



Bezeq Facts & Figures Q3 2016

Three months ending September 30, 2016

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(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq Group ⁽¹⁾																	
Key Income Statement Metrics																	
Revenues		11,136	11,015	11,519	11,987	11,373	10,278	9,563	9,055	2,174	2,603	2,602	2,606	9,985	2,559	2,511	2,510
	QoQ Change									-3.9%	19.7%	0.0%	0.2%		-1.8%	-1.9%	0.0%
	YoY Change		-1.1%	4.6%	4.1%	-5.1%	-9.6%	-7.0%	-5.3%	-5.9%	15.7%	16.6%	15.2%	10.3%	17.7%	-3.5%	-3.5%
Depreciation & amortization		1,509	1,458	1,485	1,409	1,395	1,436	1,311	1,281	317	451	457	459	1,684	449	440	442
	QoQ Change									-1.2%	42.3%	1.3%	0.4%		-2.2%	-2.0%	0.5%
	YoY Change		-3.4%	1.9%	-5.1%	-1.0%	2.9%	-8.7%	-2.3%	1.0%	41.4%	39.8%	43.0%	31.5%	41.6%	-2.4%	-3.3%
Salaries		2,192	2,161	1,990	2,024	2,090	1,976	1,872	1,768	439	497	506	515	1,957	513	495	501
	QoQ Change									-0.2%	13.2%	1.8%	1.8%		-0.4%	-3.5%	1.2%
	YoY Change		-1.4%	-7.9%	1.7%	3.3%	-5.5%	-5.3%	-5.6%	-2.0%	12.2%	15.8%	17.0%	10.7%	16.9%	-0.4%	-1.0%
Other operating expenses (income)		N/A	96	201	(216)	139	(128)	(15)	(586)	(17)	(141)	(13)	76	(95)	5	(12)	(26)
	QoQ Change									NM	729.4%	-90.8%	N/M		-93.4%	-340.0%	116.7%
	YoY Change			N/M	NM	NM	NM	N/M	N/M	NM	-75.2%	-48.0%	406.7%	-83.8%	N/M	-91.5%	100.0%
Operating Profit		2,321	2,640	2,972	3,744	3,255	3,041	2,819	3,226	636	794	652	488	2,570	574	616	599
	QoQ Change									0.5%	24.8%	-17.9%	-25.2%		17.6%	7.3%	-2.8%
	YoY Change		13.7%	12.6%	26.0%	-13.1%	-6.6%	-7.3%	14.4%	-7.6%	-35.7%	-2.8%	-22.9%	-20.3%	-9.7%	-22.4%	-8.1%
Finance expenses (income), net		182	140	(31)	109	212	151	145	130	37	129	100	(3)	263	102	105	104
	QoQ Change									117.6%	248.6%	-22.5%	N/M		N/M	2.9%	-1.0%
	YoY Change		-23.1%			94.5%	-28.8%	-4.0%	-10.3%	-11.9%	303.1%	156.4%	N/M	102.3%	175.7%	-18.6%	4.0%
Share in (losses) profits of equity accounted investees		N/A	N/A	N/A	(261)	(216)	(245)	(252)	(170)	16	-	(1)	(3)	12	(1)	(1)	(2)
	QoQ Change									N/M	-100.0%	N/M	200.0%		-66.7%	0.0%	100.0%
	YoY Change					-17.2%	13.4%	2.9%	-32.5%	N/M	-100.0%	N/M	-92.1%	-107.1%	N/M	N/M	100.0%
Income taxes		666	720	807	932	755	778	651	815	152	183	144	119	598	183	133	99
	QoQ Change									-6.2%	20.4%	-21.3%	-17.4%		53.8%	-27.3%	-25.6%
	YoY Change		8.1%	12.1%	15.5%	-19.0%	3.0%	-16.3%	25.2%	-10.6%	-41.5%	-15.3%	-26.5%	-26.6%	20.4%	-27.3%	-31.3%
Net profit attributed to Bezeq shareholders		1,330	1,627	3,603	2,443	2,074	1,861	1,771	2,111	463	482	407	369	1,721	288	377	394
	QoQ Change									11.3%	4.1%	-15.6%	-9.3%		-22.0%	30.9%	4.5%
	YoY Change		22.3%	121.5%	-32.2%	-15.1%	-10.3%	-4.8%	19.2%	1.3%	-40.5%	-4.9%	-11.3%	-18.5%	-37.8%	-21.8%	-3.2%
EBITDA		3,830	4,098	4,457	5,153	4,650	4,477	4,130	4,507	953	1,245	1,109	947	4,254	1,023	1,056	1,041
	QoQ Change									-0.1%	30.6%	-10.9%	-14.6%		8.0%	3.2%	-1.4%
	YoY Change		7.0%	8.8%	15.6%	-9.8%	-3.7%	-7.8%	9.1%	-4.9%	-19.8%	11.1%	-0.7%	-5.6%	7.3%	-15.2%	-6.1%
Earnings Per Share - Basic		0.51	0.62	1.37	0.91	0.77	0.68	0.65	0.77	0.17	0.18	0.15	0.13	0.63	0.10	0.14	0.14
Earnings Per Share - Diluted		0.50	0.61	1.34	0.90	0.76	0.68	0.65	0.77	0.17	0.17	0.15	0.13	0.62	0.10	0.14	0.14
Shares Outstanding - Basic		2,605	2,605	2,635	2,675	2,714	2,720	2,726	2,736	2,744	2,746	2,750	2,758	2,750	2,765	2,765	2,765
Shares Outstanding - Diluted		2,641	2,649	2,685	2,717	2,725	2,726	2,741	2,755	2,759	2,759	2,762	2,764	2,763	2,765	2,765	2,765
Key Cash Flow Metrics																	
Operating cash flow		2,697	3,068	3,655	3,696	3,186	4,014	4,152	3,796	961	840	1,050	889	3,740	922	870	902
	QoQ Change									30.0%	-12.6%	25.0%	-15.3%		3.7%	-5.6%	3.7%
	YoY Change		13.7%	19.1%	1.1%	-13.8%	26.0%	3.4%	-8.6%	-7.9%	-21.1%	10.5%	20.3%	-1.5%	-4.1%	3.6%	-14.1%
Capital expenditures, gross (accounting)		1,086	1,632	1,505	1,645	1,939	1,543	1,237	1,301	392	490	381	354	1,617	398	362	338
	QoQ Change									19.5%	25.0%	-22.2%	-7.1%		12.4%	-9.0%	-6.6%
	YoY Change		50.3%	-7.8%	9.3%	17.9%	-20.4%	-19.8%	5.2%	23.3%	45.0%	20.2%	7.9%	24.3%	1.5%	-26.1%	-11.3%
Capital expenditures, gross (cash flow)		991	1,531	1,535	1,622	1,903	1,540	1,228	1,275	368	511	427	329	1,635	345	387	349
	QoQ Change									16.8%	38.9%	-16.4%	-23.0%		4.9%	12.2%	-9.8%
	YoY Change		54.5%	0.2%	5.7%	17.3%	-19.1%	-20.3%	3.8%	16.8%	58.2%	32.6%	4.4%	28.2%	-6.3%	-24.3%	-18.3%
Capital expenditures, net (cash flow)		814	1,384	1,445	1,489	1,637	1,235	916	1,045	355	427	405	297	1,484	303	331	325
	QoQ Change									53.0%	20.3%	-5.2%	-26.7%		2.0%	9.2%	-1.8%
	YoY Change		70.0%	4.4%	3.0%	9.9%	-24.6%	-25.8%	14.1%	24.1%	54.2%	62.0%	28.0%	42.0%	-14.6%	-22.5%	-19.8%
Free cash flow		1,883	1,684	2,210	2,207	1,549	2,779	3,236	2,751	606	413	645	592	2,256	619	539	577
	QoQ Change									19.5%	-31.8%	56.2%	-8.2%		4.6%	-12.9%	7.1%
	YoY Change		-10.6%	31.3%	-0.1%	-29.8%	79.4%	16.4%	-15.0%	-19.9%	-47.5%	-7.9%	16.8%	-18.0%	2.1%	30.5%	-10.5%
Key Balance Sheet Metrics																	
Total debt		5,034	4,356	4,136	5,717	9,578	9,546	9,827	10,087	11,912	11,368	11,077	10,713	10,713	10,605	11,504	11,246
Cash & short-term investments		1,589	816	734	372	2,298	1,547	1,742	2,883	3,709	1,825	2,156	1,317	1,317	1,777	2,250	1,846
Net debt		3,445	3,540	3,402	5,345	7,280	7,999	8,085	7,204	8,203	9,543	8,921	9,396	9,396	8,828	9,254	9,400
Ratios																	
Operating margin		20.8%	24.0%	25.8%	31.2%	28.6%	29.6%	29.5%	35.6%	29.3%	30.5%	25.1%	18.7%	25.7%	22.4%	24.5%	23.9%
Net margin		11.9%	14.8%	31.3%	20.4%	18.2%	18.1%	18.5%	23.3%	21.3%	18.5%	15.6%	14.2%	17.2%	11.3%	15.0%	15.7%
EBITDA margin		34.4%	37.2%	38.7%	43.0%	40.9%	43.6%	43.2%	49.8%	43.8%	47.8%	42.6%	36.3%	42.6%	40.0%	42.1%	41.5%
Capex/Sales		9.8%	14.8%	13.1%	13.7%	17.0%	15.0%	12.9%	14.4%	18.0%	18.8%	14.6%	13.6%	16.2%	15.6%	14.4%	13.5%
Net debt / EBITDA (ttm)		0.90	0.86	0.76	1.04	1.57	1.79	1.96	1.60	1.84	2.30	2.09	2.21	2.21	2.04	2.24	2.31

