b>	<b>133</b>	<b>144</b>	<b>147</b>	<b>565</b>
QoQ Change		-14.1%	3.6%	-1.4%	17.5%		-16.1%	-5.7%	8.3%	2.1%	
YoY Change	-4.0%	-15.2%	-12.7%	-21.9%	3.1%	-12.0%	0.7%	-8.3%	0.7%	-12.5%	-5.2%
<b>Maintenance of buildings and sites</b>	<b>185</b>	<b>34</b>	<b>31</b>	<b>38</b>	<b>40</b>	<b>143</b>	<b>33</b>	<b>30</b>	<b>35</b>	<b>34</b>	<b>132</b>
QoQ Change		-22.7%	-8.8%	22.6%	5.3%		-17.5%	-9.1%	16.7%	-2.9%	
YoY Change	-2.1%	-27.7%	-31.1%	-22.4%	-9.1%	-22.7%	-2.9%	-3.2%	-7.9%	-15.0%	-7.7%
<b>Interconnect &amp; payments to telecom operators</b>	<b>118</b>	<b>28</b>	<b>27</b>	<b>25</b>	<b>28</b>	<b>108</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>23</b>	<b>97</b>
QoQ Change		3.7%	-3.6%	-7.4%	12.0%		-10.7%	-4.0%	4.2%	-8.0%	
YoY Change	-9.2%	-9.7%	-6.9%	-19.4%	3.7%	-8.5%	-10.7%	-11.1%	0.0%	-17.9%	-10.2%
<b>Marketing &amp; general</b>	<b>188</b>	<b>40</b>	<b>49</b>	<b>42</b>	<b>52</b>	<b>183</b>	<b>39</b>	<b>34</b>	<b>37</b>	<b>36</b>	<b>146</b>
QoQ Change		-16.7%	22.5%	-14.3%	23.8%		-25.0%	-12.8%	8.8%	-2.7%	
YoY Change	-3.6%	-4.8%	11.4%	-22.2%	8.3%	-2.7%	-2.5%	-30.6%	-11.9%	-30.8%	-20.2%
<b>Terminal equipment &amp; materials</b>	<b>44</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>12</b>	<b>42</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>21</b>	<b>73</b>
QoQ Change		10.0%	-9.1%	-10.0%	33.3%		50.0%	-5.6%	0.0%	23.5%	
YoY Change	-6.4%	10.0%	-16.7%	-25.0%	20.0%	-4.5%	63.6%	70.0%	88.9%	75.0%	73.8%
<b>Services and maintenance by sub-contractors</b>	<b>73</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>23</b>	<b>83</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>24</b>	<b>82</b>
QoQ Change		11.1%	0.0%	0.0%	15.0%		-21.7%	5.6%	10.5%	14.3%	
YoY Change	1.4%	17.6%	5.3%	5.3%	27.8%	13.7%	-10.0%	-5.0%	5.0%	4.3%	-1.2%
<b>Vehicle maintenance</b>	<b>69</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>37</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>35</b>
QoQ Change		-56.3%	14.3%	12.5%	44.4%		-38.5%	12.5%	0.0%	0.0%	
YoY Change	-4.2%	-61.1%	-52.9%	-50.0%	-18.8%	-46.4%	14.3%	12.5%	0.0%	-30.8%	-5.4%

(NIS millions, except for EPS)

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
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## Telephone

### Key Income Statement Metrics (Revenues)

<b>Total Revenues</b>		<b>2,546</b>	<b>619</b>	<b>602</b>	<b>604</b>	<b>618</b>	<b>2,443</b>	<b>578</b>	<b>570</b>	<b>612</b>	<b>602</b>	<b>2,362</b>
	QoQ Change		-4.9%	-2.7%	0.3%	2.3%		-6.5%	-1.4%	7.4%	-1.6%	
	YoY Change	-3.2%	-1.4%	-4.7%	-4.9%	-5.1%	-4.0%	-6.6%	-5.3%	1.3%	-2.6%	-3.3%
<b>Service Revenues</b>		<b>1,782</b>	<b>431</b>	<b>438</b>	<b>449</b>	<b>437</b>	<b>1,755</b>	<b>417</b>	<b>430</b>	<b>446</b>	<b>416</b>	<b>1,709</b>
	QoQ Change		-1.4%	1.6%	2.5%	-2.7%		-4.6%	3.1%	3.7%	-6.7%	
	YoY Change	-2.0%	-0.9%	-2.4%	-2.6%	0.0%	-1.5%	-3.2%	-1.8%	-0.7%	-4.8%	-2.6%
<b>Equipment Revenues</b>		<b>764</b>	<b>188</b>	<b>164</b>	<b>155</b>	<b>181</b>	<b>688</b>	<b>161</b>	<b>140</b>	<b>166</b>	<b>186</b>	<b>653</b>
	QoQ Change		-12.1%	-12.8%	-5.5%	16.8%		-11.0%	-13.0%	18.6%	12.0%	
	YoY Change	-5.9%	-2.6%	-10.4%	-10.9%	-15.4%	-9.9%	-14.4%	-14.6%	7.1%	2.8%	-5.1%
<b>Revenues from Private Customers</b>		<b>1,541</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,415</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,334</b>
	% of total revenues	60.5%					57.9%					56.5%
<b>Revenues from Business Customers</b>		<b>1,005</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,028</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,028</b>
	% of total revenues	39.5%					42.1%					43.5%

