



# Facts & Figures Q4 & FY 2011

Year ending December 31, 2011

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(NIS millions, except for EPS)

	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011
<b>Bezeq Group <sup>(1) (2)</sup></b>																
<b>Key Income Statement Metrics</b>																
Revenues	11,015	2,791	2,872	2,924	2,932	11,519	2,915	2,981	3,033	3,058	11,987	2,913	2,893	2,917	2,650	11,373
QoQ Change		3.3%	2.9%	1.8%	0.3%		-0.6%	2.3%	1.7%	0.8%		-4.7%	-0.7%	0.8%	-9.2%	
YoY Change	-1.1%	1.1%	4.5%	4.2%	8.6%	4.6%	4.4%	3.8%	3.7%	4.3%	4.1%	-0.1%	-3.0%	-3.8%	-13.3%	-5.1%
Operating Profit	2,640	799	818	875	480	2,972	874	990	979	901	3,744	665	935	944	698	3,242
QoQ Change		76.8%	2.4%	7.0%	-45.1%		82.1%	13.3%	-1.1%	-8.0%		-26.2%	40.6%	1.0%	-26.1%	
YoY Change	13.7%	24.6%	6.0%	12.9%	6.2%	12.6%	9.4%	21.0%	11.9%	87.7%	26.0%	-23.9%	-5.6%	-3.6%	-22.5%	-13.4%
Net profit attributed to Bezeq shareholders	1,627	608	541	2,088	366	3,603	642	638	588	575	2,443	407	585	550	524	2,066
QoQ Change		104.0%	-11.0%	286.0%	-82.5%		75.4%	-0.6%	-7.8%	-2.2%		-29.2%	43.7%	-6.0%	-4.7%	
YoY Change	22.3%	47.9%	18.6%	351.9%	22.8%	121.5%	5.6%	17.9%	-71.8%	57.1%	-32.2%	-36.6%	-8.3%	-6.5%	-8.9%	-15.4%
Earnings Per Share - Basic	0.62	0.23	0.21	0.79	0.14	1.37	0.24	0.24	0.22	0.21	0.91	0.15	0.22	0.20	0.19	0.76
Earnings Per Share - Diluted	0.61	0.23	0.20	0.79	0.12	1.34	0.24	0.24	0.22	0.21	0.90	0.15	0.21	0.20	0.19	0.76
Depreciation & amortization	1,458	371	377	361	376	1,485	343	348	350	368	1,409	335	348	357	355	1,395
QoQ Change		1.9%	1.6%	-4.2%	4.2%		-8.8%	1.5%	0.6%	5.1%		-9.0%	3.9%	2.6%	-0.6%	
YoY Change	-3.4%	0.8%	4.4%	-1.1%	3.3%	1.9%	-7.5%	-7.7%	-3.0%	-2.1%	-5.1%	-2.3%	0.0%	2.0%	-3.5%	-1.0%
EBITDA	4,098	1,170	1,195	1,236	856	4,457	1,217	1,338	1,329	1,269	5,153	1,000	1,283	1,301	1,053	4,637
QoQ Change		43.4%	2.1%	3.4%	-30.7%		42.2%	9.9%	-0.7%	-4.5%		-21.2%	28.3%	1.4%	-19.1%	
YoY Change	7.0%	16.0%	5.5%	8.4%	4.9%	8.8%	4.0%	12.0%	7.5%	48.2%	15.6%	-17.8%	-4.1%	-2.1%	-17.0%	-10.0%
Shares Outstanding - Basic	2,605	2,606	2,617	2,628	2,657	2,635	2,663	2,675	2,677	2,682	2,675	2,688	2,699	2,706	2,711	2,701
Shares Outstanding - Diluted	2,649	2,647	2,667	2,677	2,702	2,685	2,710	2,713	2,715	2,720	2,717	2,722	2,724	2,724	2,725	2,725
<b>Key Cash Flow Metrics</b>																
Operating cash flow	3,068	1,134	715	1,021	785	3,655	806	976	1,166	748	3,696	890	670	882	744	3,186
QoQ Change		63.8%	-37.0%	42.9%	-23.1%		2.7%	21.1%	19.5%	-35.8%		19.0%	-24.7%	31.6%	-15.6%	
YoY Change	13.7%	112.5%	-1.7%	-8.4%	13.3%	19.1%	-28.9%	36.6%	14.2%	-4.7%	1.1%	10.4%	-31.4%	-24.4%	-0.5%	-13.8%
Capital expenditures, gross (accounting)	1,632	395	399	326	385	1,505	360	427	381	478	1,645	513	495	437	494	1,939
QoQ Change		-22.4%	1.0%	-18.3%	18.1%		-6.5%	18.6%	-10.8%	25.5%		7.3%	-3.5%	-11.7%	13.0%	
YoY Change	50.3%	50.2%	-29.1%	9.8%	-24.4%	-7.8%	-8.9%	7.0%	16.9%	24.2%	9.3%	42.5%	15.9%	14.7%	3.3%	17.9%
Capital expenditures, gross (cash flow)	1,531	410	381	384	360	1,535	369	396	376	481	1,622	500	455	479	469	1,903
QoQ Change		14.0%	-7.0%	0.8%	-6.2%		2.4%	7.3%	-5.1%	27.9%		4.0%	-9.0%	5.3%	-2.1%	
YoY Change	54.5%	42.9%	10.0%	-28.8%	0.3%	0.2%	-9.9%	3.9%	-2.1%	33.5%	5.7%	35.5%	14.9%	27.4%	-2.5%	17.3%
Capital expenditures, net (cash flow)	1,384	359	370	364	352	1,445	354	370	328	437	1,489	428	406	374	429	1,637
QoQ Change		14.5%	3.2%	-1.6%	-3.2%		0.5%	4.5%	-11.4%	33.2%		-2.1%	-5.1%	-7.9%	14.7%	
YoY Change	70.0%	58.9%	15.5%	-30.7%	12.5%	4.4%	-1.3%	0.0%	-9.9%	24.0%	3.0%	20.9%	9.7%	14.0%	-1.8%	9.9%
Free cash flow	1,684	776	345	657	433	2,210	452	606	838	311	2,207	462	264	508	315	1,549
QoQ Change		104.5%	-55.6%	90.7%	-34.1%		4.5%	34.1%	38.3%	-62.9%		48.6%	-42.9%	92.4%	-38.0%	
YoY Change	-10.6%	151.6%	-15.2%	11.4%	14.0%	31.3%	-41.7%	75.9%	27.5%	-28.1%	-0.1%	2.2%	-56.4%	-39.4%	1.3%	-29.8%
<b>Key Balance Sheet Metrics</b>																
Total debt	4,356	4,531	4,168	4,166	4,136	4,136	3,880	5,229	5,727	5,717	5,717	5,638	6,984	9,614	9,578	9,578
Cash & short-term investments	816	1,736	882	1,459	734	734	956	242	1,412	372	372	701	487	3,620	2,298	2,298
Net debt	3,540	2,795	3,286	2,707	3,402	3,402	2,924	4,987	4,315	5,345	5,345	4,937	6,497	5,994	7,280	7,280
<b>Ratios</b>																
Operating margin	24.0%	28.6%	28.5%	29.9%	16.4%	25.8%	30.0%	33.2%	32.3%	29.5%	31.2%	22.8%	32.3%	32.4%	26.3%	28.5%
Net margin	14.8%	21.8%	18.8%	71.4%	12.5%	31.3%	22.0%	21.4%	19.4%	18.8%	20.4%	14.0%	20.2%	18.9%	19.8%	18.2%
EBITDA margin	37.2%	41.9%	41.6%	42.3%	29.2%	38.7%	41.7%	44.9%	43.8%	41.5%	43.0%	34.3%	44.3%	44.6%	39.7%	40.8%
Capex/Sales	14.8%	14.2%	13.9%	11.1%	13.1%	13.1%	12.3%	14.3%	12.6%	15.6%	13.7%	17.6%	17.1%	15.0%	18.6%	17.0%
Total debt / EBITDA (ttm)	1.06	1.06	0.96	0.94	0.93	0.93	0.86	1.13	1.21	1.11	1.11	1.14	1.43	1.98	2.07	2.07
Net debt / EBITDA (ttm)	0.86	0.66	0.76	0.61	0.76	0.76	0.65	1.07	0.91	1.04	1.04	1.00	1.33	1.24	1.57	1.57