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



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq Group (cont'd)																	
Operating & General Expenses																	
Total operating & general expenses		5,075	4,660	4,871	5,026	4,494	3,953	3,576	3,366	799	1,002	1,000	1,068	3,869	1,018	972	994
	QoQ Change									-6.3%	25.4%	-0.2%	6.8%		-4.7%	-4.5%	2.3%
	YoY Change		-8.2%	4.5%	3.2%	-10.6%	-12.0%	-9.5%	-5.9%	-8.1%	21.9%	21.7%	25.2%	14.9%	27.4%	-3.0%	-0.6%
Terminal equipment & materials		N/A	N/A	1,163	1,225	1,693	1,263	1,071	928	226	205	193	256	880	216	201	177
	QoQ Change									-11.0%	-9.3%	-5.9%	32.6%		-15.6%	-6.9%	-11.9%
	YoY Change				5.3%	38.2%	-25.4%	-15.2%	-13.4%	-13.7%	-3.3%	-3.5%	0.8%	-5.2%	-4.4%	-2.0%	-8.3%
Interconnect & payments to telecom operators		N/A	N/A	1,762	1,876	910	900	905	847	212	241	236	220	909	212	211	211
	QoQ Change									-0.9%	13.7%	-2.1%	-6.8%		-3.6%	-0.5%	0.0%
	YoY Change				6.5%	-51.5%	-1.1%	0.6%	-6.4%	2.9%	15.9%	7.8%	2.8%	7.3%	0.0%	-12.4%	-10.6%
Maintenance of buildings and sites		N/A	N/A	647	640	641	663	607	639	150	156	161	149	616	154	145	151
	QoQ Change									-8.5%	4.0%	3.2%	-7.5%		3.4%	-5.8%	4.1%
	YoY Change				-1.1%	0.2%	3.4%	-8.4%	5.3%	-3.8%	0.0%	-1.2%	-9.1%	-3.6%	2.7%	-7.1%	-6.2%
Marketing & general		N/A	N/A	626	622	655	556	563	603	129	160	164	187	640	177	168	180
	QoQ Change									-11.0%	24.0%	2.5%	14.0%		-5.3%	-5.1%	7.1%
	YoY Change				-0.6%	5.3%	-15.1%	1.3%	7.1%	-15.7%	4.6%	7.9%	29.0%	6.1%	37.2%	5.0%	9.8%
Services and maintenance by sub-contractors		N/A	N/A	218	189	170	158	162	137	34	55	52	58	199	63	61	68
	QoQ Change									41.7%	61.8%	-5.5%	11.5%		8.6%	-3.2%	11.5%
	YoY Change				-13.3%	-10.1%	-7.1%	2.5%	-15.4%	-15.0%	44.7%	48.6%	141.7%	45.3%	85.3%	10.9%	30.8%
Vehicle maintenance		N/A	N/A	177	188	142	162	152	154	35	41	47	44	167	42	39	42
	QoQ Change									-10.3%	17.1%	14.6%	-6.4%		-4.5%	-7.1%	7.7%
	YoY Change				6.2%	-24.5%	14.1%	-6.2%	1.3%	-5.4%	2.5%	23.7%	12.8%	8.4%	20.0%	-4.9%	-10.6%
Content services		N/A	N/A	151	156	123	103	65	58	13	144	147	154	458	154	147	165
	QoQ Change									0.0%	N/M	2.1%	4.8%		0.0%	-4.5%	12.2%
	YoY Change				3.3%	-21.2%	-16.3%	-36.9%	-10.8%	-13.3%	N/M	N/M	N/M	689.7%	N/M	2.1%	12.2%
Cash Flow Metrics																	
Change in trade & other receivables		N/A	N/A	N/A	(300)	(756)	505	646	549	84	61	51	126	322	(12)	75	53
Change in inventory		N/A	N/A	N/A	84	(33)	74	9	28	9	(9)	6	(26)	(20)	(9)	14	2
Change in trade & other payables		N/A	N/A	N/A	(21)	(131)	(233)	27	(39)	(45)	(150)	21	(97)	(271)	39	(137)	(12)
Change in provisions		N/A	N/A	N/A	(136)	(64)	(34)	(29)	(63)	3	6	(3)	12	18	(12)	3	(3)
Change in employee benefits		N/A	N/A	N/A	(215)	82	(140)	2	3	4	(3)	(1)	110	110	1	(9)	(92)
Change in other liabilities (incl broadcasting rights)		N/A	N/A	N/A		50	(31)	11	4	(1)	(15)	8	(1)	(9)	(3)	(5)	16
Total changes in assets and liabilities					(588)	(852)	141	666	482	54	(110)	82	124	150	4	(59)	(36)
Income tax paid, net		N/A	N/A	N/A	690	649	662	625	527	53	154	130	125	462	105	100	92
Interest paid		N/A	N/A	N/A	237	377	464	453	431	20	223	41	210	494	32	192	32



