



## Bezeq Facts & Figures Q3 2017

Three months ending September 30, 2017

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Bezeq - The Israel Telecommunication Corp. Ltd.

		FY	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017
		(NIS millions, except for EPS)																	
<b>Bezeq Group <sup>(1)</sup></b>																			
<b>Key Income Statement Metrics</b>																			
<b>Revenues</b>		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	2,463	2,415	
	QoQ Change										-1.8%	-1.9%	0.0%	-0.2%		-2.0%	0.4%	-1.9%	
	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%	-1.9%	-3.8%	
<b>Depreciation &amp; amortization</b>		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	424	436	
	QoQ Change										-2.2%	-2.0%	0.5%	-7.7%		4.9%	-0.9%	2.8%	
	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%	-3.6%	-1.4%	
<b>Salaries</b>		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	494	502	
	QoQ Change										-0.4%	-3.5%	1.2%	0.4%		0.2%	-2.0%	1.6%	
	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%	-0.2%	0.2%	
<b>Other operating expenses (income)</b>		39	96	201	(216)	139	(128)	(15)	(586)	(95)	5	(12)	(26)	33	0	(4)	(1)	(23)	
	QoQ Change										-93.4%	-340.0%	116.7%	N/M		N/M	-75.0%	2200.0%	
	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	-91.7%	-11.5%	
<b>Operating Profit</b>		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	573	544	
	QoQ Change										17.6%	7.3%	-2.8%	-11.2%		6.4%	1.2%	5.1%	
	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%	-7.0%	-9.2%	
<b>Finance expenses (income), net</b>		182	140	(31)	109	212	151	145	130	263	102	105	104	136	447	101	102	94	
	QoQ Change										N/M	2.9%	-1.0%	30.8%		-25.7%	1.0%	-7.8%	
	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%	-2.9%	-9.6%		
<b>Income taxes</b>		666	720	807	932	755	778	651	815	598	183	133	99	210	625	113	111	128	
	QoQ Change										53.8%	-27.3%	-25.6%	112.1%		-46.2%	-1.8%	15.3%	
	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%	-16.5%	29.3%	
<b>Net profit attributed to Bezeq shareholders</b>		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	358	322	
	QoQ Change										-22.0%	30.9%	4.5%	-53.0%		89.2%	2.3%	-10.1%	
	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%	-5.0%	-18.3%	
<b>Adjusted EBITDA</b>		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	996	957	
	QoQ Change										0.5%	1.6%	-2.8%	-4.1%		1.7%	0.6%	-3.9%	
	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%	-4.6%	-5.7%	
<b>EBITDA, reported</b>		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	997	980	
	QoQ Change										8.0%	3.2%	-1.4%	-9.7%		5.7%	0.3%	-1.7%	
	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%	-5.6%	-5.9%	
<b>Earnings Per Share - Basic</b>		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	0.13	0.12	
<b>Earnings Per Share - Diluted</b>		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	0.13	0.12	
<b>Shares Outstanding - Basic</b>		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	2,765	2,765	
<b>Shares Outstanding - Diluted</b>		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	2,765	2,765	
<b>Key Cash Flow Metrics</b>																			
<b>Operating cash flow</b>		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	875	982	
	QoQ Change										3.7%	-5.6%	3.7%	-7.8%		-0.7%	5.9%	12.2%	
	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%	0.6%	8.9%	
<b>Capital expenditures, gross (cash flow)</b>		991	1,531	1,535	1,622	1,903	1,540	1,228	1,275	1,635	345	387	349	335	1,416	380	406	353	
	QoQ Change										4.9%	12.2%	-9.8%	-4.0%		13.4%	6.8%	-13.1%	
	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%	4.9%	1.1%	
<b>Capital expenditures, net</b>		814	1,384	1,445	1,489	1,637	1,235	916	1,045	1,484	303	331	325	319	1,278	370	388	305	
	QoQ Change										2.0%	9.2%	-1.8%	-1.8%		16.0%	4.9%	-21.4%	
	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%	17.2%	-6.2%	
<b>Free cash flow</b>		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	487	677	
	QoQ Change										4.6%	-12.9%	7.1%	-11.1%		-11.1%	6.8%	39.0%	
	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%	-9.6%	17.3%	
<b>Key Balance Sheet Metrics</b>																			
<b>Total debt</b>		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	11,519	11,533	
<b>Cash &amp; short-term investments</b>		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	1,873	2,565	
<b>Net debt</b>		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	9,646	8,968	
<b>Ratios</b>																			
<b>Operating margin</b>		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%	23.3%	22.5%	
<b>Net margin</b>		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%	14.5%	13.3%	
<b>EBITDA margin</b>		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%	40.5%	40.6%	
<b>Capex/Sales</b>		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%	16.5%	14.6%	
<b>Net debt / EBITDA (ttm)</b>		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	2.43	2.29	

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



(NIS millions, except for EPS)