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

<sup>2</sup> The Bezeq Group results reflect the consolidation of Walla! as of April 25, 2010.



(NIS millions, except for EPS)

	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011
<b>Bezeq Fixed-Line</b>																
<b>Key Income Statement Metrics</b>																
Total Revenues	5,498	1,326	1,318	1,343	1,316	5,303	1,304	1,307	1,323	1,329	5,263	1,178	1,170	1,186	1,114	4,648
QoQ Change		-1.6%	-0.6%	1.9%	-2.0%		-0.9%	0.2%	1.2%	0.5%		-11.4%	-0.7%	1.4%	-6.1%	
YoY Change	-3.8%	-5.8%	-2.7%	-3.2%	-2.4%	-3.5%	-1.7%	-0.8%	-1.5%	1.0%	-0.8%	-9.7%	-10.5%	-10.4%	-16.2%	-11.7%
Telephony Revenues	3,572	839	828	843	823	3,333	785	795	788	792	3,160	617	607	612	557	2,393
QoQ Change			-1.3%	1.8%	-2.4%		-4.6%	1.3%	-0.9%	0.5%		-22.1%	-1.6%	0.8%	-9.0%	
YoY Change	-8.5%	-6.4%	-4.0%	-6.7%	-6.7%	-6.7%	-6.4%	-4.0%	-6.5%	-3.8%	-5.2%	-21.4%	-23.6%	-22.3%	-29.7%	-24.3%
Broadband Internet Revenues	790	207	210	221	225	863	236	235	249	257	977	265	269	276	282	1,092
QoQ Change			1.4%	5.2%	1.8%		4.9%	-0.4%	6.0%	3.2%		3.1%	1.5%	2.6%	2.2%	
YoY Change	11.0%			14.0%	9.2%	14.0%	11.9%	12.7%	14.2%	13.2%	12.3%	14.5%	10.8%	9.7%	11.8%	
Transmission & Data Revenues	811	207	213	217	214	851	223	221	219	219	882	228	233	239	231	931
QoQ Change			2.9%	1.9%	-1.4%		4.2%	-0.9%	-0.9%	0.0%		4.1%	2.2%	2.6%	-3.3%	
YoY Change	7.6%			4.9%	7.7%	4.9%	7.7%	3.8%	0.9%	2.3%	3.6%	2.2%	5.4%	9.1%	5.5%	5.6%
Other Service Revenues	325	73	67	62	54	256	60	56	67	61	244	68	61	59	44	232
QoQ Change			-8.2%	-7.5%	-12.9%		11.1%	-6.7%	19.6%	-9.0%		11.5%	-10.3%	-3.3%	-25.4%	
YoY Change	-5.0%			-21.2%	-17.8%	-16.4%	8.1%	13.0%	-4.7%	13.3%	8.9%	-11.9%	-27.9%	-4.9%		
Operating profit	1,475	437	434	491	161	1,523	490	503	556	494	2,043	211	517	546	384	1,658
QoQ Change		88.4%	-0.7%	13.1%	-67.2%		204.3%	2.7%	10.5%	-11.2%		-57.3%	145.0%	5.6%	-29.7%	
YoY Change	11.8%	17.2%	-1.8%	14.7%	-30.6%	3.3%	12.1%	15.9%	13.2%	206.8%	34.1%	-56.9%	2.8%	-1.8%	-22.3%	-18.8%
Net profit <sup>(1)</sup>	950	336	316	319	136	1,107	360	349	377	340	1,426	123	330	311	301	1,065
QoQ Change		131.7%	-6.0%	0.9%	-57.4%		164.7%	-3.1%	8.0%	-9.8%		-63.8%	168.3%	-5.8%	-3.2%	
YoY Change	28.9%	37.7%	9.0%	17.7%	-6.2%	16.5%	7.1%	10.4%	18.2%	150.0%	28.8%	-65.8%	-5.4%	-17.5%	-11.5%	-25.3%
Depreciation & amortization	852	211	205	184	194	794	170	171	171	178	690	162	171	180	175	688
QoQ Change		1.0%	-2.8%	-10.2%	5.4%		-12.4%	0.6%	0.0%	4.1%		-9.0%	5.6%	5.3%	-2.8%	
YoY Change	-9.5%	-3.2%	-2.8%	-14.0%	-7.2%	-6.8%	-19.4%	-16.6%	-7.1%	-8.2%	-13.1%	-4.7%	0.0%	5.3%	-1.7%	-0.3%
EBITDA	2,327	648	639	675	355	2,317	660	674	727	672	2,733	373	688	726	559	2,346
QoQ Change		46.9%	-1.4%	5.6%	-47.4%		85.9%	2.1%	7.9%	-7.6%		-44.5%	84.5%	5.5%	-23.0%	
YoY Change	3.0%	9.6%	-2.1%	5.1%	-19.5%	-0.4%	1.9%	5.5%	7.7%	89.3%	18.0%	-43.5%	2.1%	-0.1%	-16.8%	-14.2%
<b>Key Cash Flow Metrics <sup>(2)</sup></b>																
Operating cash flow	1,691	635	408	526	651	2,220	393	523	684	540	2,140	534	496	641	435	2,106
QoQ Change			-35.7%	28.9%	23.8%		-39.6%	33.1%	30.8%	-21.1%		-1.1%	-7.1%	29.2%	-32.1%	
YoY Change	22.6%			31.3%	-38.1%	28.2%	30.0%	-17.1%	-3.6%	35.9%	-5.2%	-6.3%	-19.5%	-1.6%		
Capital expenditures, gross (accounting)	600	210	209	191	234	844	228	269	250	294	1,041	340	310	243	281	1,174
QoQ Change		-5.0%	-0.5%	-8.6%	22.5%		-2.6%	18.0%	-7.1%	17.6%		15.6%	-8.8%	-21.6%	15.6%	
YoY Change	17.0%	64.1%	50.4%	70.5%	5.9%	40.7%	8.6%	28.7%	30.9%	25.6%	23.3%	49.1%	15.2%	-2.8%	-4.4%	12.8%
Capital expenditures, gross (cash flow)	616	238	191	204	220	853	238	247	245	302	1,032	319	319	268	259	1,165
QoQ Change		40.0%	-19.7%	6.8%	7.8%		8.2%	3.8%	-0.8%	23.3%		5.6%	0.0%	-16.0%	-3.4%	
YoY Change	22.0%	50.6%	44.7%	30.8%	29.4%	38.5%	0.0%	29.3%	20.1%	37.3%	21.0%	34.0%	29.1%	9.4%	-14.2%	12.9%
Capital expenditures, net (cash flow)	472	189	182	185	211	767	223	221	197	259	900	247	271	200	219	937
QoQ Change		53.7%	-3.7%	1.6%	14.1%		5.7%	-0.9%	-10.9%	31.5%		-4.6%	9.7%	-26.2%	9.5%	
YoY Change	40.5%	92.9%	70.1%	28.5%	71.5%	62.5%	18.0%	21.4%	6.5%	22.7%	17.3%	10.8%	22.6%	1.5%	-15.4%	4.1%
Free cash flow	1,219	446	226	341	440	1,453	170	302	487	281	1,240	287	225	441	216	1,169
QoQ Change			-49.3%	50.9%	29.0%		-61.4%	77.6%	61.3%	-42.3%		2.1%	-21.6%	96.0%	-51.0%	
YoY Change	16.9%			19.2%	-61.9%	33.6%	42.8%	-36.1%	-14.7%	68.8%	-25.5%	-9.4%	-23.2%	-5.7%		
<b>Ratios</b>																
Operating margin	26.8%	33.0%	32.9%	36.6%	12.2%	28.7%	37.6%	38.5%	42.0%	37.2%	38.8%	17.9%	44.2%	46.0%	34.5%	35.7%
Net margin	17.3%	25.3%	24.0%	23.8%	10.3%	20.9%	27.6%	26.7%	28.5%	25.6%	27.1%	10.4%	28.2%	26.2%	27.0%	22.9%
EBITDA margin	42.3%	48.9%	48.5%	50.3%	27.0%	43.7%	50.6%	51.6%	55.0%	50.6%	51.9%	31.7%	58.8%	61.2%	50.2%	50.5%
Capex/Sales	10.9%	15.8%	15.9%	14.2%	17.8%	15.9%	17.5%	20.6%	18.9%	22.1%	19.8%	28.9%	26.5%	20.5%	25.2%	25.3%

