Partner Communications Company Ltd.

Company Presentation

Q3 2013 Results

Safe Harbor Statement

- This presentation includes forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, Section 21E of the US Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "project", "goal", "target" and similar expressions often identify forward-looking statements but are not the only way we identify these statements. All statements other than statements of historical fact included in this press release regarding our future performance, plans to increase revenues or margins or preserve or expand market share in existing or new markets, reduce expenses and any statements regarding other future events or our future prospects, are forward-looking statements.
- We have based these forward-looking statements on our current knowledge and our present beliefs and expectations regarding possible future events. These forward-looking statements are subject to risks, uncertainties and assumptions about Partner, consumer habits and preferences in cellular telephone usage, trends in the Israeli telecommunications industry in general, the impact of current global economic conditions and possible regulatory and legal developments. For a description of some of the risks we face, see "Item 3D. Key Information - Risk Factors", "Item 4. - Information on the Company", "Item 5. - Operating and Financial Review and Prospects", "Item 8A. - Consolidated Financial Statements and Other Financial Information - Legal and Administrative Proceedings" and "Item 11. - Quantitative and Qualitative Disclosures about Market Risk" in the Company's 2012 Annual Report (20-F) filed with the SEC on March 19, 2013. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release might not occur, and actual results may differ materially from the results anticipated. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Agenda

1. Partner Highlights

2. The Israeli Telecommunications Market

3. Financial and Operational Performance

4. Partner's Strategic Direction

1. Partner Highlights

At a Glance

Strong brand and market presence

A leading communications group operating under the “orange” and 012 Smile brands

29% estimated cellular market share

Strong subscriber base

Evolving into a diversified Multi-Service Communications and Media group

High Speed Network, LTE Ready

Q3 2013 Financial and Operational Highlights

- **Revenues** of NIS 1,118 million ($ 316 million)
  - **Service Revenues** of NIS 951 million ($ 269 million)
  - **Equipment Revenues** of NIS 167 million ($ 47 million)
- **Adjusted EBITDA*** of NIS 284 million ($ 80 million), 25% of total revenues
- **Net profit** of NIS 38 million ($ 11 million)
- **Free Cash Flow (before interest)**: NIS 273 million (US$ 77 million)
- **Cellular ARPU**: NIS 84 ($ 24)
- **Cellular Churn**: 8.8%

* 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.

Please refer to the section "Use of Non-GAAP Financial Measures" in the Company's quarterly press release.

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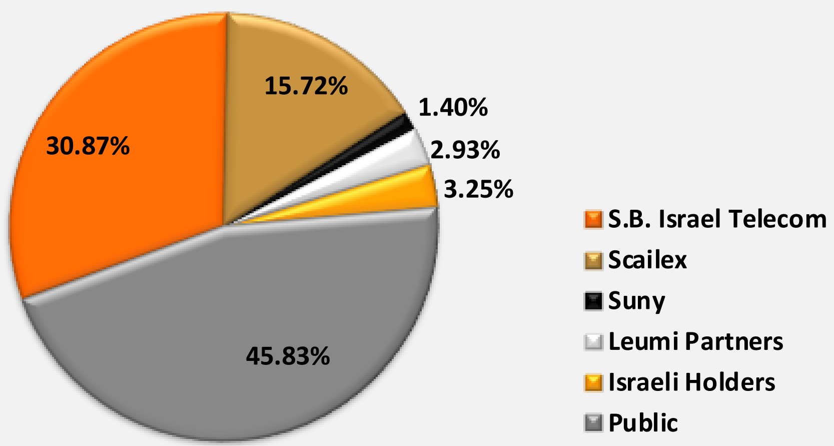
Ownership Structure

- S.B. Israel Telecom Ltd. is an affiliate of Saban Capital Group, Inc. ("SCG"). SCG is a leading private investment firm based in Los Angeles specializing in the media, entertainment, and communication industries.
- SCG was established by Mr. Haim Saban, co-founder of Fox Family Worldwide, a global television broadcasting, production, distribution and merchandising company owned in partnership with Rupert Murdoch and The News Corporation following its sale to The Walt Disney Company in October 2001. The firm currently makes both controlling and minority investments in public and private companies and takes an active role in its portfolio companies.

Partner's Ownership Structure



As of October 31, 2013

2. The Israeli Telecommunications Market

Main Regulatory Issues*

Increased competition - two new operators and four MVNOs	Fixed line interconnection rate to be reduced to 0.01 shekel per min. from Dec 2013	Financial sanctions on licensees that violate their license conditions
MOC published the policy on fixed line wholesale market	Reduction in cellular royalty rate to the Government for 2012 - 1.3%, 2013 - 0%	IEC fiber optic project- an agreement was signed with ViaEuropa for the set-up of a FTTH infrastructure company

* Please also refer to the Company's 2012 Annual Report (20-F) filed with the SEC and the press release of March 19, 2013, and the Company's Q3 2013 results' press release.

3. Financial and Operational Performance

Q3 2013 Financial Highlights

in NIS millions	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Revenues	1,315	1,258	1,144	1,130	1,118
Cost of Revenues	934	969	901	878	861
Gross Profit	**381**	**289**	**243**	**252**	**257**
SG&A	192	160	171	171	167
Other income	28	26	23	21	19
Operating Profit	**217**	**155**	**95**	**102**	**109**
Financial Costs, net	68	38	49	71	53
Income Taxes	39	15	15	11	18
Profit for the Period	**110**	**102**	**31**	**20**	**38**
Adjusted EBITDA*	401	340	268	280	284

* 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.