	FY 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	Q2 2017	Q3 2017
<b>Bezeq Group (cont'd)</b>																	
<b>Operating &amp; General Expenses</b>																	
Total operating & general expenses	5,075	4,660	4,871	5,026	4,494	3,953	3,576	3,366	3,869	1,018	972	994	1,028	4,012	959	973	956
QoQ Change										-4.7%	-4.5%	2.3%	3.4%		-6.7%	1.5%	-1.7%
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%	0.1%	-3.8%
Terminal equipment & materials	N/A	N/A	1,163	1,225	1,693	1,263	1,071	928	880	216	201	177	237	831	202	230	181
QoQ Change										-15.6%	-6.9%	-11.9%	33.9%		-14.8%	13.9%	-21.3%
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%	14.4%	2.3%
Interconnect & payments to telecom operators	N/A	N/A	1,762	1,876	910	900	905	847	909	212	211	211	191	825	196	206	201
QoQ Change										-3.6%	-0.5%	0.0%	-9.5%		2.6%	5.1%	-2.4%
YoY Change				6.5%	-51.5%	-1.1%	0.6%	-6.4%	7.3%	0.0%	-12.4%	-10.6%	-13.2%	-9.2%	-7.5%	-2.4%	-4.7%
Maintenance of buildings and sites	N/A	N/A	647	640	641	663	607	639	616	154	145	151	155	605	147	138	152
QoQ Change										3.4%	-5.8%	4.1%	2.6%		-5.2%	-6.1%	10.1%
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%	-4.8%	0.7%
Marketing & general	N/A	N/A	626	622	655	556	563	603	640	177	168	180	172	697	144	134	159
QoQ Change										-5.3%	-5.1%	7.1%	-4.4%		-16.3%	-6.9%	18.7%
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%	-20.2%	-11.7%
Services and maintenance by sub-contractors	N/A	N/A	218	189	170	158	162	137	199	63	61	68	69	261	67	64	67
QoQ Change										8.6%	-3.2%	11.5%	1.5%		-2.9%	-4.5%	4.7%
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%	4.9%	-1.5%
Vehicle maintenance	N/A	N/A	177	188	142	162	152	154	167	42	39	42	41	164	42	39	38
QoQ Change										-4.5%	-7.1%	7.7%	-2.4%		2.4%	-7.1%	-2.6%
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%	0.0%	-9.5%
Content	N/A	N/A	151	156	123	103	65	58	458	154	147	165	163	629	161	162	158
QoQ Change										0.0%	-4.5%	12.2%	-1.2%		-1.2%	0.6%	-2.5%
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%	10.2%	-4.2%
<b>Cash Flow Metrics</b>																	
Change in trade & other receivables	N/A	N/A	N/A	(300)	(756)	505	646	549	322	(12)	75	53	(10)	106	(7)	23	105
Change in inventory	N/A	N/A	N/A	84	(33)	74	9	28	(20)	(9)	14	2	(27)	(20)	(20)	8	2
Change in trade & other payables	N/A	N/A	N/A	(21)	(131)	(233)	27	(39)	(271)	39	(137)	(12)	86	(24)	(24)	(15)	103
Change in provisions	N/A	N/A	N/A	(136)	(64)	(34)	(29)	(63)	18	(12)	3	(3)	(7)	(19)	1	(2)	16
Change in employee benefits	N/A	N/A	N/A	(215)	82	(140)	2	3	110	1	(9)	(92)	35	(65)	(6)	9	(65)
Change in other liabilities (incl broadcasting rights)	N/A	N/A	N/A		50	(31)	11	4	(9)	(3)	(5)	16	15	23	(9)	(25)	4
Total changes in assets and liabilities				(588)	(852)	141	666	482	150	4	(59)	(36)	92	1	(65)	(2)	165
Income tax paid, net	N/A	N/A	N/A	690	649	662	625	527	462	105	100	92	158	455	106	122	118
Interest paid	N/A	N/A	N/A	237	377	464	453	431	494	32	192	32	202	458	22	177	18



