



## Bezeq Facts & Figures Q1 2017

Three months ending March 31, 2017

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	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
(NIS millions, except for EPS)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015	2016	2016	2016	2016	2016	2017
<b>Bezeq Group <sup>(1)</sup></b>																
<b>Key Income Statement Metrics</b>																
Revenues	11,136	11,015	11,519	11,987	11,373	10,278	9,563	9,055	9,985	2,559	2,511	2,510	2,504	10,084	2,453	
QoQ Change										-1.8%	-1.9%	0.0%	-0.2%			-2.0%
YoY Change		-1.1%	4.6%	4.1%	-5.1%	-9.6%	-7.0%	-5.3%	10.3%	17.7%	-3.5%	-3.5%	-3.9%	1.0%		-4.1%
Depreciation & amortization	1,509	1,458	1,485	1,409	1,395	1,436	1,311	1,281	1,684	449	440	442	408	1,739	428	
QoQ Change										-2.2%	-2.0%	0.5%	-7.7%			4.9%
YoY Change		-3.4%	1.9%	-5.1%	-1.0%	2.9%	-8.7%	-2.3%	31.5%	41.6%	-2.4%	-3.3%	-11.1%	3.3%		-4.7%
Salaries	2,192	2,161	1,990	2,024	2,090	1,976	1,872	1,768	1,957	513	495	501	503	2,012	504	
QoQ Change										-0.4%	-3.5%	1.2%	0.4%			0.2%
YoY Change		-1.4%	-7.9%	1.7%	3.3%	-5.5%	-5.3%	-5.6%	10.7%	16.9%	-0.4%	-1.0%	-2.3%	2.8%		-1.8%
Other operating expenses (income)	39	96	201	(216)	139	(128)	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	
QoQ Change										-93.4%	-340.0%	116.7%	N/M			N/M
YoY Change			N/M	N/M	N/M	N/M	N/M	N/M	-83.8%	N/M	-91.5%	100.0%	-56.6%	N/M		N/M
Operating Profit	2,321	2,640	2,972	3,744	3,255	3,041	2,819	3,226	2,570	574	616	599	532	2,321	566	
QoQ Change										17.6%	7.3%	-2.8%	-11.2%			6.4%
YoY Change		13.7%	12.6%	26.0%	-13.1%	-6.6%	-7.3%	14.4%	-20.3%	-9.7%	-22.4%	-8.1%	9.0%	-9.7%		-1.4%
Finance expenses (income), net	182	140	(31)	109	212	151	145	130	263	102	105	104	136	447	101	
QoQ Change										N/M	2.9%	-1.0%	N/M			-25.7%
YoY Change		-23.1%			94.5%	-28.8%	-4.0%	-10.3%	102.3%	175.7%	-18.6%	4.0%	N/M	70.0%		-1.0%
Income taxes	666	720	807	932	755	778	651	815	598	183	133	99	210	625	113	
QoQ Change										53.8%	-27.3%	-25.6%	112.1%			-46.2%
YoY Change		8.1%	12.1%	15.5%	-19.0%	3.0%	-16.3%	25.2%	-26.6%	20.4%	-27.3%	-31.3%	76.5%	4.5%		-38.3%
Net profit attributed to Bezeq shareholders	1,330	1,627	3,603	2,443	2,074	1,861	1,771	2,111	1,721	288	377	394	185	1,244	350	
QoQ Change										-22.0%	30.9%	4.5%	-53.0%			89.2%
YoY Change		22.3%	121.5%	-32.2%	-15.1%	-10.3%	-4.8%	19.2%	-18.5%	-37.8%	-21.8%	-3.2%	-49.9%	-27.7%		21.5%
Adjusted EBITDA	3,869	4,194	4,658	4,937	4,789	4,349	4,115	3,921	4,159	1,028	1,044	1,015	973	4,060	990	
QoQ Change										0.5%	1.6%	-2.8%	-4.1%			1.7%
YoY Change		8.4%	11.1%	6.0%	-3.0%	-9.2%	-5.4%	-4.7%	6.1%	9.8%	-5.4%	-7.4%	-4.9%	-2.4%		-3.7%
EBITDA, reported	3,830	4,098	4,457	5,153	4,650	4,477	4,130	4,507	4,254	1,023	1,056	1,041	940	4,060	994	
QoQ Change										8.0%	3.2%	-1.4%	-9.7%			5.7%
YoY Change		7.0%	8.8%	15.6%	-9.8%	-3.7%	-7.8%	9.1%	-5.6%	7.3%	-15.2%	-6.1%	-0.7%	-4.6%		-2.8%
Earnings Per Share - Basic	0.51	0.62	1.37	0.91	0.77	0.68	0.65	0.77	0.63	0.10	0.14	0.14	0.07	0.45	0.13	
Earnings Per Share - Diluted	0.50	0.61	1.34	0.90	0.76	0.68	0.65	0.77	0.62	0.10	0.14	0.14	0.07	0.45	0.13	
Shares Outstanding - Basic	2,605	2,605	2,635	2,675	2,714	2,720	2,726	2,736	2,750	2,765	2,765	2,765	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	2,763	2,765	2,765	2,765	2,765	2,765	2,765	
<b>Key Cash Flow Metrics</b>																
Operating cash flow	2,697	3,068	3,655	3,696	3,186	4,014	4,152	3,796	3,740	922	870	902	832	3,526	826	
QoQ Change										3.7%	-5.6%	3.7%	-7.8%			-0.7%
YoY Change		13.7%	19.1%	1.1%	-13.8%	26.0%	3.4%	-8.6%	-1.5%	-4.1%	3.6%	-14.1%	-6.4%	-5.7%		-10.4%
Capital expenditures, gross (cash flow)	991	1,531	1,535	1,622	1,903	1,540	1,228	1,275	1,635	345	387	349	335	1,416	380	
QoQ Change										4.9%	12.2%	-9.8%	-4.0%			13.4%
YoY Change		54.5%	0.2%	5.7%	17.3%	-19.1%	-20.3%	3.8%	28.2%	-6.3%	-24.3%	-18.3%	1.8%	-13.4%		10.1%
Capital expenditures, net	814	1,384	1,445	1,489	1,637	1,235	916	1,045	1,484	303	331	325	319	1,278	370	
QoQ Change										2.0%	9.2%	-1.8%	-1.8%			16.0%
YoY Change		70.0%	4.4%	3.0%	9.9%	-24.6%	-25.8%	14.1%	42.0%	-14.6%	-22.5%	-19.8%	7.4%	-13.9%		22.1%
Free cash flow	1,883	1,684	2,210	2,207	1,549	2,779	3,236	2,751	2,256	619	539	577	513	2,248	456	
QoQ Change										4.6%	-12.9%	7.1%	-11.1%			-11.1%
YoY Change		-10.6%	31.3%	-0.1%	-29.8%	79.4%	16.4%	-15.0%	-18.0%	2.1%	30.5%	-10.5%	-13.3%	-0.4%		-26.3%
<b>Key Balance Sheet Metrics</b>																
Total debt	5,034	4,356	4,136	5,717	9,578	9,546	9,827	10,087	10,713	10,605	11,504	11,246	10,953	10,953	10,703	
Cash & short-term investments	1,589	816	734	372	2,298	1,547	1,742	2,883	1,317	1,777	2,250	1,846	1,234	1,234	1,370	
Net debt	3,445	3,540	3,402	5,345	7,280	7,999	8,085	7,204	9,396	8,828	9,254	9,400	9,719	9,719	9,333	
<b>Ratios</b>																
Operating margin	20.8%	24.0%	25.8%	31.2%	28.6%	29.6%	29.5%	35.6%	25.7%	22.4%	24.5%	23.9%	21.2%	23.0%	23.1%	
Net margin	11.9%	14.8%	31.3%	20.4%	18.2%	18.1%	18.5%	23.3%	17.2%	11.3%	15.0%	15.7%	7.4%	12.3%	14.3%	
EBITDA margin	34.4%	37.2%	38.7%	43.0%	40.9%	43.6%	43.2%	49.8%	42.6%	40.0%	42.1%	41.5%	37.5%	40.3%	40.5%	
Capex/Sales	8.9%	13.9%	13.3%	13.5%	16.7%	15.0%	12.8%	14.1%	16.4%	13.5%	15.4%	13.9%	13.4%	14.0%	15.5%	
Net debt / EBITDA (ttm)	0.90	0.86	0.76	1.04	1.57	1.79	1.96	1.60	2.21	2.04	2.24	2.31	2.39	2.39	2.32	