### Key Income Statement Metrics

<b>Depreciation &amp; amortization</b>		<b>383</b>	<b>158</b>	<b>159</b>	<b>161</b>	<b>177</b>	<b>655</b>	<b>157</b>	<b>156</b>	<b>157</b>	<b>163</b>	<b>633</b>
	QoQ Change		75.6%	0.6%	1.3%	9.9%		-11.3%	-0.6%	0.6%	3.8%	
	YoY Change	0.8%	68.1%	60.6%	61.0%	96.7%	71.0%	-0.6%	-1.9%	-2.5%	-7.9%	-3.4%
<b>Salaries</b>		<b>384</b>	<b>100</b>	<b>95</b>	<b>94</b>	<b>90</b>	<b>379</b>	<b>94</b>	<b>95</b>	<b>89</b>	<b>95</b>	<b>373</b>
	QoQ Change		2.0%	-5.0%	-1.1%	-4.3%		4.4%	1.1%	-6.3%	6.7%	
	YoY Change	1.6%	2.0%	1.1%	0.0%	-8.2%	-1.3%	-6.0%	0.0%	-5.3%	5.6%	-1.6%
<b>Operating &amp; general expenses</b>		<b>1,698</b>	<b>359</b>	<b>345</b>	<b>344</b>	<b>354</b>	<b>1,402</b>	<b>337</b>	<b>324</b>	<b>348</b>	<b>364</b>	<b>1,373</b>
	QoQ Change		-18.2%	-3.9%	-0.3%	2.9%		-4.8%	-3.9%	7.4%	4.6%	
	YoY Change	-7.6%	-16.7%	-15.6%	-17.9%	-19.4%	-17.4%	-6.1%	-6.1%	1.2%	2.8%	-2.1%
<b>Other operating expenses</b>		<b>9</b>	<b>-</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>9</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>77</b>	<b>82</b>
<b>Operating profit (loss)</b>		<b>72</b>	<b>2</b>	<b>2</b>	<b>(2)</b>	<b>(4)</b>	<b>(2)</b>	<b>(10)</b>	<b>(8)</b>	<b>16</b>	<b>(97)</b>	<b>(99)</b>
	QoQ Change		-86.7%	0.0%	<i>N/M</i>	100.0%		150.0%	-20.0%	<i>N/M</i>	<i>N/M</i>	
	YoY Change	125.0%	-60.0%	-93.3%	-109.1%	<i>N/M</i>	<i>N/M</i>	<i>N/M</i>	<i>N/M</i>	2325.0%	<i>N/M</i>	4850.0%
<b>Net profit (loss)</b>		<b>95</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>24</b>	<b>2</b>	<b>2</b>	<b>18</b>	<b>(69)</b>	<b>(47)</b>
	QoQ Change		-57.1%	-22.2%	-14.3%	-66.7%		0.0%	0.0%	800.0%	<i>N/M</i>	
	YoY Change	55.7%	-43.8%	-79.4%	-75.0%	-90.5%	-74.7%	-77.8%	-71.4%	200.0%	<i>N/M</i>	-295.8%
<b>EBITDA reported</b>		<b>455</b>	<b>160</b>	<b>161</b>	<b>159</b>	<b>173</b>	<b>653</b>	<b>147</b>	<b>148</b>	<b>173</b>	<b>66</b>	<b>534</b>
	QoQ Change		52.4%	0.6%	-1.2%	8.8%		-15.0%	0.7%	16.9%	-61.8%	
	YoY Change	10.4%	61.6%	24.8%	30.3%	64.8%	43.5%	-8.1%	-8.1%	8.8%	-61.8%	-18.2%
<b>ADJUSTED EBITDA (excluding other operating income/expenses)</b>		<b>464</b>	<b>160</b>	<b>162</b>	<b>166</b>	<b>174</b>	<b>662</b>	<b>147</b>	<b>151</b>	<b>175</b>	<b>143</b>	<b>616</b>

### Key Cash Flow Metrics

<b>Operating cash flow</b>		<b>605</b>	<b>239</b>	<b>181</b>	<b>194</b>	<b>156</b>	<b>770</b>	<b>195</b>	<b>136</b>	<b>200</b>	<b>146</b>	<b>677</b>
	QoQ Change		177.9%	-24.3%	7.2%	-19.6%		25.0%	-30.3%	47.1%	-27.0%	
	YoY Change	4.0%	104.3%	-6.2%	-7.2%	81.4%	27.3%	-18.4%	-24.9%	3.1%	-6.4%	-12.1%
<b>Capital expenditures, gross (cash flow)</b>		<b>310</b>	<b>69</b>	<b>90</b>	<b>73</b>	<b>78</b>	<b>310</b>	<b>63</b>	<b>83</b>	<b>72</b>	<b>75</b>	<b>293</b>
	QoQ Change		-10.4%	30.4%	-18.9%	6.8%		-19.2%	31.7%	-13.3%	4.2%	
	YoY Change	27.6%	-5.5%	9.8%	-6.4%	1.3%	0.0%	-8.7%	-7.8%	-1.4%	-3.8%	-5.5%
<b>Capital expenditures, net (cash flow)</b>		<b>309</b>	<b>69</b>	<b>90</b>	<b>69</b>	<b>78</b>	<b>306</b>	<b>63</b>	<b>82</b>	<b>72</b>	<b>75</b>	<b>292</b>
	QoQ Change		-9.2%	30.4%	-23.3%	13.0%		-19.2%	30.2%	-12.2%	4.2%	
	YoY Change	28.2%	-5.5%	9.8%	-11.5%	2.6%	-1.0%	-8.7%	-8.9%	4.3%	-3.8%	-4.6%
<b>Lease payments (IFRS 16)</b>		<b>296</b>	<b>75</b>	<b>50</b>	<b>64</b>	<b>70</b>	<b>259</b>	<b>69</b>	<b>46</b>	<b>76</b>	<b>51</b>	<b>242</b>
<b>Free cash flow</b>		<b>296</b>	<b>95</b>	<b>41</b>	<b>61</b>	<b>8</b>	<b>205</b>	<b>63</b>	<b>8</b>	<b>52</b>	<b>20</b>	<b>143</b>
	QoQ Change		850.0%	-56.8%	48.8%	-86.9%		687.5%	-87.3%	550.0%	-61.5%	
	YoY Change	-13.2%	115.9%	-63.1%	-53.4%	-20.0%	-30.7%	-33.7%	-80.5%	-14.8%	150.0%	-30.2%

### Ratios

<b>Operating margin</b>		<b>2.8%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>-0.1%</b>	<b>-1.7%</b>	<b>-1.4%</b>	<b>2.6%</b>	<b>-16.1%</b>	<b>-4.2%</b>
<b>Net margin</b>		<b>3.7%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>2.9%</b>	<b>-11.5%</b>	<b>-2.0%</b>
<b>EBITDA margin</b>		<b>17.9%</b>	<b>25.8%</b>	<b>26.8%</b>	<b>26.4%</b>	<b>28.0%</b>	<b>26.8%</b>	<b>25.4%</b>	<b>25.9%</b>	<b>28.3%</b>	<b>11.0%</b>	<b>22.6%</b>
<b>Capex/Sales</b>		<b>12.2%</b>	<b>11.1%</b>	<b>15.0%</b>	<b>12.1%</b>	<b>12.6%</b>	<b>12.7%</b>	<b>10.9%</b>	<b>14.6%</b>	<b>11.8%</b>	<b>12.5%</b>	<b>12.4%</b>



(NIS millions, except for EPS)