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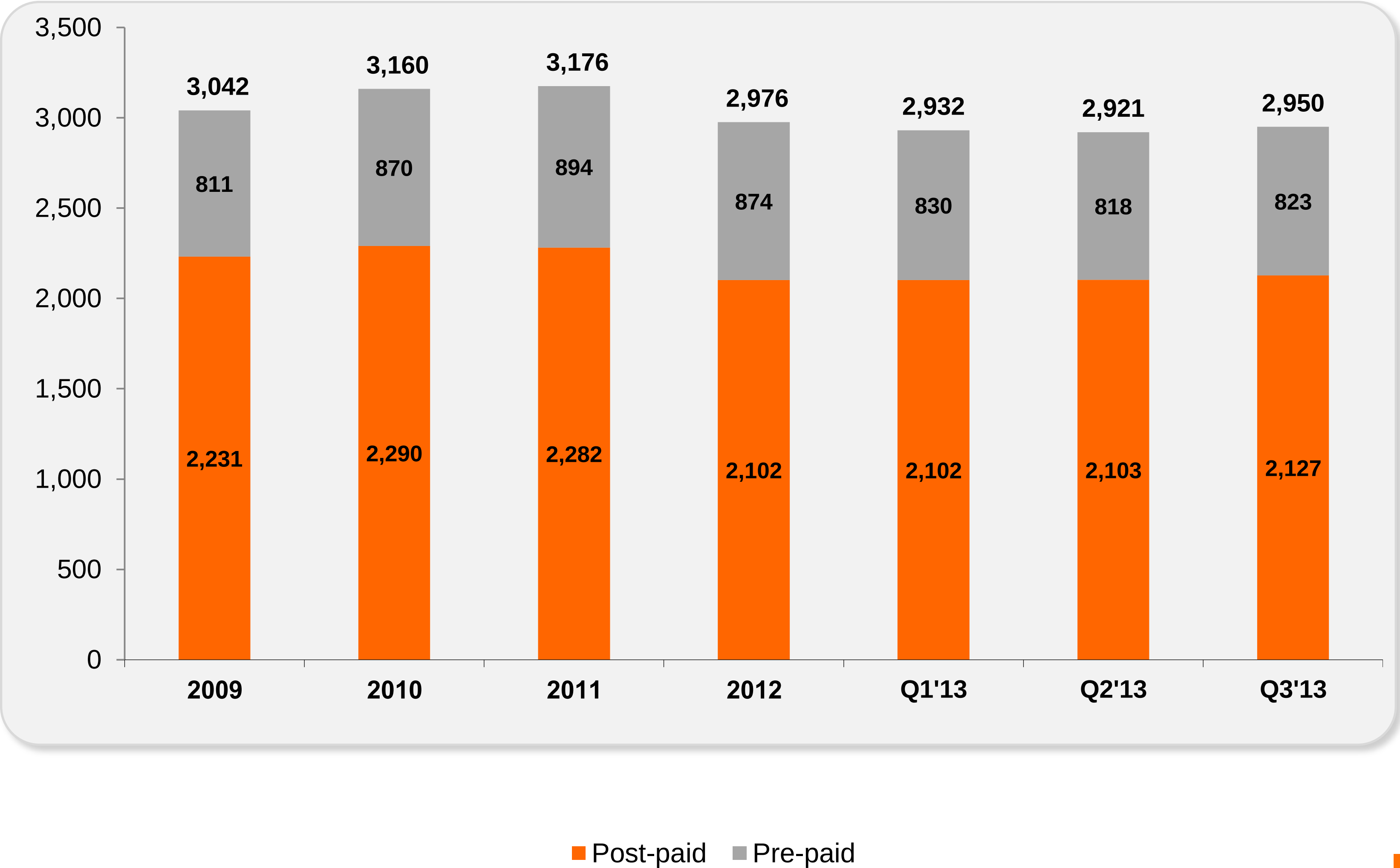
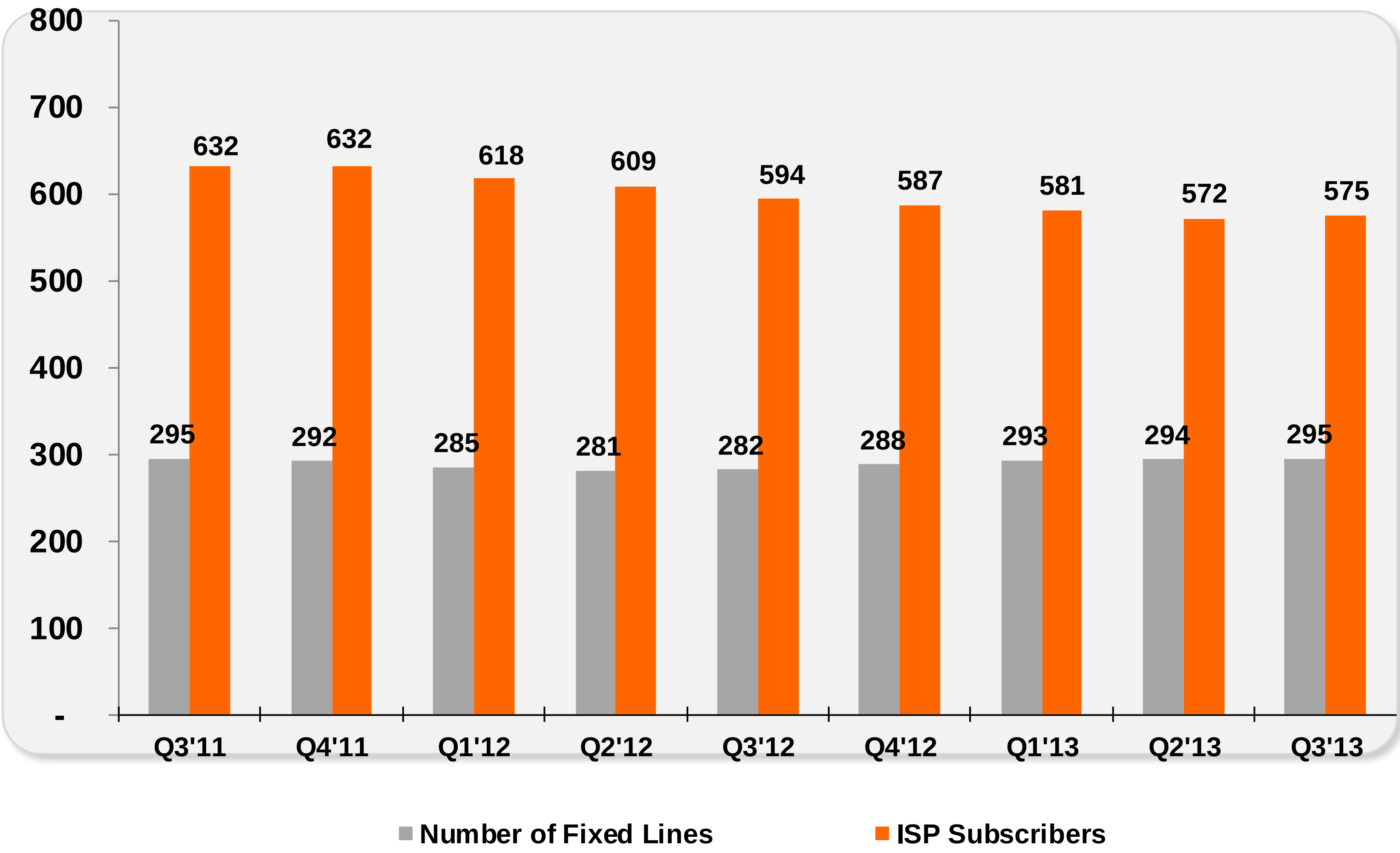
Cellular Subscribers (In thousands)