(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	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017
<b>Bezeq Group (cont'd)</b>															
<b>Operating &amp; General Expenses</b>															
<b>Total operating &amp; general expenses</b>	<b>5,075</b>	<b>4,660</b>	<b>4,871</b>	<b>5,026</b>	<b>4,494</b>	<b>3,953</b>	<b>3,576</b>	<b>3,366</b>	<b>3,869</b>	<b>1,018</b>	<b>972</b>	<b>994</b>	<b>1,028</b>	<b>4,012</b>	<b>959</b>
QoQ Change										-4.7%	-4.5%	2.3%	3.4%		-6.7%
YoY Change		-8.2%	4.5%	3.2%	-10.6%	-12.0%	-9.5%	-5.9%	14.9%	27.4%	-3.0%	-0.6%	-3.7%	3.7%	-5.8%
<b>Terminal equipment &amp; materials</b>	<i>N/A</i>	<i>N/A</i>	<b>1,163</b>	<b>1,225</b>	<b>1,693</b>	<b>1,263</b>	<b>1,071</b>	<b>928</b>	<b>880</b>	<b>216</b>	<b>201</b>	<b>177</b>	<b>237</b>	<b>831</b>	<b>202</b>
QoQ Change										-15.6%	-6.9%	-11.9%	33.9%		-14.8%
YoY Change				5.3%	38.2%	-25.4%	-15.2%	-13.4%	-5.2%	-4.4%	-2.0%	-8.3%	-7.4%	-5.6%	-6.5%
<b>Interconnect &amp; payments to telecom operators</b>	<i>N/A</i>	<i>N/A</i>	<b>1,762</b>	<b>1,876</b>	<b>910</b>	<b>900</b>	<b>905</b>	<b>847</b>	<b>909</b>	<b>212</b>	<b>211</b>	<b>211</b>	<b>191</b>	<b>825</b>	<b>196</b>
QoQ Change				6.5%	-51.5%	-1.1%	0.6%	-6.4%	7.3%	-3.6%	-0.5%	0.0%	-9.5%		2.6%
YoY Change										0.0%	-12.4%	-10.6%	-13.2%	-9.2%	-7.5%
<b>Maintenance of buildings and sites</b>	<i>N/A</i>	<i>N/A</i>	<b>647</b>	<b>640</b>	<b>641</b>	<b>663</b>	<b>607</b>	<b>639</b>	<b>616</b>	<b>154</b>	<b>145</b>	<b>151</b>	<b>155</b>	<b>605</b>	<b>147</b>
QoQ Change										3.4%	-5.8%	4.1%	2.6%		-5.2%
YoY Change				-1.1%	0.2%	3.4%	-8.4%	5.3%	-3.6%	2.7%	-7.1%	-6.2%	4.0%	-1.8%	-4.5%
<b>Marketing &amp; general</b>	<i>N/A</i>	<i>N/A</i>	<b>626</b>	<b>622</b>	<b>655</b>	<b>556</b>	<b>563</b>	<b>603</b>	<b>640</b>	<b>177</b>	<b>168</b>	<b>180</b>	<b>172</b>	<b>697</b>	<b>144</b>
QoQ Change										-5.3%	-5.1%	7.1%	-4.4%		-16.3%
YoY Change				-0.6%	5.3%	-15.1%	1.3%	7.1%	6.1%	37.2%	5.0%	9.8%	-8.0%	8.9%	-18.6%
<b>Services and maintenance by sub-contractors</b>	<i>N/A</i>	<i>N/A</i>	<b>218</b>	<b>189</b>	<b>170</b>	<b>158</b>	<b>162</b>	<b>137</b>	<b>199</b>	<b>63</b>	<b>61</b>	<b>68</b>	<b>69</b>	<b>261</b>	<b>67</b>
QoQ Change										8.6%	-3.2%	11.5%	1.5%		-2.9%
YoY Change				-13.3%	-10.1%	-7.1%	2.5%	-15.4%	45.3%	85.3%	10.9%	30.8%	19.0%	31.2%	6.3%
<b>Vehicle maintenance</b>	<i>N/A</i>	<i>N/A</i>	<b>177</b>	<b>188</b>	<b>142</b>	<b>162</b>	<b>152</b>	<b>154</b>	<b>167</b>	<b>42</b>	<b>39</b>	<b>42</b>	<b>41</b>	<b>164</b>	<b>42</b>
QoQ Change										-4.5%	-7.1%	7.7%	-2.4%		2.4%
YoY Change				6.2%	-24.5%	14.1%	-6.2%	1.3%	8.4%	20.0%	-4.9%	-10.6%	-6.8%	-1.8%	0.0%
<b>Content</b>	<i>N/A</i>	<i>N/A</i>	<b>151</b>	<b>156</b>	<b>123</b>	<b>103</b>	<b>65</b>	<b>58</b>	<b>458</b>	<b>154</b>	<b>147</b>	<b>165</b>	<b>163</b>	<b>629</b>	<b>161</b>
QoQ Change										0.0%	-4.5%	12.2%	-1.2%		-1.2%
YoY Change				3.3%	-21.2%	-16.3%	-36.9%	-10.8%	689.7%	N/M	2.1%	12.2%	N/M	37.3%	4.5%
<b>Cash Flow Metrics</b>															
<b>Change in trade &amp; other receivables</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>(300)</b>	<b>(756)</b>	<b>505</b>	<b>646</b>	<b>549</b>	<b>322</b>	<b>(12)</b>	<b>75</b>	<b>53</b>	<b>(10)</b>	<b>106</b>	<b>(7)</b>
<b>Change in inventory</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>84</b>	<b>(33)</b>	<b>74</b>	<b>9</b>	<b>28</b>	<b>(20)</b>	<b>(9)</b>	<b>14</b>	<b>2</b>	<b>(27)</b>	<b>(20)</b>	<b>(20)</b>
<b>Change in trade &amp; other payables</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>(21)</b>	<b>(131)</b>	<b>(233)</b>	<b>27</b>	<b>(39)</b>	<b>(271)</b>	<b>39</b>	<b>(137)</b>	<b>(12)</b>	<b>86</b>	<b>(24)</b>	<b>(24)</b>
<b>Change in provisions</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>(136)</b>	<b>(64)</b>	<b>(34)</b>	<b>(29)</b>	<b>(63)</b>	<b>18</b>	<b>(12)</b>	<b>3</b>	<b>(3)</b>	<b>(7)</b>	<b>(19)</b>	<b>1</b>
<b>Change in employee benefits</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>(215)</b>	<b>82</b>	<b>(140)</b>	<b>2</b>	<b>3</b>	<b>110</b>	<b>1</b>	<b>(9)</b>	<b>(92)</b>	<b>35</b>	<b>(65)</b>	<b>(6)</b>
<b>Change in other liabilities (incl broadcasting rights)</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>		<b>50</b>	<b>(31)</b>	<b>11</b>	<b>4</b>	<b>(9)</b>	<b>(3)</b>	<b>(5)</b>	<b>16</b>	<b>15</b>	<b>23</b>	<b>(9)</b>
<b>Total changes in assets and liabilities</b>				<b>(588)</b>	<b>(852)</b>	<b>141</b>	<b>666</b>	<b>482</b>	<b>150</b>	<b>4</b>	<b>(59)</b>	<b>(36)</b>	<b>92</b>	<b>1</b>	<b>(65)</b>
<b>Income tax paid, net</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>690</b>	<b>649</b>	<b>662</b>	<b>625</b>	<b>527</b>	<b>462</b>	<b>105</b>	<b>100</b>	<b>92</b>	<b>158</b>	<b>455</b>	<b>106</b>
<b>Interest paid</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>237</b>	<b>377</b>	<b>464</b>	<b>453</b>	<b>431</b>	<b>494</b>	<b>32</b>	<b>192</b>	<b>32</b>	<b>202</b>	<b>458</b>	<b>22</b>



		FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	
	(NIS millions, except for EPS)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2016	2016	2016	2017	
<b>Bezeq Fixed-Line</b>																	
<b>Key Income Statement Metrics (Revenues)</b>																	
<b>Total Revenues</b>		5,713	5,498	5,303	5,263	4,648	4,630	4,478	4,317	4,407	1,112	1,100	1,089	1,082	4,383	1,078	
	QoQ Change										2.2%	-1.1%	-1.0%	-0.6%		-0.4%	
	YoY Change		-3.8%	-3.5%	-0.8%	-11.7%	-0.4%	-3.3%	-3.6%	2.1%	-0.1%	-0.5%	-1.1%	-0.6%	-0.5%	-3.1%	
<b>Telephony Revenues</b>		3,905	3,572	3,333	3,160	2,393	2,254	1,971	1,668	1,586	384	374	375	357	1,490	361	
	QoQ Change										-2.0%	-2.6%	0.3%	-4.8%		1.1%	
	YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-12.6%	-15.4%	-4.9%	-4.7%	-5.6%	-5.1%	-4.9%	-6.1%	-6.0%	
<b>Broadband Internet Revenues</b>		712	790	863	977	1,092	1,166	1,287	1,394	1,542	394	398	399	406	1,597	409	
	QoQ Change										1.8%	1.0%	0.3%	1.8%		0.7%	
	YoY Change		11.0%	9.2%	13.2%	11.8%	6.8%	10.4%	8.3%	10.6%	2.9%	2.8%	3.6%	4.9%	3.6%	3.8%	
<b>Transmission &amp; Data Revenues</b>		754	811	851	882	931	976	990	1,022	1,058	273	270	261	273	1,077	252	
	QoQ Change										4.6%	-1.1%	-3.3%	4.6%		-7.7%	
	YoY Change		7.6%	4.9%	3.6%	5.6%	4.8%	1.4%	3.2%	3.5%	2.6%	2.3%	-2.2%	4.6%	1.8%	-7.7%	
<b>Other Service Revenues</b>		342	325	256	244	232	234	230	233	221	61	58	54	46	219	56	
	QoQ Change										27.1%	-4.9%	-6.9%	-14.8%		21.7%	
	YoY Change		-5.0%	-21.2%	-4.7%	-4.9%	0.9%	-1.7%	1.3%	-5.2%	0.0%	0.0%	0.0%	-4.2%	-0.9%	-8.2%	
<b>Revenues from Residential Customers</b>		N/A	3,303	3,165	3,128	2,777	2,716	2,605	2,498	2,507	N/A	N/A	N/A	N/A	2,329	N/A	
	% of total revenues		60.1%	59.7%	59.4%	59.7%	58.7%	58.2%	57.9%	56.9%					53.1%		
<b>Revenues from Business Customers</b>		N/A	2,195	2,138	2,134	1,871	1,914	1,873	1,819	1,900	N/A	N/A	N/A	N/A	2,054	N/A	
	% of total revenues		39.9%	40.3%	40.5%	40.3%	41.3%	41.8%	42.1%	43.1%					46.9%		
<b>Key Income Statement Metrics</b>																	
<b>Depreciation &amp; amortization</b>		941	852	794	690	688	730	683	688	725	183	185	188	161	717	180	
	QoQ Change										-1.1%	1.1%	1.6%	-14.4%		11.8%	
	YoY Change		-9.5%	-6.8%	-13.1%	-0.3%	6.1%	-6.4%	0.7%	5.4%	4.0%	2.8%	2.2%	-13.0%	-1.1%	-1.6%	
<b>Salaries</b>		1,293	1,202	1,094	1,079	1,076	1,036	980	895	912	230	217	225	226	898	224	
	QoQ Change										1.3%	-5.7%	3.7%	0.4%		-0.9%	
	YoY Change		-7.0%	-9.0%	-1.4%	-0.3%	-3.7%	-5.4%	-8.7%	1.9%	1.3%	-4.0%	-3.0%	-0.4%	-1.5%	-2.6%	
<b>Other operating expenses (income)</b>		39	96	202	(158)	139	(128)	(78)	(23)	(99)	(9)	(12)	(26)	34	(13)	(4)	
	QoQ Change										N/M	33.3%	116.7%	N/M		N/M	
	YoY Change		146.2%	N/M	N/M	N/M	N/M	-39.1%	-70.5%	330.4%	-47.1%	-91.4%	100.0%	N/M	-86.9%	-55.6%	
<b>Operating profit</b>		1,319	1,475	1,523	2,043	1,671	1,959	1,998	1,980	2,148	536	540	519	481	2,076	513	
	QoQ Change										25.5%	0.7%	-3.9%	-7.3%		6.7%	
	YoY Change		11.8%	3.3%	34.1%	-18.2%	17.2%	2.0%	-0.9%	8.5%	-2.0%	-18.4%	1.4%	12.6%	-3.4%	-4.3%	
<b>Finance expenses (income), net</b>		188	125	(15)	90	240	259	442	400	332	101	105	93	146	445	92	
	QoQ Change										431.6%	4.0%	-11.4%	57.0%		-37.0%	
	YoY Change		-33.5%	N/M	N/M	166.7%	7.9%	70.7%	-9.5%	-17.0%	34.7%	5.0%	-32.6%	668.4%	34.0%	-8.9%	
<b>Net profit <sup>(1)</sup></b>		737	950	1,107	1,426	1,073	1,227	1,146	1,102	1,324	328	326	343	235	1,232	319	
	QoQ Change										-3.5%	-0.6%	5.2%	-31.5%		35.7%	
	YoY Change		28.9%	16.5%	28.8%	-24.8%	14.4%	-6.6%	-3.8%	20.1%	-5.2%	-14.7%	34.0%	-30.9%	-6.9%	-2.7%	
<b>Adjusted EBITDA</b>		2,299	2,423	2,519	2,575	2,498	2,561	2,603	2,645	2,774	710	713	681	676	2,780	689	
	QoQ Change										4.1%	0.4%	-4.5%	-0.7%		1.9%	
	YoY Change		5.4%	4.0%	2.2%	-3.0%	2.5%	1.6%	1.6%	4.9%	0.6%	1.4%	-0.3%	-0.9%	0.2%	-3.0%	
<b>EBITDA, reported</b>		2,260	2,327	2,317	2,733	2,359	2,689	2,681	2,668	2,873	719	725	707	642	2,793	693	
	QoQ Change										17.5%	0.8%	-2.5%	-9.2%		7.9%	
	YoY Change		3.0%	-0.4%	18.0%	-13.7%	14.0%	-0.3%	-0.5%	7.7%	-0.6%	-13.9%	1.6%	4.9%	-2.8%	-3.6%	
<b>Key Cash Flow Metrics</b>																	
<b>Operating cash flow</b>		1,379	1,691	2,220	2,140	2,106	2,009	2,274	2,259	2,358	539	517	526	482	2,064	600	
	QoQ Change										-19.3%	-4.1%	1.7%	-8.4%		24.5%	
	YoY Change		22.6%	31.3%	-3.6%	-1.6%	-4.6%	13.2%	-0.7%	4.4%	-1.6%	13.4%	-23.3%	-27.8%	-12.5%	11.3%	
<b>Capital expenditures, gross (cash flow)</b>		505	616	853	1,032	1,165	958	789	822	849	195	227	207	205	834	210	
	QoQ Change										-1.0%	16.4%	-8.8%	-1.0%		2.4%	
	YoY Change		22.0%	38.5%	21.0%	12.9%	-17.8%	-17.6%	4.2%	3.3%	-15.6%	18.8%	-10.0%	4.1%	-1.8%	7.7%	
<b>Capital expenditures, net</b>		336	472	767	900	937	658	485	601	703	154	173	185	190	702	200	
	QoQ Change										-6.1%	12.3%	6.9%	2.7%		5.3%	
	YoY Change		40.5%	62.5%	17.3%	4.1%	-29.8%	-26.3%	23.9%	17.0%	-29.7%	55.9%	-11.5%	15.9%	-0.1%	29.9%	
<b>Free cash flow</b>		1,043	1,219	1,453	1,240	1,169	1,351	1,789	1,658	1,655	385	344	341	292	1,362	400	
	QoQ Change										-23.6%	-10.6%	-0.9%	-14.4%		37.0%	
	YoY Change		16.9%	19.2%	-14.7%	-5.7%	15.6%	32.4%	-7.3%	-0.2%	17.0%	-0.3%	-28.5%	-42.1%	-17.7%	3.9%	
<b>Ratios</b>																	
<b>Operating margin</b>		23.1%	26.8%	28.7%	38.8%	36.0%	42.3%	44.6%	45.9%	48.7%	48.2%	49.1%	47.7%	44.5%	47.4%	47.6%	
<b>Net margin</b>		12.9%	17.3%	20.9%	27.1%	23.1%	26.5%	25.6%	25.5%	30.0%	29.5%	29.6%	31.5%	21.7%	28.1%	29.6%	
<b>EBITDA margin</b>		39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	59.9%	61.8%	65.2%	64.7%	65.9%	64.9%	59.3%	63.7%	64.3%	
<b>Capex/Sales</b>		8.8%	11.2%	16.1%	19.6%	25.1%	20.7%	17.6%	19.0%	19.3%	17.5%	20.6%	19.0%	18.9%	19.0%	19.5%	

<sup>(1)</sup> 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	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017
<b>Bezeq Fixed-Line (cont'd)</b>															
<b>Operating &amp; general expenses</b>															
<b>Total general &amp; operating expenses</b>	<b>2,121</b>	<b>1,873</b>	<b>1,690</b>	<b>1,609</b>	<b>1,074</b>	<b>1,033</b>	<b>895</b>	<b>777</b>	<b>721</b>	<b>172</b>	<b>170</b>	<b>183</b>	<b>180</b>	<b>705</b>	<b>165</b>
QoQ Change										-3.9%	-1.2%	7.6%	-1.6%		-8.3%
YoY Change		-11.7%	-9.8%	-4.8%	-33.3%	-3.8%	-13.4%	-13.2%	-7.2%	-4.4%	-3.4%	-1.6%	0.6%	-2.2%	-4.1%
<b>Maintenance of buildings and sites</b>	<i>N/A</i>	<i>N/A</i>	<b>278</b>	<b>240</b>	<b>247</b>	<b>245</b>	<b>233</b>	<b>217</b>	<b>202</b>	<b>49</b>	<b>46</b>	<b>49</b>	<b>45</b>	<b>189</b>	<b>47</b>
QoQ Change										-2.0%	-6.1%	6.5%	-8.2%		4.4%
YoY Change				-13.7%	2.9%	-0.8%	-4.9%	-6.9%	-6.9%	-3.9%	-2.1%	-9.3%	-10.0%	-6.4%	-4.1%
<b>Interconnect &amp; payments to telecom operators</b>	<i>N/A</i>	<i>N/A</i>	<b>871</b>	<b>855</b>	<b>314</b>	<b>281</b>	<b>220</b>	<b>161</b>	<b>145</b>	<b>34</b>	<b>33</b>	<b>34</b>	<b>29</b>	<b>130</b>	<b>31</b>
QoQ Change										-2.9%	-2.9%	3.0%	-14.7%		6.9%
YoY Change				-1.8%	-63.3%	-10.5%	-21.7%	-26.8%	-9.9%	-10.5%	-10.8%	-2.9%	-17.1%	-10.3%	-8.8%
<b>Marketing &amp; general</b>	<i>N/A</i>	<i>N/A</i>	<b>218</b>	<b>196</b>	<b>194</b>	<b>159</b>	<b>186</b>	<b>213</b>	<b>188</b>	<b>43</b>	<b>44</b>	<b>55</b>	<b>53</b>	<b>195</b>	<b>42</b>
QoQ Change										-2.3%	2.3%	25.0%	-3.6%		-20.8%
YoY Change				-10.1%	-1.0%	-18.0%	17.0%	14.5%	-11.7%	-8.5%	-8.3%	12.2%	20.5%	3.7%	-2.3%
<b>Terminal equipment &amp; materials</b>	<i>N/A</i>	<i>N/A</i>	<b>80</b>	<b>88</b>	<b>89</b>	<b>111</b>	<b>90</b>	<b>49</b>	<b>48</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>47</b>	<b>10</b>
QoQ Change										-25.0%	0.0%	-8.3%	9.1%		-16.7%
YoY Change				10.0%	1.1%	24.7%	-18.9%	-45.6%	-2.0%	9.1%	9.1%	10.0%	-25.0%	-2.1%	-16.7%
<b>Services and maintenance by sub-contractors</b>	<i>N/A</i>	<i>N/A</i>	<b>96</b>	<b>76</b>	<b>76</b>	<b>73</b>	<b>64</b>	<b>61</b>	<b>60</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>22</b>	<b>72</b>	<b>17</b>
QoQ Change										30.8%	0.0%	-5.9%	37.5%		-22.7%
YoY Change				-20.8%	0.0%	-3.9%	-12.3%	-4.7%	-1.6%	6.3%	21.4%	-5.9%	69.2%	20.0%	0.0%
<b>Vehicle maintenance</b>	<i>N/A</i>	<i>N/A</i>	<b>96</b>	<b>101</b>	<b>78</b>	<b>83</b>	<b>76</b>	<b>76</b>	<b>78</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>72</b>	<b>18</b>
QoQ Change										-19.0%	5.9%	0.0%	5.6%		-5.3%
YoY Change				5.2%	-22.8%	6.4%	-8.4%	0.0%	2.6%	0.0%	-5.3%	-14.3%	-9.5%	-7.7%	5.9%

		FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	
(NIS millions, except for EPS)		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2016	2016	2016	2017	
<b>Telephone</b>																	
<b>Key Income Statement Metrics (Revenues)</b>																	
<b>Total Revenues</b>		<b>4,684</b>	<b>4,713</b>	<b>5,376</b>	<b>5,732</b>	<b>5,548</b>	<b>4,468</b>	<b>3,809</b>	<b>3,419</b>	<b>2,890</b>	<b>671</b>	<b>658</b>	<b>649</b>	<b>652</b>	<b>2,630</b>	<b>628</b>	
	QoQ Change										-5.9%	-1.9%	-1.4%	0.5%		-3.7%	
	YoY Change		0.6%	14.1%	6.6%	-3.2%	-19.5%	-14.7%	-10.2%	-15.5%	-7.7%	-8.7%	-11.0%	-8.6%	-9.0%	-6.4%	
<b>Service Revenues</b>		<b>3,972</b>	<b>4,020</b>	<b>4,256</b>	<b>4,550</b>	<b>3,637</b>	<b>3,261</b>	<b>2,808</b>	<b>2,453</b>	<b>1,999</b>	<b>455</b>	<b>456</b>	<b>468</b>	<b>439</b>	<b>1,818</b>	<b>435</b>	
	QoQ Change										-4.6%	0.2%	2.6%	-6.2%	-0.9%		
	YoY Change		1.2%	5.9%	6.9%	-20.1%	-10.3%	-13.9%	-12.6%	-18.5%	-8.8%	-9.2%	-10.2%	-8.0%	-9.1%	-4.4%	
<b>Equipment Revenues</b>		<b>712</b>	<b>693</b>	<b>1,120</b>	<b>1,182</b>	<b>1,911</b>	<b>1,207</b>	<b>1,001</b>	<b>966</b>	<b>891</b>	<b>216</b>	<b>202</b>	<b>181</b>	<b>213</b>	<b>812</b>	<b>193</b>	
	QoQ Change										-8.5%	-6.5%	-10.4%	17.7%	-9.4%		
	YoY Change		-2.7%	61.6%	5.5%	61.7%	-36.8%	-17.1%	-3.5%	-7.8%	-5.3%	-7.8%	-13.0%	-9.7%	-8.9%	-10.6%	
<b>Revenues from Private Customers</b>		<i>N/A</i>	<b>2,437</b>	<b>2,751</b>	<b>2,899</b>	<b>2,985</b>	<b>2,461</b>	<b>2,114</b>	<b>1,930</b>	<b>1,750</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,616</b>	<i>N/A</i>	
	% of total revenues		51.7%	51.2%	50.6%	53.8%	55.1%	55.5%	56.4%	60.6%					61.4%		
<b>Revenues from Business Customers</b>		<i>N/A</i>	<b>2,276</b>	<b>2,625</b>	<b>2,833</b>	<b>2,563</b>	<b>2,007</b>	<b>1,695</b>	<b>1,490</b>	<b>1,140</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,015</b>	<i>N/A</i>	
	% of total revenues		48.3%	48.8%	49.4%	46.2%	44.9%	44.5%	43.6%	39.4%					38.6%		
<b>Key Income Statement Metrics</b>																	
<b>Cost of sales</b>		<b>3,347</b>	<b>3,235</b>	<b>3,592</b>	<b>3,754</b>	<b>3,587</b>	<b>3,040</b>	<b>2,711</b>	<b>2,537</b>	<b>2,383</b>	<b>579</b>	<b>560</b>	<b>536</b>	<b>573</b>	<b>2,248</b>	<b>553</b>	
	QoQ Change										-3.8%	-3.3%	-4.3%	6.9%	-3.5%		
	YoY Change		-3.3%	11.0%	4.5%	-4.4%	-15.2%	-10.8%	-6.4%	-6.1%	-4.6%	-4.8%	-8.5%	-4.8%	-5.7%	-4.5%	
<b>Gross profit</b>		<b>1,337</b>	<b>1,478</b>	<b>1,784</b>	<b>1,978</b>	<b>1,961</b>	<b>1,428</b>	<b>1,098</b>	<b>882</b>	<b>507</b>	<b>92</b>	<b>98</b>	<b>113</b>	<b>79</b>	<b>382</b>	<b>75</b>	
	QoQ Change										-17.1%	6.5%	15.3%	-30.1%	-5.1%		
	YoY Change		10.5%	20.7%	10.9%	-0.9%	-27.2%	-23.1%	-19.7%	-42.5%	-23.3%	-26.3%	-21.0%	-28.8%	-24.7%	-18.5%	
<b>Sales &amp; marketing expenses</b>		<b>430</b>	<b>405</b>	<b>461</b>	<b>468</b>	<b>480</b>	<b>422</b>	<b>320</b>	<b>309</b>	<b>247</b>	<b>66</b>	<b>68</b>	<b>65</b>	<b>61</b>	<b>260</b>	<b>48</b>	
	QoQ Change										-2.9%	3.0%	-4.4%	-6.2%	-21.3%		
	YoY Change		-5.8%	13.8%	1.5%	2.6%	-12.1%	-24.2%	-3.4%	-20.1%	4.8%	19.3%	10.2%	-10.3%	5.3%	-27.3%	
<b>General &amp; administrative expenses</b>		<b>102</b>	<b>140</b>	<b>133</b>	<b>127</b>	<b>121</b>	<b>114</b>	<b>109</b>	<b>106</b>	<b>98</b>	<b>25</b>	<b>22</b>	<b>21</b>	<b>21</b>	<b>89</b>	<b>22</b>	
	QoQ Change										-7.4%	-12.0%	-4.5%	0.0%	4.8%		
	YoY Change		37.3%	-5.0%	-4.5%	-4.7%	-5.8%	-4.4%	-2.8%	-7.5%	0.0%	-4.3%	-8.7%	-22.2%	-9.2%	-12.0%	
<b>Other operating expenses</b>		-	-	-	-	-	-	<b>61</b>	<b>18</b>	<b>5</b>	-	-	-	<b>1</b>	<b>1</b>	-	
	YoY Change							-70.5%	-72.2%					-80.0%			
<b>Salaries (included in oper. exps)</b>		<b>598</b>	<b>638</b>	<b>601</b>	<b>590</b>	<b>602</b>	<b>491</b>	<b>439</b>	<b>417</b>	<b>381</b>	<b>96</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>378</b>	<b>98</b>	
	QoQ Change										-3.0%	-2.1%	0.0%	0.0%	4.3%		
	YoY Change		6.7%	-5.8%	-1.8%	2.0%	-18.4%	-10.6%	-5.0%	-8.6%	0.0%	-2.1%	4.4%	-5.1%	2.1%		