		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	Q2 2017	Q3 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	1,058	1,061	
	QoQ Change										2.2%	-1.1%	-1.0%	-0.6%		-0.4%	-1.9%	0.3%	
	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%	-3.8%	-2.6%	
<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	347	345	
	QoQ Change										-2.0%	-2.6%	0.3%	-4.8%	1.1%	-3.9%	-0.6%		
	YoY Change		-8.5%	-6.7%	-5.2%	-24.3%	-5.8%	-12.6%	-15.4%	-4.9%	-4.7%	-5.6%	-5.1%	-6.1%	-6.0%	-7.2%	-8.0%		
<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	407	413	
	QoQ Change										1.8%	1.0%	0.3%	1.8%	0.7%	-0.5%	1.5%		
	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%	2.3%	3.5%		
<b>Transmission &amp; Data Revenues</b>		754	811	851	882	931	976	990	1,022	1,058	273	270	261	273	1,077	252	248	247	
	QoQ Change										4.6%	-1.1%	-3.3%	4.6%	-7.7%	-1.6%	-0.4%		
	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%	-8.1%		
<b>Other Service Revenues</b>		342	325	256	244	232	234	230	233	221	61	58	54	46	219	56	56	56	
	QoQ Change										27.1%	-4.9%	-6.9%	-14.8%	21.7%	0.0%	0.0%		
	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%	-3.4%		
<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	N/A	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	N/A	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	177	186	
	QoQ Change										-1.1%	1.1%	1.6%	-14.4%	11.8%	-1.7%	5.1%		
	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%	-4.3%		
<b>Salaries</b>		1,293	1,202	1,094	1,079	1,076	1,036	980	895	912	230	217	225	226	898	224	220	224	
	QoQ Change										1.3%	-5.7%	3.7%	0.4%	-0.9%	-1.8%	1.8%		
	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%	-1.4%		
<b>Other operating expenses (income)</b>		39	96	202	(158)	139	(128)	(78)	(23)	(99)	(9)	(12)	(26)	34	(13)	(4)	(1)	(24)	
	QoQ Change										N/M	33.3%	116.7%	N/M	N/M	-75.0%	2300.0%		
	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%	-91.7%		
<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	496	492	
	QoQ Change										25.5%	0.7%	-3.9%	-7.3%	6.7%	-3.3%	-0.8%		
	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%	-5.2%		
<b>Finance expenses (income), net</b>		188	125	(15)	90	240	259	442	400	332	101	105	93	146	445	92	82	107	
	QoQ Change										431.6%	4.0%	-11.4%	57.0%	-37.0%	-10.9%	30.5%		
	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%	-21.9%		
<b>Income taxes</b>		394	400	431	527	356	493	410	478	492	107	109	83	100	399	102	97	109	
	QoQ Change											1.9%	-23.9%	20.5%	2.0%	-4.9%	12.4%		
	YoY Change		1.5%	7.7%	22.3%	-32.4%	38.5%	-16.8%	16.6%	2.9%				-18.9%	-4.7%	-11.0%	31.3%		
<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	317	276	
	QoQ Change										-3.5%	-0.6%	5.2%	-31.5%	35.7%	-0.6%	-12.9%		
	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%	-2.8%		
<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	672	654	
	QoQ Change										4.1%	0.4%	-4.5%	-0.7%	1.9%	-2.5%	-2.7%		
	YoY Change		5.4%	4.0%	2.2%	-3.0%	2.5%	1.6%	1.6%	4.9%	0.6%	1.4%	-0.3%	0.2%	-3.0%	-5.8%	-4.0%		
<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	673	678	
	QoQ Change										17.5%	0.8%	-2.5%	-9.2%	7.9%	-2.9%	0.7%		
	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%	-7.2%		
<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	465	573	
	QoQ Change										-19.3%	-4.1%	1.7%	-8.4%	24.5%	-22.5%	23.2%		
	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%	11.3%	-10.1%	8.9%		
<b>Capital expenditures, gross (cash flow)</b>		505	616	853	1,032	1,165	958	789	822	849	195	227	207	205	834	210	219	170	
	QoQ Change										-1.0%	16.4%	-8.8%	-1.0%	2.4%	4.3%	-22.4%		
	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%	-3.5%		
<b>Capital expenditures, net</b>		336	472	767	900	937	658	485	601	703	154	173	185	190	702	200	203	124	
	QoQ Change										-6.1%	12.3%	6.9%	2.7%	5.3%	1.5%	-38.9%		
	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%	17.3%		
<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	262	449	
	QoQ Change										-23.6%	-10.6%	-0.9%	-14.4%	37.0%	-34.5%	71.4%		
	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%	-23.8%		
<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%	46.9%	46.4%	
<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%	30.0%	26.0%	
<b>EBITDA margin</b>		39.6%	42.3%	43.7%	51.9%	50.8%	58.1%	59.9%	61.8%	63.0%	64.7%	65.9%	64.9%	59.3%	63.7%	64.3%	63.6%	63.9%	
<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%	20.7%	16.0%	

<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	Q2 2017	Q3 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>	<b>166</b>	<b>183</b>
QoQ Change										-3.9%	-1.2%	7.6%	-1.6%		-8.3%	0.6%	10.2%
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%	-2.4%	0.0%
<b>Maintenance of buildings and sites</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>45</b>	<b>49</b>
QoQ Change										-2.0%	-6.1%	6.5%	-8.2%		4.4%	-4.3%	8.9%
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%	-2.2%	0.0%
<b>Interconnect &amp; payments to telecom operators</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>29</b>	<b>31</b>
QoQ Change										-2.9%	-2.9%	3.0%	-14.7%		6.9%	-6.5%	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%	-12.1%	-8.8%
<b>Marketing &amp; general</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>44</b>	<b>54</b>
QoQ Change										-2.3%	2.3%	25.0%	-3.6%		-20.8%	4.8%	22.7%
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%	0.0%	-1.8%
<b>Terminal equipment &amp; materials</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>12</b>	<b>12</b>
QoQ Change										-25.0%	0.0%	-8.3%	9.1%		-16.7%	20.0%	0.0%
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%	0.0%	9.1%
<b>Services and maintenance by sub-contractors</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>19</b>	<b>19</b>
QoQ Change										30.8%	0.0%	-5.9%	37.5%		-22.7%	11.8%	0.0%
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%	11.8%	18.8%
<b>Vehicle maintenance</b>	<b>N/A</b>	<b>N/A</b>	<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>	<b>17</b>	<b>18</b>
QoQ Change										-19.0%	5.9%	0.0%	5.6%		-5.3%	-5.6%	5.9%
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%	-5.6%	0.0%