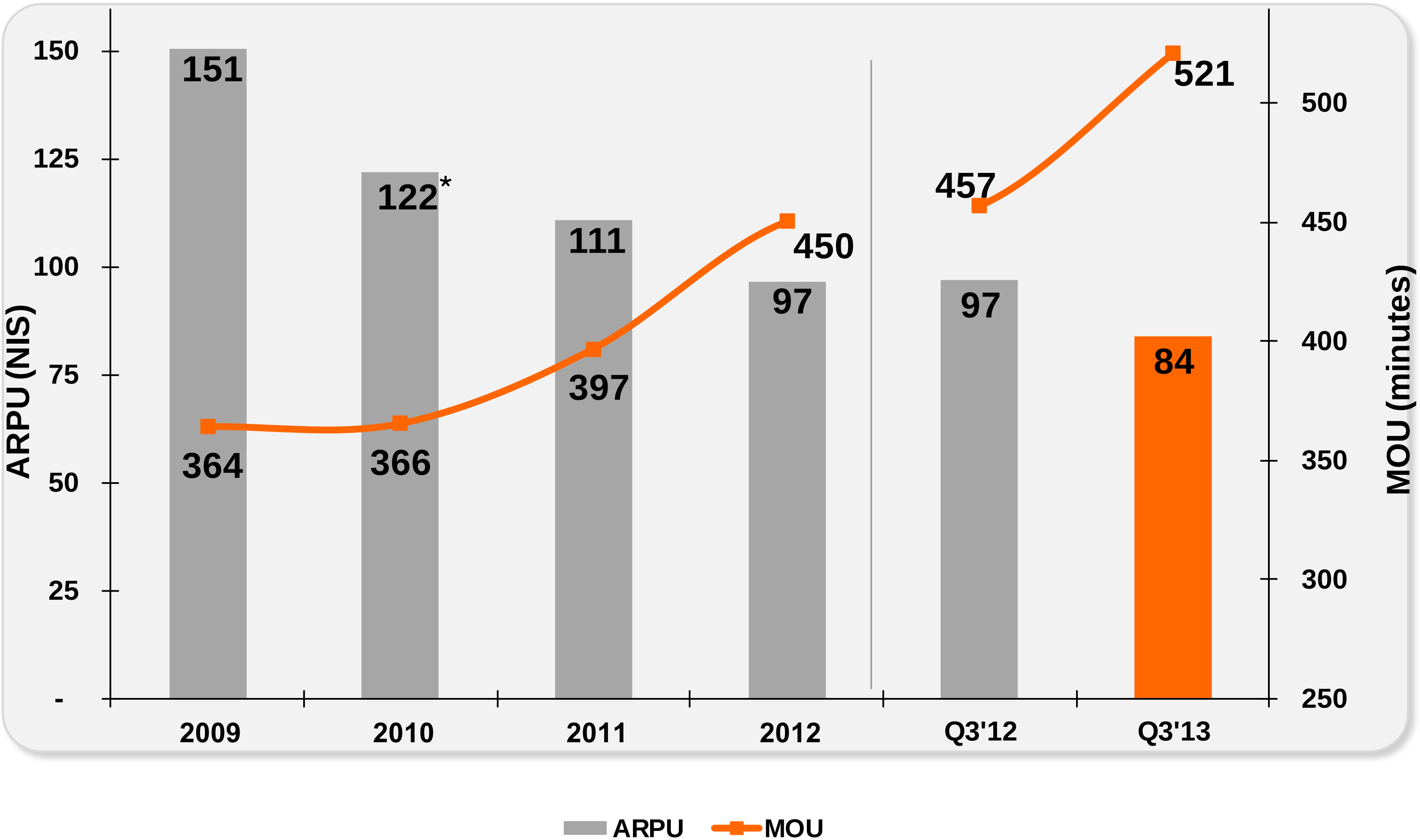


* Cellular subscribers at the end of the period.

Fixed Line Subscribers (In thousands)