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	2017	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019
<b>Bezeq International</b>											
<b>Key Income Statement Metrics</b>											
Total Revenues	<b>1,537</b>	<b>352</b>	<b>336</b>	<b>333</b>	<b>370</b>	<b>1,391</b>	<b>341</b>	<b>339</b>	<b>329</b>	<b>330</b>	<b>1,339</b>
QoQ Change		-7.1%	-4.5%	-0.9%	11.1%		-7.8%	-0.6%	-2.9%	0.3%	
YoY Change	-0.7%	-8.3%	-17.4%	-9.3%	-2.4%	-9.5%	-3.1%	0.9%	-1.2%	-10.8%	-3.7%
Revenues from Internet services	<b>670</b>	N/A	N/A	N/A	N/A	<b>659</b>	N/A	N/A	N/A	N/A	<b>632</b>
% of total revenues	43.6%					47.4%					47.2%
Revenues from Voice and Business services (Data, ICT, % of total revenues)	<b>867</b>	N/A	N/A	N/A	N/A	<b>732</b>	N/A	N/A	N/A	N/A	<b>707</b>
% of total revenues	56.4%					52.6%					52.8%
Revenues from Private Customers	<b>488</b>	N/A	N/A	N/A	N/A	<b>468</b>	N/A	N/A	N/A	N/A	<b>441</b>
% of total revenues	31.8%					33.6%					32.9%
Revenues from Business Customers	<b>1,049</b>	N/A	N/A	N/A	N/A	<b>923</b>	N/A	N/A	N/A	N/A	<b>898</b>
% of total revenues	68.2%					66.4%					67.1%
<b>Key Income Statement Metrics</b>											
Depreciation & amortization	<b>135</b>	<b>43</b>	<b>45</b>	<b>46</b>	<b>60</b>	<b>194</b>	<b>46</b>	<b>46</b>	<b>47</b>	<b>51</b>	<b>190</b>
QoQ Change		22.9%	4.7%	2.2%	30.4%		-23.3%	0.0%	2.2%	8.5%	
YoY Change	-1.5%	30.3%	36.4%	35.3%	71.4%	43.7%	7.0%	2.2%	2.2%	-15.0%	-2.1%
Salaries	<b>328</b>	<b>84</b>	<b>75</b>	<b>71</b>	<b>70</b>	<b>300</b>	<b>68</b>	<b>67</b>	<b>64</b>	<b>62</b>	<b>261</b>
QoQ Change		2.4%	-10.7%	-5.3%	-1.4%		-2.9%	-1.5%	-4.5%	-3.1%	
YoY Change	-0.6%	0.0%	-7.4%	-12.3%	-14.6%	-8.5%	-19.0%	-10.7%	-9.9%	-11.4%	-13.0%
Operating & general expenses	<b>903</b>	<b>190</b>	<b>188</b>	<b>184</b>	<b>216</b>	<b>778</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>200</b>	<b>782</b>
QoQ Change		-15.2%	-1.1%	-2.1%	17.4%		-10.2%	0.0%	0.0%	3.1%	
YoY Change	1.8%	-12.8%	-23.9%	-14.0%	-3.6%	-13.8%	2.1%	3.2%	5.4%	-7.4%	0.5%
Other operating expenses (income)	<b>3</b>	<b>2</b>	<b>(1)</b>	<b>2</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>15</b>	<b>45</b>	<b>103</b>	<b>163</b>
Operating profit (loss)	<b>168</b>	<b>33</b>	<b>29</b>	<b>30</b>	<b>19</b>	<b>111</b>	<b>33</b>	<b>17</b>	<b>(21)</b>	<b>(86)</b>	<b>(57)</b>
QoQ Change		-5.7%	-12.1%	3.4%	-36.7%		73.7%	-48.5%	N/M	309.5%	
YoY Change	-4.5%	-32.7%	-35.6%	-23.1%	-45.7%	-33.9%	0.0%	-41.4%	N/M	N/M	N/M
Net profit (loss)	<b>127</b>	<b>24</b>	<b>20</b>	<b>20</b>	<b>13</b>	<b>77</b>	<b>25</b>	<b>10</b>	<b>(18)</b>	<b>(67)</b>	<b>(50)</b>
QoQ Change		-22.6%	-16.7%	0.0%	-35.0%		92.3%	-60.0%	N/M	272.2%	
YoY Change	1.6%	-33.3%	-39.4%	-25.9%	-58.1%	-39.4%	4.2%	-50.0%	N/M	N/M	N/M
EBITDA reported	<b>303</b>	<b>76</b>	<b>74</b>	<b>76</b>	<b>79</b>	<b>305</b>	<b>79</b>	<b>63</b>	<b>26</b>	<b>(35)</b>	<b>133</b>
QoQ Change		8.6%	-2.6%	2.7%	3.9%		0.0%	-20.3%	-58.7%	N/M	
YoY Change	-3.2%	-7.3%	-5.1%	4.1%	12.9%	0.7%	3.9%	-14.9%	-65.8%	N/M	-56.4%
ADJUSTED EBITDA (excluding other operating income/expenses)	<b>306</b>	<b>78</b>	<b>73</b>	<b>78</b>	<b>84</b>	<b>313</b>	<b>79</b>	<b>78</b>	<b>71</b>	<b>68</b>	<b>296</b>
<b>Key Cash Flow Metrics</b>											
Operating cash flow	<b>277</b>	<b>67</b>	<b>54</b>	<b>73</b>	<b>106</b>	<b>300</b>	<b>56</b>	<b>48</b>	<b>64</b>	<b>87</b>	<b>255</b>
QoQ Change		-18.3%	-19.4%	35.2%	45.2%		-47.2%	-14.3%	33.3%	35.9%	
YoY Change	3.0%	28.8%	-21.7%	-1.4%	29.3%	8.3%	-16.4%	-11.1%	-12.3%	-17.9%	-15.0%
Capital expenditures, gross (cash flow)	<b>142</b>	<b>31</b>	<b>44</b>	<b>27</b>	<b>25</b>	<b>127</b>	<b>33</b>	<b>34</b>	<b>40</b>	<b>21</b>	<b>128</b>
QoQ Change		-13.9%	41.9%	-38.6%	-7.4%		32.0%	3.0%	17.6%	-47.5%	
YoY Change	18.3%	6.9%	-4.3%	-12.9%	-30.6%	-10.6%	6.5%	-22.7%	48.1%	-16.0%	0.8%
Capital expenditures, net (cash flow)	<b>139</b>	<b>31</b>	<b>44</b>	<b>26</b>	<b>25</b>	<b>126</b>	<b>33</b>	<b>34</b>	<b>40</b>	<b>21</b>	<b>128</b>
QoQ Change		-11.4%	41.9%	-40.9%	-3.8%		32.0%	3.0%	17.6%	-47.5%	
YoY Change	16.8%	6.9%	-4.3%	-10.3%	-28.6%	-9.4%	6.5%	-22.7%	53.8%	-16.0%	1.6%
Lease payments (IFRS 16)		<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>36</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>32</b>
Free cash flow	<b>138</b>	<b>27</b>	<b>1</b>	<b>38</b>	<b>72</b>	<b>138</b>	<b>15</b>	<b>6</b>	<b>16</b>	<b>58</b>	<b>95</b>
QoQ Change		-42.6%	-96.3%	3700.0%	89.5%		-79.2%	-60.0%	166.7%	262.5%	
YoY Change	-8.0%	17.4%	-95.7%	-15.6%	53.2%	0.0%	-44.4%	500.0%	-57.9%	-19.4%	-31.2%
<b>Ratios</b>											
Operating margin	<b>10.9%</b>	<b>9.4%</b>	<b>8.6%</b>	<b>9.0%</b>	<b>5.1%</b>	<b>8.0%</b>	<b>9.7%</b>	<b>5.0%</b>	<b>-6.4%</b>	<b>-26.1%</b>	<b>-4.3%</b>
Net margin	<b>8.3%</b>	<b>6.8%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>3.5%</b>	<b>5.5%</b>	<b>7.3%</b>	<b>2.9%</b>	<b>-5.5%</b>	<b>-20.3%</b>	<b>-3.7%</b>
EBITDA margin	<b>19.7%</b>	<b>21.6%</b>	<b>22.0%</b>	<b>22.8%</b>	<b>21.4%</b>	<b>21.9%</b>	<b>23.2%</b>	<b>18.6%</b>	<b>7.9%</b>	<b>-10.6%</b>	<b>9.9%</b>
Capex/Sales	<b>9.2%</b>	<b>8.8%</b>	<b>13.1%</b>	<b>8.1%</b>	<b>6.8%</b>	<b>9.1%</b>	<b>9.7%</b>	<b>10.0%</b>	<b>12.2%</b>	<b>6.4%</b>	<b>9.6%</b>