		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	Q2 2017	Q3 2017	
<b>Telephone</b>																			
<b>Key Income Statement Metrics (Revenues)</b>																			
<b>Total Revenues</b>		4,684	4,713	5,376	5,732	5,548	4,468	3,809	3,419	2,890	671	658	649	652	2,630	628	632	635	
	QoQ Change										-5.9%	-1.9%	-1.4%	0.5%		-3.7%	0.6%	0.5%	
	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%	-4.0%	-2.2%	
<b>Service Revenues</b>		3,972	4,020	4,256	4,550	3,637	3,261	2,808	2,453	1,999	455	456	468	439	1,818	435	449	461	
	QoQ Change										-4.6%	0.2%	2.6%	-6.2%		-0.9%	3.2%	2.7%	
	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%	-1.5%	-1.5%	
<b>Equipment Revenues</b>		712	693	1,120	1,182	1,911	1,207	1,001	966	891	216	202	181	213	812	193	183	174	
	QoQ Change										-8.5%	-6.5%	-10.4%	17.7%		-4.9%	-5.2%	-4.9%	
	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%	-9.4%	-3.9%	
<b>Revenues from Private Customers</b>		N/A	2,437	2,751	2,899	2,985	2,461	2,114	1,930	1,750	N/A	N/A	N/A	N/A	1,616	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%					61.4%				
<b>Revenues from Business Customers</b>		N/A	2,276	2,625	2,833	2,563	2,007	1,695	1,490	1,140	N/A	N/A	N/A	N/A	1,015	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%					38.6%				
<b>Key Income Statement Metrics</b>																			
<b>Cost of sales</b>		3,347	3,235	3,592	3,754	3,587	3,040	2,711	2,537	2,383	579	560	536	573	2,248	553	529	534	
	QoQ Change										-3.8%	-3.3%	-4.3%	6.9%		-3.5%	-4.3%	0.9%	
	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%	-5.5%	-0.4%	
<b>Gross profit</b>		1,337	1,478	1,784	1,978	1,961	1,428	1,098	882	507	92	98	113	79	382	75	103	101	
	QoQ Change										-17.1%	6.5%	15.3%	-30.1%		-5.1%	37.3%	-1.9%	
	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%	5.1%	-10.6%	
<b>Sales &amp; marketing expenses</b>		430	405	461	468	480	422	320	309	247	66	68	65	61	260	48	51	58	
	QoQ Change										-2.9%	3.0%	-4.4%	-6.2%		-21.3%	6.3%	13.7%	
	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%	-25.0%	-10.8%	
<b>General &amp; administrative expenses</b>		102	140	133	127	121	114	109	106	98	25	22	21	21	89	22	22	21	
	QoQ Change										-7.4%	-12.0%	-4.5%	0.0%		4.8%	0.0%	-4.5%	
	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%	0.0%	0.0%	
<b>Other operating expenses</b>		-	-	-	-	-	-	61	18	5	-	-	-	1	1	-	-	-	
	YoY Change							-70.5%	-72.2%					-80.0%					
<b>Salaries (included in oper. exps)</b>		598	638	601	590	602	491	439	417	381	96	94	94	94	378	98	94	94	
	QoQ Change										-3.0%	-2.1%	0.0%	0.0%		4.3%	-4.1%	0.0%	
	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%	-0.8%	2.1%	0.0%	0.0%	