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq Fixed-Line																	
Key Income Statement Metrics (Revenues)																	
Total Revenues		5,713	5,498	5,303	5,263	4,648	4,630	4,478	4,317	1,113	1,105	1,101	1,088	4,407	1,112	1,100	1,089
	QoQ Change									2.5%	-0.7%	-0.4%	-1.2%		2.2%	-1.1%	-1.0%
	YoY Change		-3.8%	-3.5%	-0.8%	-11.7%	-0.4%	-3.3%	-3.6%	3.3%	3.0%	1.9%	0.2%	2.1%	-0.1%	-0.5%	-1.1%
Telephony Revenues		3,905	3,572	3,333	3,160	2,393	2,254	1,971	1,668	403	396	395	392	1,586	384	374	375
	QoQ Change									-1.5%	-1.7%	-0.3%	-0.8%		-2.0%	-2.6%	0.3%
	YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-12.6%	-15.4%	-5.4%	-4.6%	-5.5%	-4.2%	-4.9%	-4.7%	-5.6%	-5.1%
Broadband Internet Revenues		712	790	863	977	1,092	1,166	1,287	1,394	383	387	385	387	1,542	394	398	399
	QoQ Change									5.2%	1.0%	-0.5%	0.5%		1.8%	1.0%	0.3%
	YoY Change		11.0%	9.2%	13.2%	11.8%	6.8%	10.4%	8.3%	15.4%	12.2%	9.1%	6.3%	10.6%	2.9%	2.8%	3.6%
Transmission & Data Revenues		754	811	851	882	931	976	990	1,022	266	264	267	261	1,058	273	270	261
	QoQ Change									3.5%	-0.8%	1.1%	-2.2%		4.6%	-1.1%	-3.3%
	YoY Change		7.6%	4.9%	3.6%	5.6%	4.8%	1.4%	3.2%	2.7%	3.5%	6.4%	1.6%	3.5%	2.6%	2.3%	-2.2%
Other Service Revenues		342	325	256	244	232	234	230	233	61	58	54	48	221	61	58	54
	QoQ Change									8.9%	-4.9%	-6.9%	-11.1%		27.1%	-4.9%	-6.9%
	YoY Change		-5.0%	-21.2%	-4.7%	-4.9%	0.9%	-1.7%	1.3%	1.7%	0.0%	-8.5%	-14.3%	-5.2%	0.0%	0.0%	0.0%
Revenues from Residential Customers		N/A	3,303	3,165	3,128	2,777	2,716	2,605	2,498	N/A	N/A	N/A	N/A	2,507	N/A	N/A	N/A
	% of total revenues		60.1%	59.7%	59.4%	59.7%	58.7%	58.2%	57.9%					56.9%			
Revenues from Business Customers		N/A	2,195	2,138	2,134	1,871	1,914	1,873	1,819	N/A	N/A	N/A	N/A	1,900	N/A	N/A	N/A
	% of total revenues		39.9%	40.3%	40.5%	40.3%	41.3%	41.8%	42.1%					43.1%			
Key Income Statement Metrics																	
Depreciation & amortization		941	852	794	690	688	730	683	688	176	180	184	185	725	183	185	188
	QoQ Change									3.5%	2.3%	2.2%	0.5%		-1.1%	1.1%	1.6%
	YoY Change		-9.5%	-6.8%	-13.1%	-0.3%	6.1%	-6.4%	0.7%	4.8%	4.7%	3.4%	8.8%	5.4%	4.0%	2.8%	2.2%
Salaries		1,293	1,202	1,094	1,079	1,076	1,036	980	895	227	226	232	227	912	230	217	225
	QoQ Change									4.6%	-0.4%	2.7%	-2.2%		1.3%	-5.7%	3.7%
	YoY Change		-7.0%	-9.0%	-1.4%	-0.3%	-3.7%	-5.4%	-8.7%	1.8%	-0.9%	2.2%	4.6%	1.9%	1.3%	-4.0%	-3.0%
Other operating expenses (income)		39	96	202	(158)	139	(128)	(78)	(23)	(17)	(139)	(13)	70	(99)	(9)	(12)	(26)
	QoQ Change									N/M	717.6%	-90.6%	N/M		N/M	33.3%	116.7%
	YoY Change		146.2%	N/M	N/M	N/M	N/M	-39.1%	-70.5%	N/M	N/M	-48.0%	N/M	330.4%	-47.1%	-91.4%	100.0%
Operating profit		1,319	1,475	1,523	2,043	1,671	1,959	1,998	1,980	547	662	512	427	2,148	536	540	519
	QoQ Change									7.9%	21.0%	-22.7%	-16.6%		25.5%	0.7%	-3.9%
	YoY Change		11.8%	3.3%	34.1%	-18.2%	17.2%	2.0%	-0.9%	8.5%	40.6%	2.8%	-15.8%	8.5%	-2.0%	-18.4%	1.4%
Finance expenses (income), net		188	125	(15)	90	240	259	442	400	75	100	138	19	332	101	105	93
	QoQ Change									-7.4%	33.3%	38.0%	-86.2%		431.6%	4.0%	-11.4%
	YoY Change		-33.5%	N/M	N/M	166.7%	7.9%	70.7%	-9.5%	-19.4%	-9.1%	19.0%	-76.5%	-17.0%	34.7%	5.0%	-32.6%
Net profit ⁽¹⁾		737	950	1,107	1,426	1,073	1,227	1,146	1,102	346	382	256	340	1,324	328	326	343
	QoQ Change									18.1%	10.4%	-33.0%	32.8%		-3.5%	-0.6%	5.2%
	YoY Change		28.9%	16.5%	28.8%	-24.8%	14.4%	-6.6%	-3.8%	17.3%	52.2%	-2.7%	16.0%	20.1%	-5.2%	-14.7%	34.0%
EBITDA		2,260	2,327	2,317	2,733	2,359	2,689	2,681	2,668	723	842	696	612	2,873	719	725	707
	QoQ Change									6.8%	16.5%	-17.3%	-12.1%		17.5%	0.8%	-2.5%
	YoY Change		3.0%	-0.4%	18.0%	-13.7%	14.0%	-0.3%	-0.5%	7.6%	30.9%	3.0%	-9.6%	7.7%	-0.6%	-13.9%	1.6%
Key Cash Flow Metrics																	
Operating cash flow		1,379	1,691	2,220	2,140	2,106	2,009	2,274	2,259	548	456	686	668	2,358	539	517	526
	QoQ Change									9.8%	-16.8%	50.4%	-2.6%		-19.3%	-4.1%	1.7%
	YoY Change		22.6%	31.3%	-3.6%	-1.6%	-4.6%	13.2%	-0.7%	-11.0%	-16.3%	14.5%	33.9%	4.4%	-1.6%	13.4%	-23.3%
Capital expenditures, gross (accounting)		513	600	844	1,041	1,174	945	777	835	228	203	208	198	837	222	203	204
	QoQ Change									10.1%	-11.0%	2.5%	-4.8%		12.1%	-8.6%	0.5%
	YoY Change		17.0%	40.7%	23.3%	12.8%	-19.5%	-17.8%	7.5%	6.0%	-5.6%	5.1%	-4.3%	0.2%	-2.6%	0.0%	-1.9%
Capital expenditures, gross (cash flow)		505	616	853	1,032	1,165	958	789	822	231	191	230	197	849	195	227	207
	QoQ Change									18.5%	-17.3%	20.4%	-14.3%		-1.0%	16.4%	-8.8%
	YoY Change		22.0%	38.5%	21.0%	12.9%	-17.8%	-17.6%	4.2%	10.0%	-7.7%	9.5%	1.0%	3.3%	-15.6%	18.8%	-10.0%
Capital expenditures, net (cash flow)		336	472	767	900	937	658	485	601	219	111	209	164	703	154	173	185
	QoQ Change									93.8%	-49.3%	88.3%	-21.5%		-6.1%	12.3%	6.9%
	YoY Change		40.5%	62.5%	17.3%	4.1%	-29.8%	-26.3%	23.9%	20.3%	-32.7%	48.2%	45.1%	17.0%	-29.7%	55.9%	-11.5%
Free cash flow		1,043	1,219	1,453	1,240	1,169	1,351	1,789	1,658	329	345	477	504	1,655	385	344	341
	QoQ Change									-14.8%	4.9%	38.3%	5.7%		-23.6%	-10.6%	-0.9%
	YoY Change		16.9%	19.2%	-14.7%	-5.7%	15.6%	32.4%	-7.3%	-24.2%	-9.2%	4.1%	30.6%	-0.2%	17.0%	-0.3%	-28.5%
Ratios																	
Operating margin		23.1%	26.8%	28.7%	38.8%	36.0%	42.3%	44.6%	45.9%	49.1%	59.9%	46.5%	39.2%	48.7%	48.2%	49.1%	47.7%
Net margin		12.9%	17.3%	20.9%	27.1%	23.1%	26.5%	25.6%	25.5%	31.1%	34.6%	23.3%	31.3%	30.0%	29.5%	29.6%	31.5%
EBITDA margin		39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	59.9%	61.8%	65.0%	76.2%	63.2%	56.3%	65.2%	64.7%	65.9%	64.9%
Capex/Sales		9.0%	10.9%	15.9%	19.8%	25.3%	20.4%	17.4%	19.3%	20.5%	18.4%	18.9%	18.2%	19.0%	20.0%	18.5%	18.7%