(NIS millions, except for EPS)

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
<b>yes - Reported</b>											
<b>Key Income Statement Metrics</b>											
Revenues	1,650	375	375	367	356	1,473	343	337	334	331	1,345
QoQ Change		-7.2%	0.0%	-2.1%	-3.0%		-3.7%	-1.7%	-0.9%	-0.9%	
YoY Change	-5.4%	-11.6%	-9.9%	-9.6%	-11.9%	-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%
Depreciation, amortization & impairment	285	79	79	81	84	323	55	68	50	46	219
QoQ Change		9.7%	0.0%	2.5%	3.7%		-34.5%	23.6%	-26.5%	-8.0%	
YoY Change	-3.7%	12.9%	11.3%	12.5%	16.7%	13.3%	-30.4%	-13.9%	-38.3%	-45.2%	-32.2%
Salaries	245	58	60	56	59	233	56	54	52	54	216
QoQ Change		-10.8%	3.4%	-6.7%	5.4%		-5.1%	-3.6%	-3.7%	3.8%	
YoY Change	-1.6%	-1.7%	1.7%	-9.7%	-9.2%	-4.9%	-3.4%	-10.0%	-7.1%	-8.5%	-7.3%
Operating, general & impairment expenses	957	237	246	229	244	956	234	248	211	230	923
QoQ Change		-1.3%	3.8%	-6.9%	6.6%		-4.1%	6.0%	-14.9%	9.0%	
YoY Change	1.1%	-2.5%	3.8%	-3.4%	1.7%	-0.1%	-1.3%	0.8%	-7.9%	-5.7%	-3.5%
Loss from impairment of assets	-	-	-	-	1,100	1,100	-	-	-	-	-
Other operating expenses (income), net	-	2	7	-	8	17	43	(9)	1	8	42
Operating profit (loss)	163	(1)	(17)	1	(1,139)	(1,156)	(45)	(24)	20	(6)	(55)
QoQ Change		N/M	1600.0%	N/M	N/M		N/M	-46.7%	N/M	N/M	
YoY Change	-38.3%	N/M	N/M	-97.1%	N/M	N/M	4400.0%	41.2%	1900.0%	-99.5%	-95.2%
Finance expenses (income), net	71	(3)	(7)	3	(4)	(11)	5	2	4	1	12
QoQ Change		N/M	133.3%	N/M	N/M		N/M	-60.0%	100.0%	-75.0%	
YoY Change	22.4%	N/M	N/M	N/M	N/M	N/M	N/M	N/M	33.3%	N/M	N/M
Net profit (loss)	(244)	1	(10)	(2)	(1,137)	(1,148)	(50)	(27)	15	(7)	(69)
QoQ Change		-90.9%	N/M	-80.0%	N/M		-95.6%	-46.0%	N/M	N/M	
YoY Change	N/M	-94.7%	-93.4%	-98.4%	N/M	370.5%	N/M	170.0%	N/M	-99.4%	-94.0%
EBITDA reported	448	78	62	82	(1,055)	(833)	10	44	70	40	164
QoQ Change		-21.2%	-20.5%	32.3%	N/M		N/M	340.0%	59.1%	-42.9%	
YoY Change	-20.0%	-36.1%	-48.3%	-23.4%	N/M	N/M	-87.2%	-29.0%	-14.6%	N/M	N/M
ADJUSTED EBITDA (excluding other operating income/expenses and one-time impairment)	448	80	69	82	53	284	53	35	71	47	206
<b>Key Cash Flow Metrics</b>											
Operating cash flow	430	86	60	34	46	226	53	22	37	31	143
QoQ Change		-9.5%	-30.2%	-43.3%	35.3%		15.2%	-58.5%	68.2%	-16.2%	
YoY Change	-31.6%	68.6%	-64.5%	-70.4%	-51.6%	-47.4%	-38.4%	-63.3%	8.8%	-32.6%	-36.7%
Capital expenditures, gross (cash flow)	235	62	75	79	82	298	64	74	69	32	239
QoQ Change		17.0%	21.0%	5.3%	3.8%		-22.0%	15.6%	-6.8%	-53.6%	
YoY Change	12.4%	3.3%	41.5%	14.5%	54.7%	26.8%	3.2%	-1.3%	-12.7%	-61.0%	-19.8%
Capital expenditures, net (cash flow)	234	62	75	79	81	297	64	73	69	32	238
QoQ Change		17.0%	21.0%	5.3%	2.5%		-21.0%	14.1%	-5.5%	-53.6%	
YoY Change	12.5%	3.3%	44.2%	14.5%	52.8%	26.9%	3.2%	-2.7%	-12.7%	-60.5%	-19.9%
Lease payments (IFRS 16)		8	8	9	6	31	8	7	8	7	30
Free cash flow	196	16	(23)	(54)	(41)	(102)	(19)	(58)	(40)	(8)	(125)
QoQ Change		-61.9%	N/M	134.8%	-24.1%		-53.7%	205.3%	-31.0%	-80.0%	
YoY Change	-53.4%	N/M	N/M	N/M	N/M	N/M	N/M	152.2%	-25.9%	-80.5%	22.5%
<b>Ratios</b>											
Operating margin	9.9%	(0.3%)	(4.5%)	0.3%	(319.9%)	(78.5%)	(13.1%)	(7.1%)	6.0%	(1.8%)	(4.1%)
Net margin	(14.8%)	0.3%	0.0%	(0.5%)	(319.4%)	(77.9%)	(14.6%)	(8.0%)	4.5%	(2.1%)	(5.1%)
EBITDA margin	27.2%	20.8%	16.5%	22.3%	(296.3%)	(56.6%)	2.9%	13.1%	21.0%	12.1%	12.2%
Capex/Sales	14.2%	16.5%	20.0%	21.5%	23.0%	20.2%	18.7%	22.0%	20.7%	9.7%	17.8%



(NIS millions, except for EPS) **FY 2017** **Q1 2018** **Q2 2018** **Q3 2018** **Q4 2018** **FY 2018** **Q1 2019** **Q2 2019** **Q3 2019** **Q4 2019** **FY 2019**