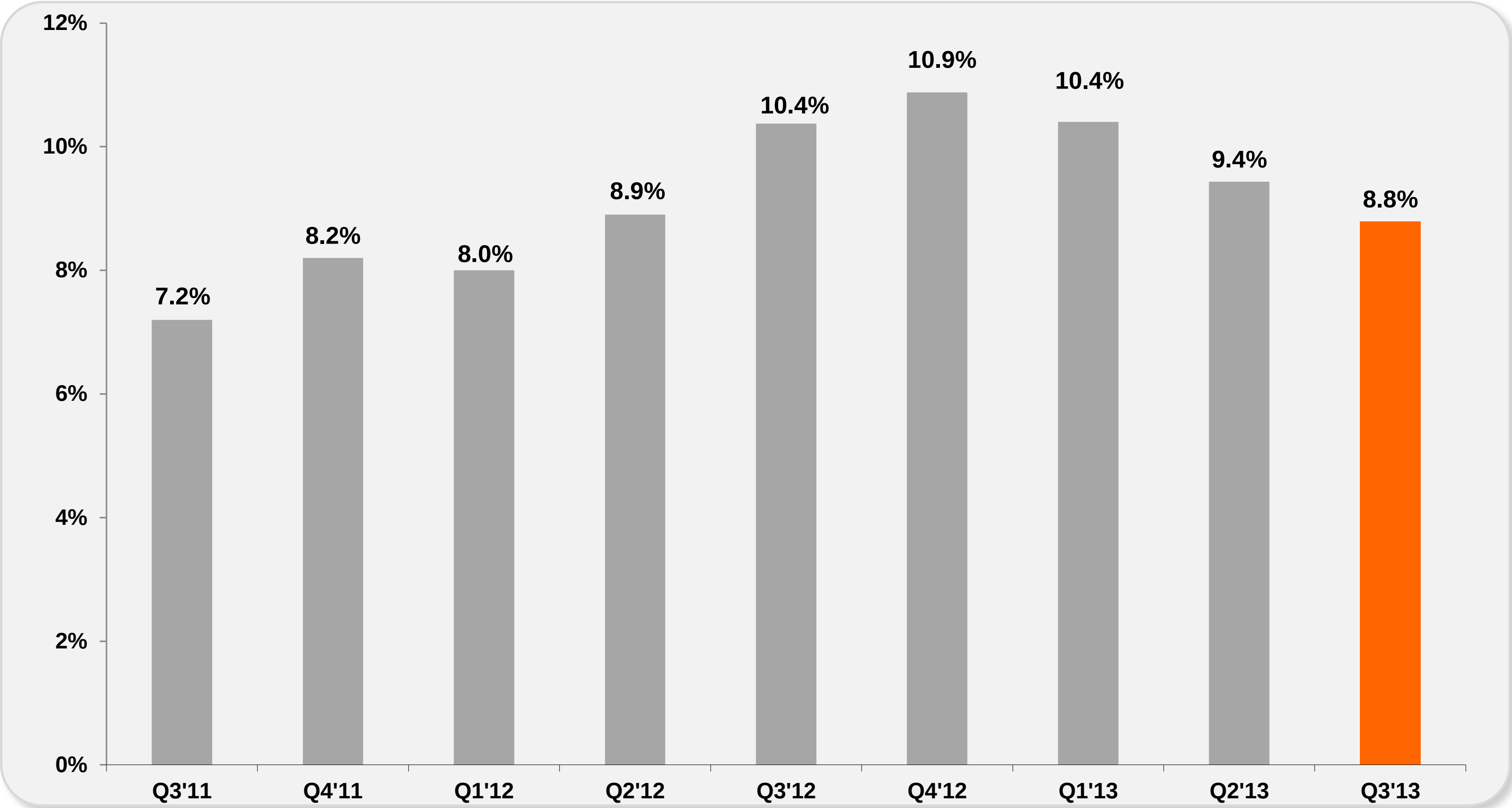
Cellular ARPU and MOU



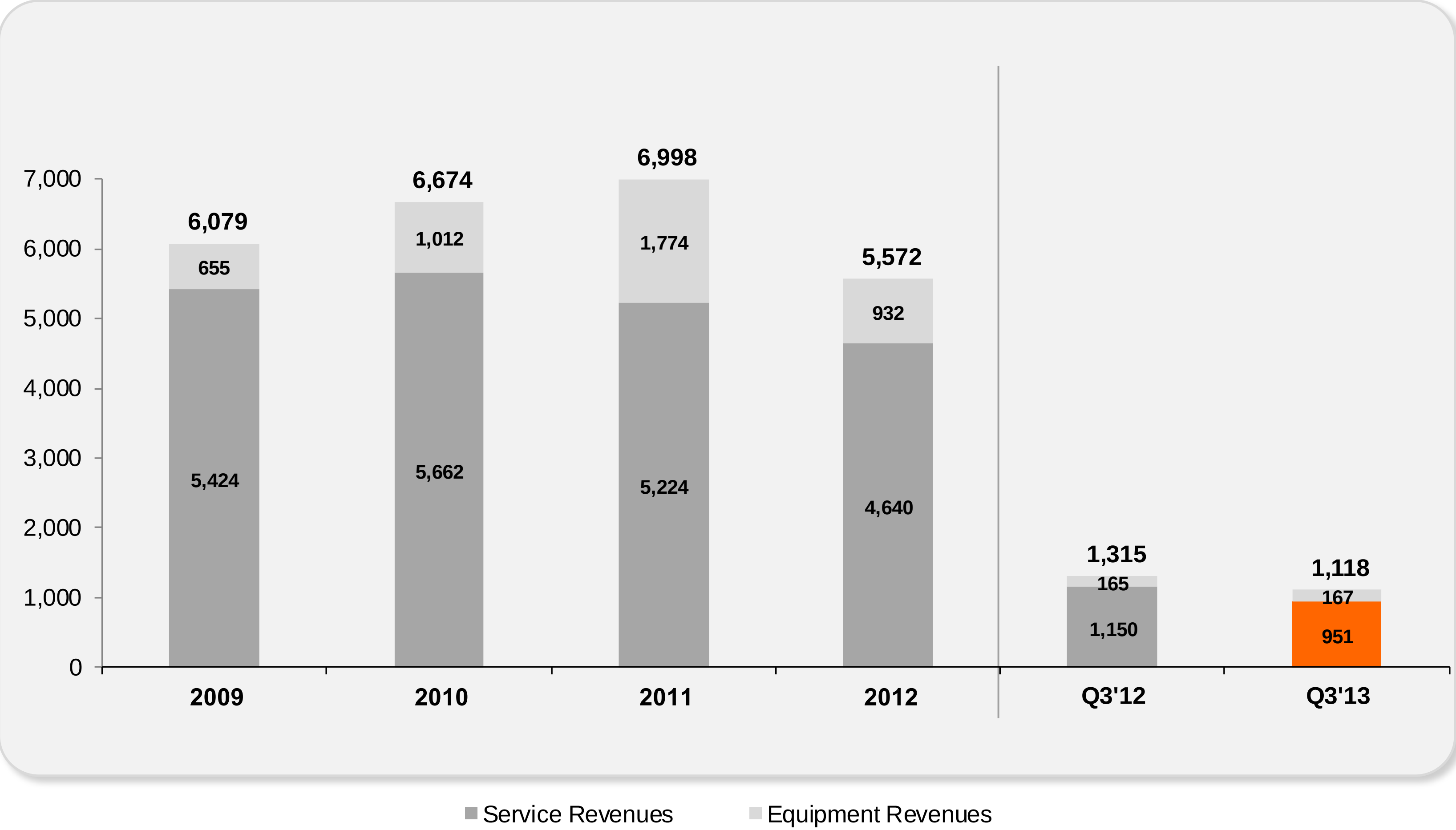
* The ARPU for 2010 has been restated under the interconnect tariff of 2011, for purposes of comparison.

MOU- the Company believes that reporting MOU is no longer beneficial to understanding the results of operation, and therefore the Company is considering ending reporting MOU at the end of 2013.

Quarterly Cellular Churn Rate

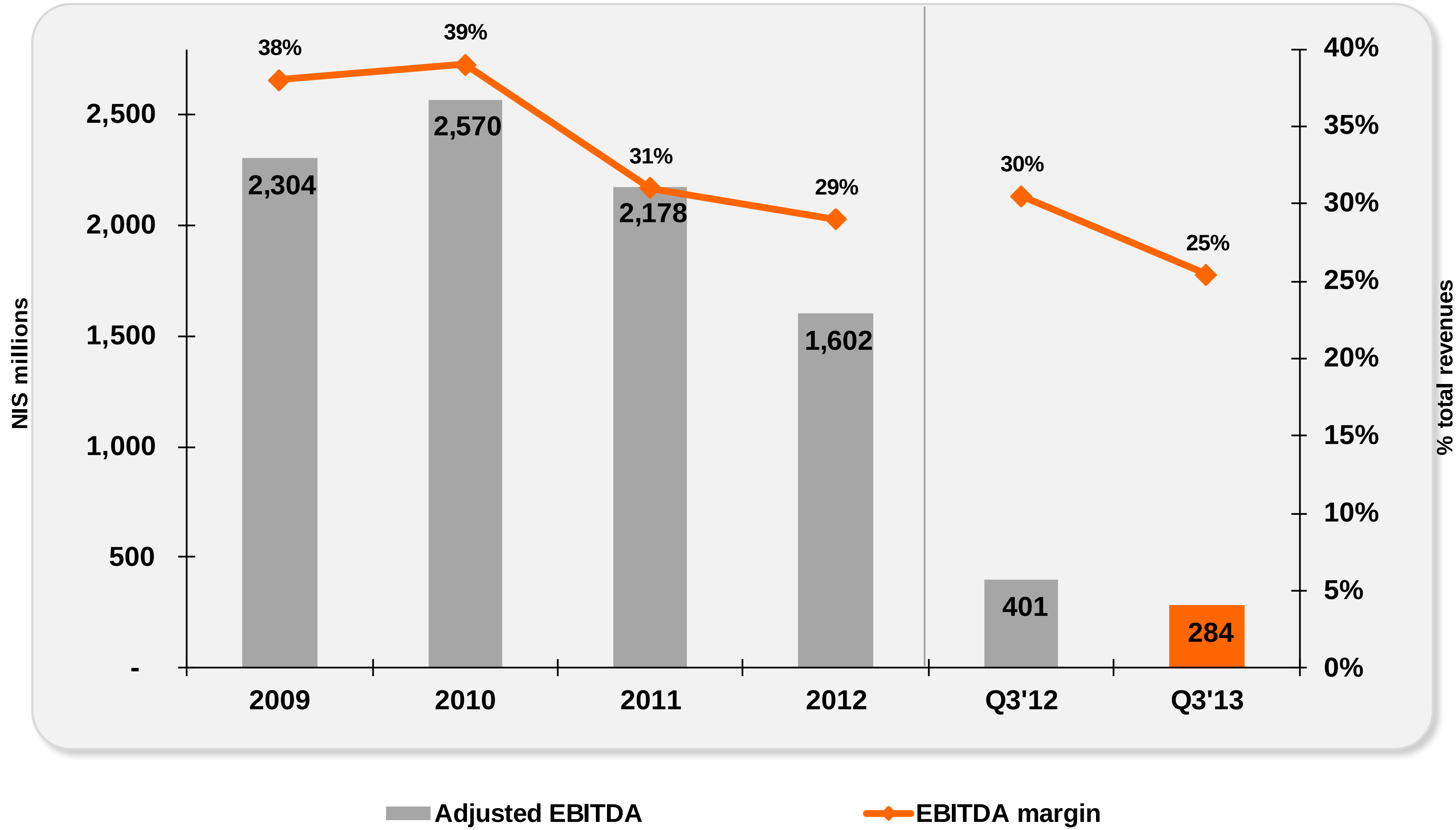


Total Revenues (In million NIS)