<b>Depreciation &amp; amortization (included in oper. exps)</b>		479	523	603	601	561	531	458	430	419	104	95	92	89	380	94	99	100	
	QoQ Change										4.0%	-8.7%	-3.2%	-3.3%		5.6%	5.3%	1.0%	
	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%	4.2%	8.7%	
<b>Operating profit</b>		805	933	1,190	1,383	1,360	892	608	449	157	1	8	27	-4	32	5	30	22	
	QoQ Change										-90.9%	700.0%	237.5%	-114.8%		N/M	500.0%	-26.7%	
	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%	275.0%	-18.5%	
<b>Net profit</b>		585	682	875	1,033	1,056	698	521	373	151	13	13	32	3	61	16	34	24	
	QoQ Change										18.2%	0.0%	146.2%	-90.6%		433.3%	112.5%	-29.4%	
	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%	161.5%	-25.0%	
<b>EBITDA</b>		1,284	1,456	1,794	1,984	1,921	1,423	1,065	879	576	105	103	119	85	412	99	129	122	
	QoQ Change										-5.4%	-1.9%	15.5%	-28.6%		16.5%	30.3%	-5.4%	
	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%	25.2%	2.5%	
<b>Key Cash Flow Metrics</b>																			
<b>Operating cash flow</b>		1,228	1,277	1,115	1,219	800	1,728	1,591	1,213	730	185	180	152	65	582	117	193	209	
	QoQ Change										1221.4%	-2.7%	-15.6%	-57.2%		80.0%	65.0%	8.3%	
	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%	7.2%	37.5%	
<b>Capital expenditures, gross (cash flow)</b>		381	798	559	397	419	384	320	329	428	52	63	64	64	243	73	82	78	
	QoQ Change										-20.0%	21.2%	1.6%	0.0%		14.1%	12.3%	-4.9%	
	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%	-43.2%	40.4%	30.2%	21.9%	
<b>Capital expenditures, net (cash flow)</b>		376	795	555	397	382	381	315	321	426	51	63	64	63	241	73	82	78	
	QoQ Change										-21.5%	23.5%	1.6%	-1.6%		15.9%	12.3%	-4.9%	
	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%	-43.4%	43.1%	30.2%	21.9%	
<b>Free cash flow</b>		852	482	560	822	418	1,347	1,276	892	304	134	117	88	2	341	44	111	131	
	QoQ Change										N/M	-12.7%	-24.8%	N/M		2100.0%	152.3%	18.0%	
	YoY Change		-43.4%	16.2%	46.8%	-49.1%	222.2%	-5.3%	-30.1%	-65.9%	-52.0%	3800.0%	20.5%	N/M	12.2%	-67.2%	-5.1%	48.9%	
<b>Ratios</b>																			
<b>Gross profit margin</b>		28.5%	31.4%	33.2%	34.5%	35.3%	32.0%	28.8%	25.8%	17.5%	13.7%	14.9%	17.4%	12.1%	14.5%	11.9%	16.3%	15.9%	
<b>Operating margin</b>		17.2%	19.8%	22.1%	24.1%	24.5%	20.0%	16.0%	13.1%	5.4%	0.1%	1.2%	4.2%	-0.6%	1.2%	0.8%	4.7%	3.5%	
<b>Net margin</b>		12.5%	14.5%	16.3%	18.0%	19.0%	15.6%	13.7%	10.9%	5.2%	1.9%	2.0%	4.9%	0.5%	2.3%	2.5%	5.4%	3.8%	
<b>EBITDA margin</b>		27.4%	30.9%	33.4%	34.6%	34.6%	31.9%	28.0%	25.7%	19.9%	15.6%	15.7%	18.3%	13.0%	15.7%	15.8%	20.4%	19.2%	
<b>Capex/Sales</b>		8.1%	16.9%	10.4%	6.9%	7.6%	8.6%	8.4%	9.6%	14.8%	7.7%	9.6%	9.9%	9.8%	9.2%	11.6%	13.0%	12.3%	