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

<sup>2</sup> 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 presented in this metrics file for convenience purposes only.



(NIS millions, except for EPS)

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
	2008	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	2011	2011	2011	2011	2011	
<b>Telephone</b>																	
<b>Key Income Statement Metrics</b>																	
<b>Total Revenues</b>	<b>4,713</b>	<b>1,265</b>	<b>1,346</b>	<b>1,372</b>	<b>1,393</b>	<b>5,376</b>	<b>1,393</b>	<b>1,429</b>	<b>1,442</b>	<b>1,468</b>	<b>5,732</b>	<b>1,450</b>	<b>1,438</b>	<b>1,421</b>	<b>1,239</b>	<b>5,548</b>	
QoQ Change		11.2%	6.4%	1.9%	1.5%		0.0%	2.6%	0.9%	1.8%		-1.2%	-0.8%	-1.2%	-12.8%		
YoY Change	0.6%	7.8%	13.3%	13.0%	22.4%	14.1%	10.1%	6.2%	5.1%	5.4%	6.6%	4.1%	0.6%	-1.5%	-15.6%	-3.2%	
<b>Service Revenues</b>	<b>4,020</b>	<b>1,019</b>	<b>1,050</b>	<b>1,101</b>	<b>1,086</b>	<b>4,256</b>	<b>1,106</b>	<b>1,140</b>	<b>1,159</b>	<b>1,145</b>	<b>4,550</b>	<b>949</b>	<b>925</b>	<b>914</b>	<b>849</b>	<b>3,637</b>	
QoQ Change			3.0%	4.9%	-1.4%		1.8%	3.1%	1.7%	-1.2%		-17.1%	-2.5%	-1.2%	-7.1%		
YoY Change	1.2%				5.9%		8.5%	8.6%	5.3%	5.4%	6.9%	-14.2%	-18.9%	-21.1%	-25.9%	-20.1%	
<b>Equipment Revenues</b>	<b>693</b>	<b>246</b>	<b>296</b>	<b>271</b>	<b>307</b>	<b>1,120</b>	<b>287</b>	<b>289</b>	<b>283</b>	<b>323</b>	<b>1,182</b>	<b>501</b>	<b>513</b>	<b>507</b>	<b>390</b>	<b>1,911</b>	
QoQ Change			20.3%	-8.4%	13.3%		-6.5%	0.7%	-2.1%	14.1%		55.1%	2.4%	-1.2%	-23.1%		
YoY Change	-2.7%				61.6%		16.7%	-2.4%	4.4%	5.2%	5.5%	74.6%	77.5%	79.2%	20.7%	61.7%	
<b>Operating profit</b>	<b>933</b>	<b>302</b>	<b>321</b>	<b>316</b>	<b>251</b>	<b>1,190</b>	<b>322</b>	<b>362</b>	<b>356</b>	<b>343</b>	<b>1,383</b>	<b>399</b>	<b>357</b>	<b>342</b>	<b>262</b>	<b>1,360</b>	
QoQ Change		89.9%	6.3%	-1.6%	-20.6%		28.3%	12.4%	-1.7%	-3.7%		16.3%	-10.5%	-4.2%	-23.4%		
YoY Change	15.9%	40.5%	20.7%	7.8%	57.9%	27.5%	6.6%	12.8%	12.7%	36.7%	16.2%	23.9%	-1.4%	-3.9%	-23.6%	-1.7%	
<b>Net profit</b>	<b>682</b>	<b>230</b>	<b>233</b>	<b>231</b>	<b>181</b>	<b>875</b>	<b>259</b>	<b>267</b>	<b>239</b>	<b>268</b>	<b>1,033</b>	<b>310</b>	<b>279</b>	<b>263</b>	<b>204</b>	<b>1,056</b>	
QoQ Change		79.7%	1.3%	-0.9%	-21.6%		43.1%	3.1%	-10.5%	12.1%		15.7%	-10.0%	-5.7%	-22.4%		
YoY Change	16.6%	41.1%	29.4%	9.5%	41.4%	28.3%	12.6%	14.6%	3.5%	48.1%	18.1%	19.7%	4.5%	10.0%	-23.9%	2.2%	
<b>Depreciation &amp; amortization</b>	<b>523</b>	<b>139</b>	<b>151</b>	<b>155</b>	<b>158</b>	<b>603</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>154</b>	<b>601</b>	<b>139</b>	<b>143</b>	<b>139</b>	<b>140</b>	<b>561</b>	
QoQ Change		3.0%	8.6%	2.6%	1.9%		-5.7%	0.0%	0.0%	3.4%		-9.7%	2.9%	-2.8%	0.7%		
YoY Change	9.2%	7.8%	16.2%	20.2%	17.0%	15.3%	7.2%	-1.3%	-3.9%	-2.5%	-0.3%	-6.7%	-4.0%	-6.7%	-9.1%	-6.7%	
<b>EBITDA</b>	<b>1,456</b>	<b>441</b>	<b>472</b>	<b>471</b>	<b>410</b>	<b>1,794</b>	<b>471</b>	<b>511</b>	<b>505</b>	<b>497</b>	<b>1,984</b>	<b>539</b>	<b>500</b>	<b>481</b>	<b>401</b>	<b>1,921</b>	
QoQ Change		50.0%	7.0%	-0.2%	-13.0%		14.9%	8.5%	-1.2%	-1.6%		8.5%	-7.2%	-3.8%	-16.6%		