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



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq Fixed-Line (cont'd)																	
Operating & general expenses																	
Total general & operating expenses		2,121	1,873	1,690	1,609	1,074	1,033	895	777	180	176	186	179	721	172	170	183
	QoQ Change									-8.2%	-2.2%	5.7%	-3.8%		-3.9%	-1.2%	7.6%
	YoY Change		-11.7%	-9.8%	-4.8%	-33.3%	-3.8%	-13.4%	-13.2%	-5.3%	-6.4%	-8.4%	-8.7%	-7.2%	-4.4%	-3.4%	-1.6%
Maintenance of buildings and sites		N/A	N/A	278	240	247	245	233	217	51	47	54	50	202	49	46	49
	QoQ Change									-1.9%	-7.8%	14.9%	-7.4%		-2.0%	-6.1%	6.5%
	YoY Change				-13.7%	2.9%	-0.8%	-4.9%	-6.9%	-7.3%	-11.3%	-5.3%	-3.8%	-6.9%	-3.9%	-2.1%	-9.3%
Interconnect & payments to telecom operators		N/A	N/A	871	855	314	281	220	161	38	37	35	35	145	34	33	34
	QoQ Change									0.0%	-2.6%	-5.4%	0.0%		-2.9%	-2.9%	3.0%
	YoY Change				-1.8%	-63.3%	-10.5%	-21.7%	-26.8%	-9.5%	-5.1%	-16.7%	-7.9%	-9.9%	-10.5%	-10.8%	-2.9%
Marketing & general		N/A	N/A	218	196	194	159	186	213	47	48	49	44	188	43	44	55
	QoQ Change									-13.0%	2.1%	2.1%	-10.2%		-2.3%	2.3%	25.0%
	YoY Change				-10.1%	-1.0%	-18.0%	17.0%	14.5%	-2.1%	-7.7%	-16.9%	-18.5%	-11.7%	-8.5%	-8.3%	12.2%
Terminal equipment & materials		N/A	N/A	80	88	89	111	90	49	11	11	10	16	48	12	12	11
	QoQ Change									-31.3%	0.0%	-9.1%	60.0%		-25.0%	0.0%	-8.3%
	YoY Change				10.0%	1.1%	24.7%	-18.9%	-45.6%	-8.3%	10.0%	-9.1%	0.0%	-2.0%	9.1%	9.1%	10.0%
Services and maintenance by sub-contractors		N/A	N/A	96	76	76	73	64	61	16	14	17	13	60	17	17	16
	QoQ Change									0.0%	-12.5%	21.4%	-23.5%		30.8%	0.0%	-5.9%
	YoY Change				-20.8%	0.0%	-3.9%	-12.3%	-4.7%	0.0%	-6.7%	21.4%	-18.8%	-1.6%	6.3%	21.4%	-5.9%
Vehicle maintenance		N/A	N/A	96	101	78	83	76	76	17	19	21	21	78	17	18	18
	QoQ Change									-15.0%	11.8%	10.5%	0.0%		-19.0%	5.9%	0.0%
	YoY Change				5.2%	-22.8%	6.4%	-8.4%	0.0%	0.0%	0.0%	5.0%	5.0%	2.6%	0.0%	-5.3%	-14.3%



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Telephone																	
Key Income Statement Metrics (Revenues)																	
Total Revenues		4,684	4,713	5,376	5,732	5,548	4,468	3,809	3,419	727	721	729	713	2,890	671	658	649
	QoQ Change									-12.9%	-0.8%	1.1%	-2.2%		-5.9%	-1.9%	-1.4%
	YoY Change		0.6%	14.1%	6.6%	-3.2%	-19.5%	-14.7%	-10.2%	-20.7%	-14.5%	-11.5%	-14.6%	-15.5%	-7.7%	-8.7%	-11.0%
Service Revenues		3,972	4,020	4,256	4,550	3,637	3,261	2,808	2,453	499	502	521	477	1,999	455	456	468
	QoQ Change									-14.6%	0.6%	3.8%	-8.4%		-4.6%	0.2%	2.6%
	YoY Change		1.2%	5.9%	6.9%	-20.1%	-10.3%	-13.9%	-12.6%	-21.7%	-19.3%	-14.6%	-18.3%	-18.5%	-8.8%	-9.2%	-10.2%
Equipment Revenues		712	693	1,120	1,182	1,911	1,207	1,001	966	228	219	208	236	891	216	202	181
	QoQ Change									-9.2%	-3.9%	-5.0%	13.5%		-8.5%	-6.5%	-10.4%
	YoY Change		-2.7%	61.6%	5.5%	61.7%	-36.8%	-17.1%	-3.5%	-18.6%	-0.9%	-2.8%	-6.0%	-7.8%	-5.3%	-7.8%	-13.0%
Revenues from Private Customers		N/A	2,437	2,751	2,899	2,985	2,461	2,114	1,930	N/A	N/A	N/A	N/A		N/A	N/A	N/A
	% of total revenues		51.7%	51.2%	50.6%	53.8%	55.1%	55.5%	56.4%					60.6%			
Revenues from Business Customers		N/A	2,276	2,625	2,833	2,563	2,007	1,695	1,490	N/A	N/A	N/A	N/A	1,140	N/A	N/A	N/A
	% of total revenues		48.3%	48.8%	49.4%	46.2%	44.9%	44.5%	43.6%					39.4%			
Key Income Statement Metrics																	
Cost of sales		3,347	3,235	3,592	3,754	3,587	3,040	2,711	2,537	607	588	586	602	2,383	579	560	536
	QoQ Change									-5.6%	-3.1%	-0.3%	2.7%		-3.8%	-3.3%	-4.3%
	YoY Change		-3.3%	11.0%	4.5%	-4.4%	-15.2%	-10.8%	-6.4%	-10.9%	-3.9%	-2.5%	-6.4%	-6.1%	-4.6%	-4.8%	-8.5%
Gross profit		1,337	1,478	1,784	1,978	1,961	1,428	1,098	882	120	133	143	111	507	92	98	113
	QoQ Change									-37.5%	10.8%	7.5%	-22.4%		-17.1%	6.5%	15.3%
	YoY Change		10.5%	20.7%	10.9%	-0.9%	-27.2%	-23.1%	-19.7%	-49.2%	-42.4%	-35.9%	-42.2%	-42.5%	-23.3%	-26.3%	-21.0%
Sales & marketing expenses		430	405	461	468	480	422	320	309	63	57	59	68	247	66	68	65
	QoQ Change									-14.9%	-9.5%	3.5%	15.3%		-2.9%	3.0%	-4.4%
	YoY Change		-5.8%	13.8%	1.5%	2.6%	-12.1%	-24.2%	-3.4%	-24.1%	-25.0%	-22.4%	-8.1%	-20.1%	4.8%	19.3%	10.2%
General & administrative expenses		102	140	133	127	121	114	109	106	25	23	23	27	98	25	22	21
	QoQ Change									-3.8%	-8.0%	0.0%	17.4%		-7.4%	-12.0%	-4.5%
	YoY Change		37.3%	-5.0%	-4.5%	-4.7%	-5.8%	-4.4%	-2.8%	-7.4%	-17.9%	-8.0%	3.8%	-7.5%	0.0%	-4.3%	-8.7%
Other operating expenses		-	-	-	-	-	61	18		-	-	-	5	5	-	-	-
	YoY Change						-70.5%						-72.2%				
Salaries (included in oper. exps)		598	638	601	590	602	491	439	417	96	96	90	99	381	96	94	94
	QoQ Change									-8.6%	0.0%	-6.3%	10.0%		-3.0%	-2.1%	0.0%
	YoY Change		6.7%	-5.8%	-1.8%	2.0%	-18.4%	-10.6%	-5.0%	-11.9%	-6.8%	-10.0%	-5.7%	-8.6%	0.0%	-2.1%	4.4%
Depreciation & amortization (included in oper. exps)		479	523	603	601	561	531	458	430	104	106	109	100	419	104	95	92
	QoQ Change									-6.3%	1.9%	2.8%	-8.3%		4.0%	-8.7%	-3.2%
	YoY Change		9.2%	15.3%	-0.3%	-6.7%	-5.3%	-13.7%	-6.1%	-1.9%	1.0%	0.9%	-9.9%	-2.6%	0.0%	-10.4%	-15.6%
Operating profit		805	933	1,190	1,383	1,360	892	608	449	32	53	61	11	157	1	8	27
	QoQ Change									-56.8%	65.6%	15.1%	-82.0%		-90.9%	700.0%	237.5%
	YoY Change		15.9%	27.5%	16.2%	-1.7%	-34.4%	-31.8%	-26.2%	-74.6%	-58.3%	-50.0%	-85.1%	-65.0%	-96.9%	-84.9%	-55.7%
Net profit		585	682	875	1,033	1,056	698	521	373	36	49	55	11	151	13	13	32
	QoQ Change									-39.0%	36.1%	12.2%	-80.0%		18.2%	0.0%	146.2%
	YoY Change		16.6%	28.3%	18.1%	2.2%	-33.9%	-25.4%	-28.4%	-66.7%	-53.8%	-45.0%	-81.4%	-59.5%	-63.9%	-73.5%	-41.8%
EBITDA		1,284	1,456	1,794	1,984	1,921	1,423	1,065	879	136	159	170	111	576	105	103	119
	QoQ Change									-26.1%	16.9%	6.9%	-34.7%		-5.4%	-1.9%	15.5%
	YoY Change		13.4%	23.2%	10.6%	-3.2%	-25.9%	-25.2%	-17.5%	-41.4%	-31.5%	-26.4%	-39.7%	-34.5%	-22.8%	-35.2%	-30.0%
Key Cash Flow Metrics																	
Operating cash flow		1,228	1,277	1,115	1,219	800	1,728	1,591	1,213	351	202	163	14	730	185	180	152
	QoQ Change									122.2%	-42.5%	-19.3%	-91.4%		1221.4%	-2.7%	-15.6%
	YoY Change		4.0%	-12.7%	9.3%	-34.4%	116.0%	-7.9%	-23.8%	0.6%	-51.9%	-43.0%	-91.1%	-39.8%	-47.3%	-10.9%	-6.7%
Capital expenditures, gross (accounting)		440	911	508	431	442	397	335	339	97	196	70	56	419	57	77	66
	QoQ Change									9.0%	102.1%	-64.3%	-20.0%		1.8%	35.1%	-14.3%
	YoY Change		107.0%	-44.2%	-15.2%	2.6%	-10.2%	-15.6%	1.2%	44.8%	104.2%	-19.5%	-37.1%	23.6%	-41.2%	-60.7%	-5.7%
Capital expenditures, gross (cash flow)		381	798	559	397	419	384	320	329	73	199	91	65	428	52	63	64
	QoQ Change									-11.0%	172.6%	-54.3%	-28.6%		-20.0%	21.2%	1.6%
	YoY Change		109.4%	-29.9%	-29.0%	5.5%	-8.4%	-16.7%	2.8%	0.0%	121.1%	8.3%	-20.7%	30.1%	-28.8%	-68.3%	-29.7%
Capital expenditures, net (cash flow)		376	795	555	397	382	381	315	321	72	199	90	65	426	51	63	64
	QoQ Change									-10.0%	176.4%	-54.8%	-27.8%		-21.5%	23.5%	1.6%
	YoY Change		111.4%	-30.2%	-28.5%	-3.8%	-0.3%	-17.3%	1.9%	-1.4%	134.1%	8.4%	-18.8%	32.7%	-29.2%	-68.3%	-28.9%
Free cash flow		852	482	560	822	418	1,347	1,276	892	279	3	73	-51	304	134	117	88
	QoQ Change									257.7%	-98.9%	2333.3%	N/M		N/M	-12.7%	-24.8%
	YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	-5.3%	-30.1%	1.1%	-99.1%	-64.0%	N/M	-65.9%	-52.0%	3800.0%	20.5%
Ratios																	
Gross profit margin		28.5%	31.4%	33.2%	34.5%	35.3%	32.0%	28.8%	25.8%	16.5%	18.4%	19.6%	15.6%	17.5%	13.7%	14.9%	17.4%
Operating margin		17.2%	19.8%	22.1%	24.1%	24.5%	20.0%	16.0%	13.1%	4.4%	7.4%	8.4%	1.5%	5.4%	0.1%	1.2%	4.2%
Net margin		12.5%	14.5%	16.3%	18.0%	19.0%	15.6%	13.7%	10.9%	5.0%	6.8%	7.5%	1.5%	5.2%	1.9%	2.0%	4.9%
EBITDA margin		27.4%	30.9%	33.4%	34.6%	31.9%	28.0%	25.7%	25.7%	18.7%	22.1%	23.3%	15.6%	19.9%	15.6%	15.7%	18.3%
Capex/Sales		9.4%	19.3%	9.4%	7.5%	8.0%	8.9%	8.8%	9.9%	13.3%	27.2%	9.6%	7.9%	14.5%	8.5%	11.7%	10.2%



