



Partner Communications Company Ltd.

Facts & Figures Q3 2014

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For further information:

Partner Investor Relations

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<http://www.orange.co.il/en/Investors-Relations/lobby/>

The data contained in this file should be reviewed in conjunction with our press release of November 12, 2014, regarding Partner's results for the quarter ended September 30, 2014, as well as previous quarterly results of operations and annual reports filed with the SEC. The quarterly financial results presented in this press release are unaudited financial results. The results were prepared in accordance with IFRS, other than Adjusted EBITDA and free cash flow before interest payments, which are non-GAAP financial measures.



(NIS millions)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014
Total revenues	1,571	1,428	1,315	1,258	5,572	1,144	1,130	1,118	1,127	4,519	1,103	1,087	1,102
<i>growth (%)</i>	-11%	-24%	-25%	-21%	-20%	-27%	-21%	-15%	-10%	-19%	-4%	-4%	-1%
Cellular segment													
Service revenues	956	942	886	780	3,564	717	718	730	711	2,876	673	660	652
Equipment revenues	323	207	157	209	896	176	171	160	196	703	220	218	218
Inter-segment	7	7	6	8	28	7	8	8	8	31	7	7	6
Cellular segment	1,286	1,156	1,049	997	4,488	900	897	898	915	3,610	900	885	876
<i>growth (%)</i>	-22%	-27%	-28%	-23%	-25%	-30%	-22%	-14%	-8%	-20%	0%	-1%	-2%
Fixed-line segment													
Service revenues	285	271	264	256	1,076	244	232	221	211	908	203	202	210
Equipment revenues	7	8	8	13	36	7	9	7	9	32	7	7	22
Inter-segment	35	29	32	38	134	39	45	46	47	177	44	46	49
Fixed-line segment	327	308	304	307	1,246	290	286	274	267	1,117	254	255	281
<i>growth (%)</i>	132%	-7%	-12%	-8%	8%	-11%	-7%	-10%	-13%	-10%	-12%	-11%	3%
Cost of revenues													
Cellular segment services	621	595	571	564	2,351	528	514	522	506	2,070	496	484	495
Cellular segment equipment	280	176	141	190	787	172	162	151	179	664	176	163	161
Inter-segment cellular	35	29	32	38	134	39	43	45	48	175	43	46	48
Fixed-line segment services	219	223	214	205	861	194	193	182	178	747	171	173	179
Fixed-line segment equipment	8	6	8	10	32	7	9	6	7	29	6	4	15
Inter-segment fixed line	7	7	6	8	28	7	10	9	7	33	8	7	7
Total cost of revenues	1,128	1,000	934	969	4,031	901	878	861	870	3,510	849	824	850
Gross profit	443	428	381	289	1,541	243	252	257	257	1,009	254	263	252
<i>margin (%)</i>	28%	30%	29%	23%	28%	21%	22%	23%	23%	22%	23%	24%	23%
Operating expenses													
Cellular: Operating expenses	162	155	148	119	584	132	139	135	138	544	136	126	127
Fixed-line: Operating expenses	60	58	44	41	203	39	32	32	32	135	33	32	28
Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income, net	27	30	28	26	111	23	21	19	16	79	14	13	13
Total operating expenses	195	183	164	134	676	148	150	148	154	600	155	145	142
Operating profit	248	245	217	155	865	95	102	109	103	409	99	118	110
<i>margin (%)</i>	16%	17%	17%	12%	16%	8%	9%	10%	9%	9%	9%	11%	10%
Finance costs, net	55	73	68	38	234	49	71	53	38	211	24	49	50
Profit before income tax	193	172	149	117	631	46	31	56	65	198	75	69	60
Income tax expenses	47	52	39	15	153	15	11	18	19	63	23	23	20
Profit for the period	146	120	110	102	478	31	20	38	46	135	52	46	40
<i>margin (%)</i>	9%	8%	8%	8%	9%	3%	2%	3%	4%	3%	5%	4%	4%
Consolidated Adjusted EBITDA	438	423	401	340	1,602	268	280	284	282	1,114	274	291	282
<i>margin (%)</i>	28%	30%	30%	27%	29%	23%	25%	25%	25%	25%	25%	27%	26%
Cellular Adjusted EBITDA	363	367	328	256	1,314	186	198	201	199	784	199	211	191
Fixed-line Adjusted EBITDA	75	56	73	84	288	82	82	83	83	330	75	80	91



(NIS millions)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014
Operating cash flow	350	417	491	447	1,705	336	415	399	389	1,539	259	289	242
Capital expenditures	133	113	125	121	492	130	122	116	107	475	113	98	128
Free Cash Flow	223	313	375	323	1,234	203	287	273	278	1,041	145	192	112
Free Cash Flow After Interest	199	270	310	255	1,034	192	193	266	209	860	139	123	106
Net Debt	4,450	4,209	4,072	3,812	3,812	3,622	3,446	3,208	3,000	3,000	2,849	2,735	2,637



	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014
Cellular ARPU (NIS)	101	101	97	87	97	82	83	84	81	83	77	76	76
Cellular Churn rate (%)	8.0%	8.9%	10.4%	10.9%	38%	10.4%	9.4%	8.8%	10.7%	39%	11.6%	11.4%	12.0%
Cellular Subscriber Base (Thousands)	3,147	3,098	3,042	2,976	2,976	2,932	2,921	2,950	2,956	2,956	2,936	2,914	2,894

Definitions

Adjusted EBITDA	'Adjusted EBITDA' represents earnings before interest (finance costs, net), taxes, depreciation, amortization (including amortization of intangible assets, deferred expenses-right of use, and share based compensation expenses) and impairment charges, as a measure of operating profit. Adjusted EBITDA is not a financial measure under IFRS and may not be comparable to other similarly titled measures in other companies.
Free cash flow	Operating cash flows before interest payments, net of cash flows use for investing activities.
Net capital expenditures	Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE, excluding SARC capitalization
Net Debt	Total current and non-current borrowings less cash and cash equivalents.
Churn rate	The total number of cellular subscribers who disconnect from our network, in a given period expressed as percentage of the average of the number of our subscribers at the beginning and end of such period.
ARPU	Average monthly revenue per subscriber ARPU is calculated by dividing for each month in the relevant year, the revenues during the month from cellular services by the average number of cellular subscribers during that month, dividing the sum of all results by the number of months in the relevant period.