YoY Change	13.4%	28.2%	19.2%	11.6%	39.5%	23.2%	6.8%	8.3%	7.2%	21.2%	10.6%	14.4%	-2.2%	-4.8%	-19.3%	-3.2%	
<b>Key Cash Flow Metrics</b>																	
<b>Operating cash flow</b>	<b>1,277</b>	<b>375</b>	<b>290</b>	<b>395</b>	<b>55</b>	<b>1,115</b>	<b>350</b>	<b>378</b>	<b>400</b>	<b>91</b>	<b>1,219</b>	<b>308</b>	<b>101</b>	<b>168</b>	<b>223</b>	<b>800</b>	
QoQ Change		25.8%	-22.7%	36.2%	-86.1%		536.4%	8.0%	5.8%	-77.3%		238.5%	-67.2%	66.3%	32.7%		
YoY Change	4.0%	46.5%	-15.7%	4.2%	-81.5%	-12.7%	-6.7%	30.3%	1.3%	65.5%	9.3%	-12.0%	-73.3%	-58.0%	145.1%	-34.4%	
<b>Capital expenditures, gross (accounting)</b>	<b>911</b>	<b>165</b>	<b>127</b>	<b>107</b>	<b>109</b>	<b>508</b>	<b>110</b>	<b>112</b>	<b>99</b>	<b>110</b>	<b>431</b>	<b>122</b>	<b>109</b>	<b>98</b>	<b>113</b>	<b>442</b>	
QoQ Change		-35.8%	-23.0%	-15.7%	1.9%		0.9%	1.8%	-11.6%	11.1%		10.9%	-10.7%	-10.1%	15.3%		
YoY Change	107.0%	52.8%	-66.0%	-37.8%	-57.6%	-44.2%	-33.3%	-11.8%	-7.5%	0.9%	-15.2%	10.9%	-2.7%	-1.0%	2.7%	2.6%	
<b>Capital expenditures, gross (cash flow)</b>	<b>798</b>	<b>149</b>	<b>163</b>	<b>146</b>	<b>101</b>	<b>559</b>	<b>92</b>	<b>114</b>	<b>99</b>	<b>92</b>	<b>397</b>	<b>133</b>	<b>86</b>	<b>107</b>	<b>93</b>	<b>419</b>	
QoQ Change		-8.6%	9.4%	-10.4%	-30.8%		-8.9%	23.9%	-13.2%	-7.1%		44.6%	-35.3%	24.4%	-13.1%		
YoY Change	109.4%	44.7%	-10.4%	-58.3%	-38.0%	-29.9%	-38.3%	-30.1%	-32.2%	-8.9%	-29.0%	44.6%	-24.6%	8.1%	1.1%	5.5%	
<b>Capital expenditures, net (cash flow)</b>	<b>795</b>	<b>149</b>	<b>159</b>	<b>146</b>	<b>101</b>	<b>555</b>	<b>92</b>	<b>114</b>	<b>99</b>	<b>92</b>	<b>397</b>	<b>133</b>	<b>86</b>	<b>71</b>	<b>92</b>	<b>382</b>	
QoQ Change		-8.0%	6.7%	-8.2%	-30.8%		-8.9%	23.9%	-13.2%	-7.1%		44.6%	-35.3%	-17.4%	29.6%		
YoY Change	111.4%	46.1%	-12.2%	-58.3%	-37.7%	-30.2%	-38.3%	-28.3%	-32.2%	-8.9%	-28.5%	44.6%	-24.6%	-28.3%	0.0%	-3.8%	
<b>Free cash flow</b>	<b>482</b>	<b>226</b>	<b>131</b>	<b>249</b>	<b>-45</b>	<b>560</b>	<b>258</b>	<b>264</b>	<b>301</b>	<b>-1</b>	<b>822</b>	<b>175</b>	<b>15</b>	<b>97</b>	<b>131</b>	<b>418</b>	
QoQ Change		66.2%	-42.0%	90.1%	-118.1%		-673.3%	2.3%	14.0%	-100.3%		N/M	-91.4%	546.7%	35.1%		
YoY Change	-43.4%	46.8%	-19.6%	758.6%	-133.1%	16.2%	14.2%	101.5%	20.9%	-97.8%	46.8%	-32.2%	-94.3%	-67.8%	N/M	-49.1%	
<b>Ratios</b>																	
<b>Operating margin</b>	<b>19.8%</b>	<b>23.9%</b>	<b>23.8%</b>	<b>23.0%</b>	<b>18.0%</b>	<b>22.1%</b>	<b>23.1%</b>	<b>25.3%</b>	<b>24.7%</b>	<b>23.4%</b>	<b>24.1%</b>	<b>27.5%</b>	<b>24.8%</b>	<b>24.1%</b>	<b>21.1%</b>	<b>24.5%</b>	
<b>Net margin</b>	<b>14.5%</b>	<b>18.2%</b>	<b>17.3%</b>	<b>16.8%</b>	<b>13.0%</b>	<b>16.3%</b>	<b>18.6%</b>	<b>18.7%</b>	<b>16.6%</b>	<b>18.3%</b>	<b>18.0%</b>	<b>21.4%</b>	<b>19.4%</b>	<b>18.5%</b>	<b>16.5%</b>	<b>19.0%</b>	
<b>EBITDA margin</b>	<b>30.9%</b>	<b>34.9%</b>	<b>35.1%</b>	<b>34.3%</b>	<b>29.4%</b>	<b>33.4%</b>	<b>33.8%</b>	<b>35.8%</b>	<b>35.0%</b>	<b>33.9%</b>	<b>34.6%</b>	<b>37.2%</b>	<b>34.8%</b>	<b>33.8%</b>	<b>32.4%</b>	<b>34.6%</b>	
<b>Capex/Sales</b>	<b>19.3%</b>	<b>13.0%</b>	<b>9.4%</b>	<b>7.8%</b>	<b>7.8%</b>	<b>9.4%</b>	<b>7.9%</b>	<b>7.8%</b>	<b>6.9%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>8.4%</b>	<b>7.6%</b>	<b>6.9%</b>	<b>9.1%</b>	<b>8.0%</b>	



