

BUSINESS NEWS

FOR IMMEDIATE RELEASE

Having Penetrated Israel's Domestic Telephony Market, 012 Smile.Communications Prepares for Its Next Goal: Entering Israel's Cellular Market

At a press conference held during a visit by Israel's Minister of Communications to the Company's headquarters CEO Stella Hendler presented 012 Smile's vision and strategy for entering Israel's cellular market

PETACH TIKVA, Israel, April 10 2008 – During a visit of Israel's Minister of Communications, Mr. Ariel Etias, to the offices of **012 Smile.Communications (NASDAQ Global Market and TASE: SMLC)**, 012 Smile's CEO, Ms. Stella Hendler, presented the Company's vision and strategy for entering Israel's cellular market that is based on three primary technologies:

- **Virtual cellular services** (MVNO-Mobile Virtual Network Operator)
- **Mobile WiMAX**
- **Mobile VoB (Voice Over Broadband) solutions:** VoB-over-Cellular and VoB-over-WiFi

During the visit, the Company demonstrated to the Minister of Communications its innovative solutions, including cellular calls delivered via VoB-over-Cellular and VoB-over-WiFi technology.

Commenting on her presentation, Ms. Stella Hendler said, "Assuming that the Ministry of Communications grants us the necessary terms and licenses, we believe that we will be able, by combining MVNO, Mobile WiMAX and Mobile VOB technologies, to enter Israel's cellular market as a new player, supplying customers with cellular communications services that are attractive in terms of price and advanced mobile functionality."

About 012 Smile.Communications

012 Smile.Communications is a growth-oriented communication services provider in Israel with a leading market position, offering a wide range of broadband and traditional voice services. Its broadband services include broadband Internet access with a suite of value-added services, specialized data services and server hosting, as well as new innovative services such as local telephony via voice over broadband and a WiFi network of hotspots across Israel. Traditional voice services include outgoing and incoming international telephony, hubbing, roaming and signaling and calling card services. 012 Smile.Communications services residential and business customers, as well as Israeli cellular operators and international communication services providers through its integrated multipurpose network, which allows it to provide services to almost all of the homes and businesses in Israel.

012 Smile is a 72.4 % owned subsidiary of Internet Gold Golden Lines Ltd. (NASDAQ: IGLD) one of Israel's leading communications groups with a major presence across all Internet-related sectors. In addition to 012 Smile, its 100% owned Smile.Media subsidiary manages a growing portfolio of Internet portals and e-Commerce sites. Internet Gold and 012 Smile are part of the Eurocom Communications Group. 012 Smile's shares trade on the NASDAQ Global Market and on the Tel Aviv Stock Exchange.

For additional information about 012 Smile.Communications Ltd., please visit the Company's investors' site at <http://www.012.net>.

Forward-Looking Statements

This press release contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the industry, changes in the regulatory and legal compliance environments,

the failure to manage growth and other risks detailed from time to time in 012 Smile.Communications' filings with the Securities Exchange Commission. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statement.

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