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq International																	
Key Income Statement Metrics																	
Total Revenues		1,304	1,306	1,318	1,380	1,354	1,340	1,433	1,504	393	391	389	405	1,578	395	377	384
	QoQ Change									-1.5%	-0.5%	-0.5%	4.1%		-2.5%	-4.6%	1.9%
	YoY Change		0.2%	0.9%	4.8%	-1.9%	-1.0%	6.9%	5.0%	10.7%	7.1%	1.0%	1.5%	4.9%	0.5%	-3.6%	-1.3%
Revenues from ILD services		N/A	502	502	501	413	383	401	395	N/A	N/A	N/A	N/A	379	N/A	N/A	N/A
	% of total revenues		38.4%	38.1%	36.3%	30.5%	28.6%	28.0%	26.3%					24.0%			
Revenues from Internet, Data & ICT services		N/A	804	816	879	941	957	1,032	1,109	N/A	N/A	N/A	N/A	1,199	N/A	N/A	N/A
	% of total revenues		61.6%	61.9%	63.7%	69.5%	71.4%	72.0%	73.7%					76.0%			
Revenues from Private Customers		N/A	513	520	523	528	538	535	529	N/A	N/A	N/A	N/A	555	N/A	N/A	N/A
	% of total revenues		39.3%	39.5%	37.9%	39.0%	40.1%	37.3%	35.2%					35.2%			
Revenues from Business Customers		N/A	793	798	857	826	802	898	975	N/A	N/A	N/A	N/A	1,023	N/A	N/A	N/A
	% of total revenues		60.7%	60.6%	62.1%	61.0%	59.8%	62.7%	64.8%					64.8%			
Key Income Statement Metrics																	
Cost of sales		859	780	777	822	788	796	879	951	251	250	251	263	1,015	258	246	256
	QoQ Change									-3.1%	-0.4%	0.4%	4.8%		-1.9%	-4.7%	4.1%
	YoY Change		-9.2%	-0.4%	5.8%	-4.1%	1.0%	10.4%	8.2%	15.1%	9.6%	2.0%	1.5%	6.7%	2.8%	-1.6%	2.0%
Gross profit		445	526	541	558	566	544	554	553	142	141	138	142	563	137	131	128
	QoQ Change									1.4%	-0.7%	-2.1%	2.9%		-3.5%	-4.4%	-2.3%
	YoY Change		18.2%	2.9%	3.1%	1.4%	-3.8%	1.8%	-0.2%	3.6%	2.9%	-0.7%	1.4%	1.8%	-3.5%	-7.1%	-7.2%
Sales & marketing expenses		147	181	175	192	209	209	205	209	53	53	49	54	209	57	56	55
	QoQ Change									-5.4%	0.0%	-7.5%	10.2%		5.6%	-1.8%	-1.8%
	YoY Change		23.1%	-3.3%	9.7%	8.9%	0.1%	-1.9%	1.8%	6.0%	6.0%	-7.5%	-3.6%	0.0%	7.5%	5.7%	12.2%
General & administrative expenses		94	103	105	109	116	117	119	112	28	28	29	31	116	29	28	28
	QoQ Change									3.7%	0.0%	3.6%	6.9%		-6.5%	-3.4%	0.0%
	YoY Change		9.6%	1.9%	3.8%	6.7%	0.7%	1.7%	-5.9%	-3.4%	-6.7%	11.5%	14.8%	3.6%	3.6%	0.0%	-3.4%
Other operating expenses (income)		-	-	-	-	-	-	3	-	(2)	(2)	1	(1)	(2)	14	-	-
Salaries (included in oper. exps)		240	260	242	248	265	278	287	298	77	74	75	77	303	83	82	83
	QoQ Change									2.7%	-3.9%	1.4%	2.7%		7.8%	-1.2%	1.2%
	YoY Change		8.3%	-6.9%	2.5%	6.9%	4.9%	3.2%	3.8%	2.7%	1.4%	0.0%	2.7%	1.7%	7.8%	10.8%	10.7%
Depreciation & amortization (included in oper. exps)		87	80	84	94	109	136	129	130	32	32	33	35	132	33	35	35
	QoQ Change									-5.9%	0.0%	3.1%	6.1%		-5.7%	6.1%	0.0%
	YoY Change		-7.5%	5.2%	11.9%	15.5%	25.2%	-5.4%	0.8%	0.0%	0.0%	3.1%	2.9%	1.5%	3.1%	9.4%	6.1%
Operating profit		204	242	261	320	241	219	227	232	61	62	59	58	240	37	47	45
	QoQ Change									6.2%	1.6%	-4.8%	-1.7%		-36.2%	27.0%	-4.3%
	YoY Change		18.6%	8.0%	22.6%	-24.6%	-9.2%	3.8%	2.0%	3.9%	6.9%	0.0%	1.8%	3.4%	-39.3%	-24.2%	-23.7%
Net profit		153	178	200	254	182	160	158	165	44	45	41	42	172	26	33	33
	QoQ Change									10.0%	2.3%	-8.9%	2.4%		-38.1%	26.9%	0.0%
	YoY Change		16.6%	12.1%	27.0%	-28.3%	-12.4%	-0.9%	4.3%	4.8%	9.8%	-2.4%	5.0%	4.2%	-40.9%	-26.7%	-19.5%
EBITDA		290	322	345	414	350	355	356	362	93	94	92	93	372	70	82	80
	QoQ Change									2.2%	1.1%	-2.1%	1.1%		-24.7%	17.1%	-2.4%
	YoY Change		10.8%	7.3%	20.0%	-15.5%	1.5%	0.3%	1.6%	3.3%	4.4%	1.1%	2.2%	2.8%	-24.7%	-12.8%	-13.0%
Key Cash Flow Metrics																	
Operating cash flow		93	163	320	290	243	272	288	312	62	74	69	96	301	49	69	65
	QoQ Change									-13.9%	19.4%	-6.8%	39.1%		-49.0%	40.8%	-5.8%
	YoY Change		76.3%	95.5%	-9.2%	-16.1%	11.7%	5.7%	8.4%	-16.2%	-22.1%	-2.8%	33.3%	-3.5%	-21.0%	-6.8%	-5.8%
Capital expenditures, gross (accounting)		131	120	150	160	285	169	106	110	56	17	27	27	127	45	35	20
	QoQ Change									124.0%	-69.6%	58.8%	0.0%		66.7%	-22.2%	-42.9%
	YoY Change		-8.4%	25.0%	6.7%	78.1%	-40.7%	-37.3%	3.8%	69.7%	-29.2%	-3.6%	8.0%	15.5%	-19.6%	105.9%	-25.9%
Capital expenditures, gross (cash flow)		103	119	120	180	288	175	105	110	53	26	28	21	128	37	33	24
	QoQ Change									88.9%	-51.3%	9.5%	-25.6%		76.0%	-10.8%	-27.3%
	YoY Change		14.7%	1.1%	49.9%	60.4%	-39.2%	-40.4%	5.2%	72.2%	8.1%	3.3%	-25.0%	16.4%	-30.1%	28.0%	-15.0%
Capital expenditures, net (cash flow)		100	118	120	180	288	173	97	108	53	26	28	21	128	37	33	24
	QoQ Change									96.3%	-50.9%	7.7%	-25.0%		76.2%	-10.8%	-27.3%
	YoY Change		18.7%	1.4%	50.0%	60.1%	-39.8%	-43.9%	11.2%	71.0%	13.0%	3.7%	-22.2%	18.5%	-30.2%	26.9%	-14.3%
Free cash flow		(7)	45	200	110	(44)	99	191	204	9	48	41	75	173	12	36	41
	QoQ Change									-80.0%	433.3%	-14.6%	82.9%		-84.0%	200.0%	13.9%
	YoY Change		N/M	341.0%	-44.7%	N/M	N/M	92.4%	7.0%	-79.1%	-33.3%	-6.8%	66.7%	-15.2%	33.3%	-25.0%	0.0%
Ratios																	
Gross profit margin		34.1%	40.3%	41.1%	40.4%	41.8%	40.6%	38.7%	36.8%	36.1%	36.1%	35.5%	35.1%	35.7%	34.7%	34.7%	33.3%
Operating margin		15.6%	18.5%	19.8%	23.2%	17.8%	16.3%	15.9%	15.4%	15.1%	15.9%	15.2%	14.3%	15.2%	9.4%	12.5%	11.7%
Net margin		11.7%	13.7%	15.2%	18.4%	13.5%	11.9%	11.0%	11.0%	11.2%	11.5%	10.5%	10.4%	10.9%	6.6%	8.8%	8.6%
EBITDA margin		22.3%	24.6%	26.2%	30.0%	25.9%	26.5%	24.9%	24.1%	23.7%	24.0%	23.7%	23.0%	23.6%	17.7%	21.8%	20.8%
Capex/Sales		10.0%	9.2%	11.4%	11.6%	21.1%	12.6%	7.4%	7.3%	14.2%	4.3%	6.9%	6.7%	8.0%	11.4%	9.3%	5.2%



