



Partner Communications Company Ltd.

Facts & Figures Q2 2014

Index of Contents

Sheet I - Income statement

Sheet II - Cash Flow and Debt

Sheet III - Operational Parameters

Sheet IV - Definitions

For further information:

Partner Investor Relations

Phone. +972 54 7814383

<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 August 13, 2014, regarding Partner's results for the quarter ended June 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 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Total revenues	1,771	1,887	1,751	1,589	6,998	1,571	1,428	1,315	1,258	5,572	1,144	1,130	1,118	1,127	4,519	1,103	1,087
<i>growth (%)</i>					5%	-11%	-24%	-25%	-21%	-20%	-27%	-21%	-15%	-10%	-19%	-4%	-4%
Cellular segment																	
Service revenues	1,095	1,067	1,060	997	4,219	956	942	886	780	3,564	717	718	730	711	2,876	673	660
Equipment revenues	555	520	379	294	1,748	323	207	157	209	896	176	171	160	196	703	220	218
Inter-segment	4	7	10	8	29	7	7	6	8	28	7	8	8	8	31	7	7
Cellular segment	1,654	1,594	1,449	1,299	5,996	1,286	1,156	1,049	997	4,488	900	897	898	915	3,610	900	885
<i>growth (%)</i>					-9%	-22%	-27%	-28%	-23%	-25%	-30%	-22%	-14%	-8%	-20%	0%	-1%
Fixed-line segment																	
Service revenues	117	293	306	289	1,005	285	271	264	256	1,076	244	232	221	211	908	203	202
Equipment revenues	4	7	6	9	26	7	8	8	13	36	7	9	7	9	32	7	7
Inter-segment	20	32	35	35	122	35	29	32	38	134	39	45	46	47	177	44	46
Fixed-line segment	141	332	347	333	1,153	327	308	304	307	1,246	290	286	274	267	1,117	254	255
<i>growth (%)</i>						132%	-7%	-12%	-8%	8%	-11%	-7%	-10%	-13%	-10%	-12%	-11%
Cost of revenues																	
Cellular segment services	654	657	651	639	2,601	621	595	571	564	2,351	528	514	522	506	2,070	496	484
Cellular segment equipment	437	405	292	245	1,379	280	176	141	190	787	172	162	151	179	664	176	163
Inter-segment cellular	20	32	35	35	122	35	29	32	38	134	39	43	45	48	175	43	46
Fixed-line segment services	93	230	259	387	969	219	223	214	205	861	194	193	182	178	747	171	173
Fixed-line segment equipment	4	9	8	8	29	8	6	8	10	32	7	9	6	7	29	6	4
Inter-segment fixed line	4	7	10	8	29	7	7	6	8	28	7	10	9	7	33	8	7
Total cost of revenues	1,188	1,301	1,210	1,279	4,978	1,128	1,000	934	969	4,031	901	878	861	870	3,510	849	824
Gross profit	583	586	541	310	2,020	443	428	381	289	1,541	243	252	257	257	1,009	254	263
<i>margin (%)</i>	33%	31%	31%	20%	29%	28%	30%	29%	23%	28%	21%	22%	23%	23%	22%	23%	24%
Operating expenses																	
Cellular: Operating expenses	181	179	201	151	712	162	155	148	119	584	132	139	135	138	544	136	126
Fixed-line: Operating expenses	20	56	56	71	203	60	58	44	41	203	39	32	32	32	135	33	32
Impairment	0	0	0	174	174	0	0	0	0	0	0	0	0	0	0	0	0
Other Income, net	18	26	30	31	105	27	30	28	26	111	23	21	19	16	79	14	13
Total operating expenses	183	209	227	365	984	195	183	164	134	676	148	150	148	154	600	155	145
Operating profit	400	377	314	-55	1,036	248	245	217	155	865	95	102	109	103	409	99	118
<i>margin (%)</i>	23%	20%	18%	-3%	15%	16%	17%	17%	12%	16%	8%	9%	10%	9%	9%	9%	11%
Finance costs, net	59	99	81	55	294	55	73	68	38	234	49	71	53	38	211	24	49
Profit before income tax	341	278	233	-110	742	193	172	149	117	631	46	31	56	65	198	75	69
Income tax expenses	87	73	61	78	299	47	52	39	15	153	15	11	18	19	63	23	23
Profit for the period	254	205	172	-188	443	146	120	110	102	478	31	20	38	46	135	52	46
<i>margin (%)</i>	14%	11%	10%	-12%	6%	9%	8%	8%	8%	9%	3%	2%	3%	4%	3%	5%	4%
Consolidated Adjusted EBITDA	585	586	529	478	2,178	438	423	401	340	1,602	268	280	284	282	1,114	274	291
<i>margin (%)</i>	33%	31%	30%	30%	31%	28%	30%	30%	27%	29%	23%	25%	25%	25%	25%	25%	27%
Cellular Adjusted EBITDA	540	502	447	407	1,896	363	367	328	256	1,314	186	198	201	199	784	199	211
Fixed-line Adjusted EBITDA	45	84	82	71	282	75	56	73	84	288	82	82	83	83	330	75	80



(NIS millions)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Operating cash flow	390	247	513	420	1,570	350	417	491	447	1,705	336	415	399	389	1,539	259	289
Capital expenditures	133	75	132	131	471	133	113	125	121	492	130	122	116	107	475	113	98
Free Cash Flow	256	158	376	292	1,082	223	313	375	323	1,234	203	287	273	278	1,041	145	192
Free Cash Flow After Interest	238	37	363	209	847	199	270	310	255	1,034	192	193	266	209	860	139	123
Net Debt	4,856	4,856	4,718	4,639	4,639	4,450	4,209	4,072	3,812	3,812	3,622	3,446	3,208	3,000	3,000	2,849	2,735



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Cellular ARPU (NIS)	115	112	111	106	111	101	101	97	87	97	82	83	84	81	83	77	76
Cellular Churn rate (%)	7.3%	6.5%	7.2%	8.2%	29%	8.0%	8.9%	10.4%	10.9%	38%	10.4%	9.4%	8.8%	10.7%	39%	11.6%	11.4%
Cellular Subscriber Base (Thousands)	3,149	3,175	3,201	3,176	3,176	3,147	3,098	3,042	2,976	2,976	2,932	2,921	2,950	2,956	2,956	2,936	2,914

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.