Results include 012 Smile from March 2011

Adjusted EBITDA* (In million NIS)



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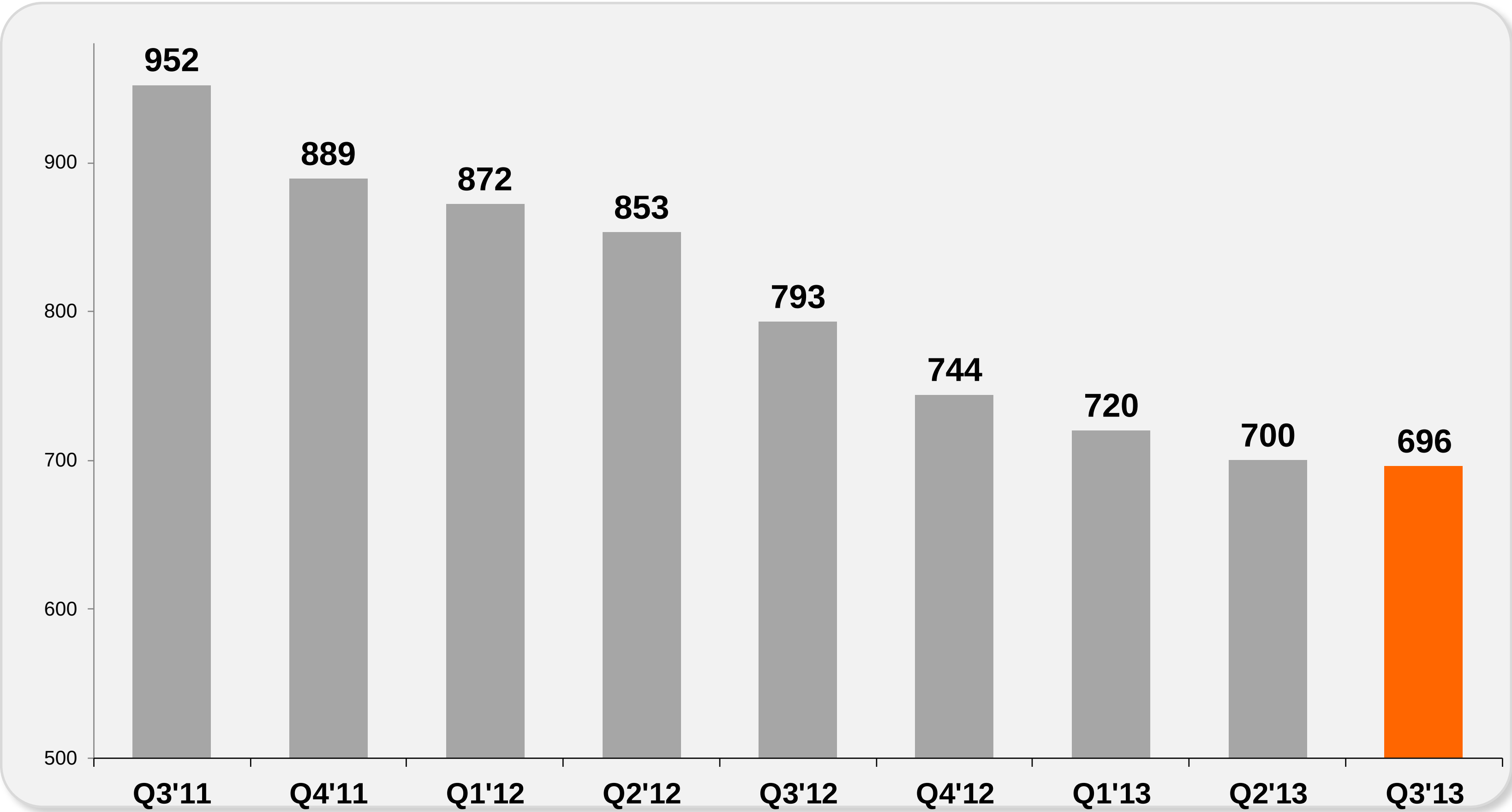
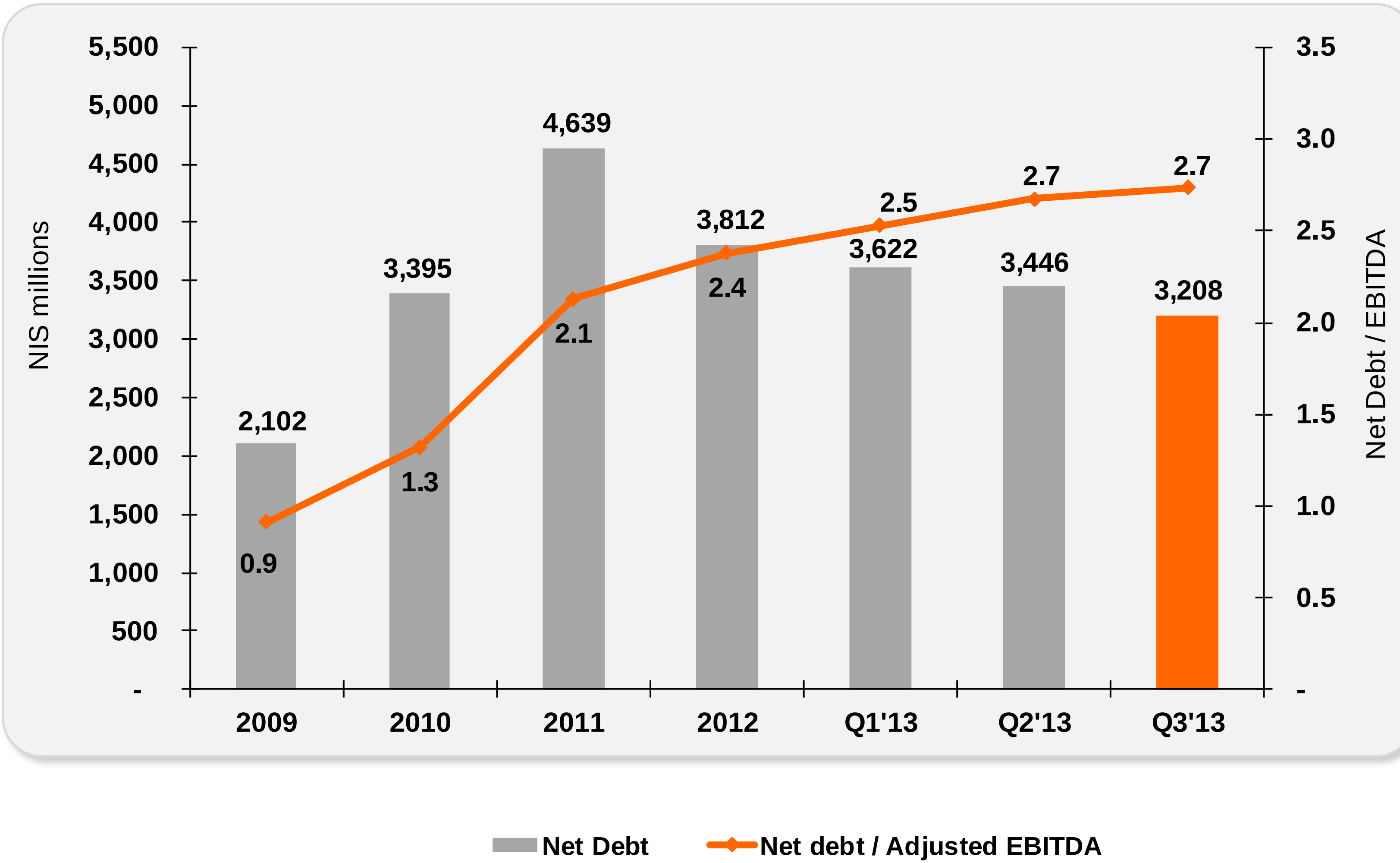
Results include 012 Smile from March 2011