(NIS millions, except for EPS)

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	2008	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	2011	2011	2011	2011	2011
<b>Bezeq International</b>																
<b>Key Income Statement Metrics</b>																
Revenues	<b>1,306</b>	<b>324</b>	<b>327</b>	<b>332</b>	<b>334</b>	<b>1,318</b>	<b>343</b>	<b>340</b>	<b>347</b>	<b>350</b>	<b>1,380</b>	<b>329</b>	<b>332</b>	<b>351</b>	<b>341</b>	<b>1,354</b>
QoQ Change		-3.8%	0.7%	1.8%	0.5%		2.7%	-0.9%	2.2%	0.7%		-5.9%	0.9%	5.5%	-2.7%	
YoY Change	0.2%	3.4%	0.3%	1.1%	-1.0%	0.9%	5.7%	4.1%	4.5%	4.8%	4.8%	-4.0%	-2.2%	1.0%	-2.5%	-1.9%
Operating profit	<b>242</b>	<b>60</b>	<b>68</b>	<b>66</b>	<b>67</b>	<b>261</b>	<b>62</b>	<b>124</b>	<b>70</b>	<b>65</b>	<b>320</b>	<b>61</b>	<b>60</b>	<b>61</b>	<b>59</b>	<b>241</b>
QoQ Change		-7.5%	12.4%	-1.8%	0.5%		-7.7%	101.0%	-43.8%	-6.5%		-6.5%	-0.9%	1.7%	-4.5%	
YoY Change	18.6%	9.8%	8.0%	12.3%	2.5%	8.0%	2.3%	83.0%	4.8%	-1.5%	22.6%	-1.1%	-51.2%	-11.8%	-9.9%	-24.6%
Net profit	<b>178</b>	<b>44</b>	<b>56</b>	<b>51</b>	<b>49</b>	<b>200</b>	<b>46</b>	<b>108</b>	<b>53</b>	<b>46</b>	<b>254</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>44</b>	<b>182</b>
QoQ Change		-3.7%	26.5%	-9.1%	-2.5%		-6.0%	132.9%	-50.6%	-14.2%		0.2%	0.8%	-0.9%	-4.2%	
YoY Change	16.6%	6.2%	18.6%	15.2%	7.9%	12.1%	5.4%	94.0%	5.4%	-7.2%	27.0%	-1.1%	-57.2%	-14.0%	-4.1%	-28.3%
Depreciation & amortization	<b>80</b>	<b>20</b>	<b>21</b>	<b>21</b>	<b>23</b>	<b>84</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>94</b>	<b>24</b>	<b>26</b>	<b>28</b>	<b>30</b>	<b>109</b>
QoQ Change		-1.2%	5.4%	3.5%	5.4%		0.2%	1.8%	2.3%	7.1%		-3.6%	8.8%	5.9%	8.1%	
YoY Change	-7.5%	-1.9%	1.8%	7.5%	13.5%	5.2%	15.2%	11.3%	9.9%	11.7%	11.9%	7.4%	14.8%	18.9%	20.1%	15.5%
EBITDA	<b>322</b>	<b>80</b>	<b>88</b>	<b>88</b>	<b>89</b>	<b>345</b>	<b>84</b>	<b>147</b>	<b>93</b>	<b>90</b>	<b>414</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>89</b>	<b>350</b>
QoQ Change		-6.1%	10.7%	-0.6%	1.7%		-5.7%	74.4%	-36.6%	-3.3%		-5.4%	1.9%	3.0%	-0.6%	
YoY Change	10.8%	6.6%	6.5%	11.1%	5.1%	7.3%	5.5%	66.2%	6.0%	1.0%	20.0%	1.2%	-40.9%	-4.0%	-1.3%	-15.5%
<b>Key Cash Flow Metrics</b>																
Operating cash flow	<b>163</b>	<b>84</b>	<b>83</b>	<b>81</b>	<b>72</b>	<b>320</b>	<b>59</b>	<b>66</b>	<b>75</b>	<b>90</b>	<b>290</b>	<b>42</b>	<b>68</b>	<b>57</b>	<b>76</b>	<b>243</b>
QoQ Change		14.2%	-1.0%	-1.5%	-11.7%		-17.3%	10.7%	13.3%	20.7%		-53.3%	62.2%	-16.0%	32.5%	
YoY Change	76.3%	1010.8%	62.4%	155.5%	-1.7%	95.5%	-28.8%	-20.4%	-8.4%	25.3%	-9.2%	-29.3%	3.5%	-23.2%	-15.7%	-16.1%
Capital expenditures, gross (accounting)	<b>120</b>	<b>20</b>	<b>63</b>	<b>29</b>	<b>38</b>	<b>150</b>	<b>20</b>	<b>43</b>	<b>29</b>	<b>69</b>	<b>160</b>	<b>49</b>	<b>71</b>	<b>85</b>	<b>80</b>	<b>285</b>
QoQ Change		-31.0%	215.0%	-54.0%	31.0%		-47.4%	115.0%	-32.6%	137.9%		-29.0%	44.9%	19.7%	-5.9%	
YoY Change	-8.4%	-25.9%	26.0%	107.1%	31.0%	25.0%	0.0%	-31.7%	0.0%	81.6%	6.7%	145.0%	65.1%	193.1%	15.9%	78.1%
Capital expenditures, gross (cash flow)	<b>119</b>	<b>21</b>	<b>26</b>	<b>33</b>	<b>39</b>	<b>120</b>	<b>37</b>	<b>33</b>	<b>30</b>	<b>80</b>	<b>180</b>	<b>46</b>	<b>47</b>	<b>92</b>	<b>104</b>	<b>288</b>
QoQ Change		-20.4%	21.7%	28.3%	16.2%		-5.6%	-10.8%	-8.4%	167.3%		-42.6%	2.1%	95.2%	13.1%	
YoY Change	14.7%	-22.0%	-15.6%	0.5%	44.5%	1.1%	71.3%	25.6%	-10.3%	106.2%	49.9%	25.3%	43.4%	205.3%	29.2%	60.4%
Capital expenditures, net (cash flow)	<b>118</b>	<b>21</b>	<b>26</b>	<b>33</b>	<b>39</b>	<b>120</b>	<b>37</b>	<b>33</b>	<b>30</b>	<b>80</b>	<b>180</b>	<b>46</b>	<b>47</b>	<b>92</b>	<b>103</b>	<b>288</b>
QoQ Change		-19.2%	22.1%	28.5%	16.2%		-5.6%	-10.7%	-8.7%	168.1%		-43.0%	2.6%	95.0%	12.7%	
YoY Change	18.7%	-22.4%	-15.8%	0.5%	47.3%	1.4%	72.0%	25.8%	-10.6%	106.2%	50.0%	24.7%	43.4%	206.1%	28.7%	60.1%
Free cash flow	<b>45</b>	<b>62</b>	<b>57</b>	<b>48</b>	<b>33</b>	<b>200</b>	<b>23</b>	<b>33</b>	<b>45</b>	<b>10</b>	<b>110</b>	<b>-4</b>	<b>21</b>	<b>-34</b>	<b>-27</b>	<b>-44</b>
QoQ Change		33.1%	-8.9%	-15.3%	-31.2%		-31.0%	45.3%	35.1%	-77.9%		-137.6%	-670.7%	-261.5%	-20.4%	
YoY Change	N/M	N/M	183.0%	-3476.9%	-29.3%	341.0%	-63.4%	-41.6%	-6.8%	-70.1%	-44.7%	-116.3%	-35.9%	-176.7%	-376.2%	-139.9%
<b>Ratios</b>																
Operating margin	<b>18.5%</b>	<b>18.5%</b>	<b>20.7%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>19.8%</b>	<b>17.9%</b>	<b>36.4%</b>	<b>20.0%</b>	<b>18.6%</b>	<b>23.2%</b>	<b>18.5%</b>	<b>18.1%</b>	<b>17.5%</b>	<b>17.2%</b>	<b>17.8%</b>
Net margin	<b>13.7%</b>	<b>13.6%</b>	<b>17.1%</b>	<b>15.2%</b>	<b>14.8%</b>	<b>15.2%</b>	<b>13.5%</b>	<b>31.8%</b>	<b>15.4%</b>	<b>13.1%</b>	<b>18.4%</b>	<b>14.0%</b>	<b>13.9%</b>	<b>13.1%</b>	<b>12.9%</b>	<b>13.5%</b>
EBITDA margin	<b>24.6%</b>	<b>24.6%</b>	<b>27.0%</b>	<b>26.4%</b>	<b>26.7%</b>	<b>26.2%</b>	<b>24.5%</b>	<b>43.1%</b>	<b>26.8%</b>	<b>25.7%</b>	<b>30.0%</b>	<b>25.8%</b>	<b>26.1%</b>	<b>25.5%</b>	<b>26.0%</b>	<b>25.9%</b>
Capex/Sales	<b>9.2%</b>	<b>6.2%</b>	<b>19.3%</b>	<b>8.7%</b>	<b>11.4%</b>	<b>11.4%</b>	<b>5.8%</b>	<b>12.6%</b>	<b>8.3%</b>	<b>19.7%</b>	<b>11.6%</b>	<b>14.9%</b>	<b>21.4%</b>	<b>24.2%</b>	<b>23.5%</b>	<b>21.1%</b>