(NIS millions, except for EPS)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
yes																	
Key Income Statement Metrics																	
Revenues		1,415	1,513	1,530	1,583	1,619	1,636	1,635	1,724	440	439	446	449	1,774	439	434	434
	QoQ Change									0.0%	-0.2%	1.6%	0.7%		-2.2%	-1.1%	0.0%
	YoY Change		6.9%	1.2%	3.4%	2.3%	1.1%	0.0%	5.4%	3.8%	2.6%	3.2%	2.0%	2.9%	-0.2%	-1.1%	-2.7%
Cost of sales		1,117	1,091	1,042	1,129	1,028	1,067	1,130	1,203	320	313	314	342	1,289	321	312	314
	QoQ Change									1.9%	-2.2%	0.3%	8.9%		-6.1%	-2.8%	0.6%
	YoY Change		-2.3%	-4.5%	8.3%	-8.9%	3.8%	5.9%	6.5%	9.6%	5.4%	4.7%	8.9%	7.1%	0.3%	-0.3%	0.0%
Gross profit		298	421	488	454	591	569	505	521	120	126	132	107	485	118	122	120
	QoQ Change									-4.8%	5.0%	4.8%	-18.9%		10.3%	3.4%	-1.6%
	YoY Change		41.6%	15.9%	-7.0%	30.1%	-3.7%	-11.2%	3.2%	-9.1%	-3.1%	-0.8%	-15.1%	-6.9%	-1.7%	-3.2%	-9.1%
Sales & marketing expenses		138	128	122	143	153	166	154	154	36	35	37	32	140	38	24	35
	QoQ Change									-10.0%	-2.8%	5.7%	-13.5%		18.8%	-36.8%	45.8%
	YoY Change		-6.9%	-4.6%	17.1%	6.7%	8.9%	-7.6%	0.2%	-10.0%	-12.5%	8.8%	-20.0%	-9.1%	5.6%	-31.4%	-5.4%
General & administrative expenses		104	116	118	133	143	150	84	94	25	21	21	28	95	23	21	23
	QoQ Change									-10.7%	-16.0%	0.0%	33.3%		-17.9%	-8.7%	9.5%
	YoY Change		11.6%	1.4%	12.5%	7.9%	4.8%	-44.0%	11.9%	25.0%	-8.7%	-8.7%	0.0%	1.1%	-8.0%	0.0%	9.5%
Salaries (included in oper. exps)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	267	69	62	69	70	270	61	60	64
	QoQ Change									-1.4%	-10.1%	11.3%	1.4%		-12.9%	-1.6%	6.7%
	YoY Change									11.3%	-8.8%	3.0%	0.0%	1.1%	-11.6%	-3.2%	-7.2%
Depreciation & amortization (included in oper. exps)		273	250	234	285	276	248	263	297	76	80	78	88	322	76	74	75
	QoQ Change									-2.6%	5.3%	-2.5%	12.8%		-13.6%	-2.6%	1.4%
	YoY Change		-8.5%	-6.3%	21.6%	-2.9%	-10.2%	5.8%	13.0%	8.6%	8.1%	4.0%	12.8%	8.4%	0.0%	-7.5%	-3.8%
Operating profit		56	177	248	178	295	253	267	273	59	70	74	47	250	57	77	62
	QoQ Change									3.5%	18.6%	5.7%	-36.5%		21.3%	35.1%	-19.5%
	YoY Change		216.3%	40.1%	-28.2%	65.4%	-14.3%	5.6%	2.2%	-19.2%	4.5%	-2.6%	-17.5%	-8.4%	-3.4%	10.0%	-16.2%
Profit before finance exps to shareholders & taxes		(97)	(1)	79	6	149	99	106	162	60	15	80	4	160	38	65	36
	QoQ Change									76.5%	-75.0%	433.3%	-95.0%		850.0%	71.1%	-44.6%
	YoY Change		-99.3%	N/M	-92.3%	2364.3%	-33.5%	6.9%	52.8%	9.1%	-34.8%	60.0%	-88.2%		-36.7%	333.3%	-55.0%
Net profit (loss)		(118)	(265)	(222)	(314)	(230)	(310)	(381)	(322)	(3)	(166)	(75)	(110)	(354)	(71)	(114)	(142)
	QoQ Change									-96.6%	5433.3%	-54.8%	46.7%		-35.5%	60.6%	24.6%
	YoY Change		125.1%	-16.0%	41.0%	-26.8%	35.1%	22.7%	-15.4%	-91.2%	44.3%	-12.8%	26.4%	9.9%	2266.7%	-31.3%	89.3%
EBITDA		329	427	482	463	571	502	530	570	135	150	152	135	572	133	151	137
	QoQ Change									0.0%	11.1%	1.3%	-11.2%		-1.5%	13.5%	-9.3%
	YoY Change		29.7%	13.0%	-4.0%	23.4%	-12.3%	5.6%	7.6%	-5.6%	6.4%	0.7%	0.0%	0.4%	-1.5%	0.7%	-9.9%
Key Cash Flow Metrics																	
Operating cash flow		250	347	410	492	513	418	490	442	149	106	145	105	505	158	110	154
	QoQ Change									22.1%	-28.9%	36.8%	-27.6%		50.5%	-30.4%	40.0%
	YoY Change		38.9%	18.1%	20.0%	4.4%	-18.5%	17.2%	-10.1%	31.9%	0.0%	43.6%	-13.9%	14.3%	6.0%	3.8%	6.2%
Capital expenditures, gross (accounting)		299	265	270	295	291	324	327	332	80	61	73	67	281	72	43	45
	QoQ Change									-17.5%	-23.8%	19.7%	-8.2%		7.5%	-40.3%	4.7%
	YoY Change		-11.4%	1.9%	9.4%	-1.5%	11.3%	0.9%	1.5%	-8.0%	-12.9%	-6.4%	-30.9%	-15.4%	-10.0%	-29.5%	-38.4%
Capital expenditures, gross (cash flow)		255	238	262	278	264	284	323	305	65	82	75	43	265	59	58	51
	QoQ Change									-31.6%	26.2%	-8.5%	-42.7%		37.2%	-1.7%	-12.1%
	YoY Change		-6.7%	10.1%	6.4%	-5.0%	7.5%	13.6%	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	-9.2%	-29.3%	-32.0%
Capital expenditures, net (cash flow)		255	238	261	277	264	284	323	305	65	82	75	43	265	59	58	50
	QoQ Change									-31.6%	26.2%	-8.5%	-42.7%		37.2%	-1.7%	-13.8%
	YoY Change		-6.7%	9.7%	6.2%	-4.8%	7.6%	13.8%	-5.6%	-16.7%	20.6%	17.2%	-54.7%	-13.1%	-9.2%	-29.3%	-33.3%
Free cash flow		(5)	109	149	215	250	134	167	137	84	24	70	62	240	99	52	104
	QoQ Change									211.1%	-71.4%	191.7%	-11.4%		59.7%	-47.5%	100.0%
	YoY Change		NM	36.2%	44.0%	16.2%	-46.2%	24.3%	-17.8%	140.0%	-36.8%	89.2%	129.6%	75.2%	17.9%	116.7%	48.6%
Ratios																	
Gross profit margin		21.0%	27.9%	31.9%	28.7%	36.5%	34.8%	30.9%	30.2%	27.3%	28.7%	29.6%	23.8%	27.3%	26.9%	28.1%	27.6%
Operating margin		4.0%	11.7%	16.2%	11.3%	18.2%	15.4%	16.3%	15.8%	13.4%	15.9%	16.6%	10.5%	14.1%	13.0%	17.7%	14.3%
Net margin		(8.3%)	(17.5%)	(14.5%)	(19.8%)	(14.2%)	(19.0%)	(23.3%)	(18.7%)	(0.7%)	(37.8%)	(16.8%)	(24.5%)	(20.0%)	(16.2%)	(26.3%)	(32.7%)
EBITDA margin		23.3%	28.2%	31.5%	29.3%	35.3%	30.7%	32.4%	33.1%	30.7%	34.2%	34.1%	30.1%	32.2%	30.3%	34.8%	31.6%
Capex/Sales		21.1%	17.5%	17.6%	18.7%	18.0%	19.8%	20.0%	19.3%	18.2%	13.9%	16.4%	14.9%	15.8%	16.4%	9.9%	10.4%