<b>Depreciation &amp; amortization (included in oper. exps)</b>		<b>479</b>	<b>523</b>	<b>603</b>	<b>601</b>	<b>561</b>	<b>531</b>	<b>458</b>	<b>430</b>	<b>419</b>	<b>104</b>	<b>95</b>	<b>92</b>	<b>89</b>	<b>380</b>	<b>94</b>	
	QoQ Change										4.0%	-8.7%	-3.2%	-3.3%	5.6%		
	YoY Change		9.2%	15.3%	-0.3%	-6.7%	-5.3%	-13.7%	-6.1%	-2.6%	0.0%	-10.4%	-15.6%	-11.0%	-9.3%	-9.6%	
<b>Operating profit</b>		<b>805</b>	<b>933</b>	<b>1,190</b>	<b>1,383</b>	<b>1,360</b>	<b>892</b>	<b>608</b>	<b>449</b>	<b>157</b>	<b>1</b>	<b>8</b>	<b>27</b>	<b>-4</b>	<b>32</b>	<b>5</b>	
	QoQ Change										-90.9%	700.0%	237.5%	-114.8%	<i>N/M</i>		
	YoY Change		15.9%	27.5%	16.2%	-1.7%	-34.4%	-31.8%	-26.2%	-65.0%	-96.9%	-84.9%	-55.7%	-136.4%	-79.6%	400.0%	
<b>Net profit</b>		<b>585</b>	<b>682</b>	<b>875</b>	<b>1,033</b>	<b>1,056</b>	<b>698</b>	<b>521</b>	<b>373</b>	<b>151</b>	<b>13</b>	<b>13</b>	<b>32</b>	<b>3</b>	<b>61</b>	<b>16</b>	
	QoQ Change										18.2%	0.0%	146.2%	-90.6%	433.3%		
	YoY Change		16.6%	28.3%	18.1%	2.2%	-33.9%	-25.4%	-28.4%	-59.5%	-63.9%	-73.5%	-41.8%	-72.7%	-59.6%	23.1%	
<b>EBITDA</b>		<b>1,284</b>	<b>1,456</b>	<b>1,794</b>	<b>1,984</b>	<b>1,921</b>	<b>1,423</b>	<b>1,065</b>	<b>879</b>	<b>576</b>	<b>105</b>	<b>103</b>	<b>119</b>	<b>85</b>	<b>412</b>	<b>99</b>	
	QoQ Change										-5.4%	-1.9%	15.5%	-28.6%	16.5%		
	YoY Change		13.4%	23.2%	10.6%	-3.2%	-25.9%	-25.2%	-17.5%	-34.5%	-22.8%	-35.2%	-30.0%	-23.4%	-28.5%	-5.7%	
<b>Key Cash Flow Metrics</b>																	
<b>Operating cash flow</b>		<b>1,228</b>	<b>1,277</b>	<b>1,115</b>	<b>1,219</b>	<b>800</b>	<b>1,728</b>	<b>1,591</b>	<b>1,213</b>	<b>730</b>	<b>185</b>	<b>180</b>	<b>152</b>	<b>65</b>	<b>582</b>	<b>117</b>	
	QoQ Change										1221.4%	-2.7%	-15.6%	-57.2%	80.0%		
	YoY Change		4.0%	-12.7%	9.3%	-34.4%	116.0%	-7.9%	-23.8%	-39.8%	-47.3%	-10.9%	-6.7%	364.3%	-20.3%	-36.8%	
<b>Capital expenditures, gross (cash flow)</b>		<b>381</b>	<b>798</b>	<b>559</b>	<b>397</b>	<b>419</b>	<b>384</b>	<b>320</b>	<b>329</b>	<b>428</b>	<b>52</b>	<b>63</b>	<b>64</b>	<b>64</b>	<b>243</b>	<b>73</b>	
	QoQ Change										-20.0%	21.2%	1.6%	0.0%	14.1%		
	YoY Change		109.4%	-29.9%	-29.0%	5.5%	-8.4%	-16.7%	2.8%	30.1%	-28.8%	-68.3%	-29.7%	-1.5%	40.4%		
<b>Capital expenditures, net (cash flow)</b>		<b>376</b>	<b>795</b>	<b>555</b>	<b>397</b>	<b>382</b>	<b>381</b>	<b>315</b>	<b>321</b>	<b>426</b>	<b>51</b>	<b>63</b>	<b>64</b>	<b>63</b>	<b>241</b>	<b>73</b>	
	QoQ Change										-21.5%	23.5%	1.6%	-1.6%	15.9%		
	YoY Change		111.4%	-30.2%	-28.5%	-3.8%	-0.3%	-17.3%	1.9%	32.7%	-29.2%	-68.3%	-28.9%	-3.1%	43.1%		
<b>Free cash flow</b>		<b>852</b>	<b>482</b>	<b>560</b>	<b>822</b>	<b>418</b>	<b>1,347</b>	<b>1,276</b>	<b>892</b>	<b>304</b>	<b>134</b>	<b>117</b>	<b>88</b>	<b>2</b>	<b>341</b>	<b>44</b>	
	QoQ Change										<i>N/M</i>	-12.7%	-24.8%	<i>N/M</i>	2100.0%		
	YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	-5.3%	-30.1%	-65.9%	-52.0%	3800.0%	20.5%	<i>N/M</i>	12.2%	-67.2%	
<b>Ratios</b>																	
<b>Gross profit margin</b>		<b>28.5%</b>	<b>31.4%</b>	<b>33.2%</b>	<b>34.5%</b>	<b>35.3%</b>	<b>32.0%</b>	<b>28.8%</b>	<b>25.8%</b>	<b>17.5%</b>	<b>13.7%</b>	<b>14.9%</b>	<b>17.4%</b>	<b>12.1%</b>	<b>14.5%</b>	<b>11.9%</b>	
<b>Operating margin</b>		<b>17.2%</b>	<b>19.8%</b>	<b>22.1%</b>	<b>24.1%</b>	<b>24.5%</b>	<b>20.0%</b>	<b>16.0%</b>	<b>13.1%</b>	<b>5.4%</b>	<b>0.1%</b>	<b>1.2%</b>	<b>4.2%</b>	<b>-0.6%</b>	<b>1.2%</b>	<b>0.8%</b>	
<b>Net margin</b>		<b>12.5%</b>	<b>14.5%</b>	<b>16.3%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>15.6%</b>	<b>13.7%</b>	<b>10.9%</b>	<b>5.2%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>4.9%</b>	<b>0.5%</b>	<b>2.3%</b>	<b>2.5%</b>	
<b>EBITDA margin</b>		<b>27.4%</b>	<b>30.9%</b>	<b>33.4%</b>	<b>34.6%</b>	<b>34.6%</b>	<b>31.9%</b>	<b>28.0%</b>	<b>25.7%</b>	<b>19.9%</b>	<b>15.6%</b>	<b>15.7%</b>	<b>18.3%</b>	<b>13.0%</b>	<b>15.7%</b>	<b>15.8%</b>	
<b>Capex/Sales</b>		<b>8.1%</b>	<b>16.9%</b>	<b>10.4%</b>	<b>6.9%</b>	<b>7.6%</b>	<b>8.6%</b>	<b>8.4%</b>	<b>9.6%</b>	<b>14.8%</b>	<b>7.7%</b>	<b>9.6%</b>	<b>9.9%</b>	<b>9.8%</b>	<b>9.2%</b>	<b>11.6%</b>	



		FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2016	2016	2016	2017	
		(NIS millions, except for EPS)															
<b>Bezeq International</b>																	
<b>Key Income Statement Metrics</b>																	
<b>Total Revenues</b>		<b>1,304</b>	<b>1,306</b>	<b>1,318</b>	<b>1,380</b>	<b>1,354</b>	<b>1,340</b>	<b>1,433</b>	<b>1,504</b>	<b>1,578</b>	<b>395</b>	<b>377</b>	<b>384</b>	<b>392</b>	<b>1,548</b>	<b>384</b>	
QoQ Change											-2.5%	-4.6%	1.9%	2.1%	-1.9%	-2.0%	
YoY Change			0.2%	0.9%	4.8%	-1.9%	-1.0%	6.9%	5.0%	4.9%	0.5%	-3.6%	-1.3%	-3.2%	-1.9%	-2.8%	
<b>Revenues from ILD services</b>		<i>N/A</i>	<b>502</b>	<b>502</b>	<b>501</b>	<b>413</b>	<b>383</b>	<b>401</b>	<b>395</b>	<b>379</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>325</b>	<i>N/A</i>	
% of total revenues			38.4%	38.1%	36.3%	30.5%	28.6%	28.0%	26.3%	24.0%					21.0%		
<b>Revenues from Internet, Data &amp; ICT services</b>		<i>N/A</i>	<b>804</b>	<b>816</b>	<b>879</b>	<b>941</b>	<b>957</b>	<b>1,032</b>	<b>1,109</b>	<b>1,199</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>1,223</b>	<i>N/A</i>	
% of total revenues			61.6%	61.9%	63.7%	69.5%	71.4%	72.0%	73.7%	76.0%					79.0%		
<b>Revenues from Private Customers</b>		<i>N/A</i>	<b>513</b>	<b>520</b>	<b>523</b>	<b>528</b>	<b>538</b>	<b>535</b>	<b>529</b>	<b>555</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>570</b>	<i>N/A</i>	
% of total revenues			39.3%	39.5%	37.9%	39.0%	40.1%	37.3%	35.2%	35.2%					36.8%		
<b>Revenues from Business Customers</b>		<i>N/A</i>	<b>793</b>	<b>798</b>	<b>857</b>	<b>826</b>	<b>802</b>	<b>898</b>	<b>975</b>	<b>1,023</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>978</b>	<i>N/A</i>	
% of total revenues			60.7%	60.6%	62.1%	61.0%	59.8%	62.7%	64.8%	64.8%					63.2%		
<b>Key Income Statement Metrics</b>																	
<b>Cost of sales</b>		<b>859</b>	<b>780</b>	<b>777</b>	<b>822</b>	<b>788</b>	<b>796</b>	<b>879</b>	<b>951</b>	<b>1,015</b>	<b>258</b>	<b>246</b>	<b>256</b>	<b>255</b>	<b>1,015</b>	<b>258</b>	
QoQ Change											-1.9%	-4.7%	4.1%	-0.4%	1.2%		
YoY Change			-9.2%	-0.4%	5.8%	-4.1%	1.0%	10.4%	8.2%	6.7%	2.8%	-1.6%	2.0%	-3.0%	0.0%	0.0%	
<b>Gross profit</b>		<b>445</b>	<b>526</b>	<b>541</b>	<b>558</b>	<b>566</b>	<b>544</b>	<b>554</b>	<b>553</b>	<b>563</b>	<b>137</b>	<b>131</b>	<b>128</b>	<b>137</b>	<b>533</b>	<b>126</b>	
QoQ Change											-3.5%	-4.4%	-2.3%	7.0%	-8.0%		
YoY Change			18.2%	2.9%	3.1%	1.4%	-3.8%	1.8%	-0.2%	1.8%	-3.5%	-7.1%	-7.2%	-3.5%	-5.3%	-8.0%	
<b>Sales &amp; marketing expenses</b>		<b>147</b>	<b>181</b>	<b>175</b>	<b>192</b>	<b>209</b>	<b>209</b>	<b>205</b>	<b>209</b>	<b>209</b>	<b>57</b>	<b>56</b>	<b>55</b>	<b>53</b>	<b>221</b>	<b>48</b>	
QoQ Change											5.6%	-1.8%	-1.8%	-3.6%	-9.4%		
YoY Change			23.1%	-3.3%	9.7%	8.9%	0.1%	-1.9%	1.8%	0.0%	7.5%	5.7%	12.2%	-1.9%	5.7%	-15.8%	
<b>General &amp; administrative expenses</b>		<b>94</b>	<b>103</b>	<b>105</b>	<b>109</b>	<b>116</b>	<b>117</b>	<b>119</b>	<b>112</b>	<b>116</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>33</b>	<b>118</b>	<b>29</b>	
QoQ Change											-6.5%	-3.4%	0.0%	17.9%	-12.1%		
YoY Change			9.6%	1.9%	3.8%	6.7%	0.7%	1.7%	-5.9%	3.6%	3.6%	0.0%	-3.4%	6.5%	1.7%	0.0%	
<b>Other operating expenses (income)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>(2)</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>18</b>	<b>-</b>	
<b>Salaries (included in oper. exps)</b>		<b>240</b>	<b>260</b>	<b>242</b>	<b>248</b>	<b>265</b>	<b>278</b>	<b>287</b>	<b>298</b>	<b>303</b>	<b>83</b>	<b>82</b>	<b>83</b>	<b>82</b>	<b>330</b>	<b>84</b>	
QoQ Change											7.8%	-1.2%	1.2%	-1.2%	2.4%		
YoY Change			8.3%	-6.9%	2.5%	6.9%	4.9%	3.2%	3.8%	1.7%	7.8%	10.8%	10.7%	6.5%	8.9%	1.2%	
<b>Depreciation &amp; amortization (included in oper. exps)</b>		<b>87</b>	<b>80</b>	<b>84</b>	<b>94</b>	<b>109</b>	<b>136</b>	<b>129</b>	<b>130</b>	<b>132</b>	<b>33</b>	<b>35</b>	<b>35</b>	<b>34</b>	<b>137</b>	<b>33</b>	
QoQ Change											-5.7%	6.1%	0.0%	-2.9%	-2.9%		
YoY Change			-7.5%	5.2%	11.9%	15.5%	25.2%	-5.4%	0.8%	1.5%	3.1%	9.4%	6.1%	-2.9%	3.8%	0.0%	
<b>Operating profit</b>		<b>204</b>	<b>242</b>	<b>261</b>	<b>320</b>	<b>241</b>	<b>219</b>	<b>227</b>	<b>232</b>	<b>240</b>	<b>37</b>	<b>47</b>	<b>45</b>	<b>47</b>	<b>176</b>	<b>49</b>	
QoQ Change											-36.2%	27.0%	-4.3%	4.4%	4.3%		
YoY Change			18.6%	8.0%	22.6%	-24.6%	-9.2%	3.8%	2.0%	3.4%	-39.3%	-24.2%	-23.7%	-19.0%	-26.7%	32.4%	
<b>Net profit</b>		<b>153</b>	<b>178</b>	<b>200</b>	<b>254</b>	<b>182</b>	<b>160</b>	<b>158</b>	<b>165</b>	<b>172</b>	<b>26</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>125</b>	<b>36</b>	
QoQ Change											-38.1%	26.9%	0.0%	0.0%	9.1%		
YoY Change			16.6%	12.1%	27.0%	-28.3%	-12.4%	-0.9%	4.3%	4.2%	-40.9%	-26.7%	-19.5%	-21.4%	-27.3%	38.5%	
<b>EBITDA</b>		<b>290</b>	<b>322</b>	<b>345</b>	<b>414</b>	<b>350</b>	<b>355</b>	<b>356</b>	<b>362</b>	<b>372</b>	<b>70</b>	<b>82</b>	<b>80</b>	<b>81</b>	<b>313</b>	<b>82</b>	
QoQ Change											-24.7%	17.1%	-2.4%	1.3%	1.2%		
YoY Change			10.8%	7.3%	20.0%	-15.5%	1.5%	0.3%	1.6%	2.8%	-24.7%	-12.8%	-13.0%	-12.9%	-15.9%	17.1%	
<b>Key Cash Flow Metrics</b>																	
<b>Operating cash flow</b>		<b>93</b>	<b>163</b>	<b>320</b>	<b>290</b>	<b>243</b>	<b>272</b>	<b>288</b>	<b>312</b>	<b>301</b>	<b>49</b>	<b>69</b>	<b>65</b>	<b>86</b>	<b>269</b>	<b>52</b>	
QoQ Change											-49.0%	40.8%	-5.8%	32.3%	-39.5%		
YoY Change			76.3%	95.5%	-9.2%	-16.1%	11.7%	5.7%	8.4%	-3.5%	-21.0%	-6.8%	-5.8%	-10.4%	-10.6%	6.1%	
<b>Capital expenditures, gross (cash flow)</b>		<b>103</b>	<b>119</b>	<b>120</b>	<b>180</b>	<b>288</b>	<b>175</b>	<b>105</b>	<b>110</b>	<b>128</b>	<b>37</b>	<b>33</b>	<b>24</b>	<b>26</b>	<b>120</b>	<b>29</b>	
QoQ Change											76.0%	-10.8%	-27.3%	8.3%	11.5%		
YoY Change			14.7%	1.1%	49.9%	60.4%	-39.2%	-40.4%	5.2%	16.4%	-30.1%	28.0%	-15.0%	23.7%	-6.3%	-21.6%	
<b>Capital expenditures, net (cash flow)</b>		<b>100</b>	<b>118</b>	<b>120</b>	<b>180</b>	<b>288</b>	<b>173</b>	<b>97</b>	<b>108</b>	<b>128</b>	<b>37</b>	<b>33</b>	<b>24</b>	<b>25</b>	<b>119</b>	<b>29</b>	
QoQ Change											76.2%	-10.8%	-27.3%	4.2%	16.0%		
YoY Change			18.7%	1.4%	50.0%	60.1%	-39.8%	-43.9%	11.2%	18.5%	-30.2%	26.9%	-14.3%	19.0%	-7.0%	-21.6%	
<b>Free cash flow</b>		<b>(7)</b>	<b>45</b>	<b>200</b>	<b>110</b>	<b>(44)</b>	<b>99</b>	<b>191</b>	<b>204</b>	<b>173</b>	<b>12</b>	<b>36</b>	<b>41</b>	<b>61</b>	<b>150</b>	<b>23</b>	
QoQ Change											-84.0%	200.0%	13.9%	48.8%	-62.3%		
YoY Change			N/M	341.0%	-44.7%	N/M	N/M	92.4%	7.0%	-15.2%	33.3%	-25.0%	0.0%	-18.7%	-13.3%	91.7%	
<b>Ratios</b>																	
<b>Gross profit margin</b>		<b>34.1%</b>	<b>40.3%</b>	<b>41.1%</b>	<b>40.4%</b>	<b>41.8%</b>	<b>40.6%</b>	<b>38.7%</b>	<b>36.8%</b>	<b>35.7%</b>	<b>34.7%</b>	<b>34.7%</b>	<b>33.3%</b>	<b>34.9%</b>	<b>34.4%</b>	<b>32.8%</b>	
<b>Operating margin</b>		<b>15.6%</b>	<b>18.5%</b>	<b>19.8%</b>	<b>23.2%</b>	<b>17.8%</b>	<b>16.3%</b>	<b>15.9%</b>	<b>15.4%</b>	<b>15.2%</b>	<b>9.4%</b>	<b>12.5%</b>	<b>11.7%</b>	<b>12.0%</b>	<b>11.4%</b>	<b>12.8%</b>	
<b>Net margin</b>		<b>11.7%</b>	<b>13.7%</b>	<b>15.2%</b>	<b>18.4%</b>	<b>13.5%</b>	<b>11.9%</b>	<b>11.0%</b>	<b>10.9%</b>	<b>10.9%</b>	<b>6.6%</b>	<b>8.8%</b>	<b>8.6%</b>	<b>8.4%</b>	<b>8.1%</b>	<b>9.4%</b>	
<b>EBITDA margin</b>		<b>22.3%</b>	<b>24.6%</b>	<b>26.2%</b>	<b>30.0%</b>	<b>25.9%</b>	<b>26.5%</b>	<b>24.9%</b>	<b>24.1%</b>	<b>23.6%</b>	<b>17.7%</b>	<b>21.8%</b>	<b>20.8%</b>	<b>20.7%</b>	<b>20.2%</b>	<b>21.4%</b>	
<b>Capex/Sales</b>		<b>7.9%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>13.0%</b>	<b>21.3%</b>	<b>13.1%</b>	<b>7.3%</b>	<b>7.3%</b>	<b>8.1%</b>	<b>9.4%</b>	<b>8.8%</b>	<b>6.3%</b>	<b>6.6%</b>	<b>7.8%</b>	<b>7.6%</b>	



		FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2016	2016	2016	2017
		(NIS millions, except for EPS)														
yes																
Key Income Statement Metrics																
Revenues		1,415	1,513	1,530	1,583	1,619	1,636	1,635	1,724	1,774	439	434	434	438	1,745	424
	QoQ Change										-2.2%	-1.1%	0.0%	0.9%		-3.2%
	YoY Change		6.9%	1.2%	3.4%	2.3%	1.1%	0.0%	5.4%	2.9%	-0.2%	-1.1%	-2.7%	-2.4%	-1.6%	-3.4%
Cost of sales		1,117	1,091	1,042	1,129	1,028	1,067	1,130	1,203	1,289	321	312	314	314	1,261	315
	QoQ Change										-6.1%	-2.8%	0.6%	0.0%		0.3%
	YoY Change		-2.3%	-4.5%	8.3%	-8.9%	3.8%	5.9%	6.5%	7.1%	0.3%	-0.3%	0.0%	-8.2%	-2.2%	-1.9%
Gross profit		298	421	488	454	591	569	505	521	485	118	122	120	124	484	109
	QoQ Change										10.3%	3.4%	-1.6%	3.3%		-12.1%
	YoY Change		41.6%	15.9%	-7.0%	30.1%	-3.7%	-11.2%	3.2%	-6.9%	-1.7%	-3.2%	-9.1%	15.9%	-0.2%	-7.6%
Sales & marketing expenses		138	128	122	143	153	166	154	154	140	38	24	35	31	128	35
	QoQ Change										18.8%	-36.8%	45.8%	-11.4%		12.9%
	YoY Change		-6.9%	-4.6%	17.1%	6.7%	8.9%	-7.6%	0.2%	-9.1%	5.6%	-31.4%	-5.4%	-3.1%	-8.6%	-7.9%
General & administrative expenses		104	116	118	133	143	150	84	94	95	23	21	23	25	92	22
	QoQ Change										-17.9%	-8.7%	9.5%	8.7%		-12.0%
	YoY Change		11.6%	1.4%	12.5%	7.9%	4.8%	-44.0%	11.9%	1.1%	-8.0%	0.0%	9.5%	-10.7%	-3.2%	-4.3%
Salaries (included in oper. exps)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	267	270	61	60	64	64	249	59
	QoQ Change										-12.9%	-1.6%	6.7%	0.0%		-7.8%
	YoY Change										-11.6%	-3.2%	-7.2%	-8.6%	-7.8%	-3.3%
Depreciation & amortization (included in oper. exps)		273	250	234	285	276	248	263	297	322	76	74	75	71	296	70
	QoQ Change										-13.6%	-2.6%	1.4%	-5.3%		-1.4%
	YoY Change		-8.5%	-6.3%	21.6%	-2.9%	-10.2%	5.8%	13.0%	8.4%	0.0%	-7.5%	-3.8%	-19.3%	-8.1%	-19.3%
Operating profit		56	177	248	178	295	253	267	273	250	57	77	62	68	264	52
	QoQ Change										21.3%	35.1%	-19.5%	9.7%		-23.5%
	YoY Change		216.3%	40.1%	-28.2%	65.4%	-14.3%	5.6%	2.2%	-8.4%	-3.4%	10.0%	-16.2%	44.7%	5.6%	-8.8%
Profit before finance exps to shareholders & taxes		(97)	(1)	79	6	149	99	106	162	160	38	65	36	67	206	25
	QoQ Change										660.0%	71.1%	-44.6%	86.1%		-62.7%
	YoY Change		-99.3%	N/M	-92.3%	2364.3%	-33.5%	6.9%	52.8%		-36.7%	333.3%	-55.0%	1240.0%	28.8%	-34.2%
Net profit (loss)		(118)	(265)	(222)	(314)	(230)	(310)	(381)	(322)	(354)	(71)	(114)	(142)	395	68	19
	QoQ Change										-35.5%	60.6%	24.6%	N/M		-95.2%
	YoY Change		125.1%	-16.0%	41.0%	-26.8%	35.1%	22.7%	-15.4%	9.9%	2266.7%	-31.3%	89.3%	N/M	N/M	N/M
EBITDA		329	427	482	463	571	502	530	570	572	133	151	137	139	560	122
	QoQ Change										-1.5%	13.5%	-9.3%	1.5%		-12.2%
	YoY Change		29.7%	13.0%	-4.0%	23.4%	-12.3%	5.6%	7.6%	0.4%	-1.5%	0.7%	-9.9%	3.0%	-2.1%	-8.3%
Key Cash Flow Metrics																
Operating cash flow		250	347	410	492	513	418	490	442	505	158	110	154	207	629	51
	QoQ Change										50.5%	-30.4%	40.0%	34.4%		-75.4%
	YoY Change		38.9%	18.1%	20.0%	4.4%	-18.5%	17.2%	-10.1%	14.3%	6.0%	3.8%	6.2%	97.1%	24.6%	-67.7%
Capital expenditures, gross (cash flow)		255	238	262	278	264	284	323	305	265	59	58	51	41	209	60
	QoQ Change										37.2%	-1.7%	-12.1%	-19.6%		46.3%
	YoY Change		-6.7%	10.1%	6.4%	-5.0%	7.5%	13.6%	-5.6%	-13.1%	-9.2%	-29.3%	-32.0%	-4.7%	-21.1%	1.7%
Capital expenditures, net (cash flow)		255	238	261	277	264	284	323	305	265	59	58	50	41	208	60
	QoQ Change										37.2%	-1.7%	-13.8%	-18.0%		46.3%
	YoY Change		-6.7%	9.7%	6.2%	-4.8%	7.6%	13.8%	-5.6%	-13.1%	-9.2%	-29.3%	-33.3%	-4.7%	-21.5%	1.7%
Free cash flow		(5)	109	149	215	250	134	167	137	240	99	52	104	166	421	-9
	QoQ Change										59.7%	-47.5%	100.0%	59.6%		N/M
	YoY Change		N/M	36.2%	44.0%	16.2%	-46.2%	24.3%	-17.8%	75.2%	17.9%	116.7%	48.6%	167.7%	75.4%	N/M
Ratios																
Gross profit margin		21.0%	27.9%	31.9%	28.7%	36.5%	34.8%	30.9%	30.2%	27.3%	26.9%	28.1%	27.6%	28.3%	27.7%	25.7%
Operating margin		4.0%	11.7%	16.2%	11.3%	18.2%	15.4%	16.3%	15.8%	14.1%	13.0%	17.7%	14.3%	15.5%	15.1%	12.3%
Net margin		(8.3%)	(17.5%)	(14.5%)	(19.8%)	(14.2%)	(19.0%)	(23.3%)	(18.7%)	(20.0%)	(16.2%)	(26.3%)	(32.7%)	90.2%	3.9%	4.5%
EBITDA margin		23.3%	28.2%	31.5%	29.3%	35.3%	30.7%	32.4%	33.1%	32.2%	30.3%	34.8%	31.6%	31.7%	32.1%	28.8%
Capex/Sales		18.0%	15.7%	17.1%	17.6%	16.3%	17.4%	19.8%	17.7%	14.9%	13.4%	13.4%	11.8%	9.4%	12.0%	14.2%