OPEX (In million NIS)



OPEX includes cost of service revenues, and selling, marketing and administrative expenses, and excludes depreciation and amortization and impairment charges.

Net Debt / Adjusted EBITDA*



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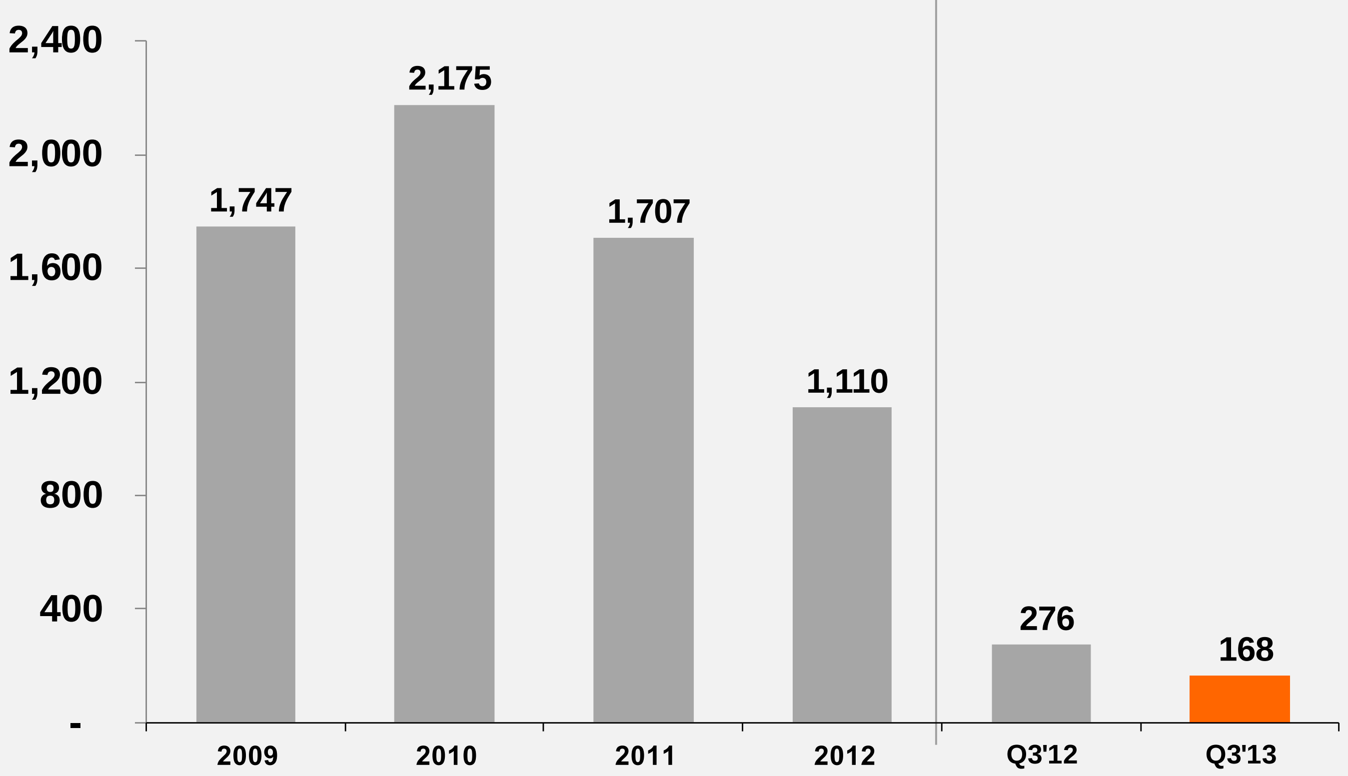
Net Debt at the end of the period, Adjusted EBITDA for the last four quarters

Adjusted EBITDA - CAPEX* (In million NIS)