**yes - Proforma (Excluding Impairment Loss)**

**Key Income Statement Metrics**

<b>Revenues</b>		<b>1,650</b>	<b>375</b>	<b>375</b>	<b>367</b>	<b>356</b>	<b>1,473</b>	<b>343</b>	<b>337</b>	<b>334</b>	<b>331</b>	<b>1,345</b>
	QoQ Change								-1.7%	-0.9%	-0.9%	
	YoY Change						-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%
<b>Depreciation &amp; amortization</b>		<b>285</b>	<b>79</b>	<b>79</b>	<b>81</b>	<b>84</b>	<b>323</b>	<b>78</b>	<b>81</b>	<b>93</b>	<b>82</b>	<b>334</b>
	QoQ Change								3.8%	14.8%	-11.8%	
	YoY Change						13.3%	-1.3%	2.5%	14.8%	-2.4%	3.4%
<b>Salaries</b>		<b>245</b>	<b>58</b>	<b>60</b>	<b>56</b>	<b>59</b>	<b>233</b>	<b>55</b>	<b>51</b>	<b>50</b>	<b>53</b>	<b>209</b>
	QoQ Change								-7.3%	-2.0%	6.0%	
	YoY Change						-4.9%	-5.2%	-15.0%	-10.7%	-10.2%	-10.3%
<b>Operating &amp; general expenses</b>		<b>957</b>	<b>237</b>	<b>246</b>	<b>229</b>	<b>244</b>	<b>956</b>	<b>226</b>	<b>222</b>	<b>219</b>	<b>228</b>	<b>895</b>
	QoQ Change								-1.8%	-1.4%	4.1%	
	YoY Change						-0.1%	-4.6%	-9.8%	-4.4%	-6.6%	-6.4%
<b>Other operating expenses (income), net</b>		<b>-</b>	<b>2</b>	<b>7</b>	<b>-</b>	<b>8</b>	<b>17</b>	<b>43</b>	<b>(9)</b>	<b>1</b>	<b>8</b>	<b>42</b>
	QoQ Change									N/M	700.0%	
	YoY Change									N/M	0.0%	147.1%
<b>Operating profit (loss)</b>		<b>163</b>	<b>(1)</b>	<b>(17)</b>	<b>1</b>	<b>(39)</b>	<b>(56)</b>	<b>(59)</b>	<b>(8)</b>	<b>(29)</b>	<b>(39)</b>	<b>(135)</b>
	QoQ Change								-86.4%	262.5%	34.5%	
	YoY Change								-52.9%	N/M	0.0%	141.1%
<b>Finance expenses (income), net</b>		<b>71</b>	<b>(3)</b>	<b>(7)</b>	<b>3</b>	<b>(4)</b>	<b>(11)</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>12</b>
	QoQ Change									100.0%	-75.0%	
	YoY Change									33.3%	N/M	N/M
<b>Net profit (loss)</b>		<b>(244)</b>	<b>1</b>	<b>(10)</b>	<b>(2)</b>	<b>(37)</b>	<b>(48)</b>	<b>(64)</b>	<b>(11)</b>	<b>(34)</b>	<b>(40)</b>	<b>(149)</b>
	QoQ Change								-82.8%	209.1%	17.6%	
	YoY Change						-80.3%		10.0%	1600.0%	8.1%	210.4%
<b>EBITDA</b>		<b>448</b>	<b>78</b>	<b>62</b>	<b>82</b>	<b>45</b>	<b>267</b>	<b>19</b>	<b>73</b>	<b>64</b>	<b>43</b>	<b>199</b>
	QoQ Change								284.2%	-12.3%	-32.8%	
	YoY Change						-40.4%	-75.6%	17.7%	-22.0%	-4.4%	-25.5%
<b>Adjusted EBITDA (excluding other operating income/expenses)</b>		<b>448</b>	<b>80</b>	<b>69</b>	<b>82</b>	<b>53</b>	<b>284</b>	<b>62</b>	<b>64</b>	<b>65</b>	<b>50</b>	<b>241</b>
	QoQ Change								3.2%	1.6%	-23.1%	
	YoY Change						-36.6%	-22.5%	-7.2%	-20.7%	-5.7%	-15.1%



NIS Millions

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
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## Bezeq Group

### Other Operating Expenses (Income), Net

Profit from increase to controlling stake in Yes	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of shares in Coral Tel Ltd.	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of affiliate	-	-	-	-	(14)	(14)	-	-	-	-	-
Profit from the sale of property, plant and equipment (mainly real estate)*	(66)	(1)	(5)	(1)	6	(1)	(44)	(417)	(11)	(36)	(508)
Profit from copper sales	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	-	-	-	-	-	-	-	-	-	-
Provision for early retirement agreement - Bezeq Fixed-Line	23	12	81	6	448	547	(25)	1	3	130	109
Expenses for collective agreements at Pelephone, Bezeq International and yes	3	-	2	6	4	12	45	-	45	77	167
Loss from the discontinuation of a software development project	-	-	-	-	-	-	-	-	-	-	-
Other (mainly legal claims)	21	12	8	1	69	90	(1)	2	2	8	11
<b>Total other operating expenses (income), net</b>	<b>(19)</b>	<b>23</b>	<b>86</b>	<b>12</b>	<b>513</b>	<b>634</b>	<b>(25)</b>	<b>(414)</b>	<b>39</b>	<b>179</b>	<b>(221)</b>