NIS Millions

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

Other Operating Expenses (Income), Net

Profit from increase to controlling stake in Yes	-	-	(12)	-	-	-	(12)	-	-	-
Profit from the sale of shares in Coral Tel Ltd.	-	(582)	-	-	-	-	-	-	-	-
Profit from the sale of property, plant and equipment (mainly real estate)*	(120)	(167)	(11)	(148)	(13)	(62)	(234)	(11)	(29)	(22)
Profit from copper sales	(47)	(8)	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	(23)	6	6	-	22	34	-	-	-
Provision for early retirement	90	176	-	1	-	116	117	1	14	3
Expenses for a collective agreement at Pelephone	61	18	-	-	-	-	-	-	-	-
Loss from the discontinuation of a software development project	1	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	15	3	(7)
Total other operating expenses (income), net	(15)	(586)	(17)	(141)	(13)	76	(95)	5	(12)	(26)

* Includes profit from copper sales beginning Q1 2015



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Bezeq Fixed-Line																
Key Performance Indicators																
Total outgoing minutes (in millions)	14,711	13,260	12,017	10,699	9,758	8,694	7,047	6,200	1,459	1,396	1,373	1,379	5,607	1,316	1,257	1,297
QoQ Change									-1.6%	-4.3%	-1.6%	0.4%		-4.6%	-4.5%	3.2%
YoY Change		-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.3%	-8.3%	-13.5%	-7.0%	-9.6%	-9.8%	-10.0%	-5.5%
Total incoming minutes (in millions)	6,411	6,691	6,718	6,547	6,240	6,225	6,115	5,829	1,429	1,386	1,410	1,403	5,628	1,348	1,314	1,382
QoQ Change									-0.8%	-3.0%	1.7%	-0.5%		-3.9%	-2.5%	5.2%
YoY Change		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.8%	-4.7%	-2.6%	-2.7%	-5.9%	-2.6%	-3.4%	-5.7%	-5.2%	-2.0%
Total access lines (in 000's)	2,749	2,604	2,483	2,366	2,367	2,268	2,216	2,205	2,208	2,204	2,193	2,181	2,181	2,167	2,151	2,137
QoQ Change									0.1%	-0.2%	-0.5%	-0.5%		-0.6%	-0.7%	-0.7%
YoY Change		-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-2.3%	-0.5%	-0.3%	0.0%	-0.5%	-1.1%	-1.1%	-1.9%	-2.4%	-2.6%
ARPL - including interconnect fees (in NIS)	N/A	111	109	109	85	81	74	63	61	60	60	60	60	59	58	58
QoQ Change									-1.6%	-1.6%	0.0%	0.0%		-1.7%	-1.7%	0.0%
YoY Change			-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-4.7%	-4.8%	-4.8%	-3.2%	-4.8%	-3.3%	-3.3%	-3.3%
Churn rate (telephony)	9.5%	N/A	N/A	N/A	11.6%	15.3%	13.1%	11.1%	2.4%	2.4%	2.6%	2.7%	10.1%	2.9%	2.4%	2.6%
Broadband Internet lines (in 000's)- Total	963	1,005	1,035	1,066	1,111	1,169	1,263	1,364	1,390	1,418	1,448	1,479	1,479	1,503	1,521	1,539
QoQ Change									1.9%	2.0%	2.1%	2.1%		1.6%	1.2%	1.2%
YoY Change		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	7.8%	8.4%	8.5%	8.4%	8.4%	8.1%	7.3%	6.3%
Broadband Internet lines (in 000's)-Wholesale	-	-	-	-	-	-	-	-	11	78	177	244	244	290	323	347
QoQ Change										609.1%	126.9%	37.9%		18.9%	11.4%	7.4%
YoY Change														2536.4%	314.1%	96.0%
Broadband Internet ARPU (in NIS) - Retail	64	67	69	75	80	81	84	84	87	88	88	89	88	91	90	89
QoQ Change									2.4%	1.1%	0.0%	1.1%		2.2%	-1.1%	-1.1%
YoY Change		4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	0.0%	6.1%	4.8%	3.5%	4.7%	4.8%	4.6%	2.3%	1.1%
Average broadband speed per subscriber (end of period, Mbps)	1.7	2.2	2.7	4.3	6.7	9.6	18.1	32.5	33.2	34.9	36.7	37.8	37.8	38.9	40.2	41.8
QoQ Change									2.2%	5.1%	5.2%	3.0%		2.9%	3.3%	4.0%
YoY Change		29.4%	22.7%	59.3%	55.8%	43.3%	88.5%	79.6%	66.0%	59.4%	52.9%	16.3%	16.3%	17.2%	15.2%	13.9%
Number of employees	7,614	7,530	7,364	7,216	7,076	7,422	6,479	5,964	N/A	N/A	N/A	5,986	5,986	N/A	N/A	N/A
YoY Change		-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%	-7.9%					0.4%			
Market share - Internet	N/A	N/A	59%	59%	59%	60%	63%	66%	N/A	N/A	N/A	N/A	68%	N/A	N/A	N/A
Market share - telephony (private sector)	N/A	N/A	72%	65%	63%	59%	57%	56%	N/A	N/A	N/A	N/A	56%	N/A	N/A	N/A
Market share - telephony (business sector)	N/A	N/A	82%	78%	76%	75%	74%	74%	N/A	N/A	N/A	N/A	74%	N/A	N/A	N/A



