

FOR IMMEDIATE RELEASE

012 Smile Communication's Board Approves \$10 Million Share Repurchase Program

PETACH TIKVA, Israel, December 30, 2008 - 012 Smile.Communications Ltd. (Nasdaq and TASE: SMLC) announced that its Board of Directors has authorized the repurchase of up to \$10 million of the Company's ordinary shares (approximately NIS 38 million). The purchases will be made from time to time by the Company, or other corporation controlled by the Company, in the open market on the NASDAQ Global Market and the Tel Aviv Stock Exchange. The timing and amount of any purchases will be determined by the Company's management based on its evaluation of market conditions and other factors. The repurchase program may be suspended or discontinued at any time.

Commenting on the repurchase program, said, Stella Handler, CEO of 012 Smile.Communications "This stock repurchase program, reflects our confidence in our current operational and financial strength and prospects for the future as well as our ongoing commitment to increasing shareholder value."

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 - News) 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.

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 in the industries it is engaged, the failure to manage growth and other risks detailed from time to time in 012 Smile communications filings with the Securities Exchange Commission, including 012 Smile communications Annual Report on Form 20-F. 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.

For further information, please contact:

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

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