(NIS millions, except for EPS)

		FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
		2008	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	2011	2011	2011	2011	2011
<b>yes</b>																	
<b>Key Income Statement Metrics</b>																	
Revenues		1,513	384	376	380	390	1,530	391	396	395	400	1,583	406	404	405	404	1,619
	QoQ Change		2.0%	-2.0%	1.2%	2.5%		0.3%	1.2%	-0.2%	1.2%		1.3%	-0.4%	0.4%	-0.4%	
	YoY Change	6.9%	0.6%	-1.0%	1.4%	3.7%	1.2%	2.0%	5.3%	3.9%	2.6%	3.4%	3.6%	2.0%	2.6%	0.9%	2.3%
Operating profit		177	66	59	61	63	248	59	7	72	41	178	61	65	63	105	295
	QoQ Change		19.2%	-10.5%	2.7%	3.1%		-6.2%	-87.6%	884.8%	-43.4%		51.2%	6.4%	-3.0%	65.4%	
	YoY Change	216.3%	145.6%	38.8%	15.7%	13.0%	40.1%	-11.0%	-87.7%	18.3%	-35.1%	-28.2%	4.6%	796.5%	-11.7%	158.2%	65.4%
Net profit		-265	-1	-95	-88	-38	-222	-8	-143	-78	-84	-314	-73	-88	-76	8	-230
	QoQ Change		-93.4%	8152.7%	-7.0%	-57.4%		-78.1%	1627.2%	-45.1%	7.5%		-12.9%	20.4%	-14.1%	-110.6%	
	YoY Change	125.1%	-98.2%	-4.2%	7.7%	115.5%	-16.0%	617.0%	50.1%	-11.4%	123.5%	41.0%	787.6%	-38.1%	-3.1%	-109.5%	-26.8%
Depreciation & amortization		250	57	56	59	63	234	64	68	68	85	285	69	71	74	63	276
	QoQ Change		-14.1%	-1.7%	6.1%	7.2%		0.9%	6.9%	-0.6%	25.4%		-19.3%	3.7%	4.1%	-15.5%	
	YoY Change	-8.5%	-12.6%	-8.3%	0.3%	-4.1%	-6.3%	12.7%	22.7%	15.0%	34.6%	21.6%	7.6%	4.3%	9.3%	-26.4%	-2.9%
EBITDA		427	122	115	120	126	482	122	75	140	126	463	130	136	137	167	571
	QoQ Change		1.1%	-6.4%	4.3%	5.1%		-2.6%	-38.4%	84.9%	-10.0%		3.5%	5.0%	0.7%	21.8%	
	YoY Change	29.7%	33.8%	11.1%	7.6%	3.8%	13.0%	0.0%	-34.2%	16.7%	-0.1%	-4.0%	6.1%	80.8%	-1.5%	33.3%	23.4%
<b>Key Cash Flow Metrics</b>																	
Operating cash flow		347	91	93	135	91	410	124	110	126	132	492	141	119	134	119	513
	QoQ Change		-32.0%	3.0%	44.6%	-32.9%		37.1%	-11.9%	15.1%	4.3%		7.4%	-15.9%	13.0%	-11.5%	
	YoY Change	38.9%	7.8%	188.5%	38.9%	-32.0%	18.1%	37.1%	17.3%	-6.6%	45.1%	20.0%	13.7%	8.4%	6.4%	-9.7%	4.4%
Capital expenditures, gross (accounting)		265	20	71	101	78	270	66	79	82	68	295	79	75	68	69	291
	QoQ Change		-69.7%	255.0%	42.3%	-22.8%		-15.4%	19.7%	3.8%	-16.6%		15.5%	-5.1%	-9.3%	1.5%	
	YoY Change	-11.4%	-71.4%	36.5%	31.2%	18.2%	1.9%	230.0%	11.3%	-18.8%	-12.3%	9.4%	19.7%	-5.1%	-17.1%	0.8%	-1.5%
Capital expenditures, gross (cash flow)		238	61	60	87	53	262	61	63	65	89	278	71	64	67	61	264
	QoQ Change		-2.1%	-2.5%	45.9%	-39.6%		15.5%	3.6%	2.3%	38.2%		-20.5%	-9.5%	4.6%	-8.7%	
	YoY Change	-6.7%	-22.6%	51.5%	56.5%	-15.8%	10.1%	-0.7%	5.5%	-25.9%	69.2%	6.4%	16.5%	1.8%	4.1%	-31.2%	-5.0%
Capital expenditures, net (cash flow)		238	61	60	87	52	261	61	63	64	89	277	71	64	67	62	264
	QoQ Change		-2.1%	-2.5%	44.9%	-39.6%		16.0%	3.5%	1.1%	40.3%		-20.5%	-9.4%	4.4%	-8.1%	
	YoY Change	-6.7%	-22.6%	51.5%	55.4%	-16.4%	9.7%	-1.0%	5.1%	-26.7%	70.3%	6.2%	16.7%	2.1%	5.5%	-30.8%	-4.5%
Free cash flow		109	29	33	48	38	149	63	47	62	42	215	70	54	67	57	249
	QoQ Change		-58.6%	14.4%	44.1%	-20.8%		66.2%	-26.6%	34.1%	-32.4%		66.5%	-22.6%	23.0%	-14.9%	
	YoY Change	NM	522.3%	NM	16.5%	-45.9%	36.2%	116.9%	39.1%	29.5%	10.7%	44.0%	10.9%	17.0%	7.3%	35.0%	15.9%
<b>Ratios</b>																	
Operating margin		11.7%	17.2%	15.7%	15.9%	16.0%	16.2%	15.0%	1.8%	18.1%	10.1%	11.3%	15.1%	16.2%	15.6%	26.0%	18.2%
Net margin		-17.5%	-0.3%	-25.3%	-23.3%	-9.7%	-14.5%	-2.1%	-36.1%	-19.8%	-21.0%	-19.8%	-18.1%	-21.9%	-18.7%	2.0%	-14.2%
EBITDA margin		28.2%	31.9%	30.5%	31.4%	32.2%	31.5%	31.3%	19.1%	35.3%	31.4%	29.3%	32.0%	33.8%	33.9%	41.5%	35.3%
Capex/Sales		17.5%	5.2%	18.9%	26.5%	20.0%	17.6%	16.9%	20.0%	20.7%	17.1%	18.7%	19.5%	18.6%	16.8%	17.1%	18.0%