		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	Q2 2017	Q3 2017	
<b>Bezeq International</b>																			
<b>Key Income Statement Metrics</b>																			
<b>Total Revenues</b>		1,304	1,306	1,318	1,380	1,354	1,340	1,433	1,504	1,578	395	377	384	392	1,548	384	407	367	
QoQ Change											-2.5%	-4.6%	1.9%	2.1%		-2.0%	6.0%	-9.8%	
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%	8.0%	-4.4%	
<b>Revenues from ILD services</b>		N/A	502	502	501	413	383	401	395	379	N/A	N/A	N/A	N/A	325	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%					21.0%				
<b>Revenues from Internet, Data &amp; ICT services</b>		N/A	804	816	879	941	957	1,032	1,109	1,199	N/A	N/A	N/A	N/A	1,223	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%					79.0%				
<b>Revenues from Private Customers</b>		N/A	513	520	523	528	538	535	529	555	N/A	N/A	N/A	N/A	570	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%					36.8%				
<b>Revenues from Business Customers</b>		N/A	793	798	857	826	802	898	975	1,023	N/A	N/A	N/A	N/A	978	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%					63.2%				
<b>Key Income Statement Metrics</b>																			
<b>Cost of sales</b>		859	780	777	822	788	796	879	951	1,015	258	246	256	255	1,015	258	288	253	
QoQ Change											-1.9%	-4.7%	4.1%	-0.4%		1.2%	11.6%	-12.2%	
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%	17.1%	-1.2%	
<b>Gross profit</b>		445	526	541	558	566	544	554	553	563	137	131	128	137	533	126	119	114	
QoQ Change											-3.5%	-4.4%	-2.3%	7.0%		-8.0%	-5.6%	-4.2%	
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%	-9.2%	-10.9%	
<b>Sales &amp; marketing expenses</b>		147	181	175	192	209	209	205	209	209	57	56	55	53	221	48	46	48	
QoQ Change											5.6%	-1.8%	-1.8%	-3.6%		-9.4%	-4.2%	4.3%	
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%	-17.9%	-12.7%	
<b>General &amp; administrative expenses</b>		94	103	105	109	116	117	119	112	116	29	28	28	33	118	29	27	28	
QoQ Change											-6.5%	-3.4%	0.0%	17.9%		-12.1%	-6.9%	3.7%	
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%	-3.6%	0.0%	
<b>Other operating expenses (income)</b>		-	-	-	-	-	-	3	-	(2)	14	-	-	4	18	-	(1)	(1)	
<b>Salaries (included in oper. exps)</b>		240	260	242	248	265	278	287	298	303	83	82	83	82	330	84	81	81	
QoQ Change											7.8%	-1.2%	1.2%	-1.2%		2.4%	-3.6%	0.0%	
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%	-1.2%	-2.4%	
<b>Depreciation &amp; amortization (included in oper. exps)</b>		87	80	84	94	109	136	129	130	132	33	35	35	34	137	33	33	34	
QoQ Change											-5.7%	6.1%	0.0%	-2.9%		-2.9%	0.0%	3.0%	
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%	-5.7%	-2.9%	
<b>Operating profit</b>		204	242	261	320	241	219	227	232	240	37	47	45	47	176	49	45	39	
QoQ Change											-36.2%	27.0%	-4.3%	4.4%		4.3%	-8.2%	-13.3%	
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%	-4.3%	-13.3%	
<b>Net profit</b>		153	178	200	254	182	160	158	165	172	26	33	33	33	125	36	33	27	
QoQ Change											-38.1%	26.9%	0.0%	0.0%		9.1%	-8.3%	-18.2%	
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%	0.0%	-18.2%	
<b>EBITDA</b>		290	322	345	414	350	355	356	362	372	70	82	80	81	313	82	78	73	
QoQ Change											-24.7%	17.1%	-2.4%	1.3%		1.2%	-4.9%	-6.4%	
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%	-4.9%	-8.8%	
<b>Key Cash Flow Metrics</b>																			
<b>Operating cash flow</b>		93	163	320	290	243	272	288	312	301	49	69	65	86	269	52	69	74	
QoQ Change											-49.0%	40.8%	-5.8%	32.3%		-39.5%	32.7%	7.2%	
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%	0.0%	13.8%	
<b>Capital expenditures, gross (cash flow)</b>		103	119	120	180	288	175	105	110	128	37	33	24	26	120	29	46	31	
QoQ Change											76.0%	-10.8%	-27.3%	8.3%		11.5%	58.6%	-32.6%	
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%	39.4%	29.2%	
<b>Capital expenditures, net (cash flow)</b>		100	118	120	180	288	173	97	108	128	37	33	24	25	119	29	46	29	
QoQ Change											76.2%	-10.8%	-27.3%	4.2%		16.0%	58.6%	-37.0%	
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%	39.4%	20.8%	
<b>Free cash flow</b>		(7)	45	200	110	(44)	99	191	204	173	12	36	41	61	150	23	23	45	
QoQ Change											-84.0%	200.0%	13.9%	48.8%		-62.3%	0.0%	95.7%	
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%	-36.1%	9.8%	
<b>Ratios</b>																			
<b>Gross profit margin</b>		34.1%	40.3%	41.1%	40.4%	41.8%	40.6%	38.7%	36.8%	35.7%	34.7%	34.7%	33.3%	34.9%	34.4%	32.8%	29.2%	31.1%	
<b>Operating margin</b>		15.6%	18.5%	19.8%	23.2%	17.8%	16.3%	15.9%	15.4%	15.2%	9.4%	12.5%	11.7%	12.0%	11.4%	12.8%	11.1%	10.6%	
<b>Net margin</b>		11.7%	13.7%	15.2%	18.4%	13.5%	11.9%	11.0%	11.0%	10.9%	6.6%	8.8%	8.6%	8.4%	8.1%	9.4%	8.1%	7.4%	
<b>EBITDA margin</b>		22.3%	24.6%	26.2%	30.0%	25.9%	26.5%	24.9%	24.1%	23.6%	17.7%	21.8%	20.8%	20.7%	20.2%	21.4%	19.2%	19.9%	
<b>Capex/Sales</b>		7.9%	9.1%	9.1%	13.0%	21.3%	13.1%	7.3%	7.3%	8.1%	9.4%	8.8%	6.3%	6.6%	7.8%	7.6%	11.3%	8.4%	



