

Partner Communications Ltd.



Facts & Figures Q2 2013

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(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
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
<i>growth (%)</i>					5%	-11%	-24%	-25%	-21%	-20%	-27%	-21%
Cellular segment												
Service revenues	1,095	1,067	1,060	997	4,219	956	942	886	780	3,564	717	718
Equipment revenues	555	520	379	294	1,748	323	207	157	209	896	176	171
Inter-segment	4	7	10	8	29	7	7	6	8	28	7	8
Cellular Segment	1,654	1,594	1,449	1,299	5,996	1,286	1,156	1,049	997	4,488	900	897
<i>growth (%)</i>					-9%	-22%	-27%	-28%	-23%	-25%	-30%	-22%
Fixed-line segment												
Service revenues	117	293	306	289	1,005	285	271	264	256	1,076	244	232
Equipment revenues	4	7	6	9	26	7	8	8	13	36	7	9
Inter-segment	20	32	35	35	122	35	29	32	38	134	39	45
Fixed-line segment	141	332	347	333	1,153	327	308	304	307	1,246	290	286
Cost of revenues												
Cellular service segment	654	657	651	639	2,601	621	595	571	564	2,351	528	514
Cellular equipment segment	437	405	292	245	1,379	280	176	141	190	787	172	162
Inter-segment cellular	20	32	35	35	122	35	29	32	38	134	39	43
Fixed-line segment service	93	230	259	387	969	219	223	214	205	861	194	193
Fixed-line segment Equipment	4	9	8	8	29	8	6	8	10	32	7	9
Inter-segment fixed	4	7	10	8	29	7	7	6	8	28	7	10
Total cost of revenues	1,188	1,301	1,210	1,279	4,978	1,128	1,000	934	969	4,031	901	878
Gross profit	583	586	541	310	2,020	443	428	381	289	1,541	243	252
<i>Gross margin</i>	33%	31%	31%	20%	29%	28%	30%	29%	23%	28%	21%	22%
Operating expenses												
Cellular: Operating expenses	181	179	201	151	712	162	155	148	119	584	132	139
Fixed-line: Operating expenses	20	56	56	71	203	60	58	44	41	203	39	32
Impairment	0	0	0	174	174	0	0	0	0	0	0	0
Other Income, net	18	26	30	31	105	27	30	28	26	111	23	21
Total Operating Expenses	183	209	227	365	984	195	183	164	134	676	148	150
Operating profit	400	377	314	-55	1,036	248	245	217	155	865	95	102
<i>margin (%)</i>	23%	20%	18%	-3%	15%	16%	17%	17%	12%	16%	8%	9%
Net financial expense	59	99	81	55	294	55	73	68	38	234	49	71
Pre-tax profit	341	278	233	-110	742	193	172	149	117	631	46	31
Tax expense	87	73	61	78	299	47	52	39	15	153	15	11
Net income	254	205	172	-188	443	146	120	110	102	478	31	20
Net income margin	14%	11%	10%	-12%	6%	9%	8%	8%	8%	9%	3%	2%
Consolidated Adjusted EBITDA	585	586	529	478	2,178	438	423	401	340	1,602	268	280
<i>Margin(%)</i>	33%	31%	30%	30%	31%	28%	30%	30%	27%	29%	23%	25%
Cellular Adjusted EBITDA	540	502	447	407	1,896	363	367	328	256	1,314	186	198
Fixed-line Adjusted EBITDA	45	84	82	71	282	75	56	73	84	288	82	82



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013
Operational Parameters												
Cellular ARPU (NIS)	115	112	111	106	111	101	101	97	87	97	82	83
Cellular MOU (minutes)	374	396	410	407	397	424	437	457	483	450	496	532
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%
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
ISP Subscribers (Thousands)	632	632	632	632	632	618	609	594	587	587	581	572
Number of Fixed Line (Thousands)	288	292	295	292	292	285	281	282	288	288	293	294



(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
Operating cash flow	390	247	513	420	1,570	350	417	491	447	1,705	336	415
Capital expenditures	133	75	132	131	471	133	113	125	121	492	130	122
Free Cash Flow	256	158	376	292	1,082	223	313	375	323	1,234	203	287
Free Cash Flow After Interest	238	37	363	209	847	199	270	310	255	1,034	192	193
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

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
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.
MOU	Minutes of Use MOU is calculated by dividing, for each month in such period, the total number of minutes of usage, excluding in roaming usage, during such month by the average of the number of our subscribers, and dividing the sum of such results by the number of months in the relative period.
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.