	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011
<b>Bezeq Fixed-Line</b>																
<b>Key Performance Indicators</b>																
<b>Total outgoing minutes (in millions) <sup>1</sup></b>	<b>13,260</b>	<b>3,077</b>	<b>2,972</b>	<b>3,051</b>	<b>2,917</b>	<b>12,017</b>	<b>2,732</b>	<b>2,717</b>	<b>2,629</b>	<b>2,621</b>	<b>10,699</b>	<b>2,521</b>	<b>2,415</b>	<b>2,481</b>	<b>2,340</b>	<b>9,757</b>
QoQ Change		-0.8%	-3.4%	2.7%	-4.4%		-6.3%	-0.5%	-3.2%	-0.3%		-3.8%	-4.2%	2.7%	-5.7%	
YoY Change	-9.9%	-11.4%	-10.1%	-9.7%	-6.0%	-9.4%	-11.2%	-8.6%	-13.8%	-10.1%	-11.0%	-7.7%	-11.1%	-5.6%	-10.7%	-8.8%
<b>Total incoming minutes (in millions)</b>	<b>6,691</b>	<b>1,654</b>	<b>1,659</b>	<b>1,731</b>	<b>1,674</b>	<b>6,718</b>	<b>1,623</b>	<b>1,634</b>	<b>1,646</b>	<b>1,644</b>	<b>6,547</b>	<b>1,577</b>	<b>1,535</b>	<b>1,602</b>	<b>1,526</b>	<b>6,240</b>
QoQ Change		0.4%	0.3%	4.3%	-3.3%		-3.0%	0.7%	0.7%	-0.1%		-4.1%	-2.7%	4.4%	-4.7%	
YoY Change	4.4%	-1.1%	0.5%	0.7%	1.6%	0.4%	-1.9%	-1.5%	-4.9%	-1.8%	-2.5%	-2.8%	-6.1%	-2.7%	-7.2%	-4.7%
<b>Total access lines (in 000's) <sup>1</sup></b>	<b>2,604</b>	<b>2,571</b>	<b>2,540</b>	<b>2,513</b>	<b>2,483</b>	<b>2,483</b>	<b>2,454</b>	<b>2,422</b>	<b>2,394</b>	<b>2,366</b>	<b>2,366</b>	<b>2,358</b>	<b>2,356</b>	<b>2,363</b>	<b>2,367</b>	<b>2,367</b>
QoQ Change		-1.3%	-1.2%	-1.1%	-1.2%		-1.2%	-1.3%	-1.2%	-1.2%		-0.3%	-0.1%	0.3%	0.2%	
YoY Change	-5.3%	-4.8%	-4.9%	-4.6%	-4.6%	-4.6%	-4.6%	-4.6%	-4.7%	-4.7%	-4.7%	-3.9%	-2.7%	-1.3%	0.0%	0.0%
<b>ARPL - Voice &amp; fixed fees (in NIS) <sup>1</sup></b>	<b>83</b>	<b>82</b>	<b>81</b>	<b>83</b>	<b>83</b>	<b>82</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>83</b>	<b>81</b>	<b>79</b>	<b>77</b>	<b>78</b>	<b>70</b>	<b>76</b>
QoQ Change		0.0%	-1.2%	2.5%	0.0%		-3.6%	1.3%	1.2%	1.2%		-4.8%	-2.5%	1.3%	-10.3%	
YoY Change	-4.6%	-3.5%	-1.2%	-2.4%	1.2%	-1.2%	-2.4%	0.0%	-1.2%	0.0%	-1.2%	-1.3%	-4.9%	-4.9%	-15.7%	-6.2%
<b>Churn rate (%)</b>	<b>12.5%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>12.1%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>12.6%</b>	<b>3.1%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>11.0%</b>
QoQ Change		10.3%	-12.5%	7.1%	0.0%		0.0%	3.3%	0.0%	9.7%		-8.8%	-16.1%	0.0%	0.0%	
YoY Change	31.6%	-13.5%	0.0%	-3.2%	3.4%	-3.2%	-6.3%	10.7%	3.3%	13.3%	4.1%	3.3%	-16.1%	-16.1%	-23.5%	-12.7%
<b>Broadband Internet lines (in 000's)</b>	<b>1,005</b>	<b>1,011</b>	<b>1,016</b>	<b>1,026</b>	<b>1,035</b>	<b>1,035</b>	<b>1,045</b>	<b>1,051</b>	<b>1,056</b>	<b>1,066</b>	<b>1,066</b>	<b>1,079</b>	<b>1,088</b>	<b>1,100</b>	<b>1,111</b>	<b>1,111</b>
QoQ Change		0.6%	0.5%	1.0%	0.9%		1.0%	0.6%	0.5%	0.9%		1.2%	0.8%	1.1%	1.0%	
YoY Change	4.4%	4.2%	3.5%	3.2%	3.0%	3.0%	3.4%	3.4%	2.9%	3.0%	3.0%	3.3%	3.5%	4.2%	4.2%	4.2%
<b>Broadband Internet ARPU (in NIS)</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>70</b>	<b>70</b>	<b>69</b>	<b>73</b>	<b>72</b>	<b>76</b>	<b>78</b>	<b>75</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>81</b>	<b>80</b>
QoQ Change		1.5%	0.0%	4.5%	0.0%		4.3%	-1.4%	5.6%	2.6%		1.3%	1.3%	1.3%	0.0%	
YoY Change	4.7%	-1.5%	1.5%	4.5%	6.1%	3.0%	9.0%	7.5%	8.6%	11.4%	8.7%	8.2%	11.1%	6.6%	3.8%	6.7%
<b>NGN subscribers as % of total internet subscribers covered by NGN network</b>	<b>N/A</b>	<b>1%</b>	<b>3%</b>	<b>8%</b>	<b>12%</b>	<b>12%</b>	<b>17%</b>	<b>23%</b>	<b>27%</b>	<b>34%</b>	<b>34%</b>	<b>37%</b>	<b>40%</b>	<b>44%</b>	<b>48%</b>	<b>48%</b>
QoQ Change			200.0%	166.7%	50.0%		41.7%	35.3%	17.4%	25.9%		8.8%	8.1%	10.0%	9.1%	
YoY Change								666.7%	237.5%	183.3%	183.3%	117.6%	73.9%	63.0%	41.2%	41.2%
<b>Average broadband speed per subscriber (end of period, Mbps)</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>3.4</b>	<b>3.8</b>	<b>4.3</b>	<b>4.3</b>	<b>4.8</b>	<b>5.3</b>	<b>6.0</b>	<b>6.7</b>	<b>6.7</b>
QoQ Change		4.5%	4.3%	4.2%	8.0%		11.1%	13.3%	11.8%	13.2%		11.6%	10.4%	13.2%	11.7%	
YoY Change	29.4%	21.1%	20.0%	19.0%	22.7%	22.7%	30.4%	41.7%	52.0%	59.3%	59.3%	60.0%	55.9%	57.9%	55.8%	55.8%
<b>Number of employees</b>	<b>7,530</b>	<b>7,545</b>	<b>7,399</b>	<b>7,335</b>	<b>7,364</b>	<b>7,364</b>	<b>7,332</b>	<b>7,325</b>	<b>7,299</b>	<b>7,216</b>	<b>7,216</b>	<b>7,216</b>	<b>7,123</b>	<b>7,087</b>	<b>7,076</b>	<b>7,076</b>
QoQ Change		0.2%	-1.9%	-0.9%	0.4%		-0.4%	-0.1%	-0.4%	-1.1%		0.0%	-1.3%	-0.5%	-0.2%	
YoY Change	-1.1%	1.2%	-0.4%	-1.1%	-2.2%	-2.2%	-2.8%	-1.0%	-0.5%	-2.0%	-2.0%	-1.6%	-2.8%	-2.9%	-1.9%	-1.9%