\* Includes profit from copper sales beginning Q1 2015



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	
<b>Bezeq Fixed-Line</b>																				
<b>Key Performance Indicators</b>																				
<b>Total outgoing minutes (in millions)</b>	<b>12,017</b>	<b>10,699</b>	<b>9,758</b>	<b>8,694</b>	<b>7,047</b>	<b>6,200</b>	<b>5,607</b>	<b>5,006</b>	<b>4,475</b>	<b>1,055</b>	<b>1,010</b>	<b>960</b>	<b>989</b>	<b>4,014</b>	<b>926</b>	<b>865</b>	<b>888</b>	<b>820</b>	<b>3,499</b>	
QoQ Change										-1.2%	-4.3%	-5.0%	3.0%		-6.4%	-6.6%	2.7%	-7.7%		
YoY Change	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.6%	-10.7%	-10.6%	-10.4%	-8.0%	-15.2%	-7.4%	-10.3%	-12.2%	-14.4%	-7.5%	-17.1%	-12.8%	
<b>Total incoming minutes (in millions)</b>	<b>6,718</b>	<b>6,547</b>	<b>6,240</b>	<b>6,225</b>	<b>6,115</b>	<b>5,829</b>	<b>5,628</b>	<b>5,297</b>	<b>4,972</b>	<b>1,191</b>	<b>1,151</b>	<b>1,125</b>	<b>1,160</b>	<b>4,627</b>	<b>1,090</b>	<b>1,056</b>	<b>1,099</b>	<b>1,046</b>	<b>4,291</b>	
QoQ Change				-0.2%	-1.8%	-4.7%	-3.4%	-5.9%	-6.1%	-1.2%	-3.4%	-2.3%	3.1%		-6.0%	-3.1%	4.1%	-4.8%		
YoY Change	0.4%	-2.5%	-4.7%	-1400.0%	-4.7%	-3.4%	-5.9%	-6.1%	-7.0%	-5.7%	-11.1%	-3.7%	-6.9%	-8.5%	-8.3%	-2.3%	-9.8%	-7.3%		
<b>Total access lines (in 000's)</b>	<b>2,483</b>	<b>2,366</b>	<b>2,367</b>	<b>2,268</b>	<b>2,216</b>	<b>2,205</b>	<b>2,087</b>	<b>2,010</b>	<b>1,916</b>	<b>1,889</b>	<b>1,865</b>	<b>1,843</b>	<b>1,818</b>	<b>1,818</b>	<b>1,792</b>	<b>1,768</b>	<b>1,743</b>	<b>1,718</b>	<b>1,718</b>	
QoQ Change				-4.2%	-2.3%	-0.5%	-5.4%	-3.7%	-4.7%	-1.4%	-1.3%	-1.2%	-1.4%		-1.4%	-1.3%	-1.4%	-1.4%		
YoY Change	-4.6%	-4.7%	0.0%	(99)	(52)	(11)	(118)	(77)	(94)	-4.9%	-4.9%	-5.1%	-5.1%	-5.1%	-5.1%	-5.2%	-5.4%	-5.5%	-5.5%	
QoQ Line change (000's)	(121)	(117)	1	(99)	(52)	(11)	(118)	(77)	(94)	(27)	(24)	(22)	(25)	(98)	(26)	(24)	(25)	(25)	(100)	
<b>Average revenue per line (ARPL) (in NIS)</b>	<b>109</b>	<b>109</b>	<b>85</b>	<b>81</b>	<b>74</b>	<b>63</b>	<b>59</b>	<b>57</b>	<b>54</b>	<b>53</b>	<b>52</b>	<b>51</b>	<b>51</b>	<b>52</b>	<b>50</b>	<b>49</b>	<b>49</b>	<b>48</b>	<b>49</b>	
QoQ Change				-8.6%	-14.9%	-6.3%	-3.4%	-5.3%		0.0%	-1.9%	-1.9%	0.0%		-2.0%	-2.0%	0.0%	-2.0%		
YoY Change	-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-6.3%	-3.4%	-5.3%	-5.4%	-3.7%	-5.6%	-3.8%	-3.7%	-5.7%	-5.8%	-3.9%	-5.9%	-5.8%	
<b>BE Router (in thousands)</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>100</b>	<b>100</b>	<b>159</b>	<b>215</b>	<b>272</b>	<b>321</b>	<b>321</b>	
<b>Churn rate (telephony)</b>	<i>N/A</i>	<i>N/A</i>	<b>11.6%</b>	<b>15.3%</b>	<b>13.1%</b>	<b>11.1%</b>	<b>10.1%</b>	<b>10.2%</b>	<b>9.8%</b>	<b>3.0%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>3.1%</b>	<b>11.6%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>11.7%</b>	
<b>Broadband Internet lines (in 000's)- Total</b>	<b>1,035</b>	<b>1,066</b>	<b>1,111</b>	<b>1,169</b>	<b>1,263</b>	<b>1,364</b>	<b>1,479</b>	<b>1,558</b>	<b>1,635</b>	<b>1,653</b>	<b>1,662</b>	<b>1,663</b>	<b>1,656</b>	<b>1,656</b>	<b>1,635</b>	<b>1,613</b>	<b>1,589</b>	<b>1,575</b>	<b>1,575</b>	
QoQ Change				8.0%	8.0%	8.4%	5.3%	4.9%		1.1%	0.5%	0.1%	-0.4%		-1.3%	-1.3%	-1.5%	-0.9%		
YoY Change	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	8.4%	5.3%	4.9%	4.6%	4.3%	3.4%	1.3%	1.3%	-1.1%	-2.9%	-4.4%	-4.9%	-4.9%	
QoQ Line change (000's)	30	31	45	58	94	101	115	79	77	18	9	1	(7)	21	(21)	(22)	(24)	(14)	(81)	
<b>Broadband Internet lines (in 000's)-Wholesale</b>	-	-	-	-	-	<b>244</b>	<b>377</b>	<b>532</b>	<b>574</b>	<b>600</b>	<b>617</b>	<b>626</b>	<b>626</b>	<b>626</b>	<b>624</b>	<b>612</b>	<b>601</b>	<b>592</b>	<b>592</b>	
QoQ Change									7.9%	4.5%	2.8%	1.5%		-0.3%	-1.9%	-1.8%	-1.5%			
YoY Change							54.5%	41.1%	38.6%	35.1%	27.5%	17.7%	17.7%	8.7%	2.0%	-2.6%	-5.4%	-5.4%		
QoQ Line change (000's)							133	155	42	26	17	9	94	(2)	(12)	(11)	(9)	(34)		
Wholesale lines as % of total broadband lines						16.5%	24.2%	32.5%	34.7%	36.1%	37.1%	37.8%	37.8%	38.2%	37.9%	37.8%	37.6%	37.6%		
<b>Broadband Internet lines (in 000's) - Retail</b>	<b>1,035</b>	<b>1,066</b>	<b>1,111</b>	<b>1,169</b>	<b>1,263</b>	<b>1,364</b>	<b>1,235</b>	<b>1,181</b>	<b>1,103</b>	<b>1,079</b>	<b>1,062</b>	<b>1,046</b>	<b>1,030</b>	<b>1,030</b>	<b>1,011</b>	<b>1,001</b>	<b>988</b>	<b>983</b>	<b>983</b>	
QoQ Change				8.0%	8.0%	-9.5%	-4.4%	-6.6%		-2.2%	-1.6%	-1.5%	-1.5%		-1.8%	-1.0%	-1.3%	-0.5%		
YoY Change	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-4.4%	-6.6%	-7.5%	-7.6%	-6.9%	-6.6%	-6.6%	-6.3%	-5.7%	-5.5%	-4.6%	-4.6%	
QoQ Line change (000's)	30	31	45	58	94	101	(129)	(54)	(78)	(24)	(17)	(16)	(16)	(73)	(19)	(10)	(13)	(5)	(47)	
<b>Broadband Internet ARPU (in NIS) - Retail</b>	<b>69</b>	<b>75</b>	<b>80</b>	<b>81</b>	<b>84</b>	<b>84</b>	<b>88</b>	<b>89</b>	<b>90</b>	<b>92</b>	<b>93</b>	<b>93</b>	<b>96</b>	<b>93</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>98</b>	<b>97</b>	
QoQ Change				3.7%	0.0%	4.8%	1.1%	1.1%		0.0%	1.1%	0.0%	3.2%		0.0%	1.0%	1.0%	0.0%		
YoY Change	3.0%	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	1.1%	1.1%	2.2%	3.3%	3.3%	4.3%	3.3%	4.3%	4.3%	5.4%	2.1%	4.3%	
<b>Average broadband speed per subscriber (end of period, Mbps)</b>	<b>2.7</b>	<b>4.3</b>	<b>6.7</b>	<b>9.6</b>	<b>18.1</b>	<b>32.5</b>	<b>37.8</b>	<b>43.4</b>	<b>51.5</b>	<b>53.5</b>	<b>55.4</b>	<b>57.4</b>	<b>59.1</b>	<b>59.1</b>	<b>61.5</b>	<b>64.0</b>	<b>66.2</b>	<b>67.8</b>	<b>67.8</b>	
QoQ Change				88.5%	79.6%	16.3%	14.8%	18.7%		3.9%	3.6%	3.6%	2.9%		4.1%	3.4%	3.4%	2.4%		
YoY Change	22.7%	59.3%	55.8%	43.3%	88.5%	79.6%	16.3%	14.8%	18.7%	18.6%	17.4%	16.0%	14.8%	14.8%	15.0%	15.5%	15.3%	14.7%	14.7%	
<b>Number of employees</b>	<b>7,364</b>	<b>7,216</b>	<b>7,076</b>	<b>7,422</b>	<b>6,479</b>	<b>5,964</b>	<b>5,896</b>	<b>5,649</b>	<b>5,582</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>5,494</b>	<b>5,494</b>	<b>5,358</b>	<i>N/A</i>	<i>N/A</i>	<b>5,256</b>	<b>5,256</b>	
YoY Change	-2.2%	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%	-4.2%	-1.2%					-1.6%					-4.3%	
<b>Market share - Internet</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>63%</b>	<b>66%</b>	<b>68%</b>	<b>69%</b>	<b>70%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>69%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>63%</b>	
<b>Market share - telephony (private sector)</b>	<b>72%</b>	<b>65%</b>	<b>63%</b>	<b>59%</b>	<b>57%</b>	<b>56%</b>	<b>56%</b>	<b>55%</b>	<b>53%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>52%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>53%</b>	
<b>Market share - telephony (business sector)</b>	<b>82%</b>	<b>78%</b>	<b>76%</b>	<b>75%</b>	<b>74%</b>	<b>74%</b>	<b>74%</b>	<b>73%</b>	<b>72%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>71%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>71%</b>	