NIS Millions

	FY 2013	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017
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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)	(45)	(107)	(6)
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	78	96	-
Expenses for a collective agreement at Pelephone	61	18	-	-	-	-	-	-	-	-	-	-	-
Loss from the discontinuation of a software development project	1	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	15	3	(7)	-	11	2
<b>Total other operating expenses (income), net</b>	<b>(15)</b>	<b>(586)</b>	<b>(17)</b>	<b>(141)</b>	<b>(13)</b>	<b>76</b>	<b>(95)</b>	<b>5</b>	<b>(12)</b>	<b>(26)</b>	<b>33</b>	<b>0</b>	<b>(4)</b>

\* Includes profit from copper sales beginning Q1 2015



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017
<b>Bezeq Fixed-Line</b>															
<b>Key Performance Indicators</b>															
<b>Total outgoing minutes (in millions)</b>	<b>14,711</b>	<b>13,260</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>1,316</b>	<b>1,257</b>	<b>1,297</b>	<b>1,139</b>	<b>5,009</b>	<b>1,180</b>
<i>QoQ Change</i>										-4.6%	-4.5%	3.2%	-12.2%		3.6%
<i>YoY Change</i>		-9.9%	-9.4%	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.6%	-9.8%	-10.0%	-5.5%	-17.4%	-10.7%	-10.3%
<b>Total incoming minutes (in millions)</b>	<b>6,411</b>	<b>6,691</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>1,348</b>	<b>1,314</b>	<b>1,383</b>	<b>1,252</b>	<b>5,297</b>	<b>1,281</b>
<i>QoQ Change</i>										-3.9%	-2.5%	5.3%	-9.5%		2.3%
<i>YoY Change</i>		4.4%	0.4%	-2.5%	-4.7%	-0.2%	-1.8%	-4.7%	-3.4%	-5.7%	-5.2%	-1.9%	-10.8%	-5.9%	-5.0%
<b>Total access lines (in 000's)</b>	<b>2,749</b>	<b>2,604</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>2,181</b>	<b>2,167</b>	<b>2,151</b>	<b>2,137</b>	<b>2,119</b>	<b>2,119</b>	<b>2,100</b>
<i>QoQ Change</i>										-0.6%	-0.7%	-0.7%	-0.8%		-0.9%
<i>YoY Change</i>		-5.3%	-4.6%	-4.7%	0.0%	-4.2%	-2.3%	-0.5%	-1.1%	-1.9%	-2.4%	-2.6%	-2.8%	-2.8%	-3.1%
<b>Average revenue per line (ARPL) (in NIS)</b>	<i>N/A</i>	<b>111</b>	<b>109</b>	<b>109</b>	<b>85</b>	<b>81</b>	<b>74</b>	<b>63</b>	<b>60</b>	<b>59</b>	<b>58</b>	<b>58</b>	<b>56</b>	<b>58</b>	<b>57</b>
<i>QoQ Change</i>										-1.7%	-1.7%	0.0%	-3.4%		1.8%
<i>YoY Change</i>			-1.8%	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-4.8%	-3.3%	-3.3%	-3.3%	-6.7%	-3.3%	-3.4%
<b>Churn rate (telephony)</b>	<b>9.5%</b>	<i>N/A</i>	<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>2.9%</b>	<b>2.5%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>10.4%</b>	<b>2.8%</b>
<b>Broadband Internet lines (in 000's)- Total</b>	<b>963</b>	<b>1,005</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>1,503</b>	<b>1,521</b>	<b>1,539</b>	<b>1,558</b>	<b>1,558</b>	<b>1,580</b>
<i>QoQ Change</i>										1.6%	1.2%	1.2%	1.2%		1.4%
<i>YoY Change</i>		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	8.4%	8.1%	7.3%	6.3%	5.3%	5.3%	5.1%
<b>Broadband Internet lines (in 000's)-Wholesale</b>	-	-	-	-	-	-	-	-	<b>244</b>	<b>290</b>	<b>323</b>	<b>347</b>	<b>377</b>	<b>377</b>	<b>414</b>
<i>QoQ Change</i>										18.9%	11.4%	7.4%	8.6%		9.8%
<i>YoY Change</i>										2536.4%	314.1%	96.0%		54.5%	42.8%
<b>Broadband Internet lines (in 000's) - Retail</b>	<b>963</b>	<b>1,005</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>1,213</b>	<b>1,198</b>	<b>1,192</b>	<b>1,181</b>	<b>1,181</b>	<b>1,166</b>
<i>QoQ Change</i>										-1.8%	-1.2%	-0.5%	-0.9%		-1.3%
<i>YoY Change</i>		4.4%	3.0%	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-12.0%	-10.6%	-6.2%	-4.4%	-4.4%	-3.9%
<b>Broadband Internet ARPU (in NIS) - Retail</b>	<b>64</b>	<b>67</b>	<b>69</b>	<b>75</b>	<b>80</b>	<b>81</b>	<b>84</b>	<b>84</b>	<b>88</b>	<b>91</b>	<b>90</b>	<b>89</b>	<b>90</b>	<b>90</b>	<b>91</b>
<i>QoQ Change</i>										2.2%	-1.1%	-1.1%	1.1%		1.1%
<i>YoY Change</i>		4.7%	3.0%	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	4.6%	2.3%	1.1%	1.1%	2.3%	0.0%
<b>Average broadband speed per subscriber (end of period, Mbps)</b>	<b>1.7</b>	<b>2.2</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>38.9</b>	<b>40.2</b>	<b>41.8</b>	<b>43.2</b>	<b>43.4</b>	<b>45.1</b>
<i>QoQ Change</i>										2.9%	3.3%	4.0%	3.3%		4.4%
<i>YoY Change</i>		29.4%	22.7%	59.3%	55.8%	43.3%	88.5%	79.6%	16.3%	17.2%	15.2%	13.9%	14.3%	14.8%	15.9%
<b>Number of employees</b>	<b>7,614</b>	<b>7,530</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>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>5,649</b>	<b>5,649</b>	<i>N/A</i>
<i>YoY Change</i>		-1.1%	-2.2%	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%					-4.2%	
<b>Market share - Internet</b>	<i>N/A</i>	<i>N/A</i>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>63%</b>	<b>66%</b>	<b>68%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>69%</b>	<i>N/A</i>
<b>Market share - telephony (private sector)</b>	<i>N/A</i>	<i>N/A</i>	<b>72%</b>	<b>65%</b>	<b>63%</b>	<b>59%</b>	<b>57%</b>	<b>56%</b>	<b>56%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>55%</b>	<i>N/A</i>
<b>Market share - telephony (business sector)</b>	<i>N/A</i>	<i>N/A</i>	<b>82%</b>	<b>78%</b>	<b>76%</b>	<b>75%</b>	<b>74%</b>	<b>74%</b>	<b>74%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>73%</b>	<i>N/A</i>

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		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017
<b>Telephone</b>																
<b>Key Performance Indicators</b>																
Total Subscribers (in 000's)		2,622	2,649	2,766	2,857	2,847	2,800	2,642	2,586	2,651	2,692	2,260	2,348	2,402	2,402	2,430
	QoQ Change										1.5%	-16.0%	3.9%	2.3%		1.2%
	YoY Change		1.0%	4.4%	3.3%	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	5.0%	-11.9%	-8.6%	-9.4%	-9.4%	-9.7%
Prepaid Subscribers (in 000's)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	836	925	N/A	N/A	N/A	733	733	N/A
	YoY Change															
ARPU (in NIS)		N/A	N/A	N/A	111	107	95	86	78	64	57	68	68	62	63	60
	QoQ Change										-5.0%	19.3%	0.0%	-8.8%		-3.2%
	YoY Change					-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-12.3%	4.6%	0.0%	3.3%	-1.6%	5.3%
Churn rate		N/A	N/A	13.8%	15.3%	22.9%	22.4%	28.6%	28.0%	25.8%	5.2%	6.2%	6.1%	6.3%	23.7%	7.9%
Number of employees			N/A	N/A	N/A	N/A	4,072	3,288	3,001	2,679	N/A	N/A	N/A	2,594	2,594	N/A
	YoY Change							-19.3%	-8.7%	-10.7%					-3.2%	
Market share		29.2%	28.6%	29.0%	28.9%	29.0%	28.2%	26.3%	25.5%	25.2%	N/A	N/A	22.7%	N/A	N/A	N/A
<b>Bezeq International</b>																
<b>Key Performance Indicators</b>																
Number of employees		2,621	2,325	2,445	2,112	2,262	2,102	2,007	1,932	1,966	N/A	N/A	N/A	1,905	1,905	N/A
	QoQ Change															
	YoY Change		-11.3%	5.2%	-13.6%	7.1%	-7.1%	-4.5%	-3.7%	1.8%					-3.1%	
Churn rate (ISP)		N/A	N/A	14.8%	12.7%	12.6%	18.4%	18.0%	17.0%	17.3%	5.2%	4.5%	5.5%	5.2%	20.4%	5.3%
Market share - ISP		36.0%	36.0%	36.0%	35.9%	37.5%	38.8%	40.6%	42%	44%	N/A	N/A	N/A	N/A	44%	N/A
Market share - ILD (Outgoing)		36.0%	36.0%	31.0%	30.7%	30.0%	24.6%	21.2%	23%	21%	N/A	N/A	N/A	N/A	21%	N/A
<b>yes</b>																
<b>Key Performance Indicators</b>																
Subscribers (in 000's)		549	560	571	578	586	578	600	630	635	629	623	618	614	614	608
	QoQ Change										-0.9%	-1.0%	-0.8%	-0.6%		-1.0%
	YoY Change		2.0%	2.0%	1.2%	1.4%	-1.4%	3.8%	5.0%	0.8%	-0.5%	-2.0%	-3.0%	-3.3%	-3.3%	-3.3%
ARPU (in NIS)		217	228	226	230	232	234	233	234	233	231	231	233	237	233	232
	QoQ Change										-1.7%	0.0%	0.9%	1.7%		-2.1%
	YoY Change		5.1%	-0.9%	1.8%	0.9%	1.0%	-0.4%	0.4%	-0.4%	-0.4%	0.0%	0.0%	0.9%	0.0%	0.4%
Churn rate		N/A	N/A	13.3%	13.0%	11.9%	15.4%	13.5%	12.8%	13.9%	4.2%	3.6%	4.5%	3.6%	15.9%	4.3%
Number of employees		N/A	1,999	2,158	2,229	2,227	2,276	2,208	2,042	1,984	N/A	N/A	N/A	1,753	1,753	N/A
	YoY Change			8.0%	3.3%	-0.1%	2.2%	-3.0%	-7.5%	-2.8%					-11.6%	
Mkt share		37%	38%	38%	39%	40%	39%	40%	42%	42%	N/A	N/A	N/A	N/A	40%	N/A



## Bezeq Group Dividends

### Dividend History

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
May 29, 2017	578	0.21	Semi-Annual Dividend
October 6, 2016	665	0.24	Semi-Annual Dividend
May 30, 2016	776	0.28	Semi-Annual Dividend
October 26, 2015	933	0.34	Semi-Annual Dividend
May 27, 2015	844	0.31	Semi-Annual Dividend
October 2, 2014	1,267	0.46	Semi-Annual Dividend
April 23, 2014	802	0.29	Semi-Annual Dividend
September 15, 2013	500	0.36	Special Dividend (6 of 6)
September 15, 2013	969	0.18	Semi-Annual Dividend
May 13, 2013	500	0.18	Special Dividend (5 of 6)
May 13, 2013	861	0.32	Semi-Annual Dividend
October 10, 2012	500	0.18	Special Dividend (4 of 6)
October 10, 2012	997	0.37	Semi-Annual Dividend
May 21, 2012	500	0.18	Special Dividend (3 of 6)
May 21, 2012	1,074	0.40	Semi-Annual Dividend
October 5, 2011	500	0.18	Special Dividend (2 of 6)
October 5, 2011	992	0.37	Semi-Annual Dividend
May 19, 2011	500	0.19	Special Dividend (1 of 6)
May 19, 2011	1,163	0.43	Semi-Annual Dividend
October 7, 2010	1,280	0.48	Semi-Annual Dividend
May 3, 2010	2,453	0.92	Semi-Annual Dividend
October 5, 2009	1,149	0.43	Semi-Annual Dividend
May 24, 2009	792	0.30	Semi-Annual Dividend
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; ttm = trailing twelve months
Adjusted EBITDA	= EBITDA excluding other operating income/expenses
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