<sup>1</sup> Outgoing minutes, access lines, and ARPL were retroactively adjusted to exclude public coin operated payphones. In addition, access lines and ARPL were retroactively adjusted to include IP-Centrex lines.



		FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011
<b>Pelephone</b>																	
<b>Key Performance Indicators</b>																	
Subscribers (in 000's)		2,649	2,669	2,694	2,721	2,766	2,766	2,789	2,807	2,825	2,857	2,857	2,861	2,827	2,842	2,847	2,847
	QoQ Change		0.8%	0.9%	1.0%	1.7%		0.8%	0.6%	0.6%	1.1%		0.1%	-1.2%	0.5%	0.2%	
	YoY Change	1.0%	2.9%	2.2%	0.9%	4.4%	4.4%	4.5%	4.2%	3.8%	3.3%	3.3%	2.6%	0.7%	0.6%	-0.4%	-0.4%
MOU (per sub, per month)		352	323	329	339	339	333	336	348	347	364	349	359	370	385	384	375
	QoQ Change		-3.6%	1.9%	3.0%	0.0%		-0.9%	3.6%	-0.3%	4.9%		-1.4%	3.1%	4.1%	-0.3%	
	YoY Change	-0.6%	-9.0%	-8.1%	-5.6%	1.2%	-5.4%	4.0%	5.8%	2.4%	7.4%	4.8%	6.8%	6.3%	11.0%	5.5%	7.4%
ARPU (in NIS)		N/A	N/A	N/A	N/A	N/A	N/A	110	111	113	109	111	110	109	107	100	107
	QoQ Change								0.9%	1.8%	-3.5%		0.9%	-0.9%	-1.8%	-6.5%	
	YoY Change												0.0%	-1.8%	-5.3%	-8.3%	-3.6%
Churn rate (%)		N/A	3.3%	3.3%	3.8%	3.4%	13.8%	3.9%	3.9%	3.5%	3.9%	15.3%	5.0%	6.6%	6.1%	5.3%	22.9%
	QoQ Change			0.0%	15.2%	-10.5%		14.7%	0.0%	-10.3%	11.4%		28.2%	32.0%	-7.6%	-13.1%	
	YoY Change							18.2%	18.2%	-7.9%	14.7%	10.9%	28.2%	69.2%	74.3%	35.9%	49.7%
VAS revenues as % of total cellular service revenues		16.3%	18.5%	19.1%	20.0%	20.8%	19.6%	22.6%	23.0%	24.5%	25.0%	23.8%	32.1%	34.5%	36.3%	39.5%	35.5%

<b>yes</b>																	
<b>Key Performance Indicators</b>																	
Subscribers (in 000's)		560	560	562	567	571	571	571	573	575	578	578	580	581	585	586	586
	QoQ Change		0.0%	0.4%	0.9%	0.7%		0.0%	0.4%	0.3%	0.5%		0.3%	0.2%	0.7%	0.2%	
	YoY Change	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.4%	1.2%	1.2%	1.6%	1.4%	1.7%	1.4%	1.4%
ARPU (in NIS)		228	228	224	224	229	226	229	231	229	231	230	234	232	232	229	232
	QoQ Change		1.3%	-1.8%	0.0%	2.2%		0.0%	0.9%	-0.9%	0.9%		1.3%	-0.9%	0.0%	-1.3%	
	YoY Change	5.1%	-1.3%	-2.6%	-0.9%	1.8%	-0.9%	0.4%	3.1%	2.2%	0.9%	1.8%	2.2%	0.4%	1.3%	-0.9%	0.9%
Churn rate (%)		N/A	3.7%	3.1%	3.3%	3.2%	13.3%	3.5%	3.1%	3.3%	3.1%	13.0%	3.3%	2.9%	2.8%	2.8%	11.9%
	QoQ Change			-16.2%	6.5%	-3.0%		9.4%	-11.4%	6.5%	-6.1%		6.5%	-12.1%	-3.4%	0.0%	
	YoY Change							-5.4%	0.0%	0.0%	-3.1%	-2.3%	-5.7%	-6.5%	-15.2%	-9.7%	-8.5%





## GLOSSARY

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### Glossary

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EBITDA	= Earnings Before Interest, Taxes, Depreciation & Amortization; ttm = trailing twelve months
Free cash flow	= Operating cash flows less net capital expenditures
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE
ARPL	= Average revenue per line
ARPU	= Average revenue per user
MOU	= Minutes of use
N/A	= Not available
N/M	= Not meaningful