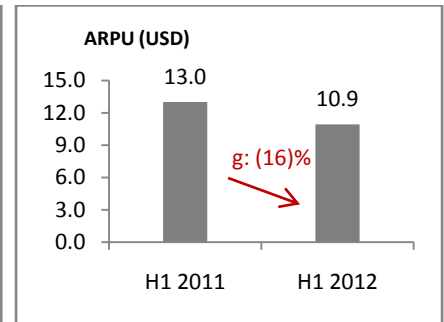
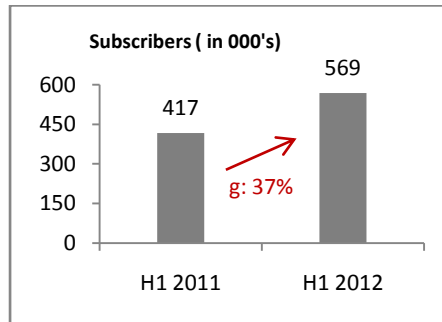
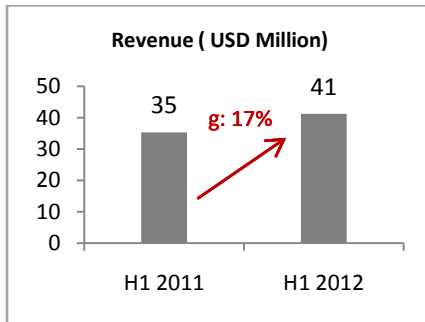


Financial Performance of the First Half of the year 2012

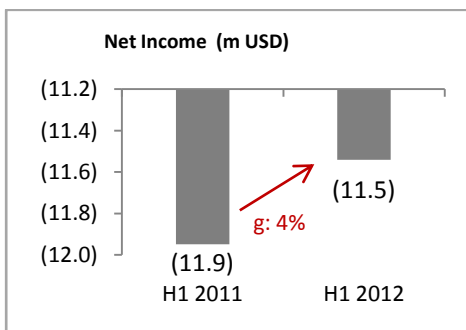
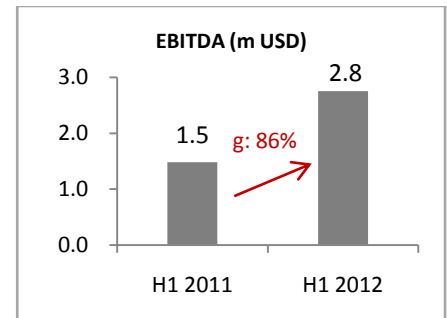
First: Revenues & Subscribers

Wataniya Mobile subscribers reached 569k by the end of June 2012 compared to 417k subscribers at the end of June 2011. ARPU has decreased to U.S. \$ 10.9 at the end of the first half of 2012 compared to U.S. \$ 13.0 at the same period of the former year. Behind this decrease lies two main reasons; the decrease in postpaid subscribers' percentage of total subscribers and the impact of the increased exchange rate of the NIS vs. USD. In conclusion, revenue has increased by 17% at end of the first half of 2012 compared to the same period last year; an increase from U.S. \$ 35.3 million to U.S. \$ 41.2 million



Second: EBITDA

EBITDA has continued to increase and reached U.S. \$ 2.8 million in the first half of 2012 compared to U.S. \$ 1.5 million in the same period of 2011; an increase of 86%.



Third: Net Income

Pursuant to the positive performance above, net loss for the first half of 2012 has decreased by 4% to U.S. \$ (11.5) million; compared to U.S. \$ (11.9) million for the same period of 2011.