		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	Q2 2017	Q3 2017	
<b>yes</b>																			
<b>Key Income Statement Metrics</b>																			
<b>Revenues</b>		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	416	406	
	QoQ Change										-2.2%	-1.1%	0.0%	0.9%		-3.2%	-1.9%	-2.4%	
	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%	-4.1%	-6.5%	
<b>Cost of sales</b>		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	313	312	
	QoQ Change										-6.1%	-2.8%	0.6%	0.0%		0.3%	-0.6%	-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%	0.3%	-0.6%	
<b>Gross profit</b>		298	421	488	454	591	569	505	521	485	118	122	120	124	484	109	103	94	
	QoQ Change										10.3%	3.4%	-1.6%	3.3%		-12.1%	-5.5%	-8.7%	
	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%	-15.6%	-21.7%	
<b>Sales &amp; marketing expenses</b>		138	128	122	143	153	166	154	154	140	38	24	35	31	128	35	29	34	
	QoQ Change										18.8%	-36.8%	45.8%	-11.4%		12.9%	-17.1%	17.2%	
	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%	20.8%	-2.9%	
<b>General &amp; administrative expenses</b>		104	116	118	133	143	150	84	94	95	23	21	23	25	92	22	25	25	
	QoQ Change										-17.9%	-8.7%	9.5%	8.7%		-12.0%	13.6%	0.0%	
	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%	19.0%	8.7%	
<b>Salaries (included in oper. exps)</b>		N/A	N/A	N/A	N/A	N/A	N/A	N/A	267	270	61	60	64	64	249	59	59	62	
	QoQ Change										-12.9%	-1.6%	6.7%	0.0%		-7.8%	0.0%	5.1%	
	YoY Change										-11.6%	-3.2%	-7.2%	-8.6%	-7.8%	-3.3%	-1.7%	-3.1%	
<b>Depreciation &amp; amortization (included in oper. exps)</b>		273	250	234	285	276	248	263	297	322	76	74	75	71	296	70	71	72	
	QoQ Change										-13.6%	-2.6%	1.4%	-5.3%		-1.4%	1.4%	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%	-7.9%	-4.1%	-4.0%	
<b>Operating profit</b>		56	177	248	178	295	253	267	273	250	57	77	62	68	264	52	49	35	
	QoQ Change										21.3%	35.1%	-19.5%	9.7%		-23.5%	-5.8%	-28.6%	
	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%	-36.4%	-43.5%	
<b>Finance expenses, net</b>		153	178	170	172	146	154	161	111	90	19	12	26	1	58	27	32	(1)	
	QoQ Change												-36.8%	116.7%	-96.2%	2600.0%	18.5%	N/M	
	YoY Change		16.3%	-4.5%	1.2%	-15.1%	5.5%	4.5%	-31.1%	-18.9%					-35.6%	42.1%	166.7%	N/M	
<b>Profit before finance exps to shareholders &amp; taxes</b>		(97)	(1)	79	6	149	99	106	162	160	38	65	36	67	206	25	16	36	
	QoQ Change										660.0%	71.1%	-44.6%	86.1%		-62.7%	-36.0%	125.0%	
	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%	-75.4%	0.0%	
<b>Net profit (loss)</b>		(118)	(265)	(222)	(314)	(230)	(310)	(381)	(322)	(354)	(71)	(114)	(142)	395	68	19	(151)	(123)	
	QoQ Change										-35.5%	60.6%	24.6%	N/M		-95.2%	N/M	-18.5%	
	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	32.5%	-13.4%	
<b>EBITDA</b>		329	427	482	463	571	502	530	570	572	133	151	137	139	560	122	120	107	
	QoQ Change										-1.5%	13.5%	-9.3%	1.5%		-12.2%	-1.6%	-10.8%	
	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%	-20.5%	-21.9%	
<b>Key Cash Flow Metrics</b>																			
<b>Operating cash flow</b>		250	347	410	492	513	418	490	442	505	158	110	154	207	629	51	169	115	
	QoQ Change										50.5%	-30.4%	40.0%	34.4%		-75.4%	231.4%	-32.0%	
	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%	53.6%	-25.3%	
<b>Capital expenditures, gross (cash flow)</b>		255	238	262	278	264	284	323	305	265	59	58	51	41	209	60	53	69	
	QoQ Change										37.2%	-1.7%	-12.1%	-19.6%		46.3%	-11.7%	30.2%	
	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%	-8.6%	35.3%	
<b>Capital expenditures, net (cash flow)</b>		255	238	261	277	264	284	323	305	265	59	58	50	41	208	60	52	69	
	QoQ Change										37.2%	-1.7%	-13.8%	-18.0%		46.3%	-13.3%	32.7%	
	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%	-10.3%	38.0%	
<b>Free cash flow</b>		(5)	109	149	215	250	134	167	137	240	99	52	104	166	421	(9)	117	46	
	QoQ Change										59.7%	-47.5%	100.0%	59.6%		N/M	N/M	-60.7%	
	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	125.0%	-55.8%	
<b>Ratios</b>																			
<b>Gross profit margin</b>		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%	24.8%	23.2%	
<b>Operating margin</b>		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%	11.8%	8.6%	
<b>Net margin</b>		(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%	(36.3%)	(30.3%)	
<b>EBITDA margin</b>		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%	28.8%	26.4%	
<b>Capex/Sales</b>		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%	12.7%	17.0%	





