

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 13 2008 – Internet Gold – Golden Lines Ltd (NASDAQ Global Market and TASE: IGLD) announced today that during a visit of Israel's Minister of Communications, Mr. Ariel Atias, to the offices of its subsidiary, **012 Smile.Communications** Ltd. (NASDAQ Global Market and TASE: SMLC), 012 Smile's CEO, Ms. Stella Handler, 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, **012 Smile** 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. Handler 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 Internet Gold

Internet Gold is one of Israel's leading communications groups with a major presence across all Internet-related sectors. Its 72.4% owned subsidiary, 012 Smile.Communications Ltd., is one of Israel's major Internet and international telephony service providers, and one of the largest providers of enterprise/IT integration services. Its 100% owned subsidiary, Smile.Media Ltd., manages a growing portfolio of Internet portals and e-Commerce sites.

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 Company's 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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