		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
Telephone																	
Key Performance Indicators																	
Total Subscribers (in 000's)		2,622	2,649	2,766	2,857	2,847	2,800	2,642	2,586	2,565	2,566	2,569	2,651	2,651	2,692	2,260	2,348
	QoQ Change									-0.8%	0.0%	0.1%	3.2%		1.5%	-16.0%	3.9%
	YoY Change		1.0%	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-2.1%	-2.5%	-1.7%	-1.2%	2.5%	2.5%	5.0%	-11.9%	-8.6%
Prepaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	836	N/A	N/A	N/A	925	925	N/A	N/A	N/A
	YoY Change																
ARPU (in NIS)		N/A	N/A	N/A	111	107	95	86	78	65	65	68	60	64	57	68	68
	QoQ Change									-13.3%	0.0%	4.6%	-11.8%		-5.0%	19.3%	0.0%
	YoY Change					-3.6%	-11.2%	-9.5%	-9.3%	-18.8%	-17.7%	-12.8%	-20.0%	-17.9%	-12.3%	4.6%	0.0%
Churn rate		N/A	N/A	13.8%	15.3%	22.9%	22.4%	28.6%	28.0%	6.5%	6.1%	6.4%	6.7%	25.8%	5.2%	6.2%	6.1%
Number of employees			N/A	N/A	N/A	N/A	4,072	3,288	3,001	N/A	N/A	N/A	2,679	2,679	N/A	N/A	N/A
	YoY Change							-19.3%	-8.7%					-10.7%			
Market share		29.2%	28.6%	29.0%	28.9%	29.0%	28.2%	26.3%	25.5%	N/A	N/A	N/A	N/A	25.6%	N/A	N/A	N/A
Bezeq International																	
Key Performance Indicators																	
Number of employees		2,621	2,325	2,445	2,112	2,262	2,102	2,007	1,932	N/A	N/A	N/A	1,966	1,966	N/A	N/A	N/A
	QoQ Change																
	YoY Change		-11.3%	5.2%	-13.6%	7.1%	-7.1%	-4.5%	-3.7%					1.8%			
Churn rate (ISP)		N/A	N/A	14.8%	12.7%	12.6%	18.4%	18.0%	17.0%	4.1%	4.2%	4.4%	4.6%	17.3%	5.2%	4.5%	5.5%
Market share - ISP		36.0%	36.0%	36.0%	35.9%	37.5%	38.8%	40.6%	42%	N/A	N/A	N/A	N/A	44%	N/A	N/A	N/A
Market share - ILD (Outgoing)		36.0%	36.0%	31.0%	30.7%	30.0%	24.6%	21.2%	23%	N/A	N/A	N/A	N/A	21%	N/A	N/A	N/A
yes																	
Key Performance Indicators																	
Subscribers (in 000's)		549	560	571	578	586	578	600	630	632	636	637	635	635	629	623	618
	QoQ Change									0.3%	0.6%	0.2%	-0.3%		-0.9%	-1.0%	-0.8%
	YoY Change		2.0%	2.0%	1.2%	1.4%	-1.4%	3.8%	5.0%	4.5%	4.1%	2.4%	0.8%	0.8%	-0.5%	-2.0%	-3.0%
ARPU (in NIS)		217	228	226	230	232	234	233	234	232	231	233	235	233	231	231	233
	QoQ Change									-0.9%	-0.4%	0.9%	0.9%		-1.7%	0.0%	0.9%
	YoY Change		5.1%	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	-0.9%	-1.3%	-0.4%	0.4%	-0.4%	-0.4%	0.0%	0.0%
Churn rate		N/A	N/A	13.3%	13.0%	11.9%	15.4%	13.5%	12.8%	3.4%	3.1%	3.9%	3.5%	13.9%	4.2%	3.6%	4.5%
Number of employees		N/A	1,999	2,158	2,229	2,227	2,276	2,208	2,042	N/A	N/A	N/A	1,984	1,984	N/A	N/A	N/A
	YoY Change			8.0%	3.3%	-0.1%	2.2%	-3.0%	-7.5%					-2.8%			
Mkt share		37%	38%	38%	39%	40%	39%	40%	42%	N/A	N/A	N/A	N/A	44%	N/A	N/A	N/A



Bezeq Group Dividends

Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
October 6, 2016	665	0.24	Semi-Annual Dividend
May 30, 2016	776	0.28	Semi-Annual Dividend
October 26, 2015	933	0.34	Semi-Annual Dividend
May 27, 2015	844	0.31	Semi-Annual Dividend
October 2, 2014	1,267	0.46	Semi-Annual Dividend
April 23, 2014	802	0.29	Semi-Annual Dividend
September 15, 2013	500	0.36	Special Dividend (6 of 6)
September 15, 2013	969	0.18	Semi-Annual Dividend
May 13, 2013	500	0.18	Special Dividend (5 of 6)
May 13, 2013	861	0.32	Semi-Annual Dividend
October 10, 2012	500	0.18	Special Dividend (4 of 6)
October 10, 2012	997	0.37	Semi-Annual Dividend
May 21, 2012	500	0.18	Special Dividend (3 of 6)
May 21, 2012	1,074	0.40	Semi-Annual Dividend
October 5, 2011	500	0.18	Special Dividend (2 of 6)
October 5, 2011	992	0.37	Semi-Annual Dividend
May 19, 2011	500	0.19	Special Dividend (1 of 6)
May 19, 2011	1,163	0.43	Semi-Annual Dividend
October 7, 2010	1,280	0.48	Semi-Annual Dividend
May 3, 2010	2,453	0.92	Semi-Annual Dividend
October 5, 2009	1,149	0.43	Semi-Annual Dividend
May 24, 2009	792	0.30	Semi-Annual Dividend
October 29, 2008	835	0.32	Semi-Annual Dividend
April 28, 2008	679	0.26	Semi-Annual Dividend
October 15, 2007	760	0.29	Semi-Annual Dividend
February 26, 2007	1,800	0.69	Special Dividend
January 9, 2007	300	0.12	Semi-Annual Dividend
October 30, 2006	400	0.15	Semi-Annual Dividend
April 16, 2006	1,200	0.46	Semi-Annual Dividend



GLOSSARY

Glossary

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