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	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	
<b>Pelephone</b>																				
<b>Key Performance Indicators</b>																				
Total Subscribers (EOP, in 000's)	2,766	2,857	2,847	2,800	2,642	2,586	2,651	2,402	2,525	2,546	2,601	2,185	2,205	2,205	2,224	2,263	2,310	2,336	2,336	
QoQ Change										0.8%	2.2%	-16.0%	0.9%	0.9%	1.8%	2.1%	1.1%	1.1%	1.1%	
YoY Change	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	-9.4%	5.1%	4.8%	7.9%	-11.7%	-12.7%	-12.7%	-12.6%	-13.0%	5.7%	5.9%	5.9%	
QoQ subscriber change (000's)		91	(10)	(47)	(158)	(56)	65	(249)	123	21	55	(416)	20	(320)	19	39	47	26	131	
Postpaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	N/A	N/A	1,750	1,726	1,669	1,729	1,760	1,800	1,817	1,831	1,831	1,842	1,866	1,895	1,911	1,911	
QoQ Change										1.8%	2.3%	0.9%	0.8%	0.6%	1.3%	1.6%	0.8%	0.8%	0.8%	
YoY Change							-1.4%	-3.3%		6.1%	8.2%	7.1%	5.9%	4.7%	3.7%	4.3%	4.4%	4.4%	4.4%	
QoQ subscriber change (000's)							(24)	(57)	60	31	40	17	14	102	11	24	29	16	80	
Prepaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	N/A	N/A	836	925	733	796	786	801	368	374	374	382	397	415	425	425	
QoQ Change										-1.3%	1.9%	-54.1%	1.6%	2.1%	3.9%	4.5%	2.4%	2.4%	2.4%	
YoY Change							10.6%	-20.8%	8.6%	1.9%	7.2%	-52.7%	-53.0%	-53.0%	-51.4%	-50.4%	12.8%	13.6%	13.6%	
QoQ subscriber change (000's)							89	(192)	63	(10)	15	(433)	6	(422)	8	15	18	10	51	
ARPU (in NIS)	N/A	111	107	95	86	78	64	63	61	57	57	68	66	62	63	64	65	60	63	
QoQ Change										-1.7%	0.0%	19.3%	-2.9%	-4.5%	1.6%	1.6%	1.6%	-7.7%	-7.7%	
YoY Change			-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-1.6%	-3.2%	-5.0%	-6.6%	7.9%	13.8%	1.6%	10.5%	12.3%	-4.4%	-9.1%	1.6%	
Churn rate	13.8%	15.3%	22.9%	22.4%	28.6%	28.0%	25.8%	23.7%	28.2%	8.0%	7.3%	9.1%	9.0%	33.3%	8.6%	7.5%	7.3%	7.3%	30.7%	
Number of employees	N/A	N/A	N/A	4,072	3,288	3,001	2,679	2,594	2,551	N/A	N/A	N/A	2,453	2,453	N/A	N/A	N/A	2,202	2,202	
YoY Change					-19.3%	-8.7%	-10.7%	-3.2%	-1.7%					-3.8%					-10.2%	
Market share	29.0%	28.9%	29.0%	28.2%	26.3%	25.5%	25.2%	23.1%	23.6%	N/A	N/A	21.0%	20.7%	20.7%	N/A	N/A	21.2%	N/A	N/A	
<b>Bezeq International</b>																				
<b>Key Performance Indicators</b>																				
Number of employees	2,445	2,112	2,262	2,102	2,007	1,932	1,966	1,905	1,864	N/A	N/A	N/A	1,653	1,653	N/A	N/A	N/A	1,419	1,419	
QoQ Change																				
YoY Change	5.2%	-13.6%	7.1%	-7.1%	-4.5%	-3.7%	1.8%	-3.1%	-2.2%					-11.3%					-14.2%	
Churn rate (ISP)	14.8%	12.7%	12.6%	18.4%	18.0%	17.0%	17.3%	20.4%	23.4%	6.0%	6.0%	5.8%	7.7%	25.5%	6.6%	6.2%	7.1%	6.3%	26.2%	
Market share - ISP	36.0%	35.9%	37.5%	38.8%	40.6%	42%	44%	44%	N/A	N/A	N/A	38.2%	N/A	N/A	N/A	N/A	N/A	N/A	30.0%	
Market share - ILD (Outgoing)	31.0%	30.7%	30.0%	24.6%	21.2%	23%	21%	21%	25.6%	N/A	N/A	N/A	N/A	23.3%	N/A	N/A	N/A	N/A	27.0%	
<b>yes</b>																				
<b>Key Performance Indicators</b>																				
Subscribers (EOP, in 000's)	571	578	586	578	600	630	635	614	587	580	582	584	574	574	568	565	558	555	555	
QoQ Change										-1.2%	0.3%	0.3%	-1.7%	-1.0%	-0.5%	-1.2%	-0.5%	-0.5%	-0.5%	
YoY Change	2.0%	1.2%	1.4%	-1.4%	3.8%	5.0%	0.8%	-3.3%	-4.4%	-4.6%	-3.5%	-2.2%	-2.2%	-2.2%	-2.1%	-2.9%	-4.5%	-3.3%	-3.3%	
QoQ subscriber change (000's)								(21)	(27)	(7)	2	2	(10)	(13)	(6)	(3)	(7)	(3)	(19)	
ARPU (in NIS)	226	230	232	234	233	234	233	233	228	214	215	210	206	211	200	198	198	198	199	
QoQ Change										-5.3%	0.5%	-2.3%	-1.9%	-2.9%	-1.0%	0.0%	0.0%	0.0%	0.0%	
YoY Change	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	-0.4%	0.0%	-2.1%	-7.8%	-6.1%	-7.1%	-8.8%	-7.5%	-6.5%	-7.9%	-5.7%	-3.9%	-5.7%	
Churn rate	13.3%	13.0%	11.9%	15.4%	13.5%	12.8%	13.9%	15.9%	18.8%	6.1%	4.7%	5.1%	5.6%	21.5%	5.6%	4.9%	5.5%	5.2%	21.2%	
Number of employees	2,158	2,229	2,227	2,276	2,208	2,042	1,984	1,753	1,680	N/A	N/A	N/A	1,532	1,532	N/A	1,350	N/A	1,335	1,335	
YoY Change	8.0%	3.3%	-0.1%	2.2%	-3.0%	-7.5%	-2.8%	-11.6%	-4.2%					-8.8%					-12.9%	
Mkt share	38%	39%	40%	39%	40%	42%	42%	40%	37%	N/A	N/A	N/A	N/A	34%	N/A	N/A	N/A	N/A	32%	