NIS Millions

	FY 2013	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
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## Bezeq Group

### Other Operating Expenses (Income), Net

Profit from increase to controlling stake in Yes	-	-	(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)	(234)	(11)	(29)	(22)	(45)	(107)	(6)	(13)	(45)
Profit from copper sales	(47)	(8)	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	(23)	34	-	-	-	-	-	-	-	-
Provision for early retirement	90	176	117	1	14	3	78	96	-	-	3
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	12	19
<b>Total other operating expenses (income), net</b>	<b>(15)</b>	<b>(586)</b>	<b>(95)</b>	<b>5</b>	<b>(12)</b>	<b>(26)</b>	<b>33</b>	<b>0</b>	<b>(4)</b>	<b>(1)</b>	<b>(23)</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	Q2 2017	Q3 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>	<b>1,100</b>	<b>1,134</b>	
QoQ Change										-4.6%	-4.5%	3.2%	-12.2%		3.6%	-6.8%	3.1%	
YoY Change		-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%	-12.5%	-12.6%	
<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>	<b>1,220</b>	<b>1,266</b>	
QoQ Change										-3.9%	-2.5%	5.3%	-9.5%		2.3%	-4.8%	3.8%	
YoY Change		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%	-7.2%	-8.5%	
<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>	<b>2,077</b>	<b>2,061</b>	
QoQ Change										-0.6%	-0.7%	-0.7%	-0.8%		-0.9%	-1.1%	-0.8%	
YoY Change		-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%	-3.4%	-3.6%	
QoQ Line change (000's)										(14)	(16)	(14)	(18)	(62)	(19)	(23)	(16)	
<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>	<b>55</b>	<b>56</b>	
QoQ Change										-1.7%	-1.7%	0.0%	-3.4%		1.8%	-3.5%	1.8%	
YoY Change			-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%	-5.2%	-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>2.4%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>10.4%</b>	<b>2.8%</b>	<b>2.4%</b>	<b>2.4%</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>	<b>1,593</b>	<b>1,608</b>	
QoQ Change										1.6%	1.2%	1.2%	1.2%		1.4%	0.8%	0.9%	
YoY Change		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%	4.7%	4.5%	
QoQ Line change (000's)										24	18	18	19	79	22	13	15	
<b>Broadband Internet lines (in 000's)-Wholesale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>244</b>	<b>290</b>	<b>323</b>	<b>347</b>	<b>377</b>	<b>377</b>	<b>414</b>	<b>444</b>	<b>484</b>	
QoQ Change										18.9%	11.4%	7.4%	8.6%		9.8%	7.2%	9.0%	
YoY Change										2536.4%	314.1%	96.0%		54.5%	42.8%	37.5%	39.5%	
QoQ Line change (000's)										46	33	24	30	133	37	30	40	
Wholesale subs as % of total broadband subs										16.5%	19.3%	21.2%	22.5%	24.2%	24.2%	26.2%	30.1%	
<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>	<b>1,149</b>	<b>1,124</b>	
QoQ Change										-1.8%	-1.2%	-0.5%	-0.9%		-1.3%	-1.5%	-2.2%	
YoY Change		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%	-4.1%	-5.7%	
QoQ Line change (000's)										(22)	(15)	(6)	(11)	(54)	(15)	(17)	(25)	
<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>	<b>91</b>	<b>91</b>	
QoQ Change										2.2%	-1.1%	-1.1%	1.1%		1.1%	0.0%	0.0%	
YoY Change		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%	1.1%	2.2%	
<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>	<b>47.2</b>	<b>49.5</b>	
QoQ Change										2.9%	3.3%	4.0%	3.3%		4.4%	4.7%	4.9%	
YoY Change		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%	17.4%	18.4%	
<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>N/A</i>	<i>N/A</i>	
YoY Change		-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>	<i>N/A</i>	<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>	<i>N/A</i>	<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>	<i>N/A</i>	<i>N/A</i>	



	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	Q2 2017	Q3 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	2,410	2,475
QoQ Change										1.5%	-16.0%	3.9%	2.3%		1.2%	-0.8%	2.7%
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%	6.6%	5.4%
QoQ subscriber change (000's)										41	(432)	88	54	(249)	28	(20)	65
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	N/A	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	61	63
QoQ Change										-5.0%	19.3%	0.0%	-8.8%		-3.2%	1.7%	3.3%
YoY Change					-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-12.3%	4.6%	0.0%	3.3%	-1.6%	5.3%	-10.3%	-7.4%
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%	6.1%	6.8%
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	N/A	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	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	N/A	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%	5.0%	6.3%
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	N/A	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	N/A	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	603	597
QoQ Change										-0.9%	-1.0%	-0.8%	-0.6%		-1.0%	-0.8%	-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%	-3.2%	-3.4%
QoQ subscriber change (000's)										(6)	(6)	(5)	(4)	(21)	(6)	(5)	(6)
ARPU (in NIS)	217	228	226	230	232	234	233	234	233	231	231	233	237	233	232	229	226
QoQ Change										-1.7%	0.0%	0.9%	1.7%		-2.1%	-1.3%	-1.3%
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%	-0.9%	-3.0%
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%	3.8%	4.8%
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	N/A	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	N/A	N/A

**Bezeq Group Dividends****Dividend History**

Dividend Distribution date	Total Amount (NIS m)	Dividend per share (NIS)	Dividend Type
October 16, 2017	708	0.26	Semi-Annual Dividend
May 29, 2017	578	0.21	Semi-Annual Dividend
October 6, 2016	665	0.24	Semi-Annual Dividend
May 30, 2016	776	0.28	Semi-Annual Dividend
October 26, 2015	933	0.34	Semi-Annual Dividend
May 27, 2015	844	0.31	Semi-Annual Dividend
October 2, 2014	1,267	0.46	Semi-Annual Dividend
April 23, 2014	802	0.29	Semi-Annual Dividend
September 15, 2013	500	0.36	Special Dividend (6 of 6)
September 15, 2013	969	0.18	Semi-Annual Dividend
May 13, 2013	500	0.18	Special Dividend (5 of 6)
May 13, 2013	861	0.32	Semi-Annual Dividend
October 10, 2012	500	0.18	Special Dividend (4 of 6)
October 10, 2012	997	0.37	Semi-Annual Dividend
May 21, 2012	500	0.18	Special Dividend (3 of 6)
May 21, 2012	1,074	0.40	Semi-Annual Dividend
October 5, 2011	500	0.18	Special Dividend (2 of 6)
October 5, 2011	992	0.37	Semi-Annual Dividend
May 19, 2011	500	0.19	Special Dividend (1 of 6)
May 19, 2011	1,163	0.43	Semi-Annual Dividend
October 7, 2010	1,280	0.48	Semi-Annual Dividend
May 3, 2010	2,453	0.92	Semi-Annual Dividend
October 5, 2009	1,149	0.43	Semi-Annual Dividend
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