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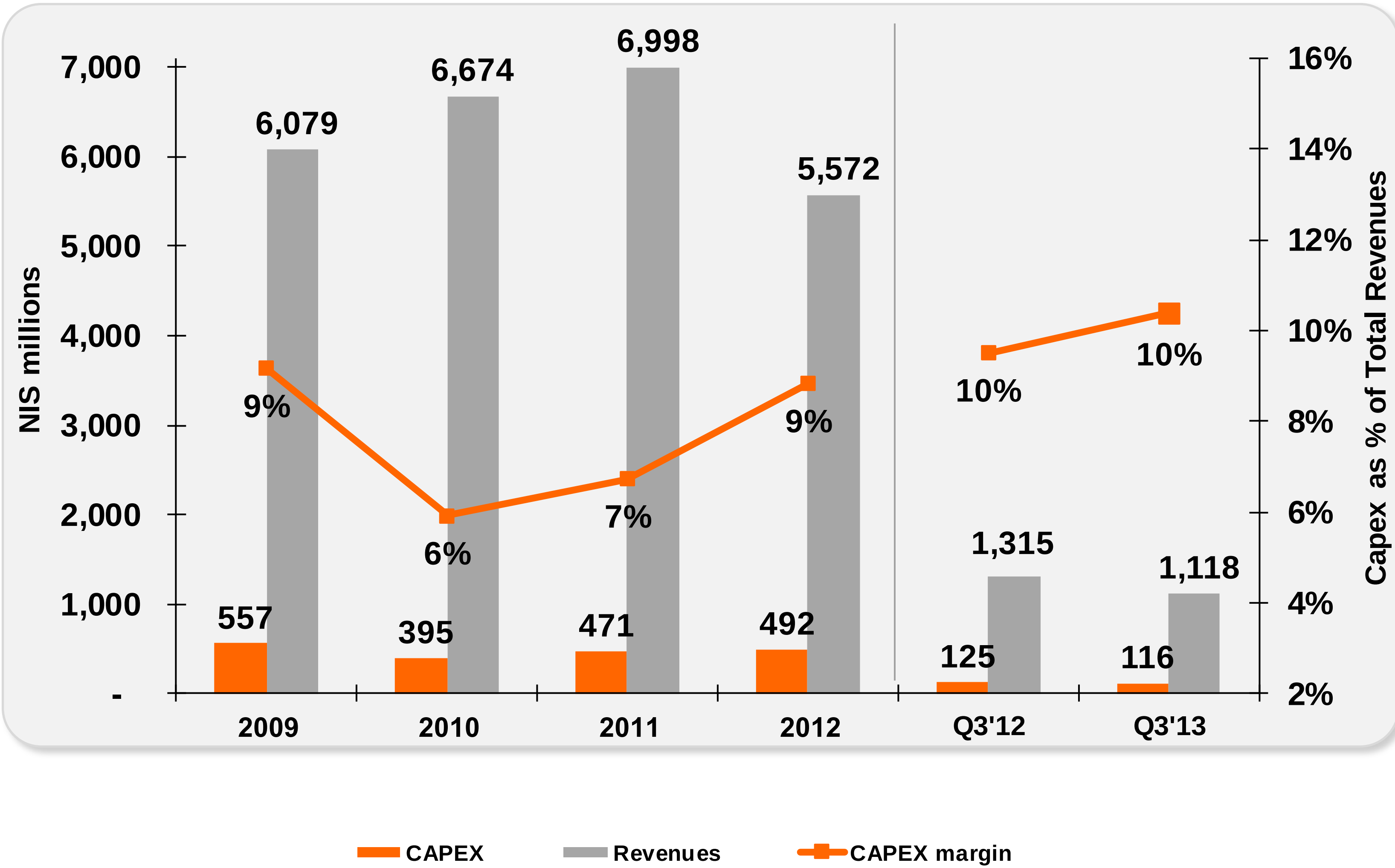
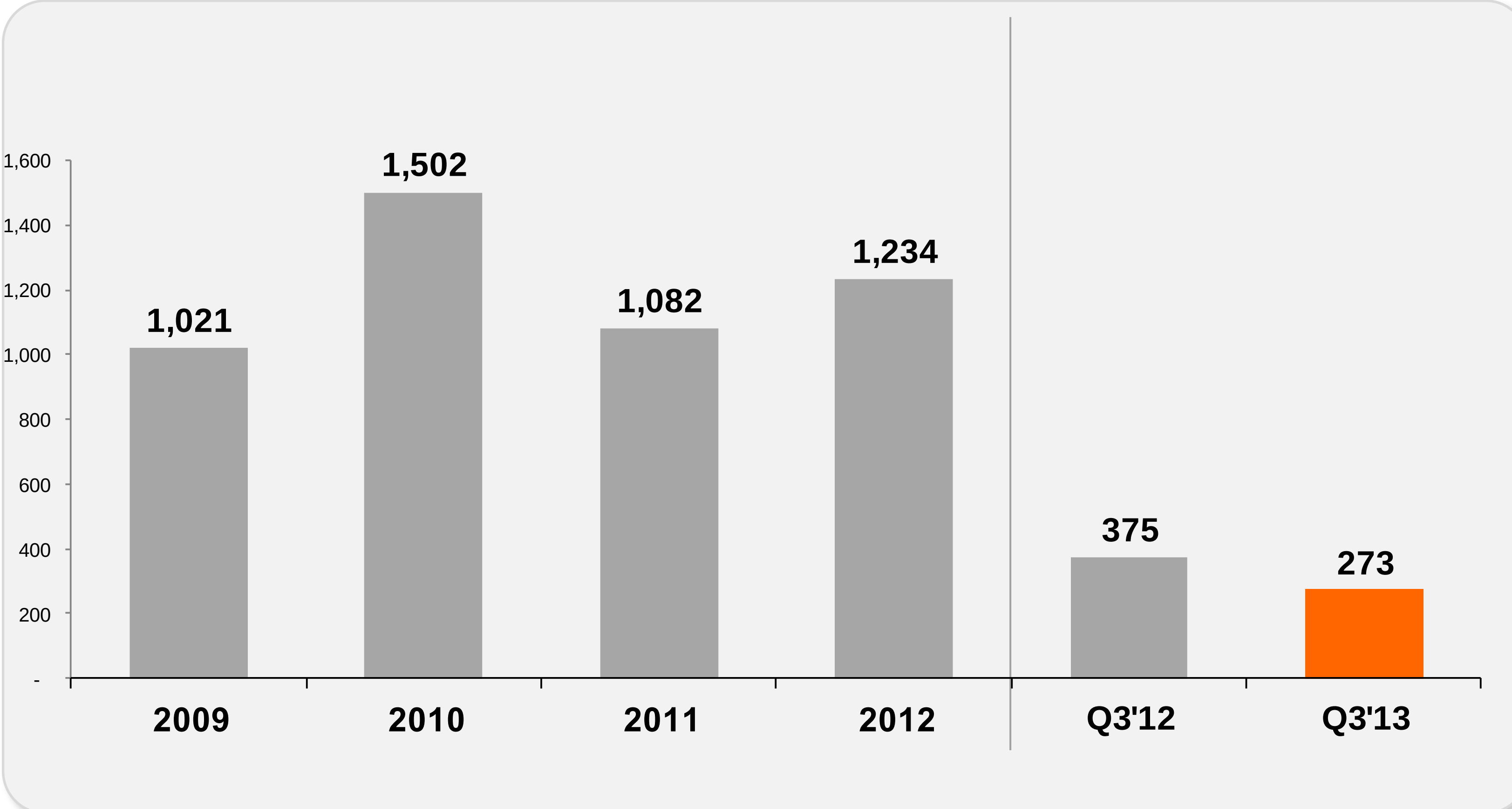
Cash capital expenditures in fixed assets including intangible assets but excluding capitalized subscriber acquisition and retention costs, net.