## Debt Ratings & Repayments

<u>Rating Agency</u>	<u>Rating</u>	<u>Outlook</u>
S&P Global Ratings Maalot	AA-.il	Negative
Midroog	Aa2.il	Negative

### Summary of Financial Undertakings as of December 31, 2019 (based on repayment dates)

#### Notes Issued to the Public (Bezeq Fixed-Line)

	NIS	NIS	Gross Interest Payment	Total principal and interest
	CPI Linked	Unlinked		
First year	521,436	35,708	157,362	714,506
Second year	521,436	35,708	137,522	694,666
Third year	610,300	250,205	117,682	978,187
Fourth year	266,592	643,490	88,057	998,139
Fifth year and thereafter	533,184	1,286,981	88,057	1,908,222
<b>Total</b>	<b>2,452,948</b>	<b>2,252,092</b>	<b>588,680</b>	<b>5,293,720</b>

#### Private Notes and Other Non-Bank Credit (Bezeq Fixed-Line)

	NIS	NIS	Gross Interest Payment	Total principal and interest
	CPI Linked	Unlinked		
First year	-	61,667	95,746	157,413
Second year	-	123,333	92,674	216,007
Third year	-	101,667	87,890	189,557
Fourth year	-	301,667	84,078	385,745
Fifth year and thereafter	799,240	1,567,860	273,841	2,640,941
<b>Total</b>	<b>799,240</b>	<b>2,156,194</b>	<b>634,229</b>	<b>3,589,663</b>

## Debt Ratings & Repayments

### Credit from Israeli Banks (Bezeq Fixed-Line)

	NIS	NIS	Gross Interest Payment	Total principal and interest
	CPI Linked	Unlinked		
First year	-	343,556	64,287	407,843
Second year	-	221,556	48,768	270,324
Third year	-	6,000	42,632	48,632
Fourth year	-	6,000	42,434	48,434
Fifth year and thereafter	-	1,239,000	73,267	1,312,267
<b>Total</b>	-	<b>1,816,112</b>	<b>271,388</b>	<b>2,087,500</b>

### Total Debt - Bezeq Fixed-Line

	NIS	NIS	Gross Interest Payment	Total principal and interest
	CPI Linked	Unlinked		
First year	521,436	440,931	317,395	1,279,762
Second year	521,436	380,597	278,964	1,180,997
Third year	610,300	357,872	248,204	1,216,376
Fourth year	266,592	951,157	214,569	1,432,318
Fifth year and thereafter	1,332,424	4,093,841	435,165	5,861,430
<b>Total</b>	<b>3,252,188</b>	<b>6,224,398</b>	<b>1,494,297</b>	<b>10,970,883</b>

### Total Debt - Subsidiary Companies

	NIS	NIS	Gross Interest Payment	Total principal and interest
	CPI Linked	Unlinked		
First year	-	6,818	116	6,934
Second year	-	-	-	-
Third year	-	-	-	-
Fourth year	-	-	-	-
Fifth year and thereafter	-	-	-	-
<b>Total</b>	-	<b>6,818</b>	<b>116</b>	<b>6,934</b>



Bezeq

	FY 2017	FY 2018	FY 2019	Interest Rate Range
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## Debt Terms

### Bank loans

Unlinked loans at fixed interest	1,725	1,740	1,593	3.2% - 4.3%
Unlinked loans at fixed interest	631	417	243	5.0% - 6.85%
Unlinked loans at variable interest	675	500	-	Prime-0.33% to Prime +0.2%
Unlinked loans at fixed interest	300	-	-	
<b>Total bank loans</b>	<b>3,331</b>	<b>2,657</b>	<b>1,836</b>	

### Loans from financial institutions

Unlinked loans at fixed interest	1,695	2,014	1,517	3.22% - 4.0%
Unlinked loans at fixed interest	67	50	33	5.25%
<b>Total loans from financial institutions</b>	<b>1,762</b>	<b>2,064</b>	<b>1,550</b>	
<b>Total loans</b>	<b>5,093</b>	<b>4,721</b>	<b>3,386</b>	

### Debentures issued to the public

Series 6 - linked to the CPI, at fixed interest	3,176	2,553	1,600	3.70%
Series 7 - unlinked at variable interest	732	586	107	Makam for one year +1.4%
Series 9 - unlinked at fixed interest	1,645	2,208	2,197	3.65%
Series 10 - linked to the CPI, at fixed interest	900	903	902	2.2%
<b>Total debentures issued to the public</b>	<b>6,453</b>	<b>6,250</b>	<b>4,806</b>	

### Debentures traded on the Tel Aviv Continuous Institutional Trading System (TACT)

Series 11 - unlinked at fixed interest	-	-	605	3.6%
Series 12 - linked to the CPI, at fixed interest	-	-	761	2.1%
<b>Total debentures issued to the public</b>	<b>-</b>	<b>-</b>	<b>1,366</b>	

### Non-marketable debentures issued to financial institutions

Debentures issued by DBS and held by the public - linked to the CPI, at fixed interest	15	8	-	
Unlinked debentures at fixed interest	300	200	-	
<b>Total non-marketable debentures</b>	<b>315</b>	<b>208</b>	<b>-</b>	
<b>Total debentures</b>	<b>6,768</b>	<b>6,458</b>	<b>6,172</b>	

<b>Total loans and debentures</b>	<b>11,861</b>	<b>11,179</b>	<b>9,558</b>	
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**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 10, 2018	318	0.11	Semi-Annual Dividend
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



## Bezeq Group Dividends

### Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
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

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### Glossary

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EBITDA	= Earnings Before Interest, taxes, depreciation, amortization and ongoing losses from impairment of fixed and intangible assets
Adjusted EBITDA	= EBITDA excluding other operating income/expenses and one-time loss from impairment of assets
Net Debt/Adjusted EBITDA	= Adjusted EBITDA in this ratio is EBITDA excluding other income/expenses, one-time loss from impairment of assets and the effect of the adoption of accounting standard IFRS 16
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
TTM	= Trailing twelve months