CAPEX* / Revenues



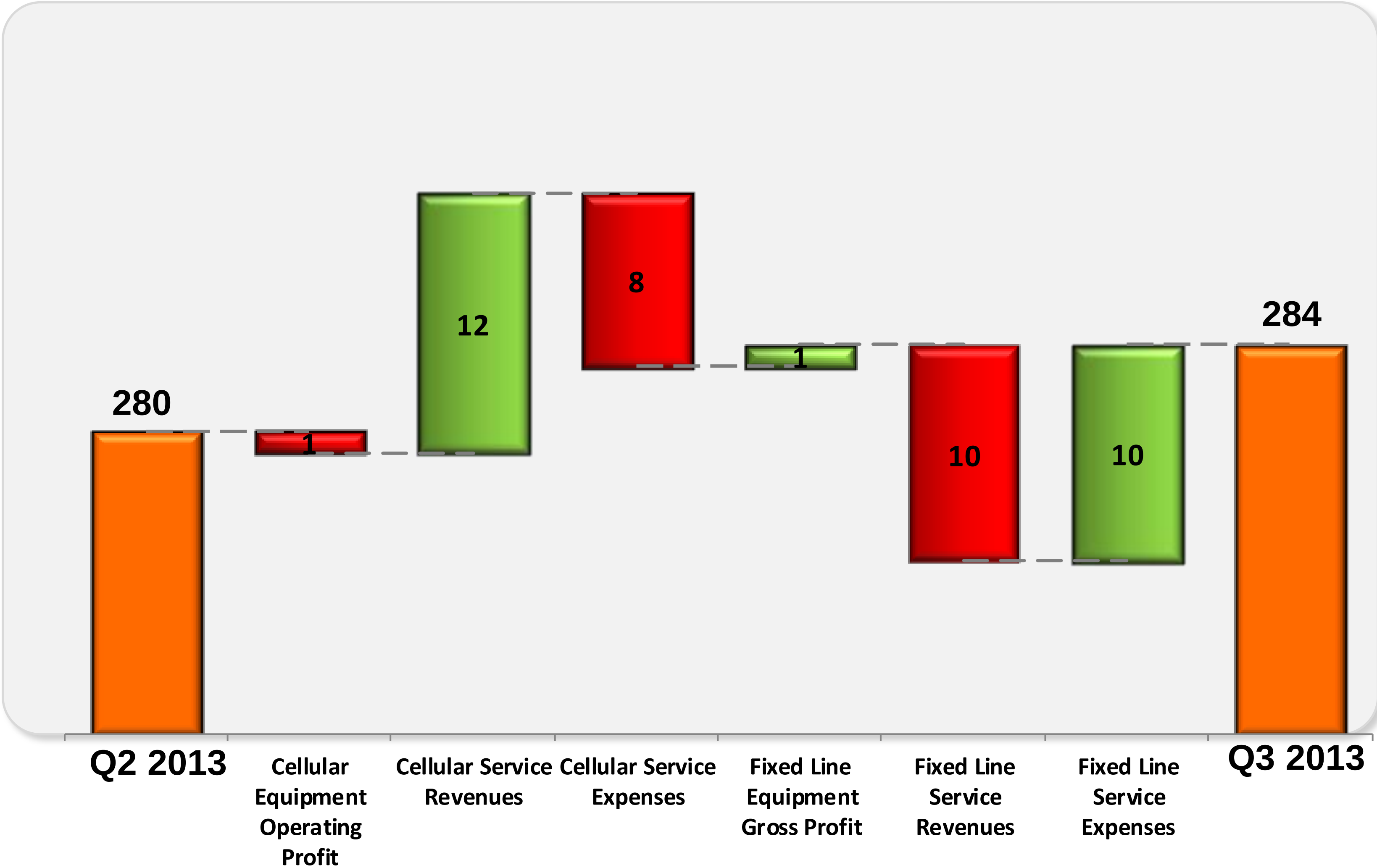
* Cash capital expenditures in fixed assets including intangible assets but excluding capitalized subscriber acquisition and retention costs, net.

Free Cash Flow* (In million NIS)



* Free Cash Flow- Cash flows generated from operating activities before interest payments, net of cash flows used for investments activities, after elimination of cash flows used for the acquisition of 012 Smile. Please refer to the section “Use of Non-GAAP Financial Measures” in the Company’s quarterly press release.

Adjusted EBITDA Evolution Q2'13-Q3'13 (In million NIS)



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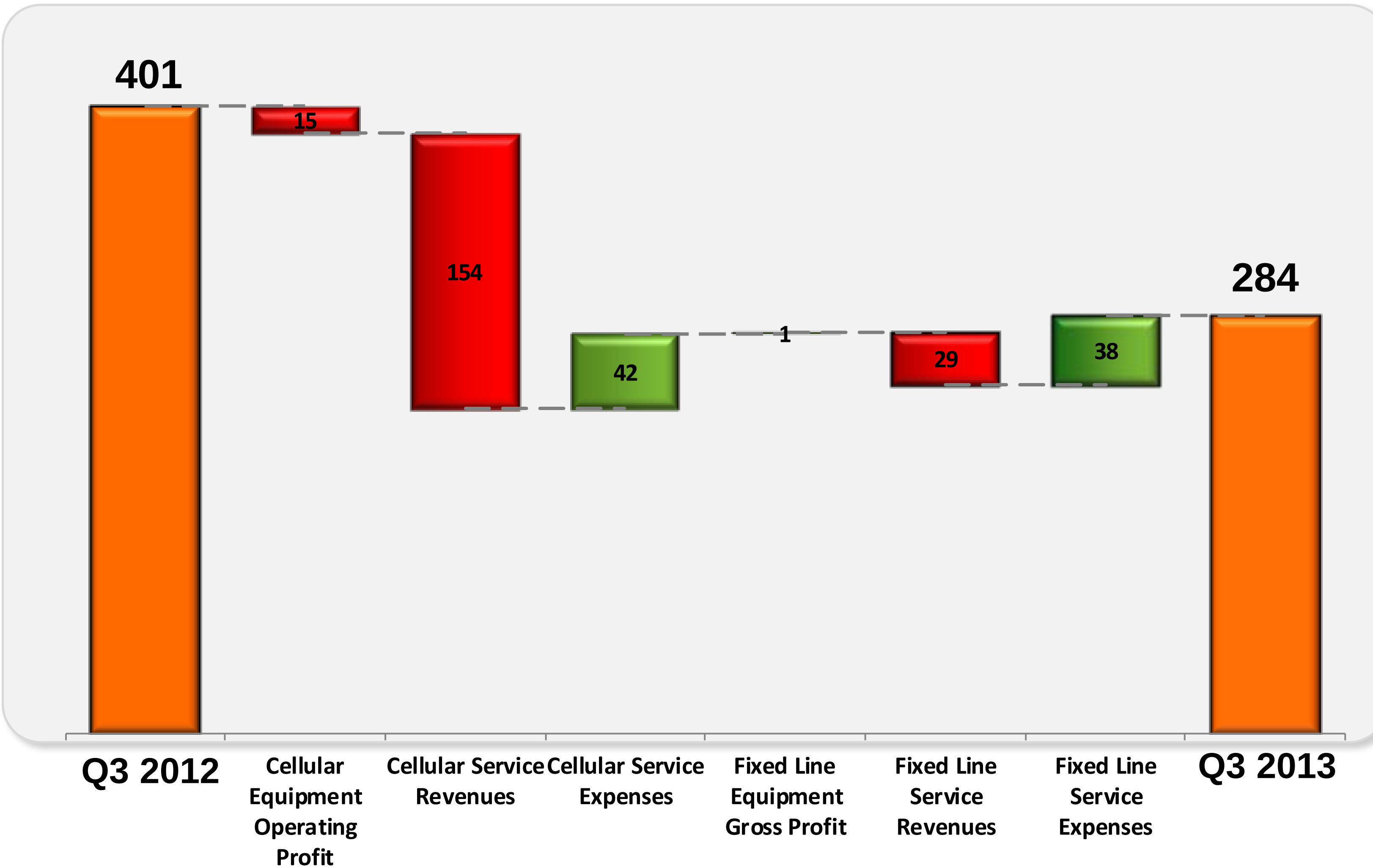
The analysis presented includes intersegment revenues and expenses.

Adjusted EBITDA Evolution Q3'12-Q3'13 (In million NIS)



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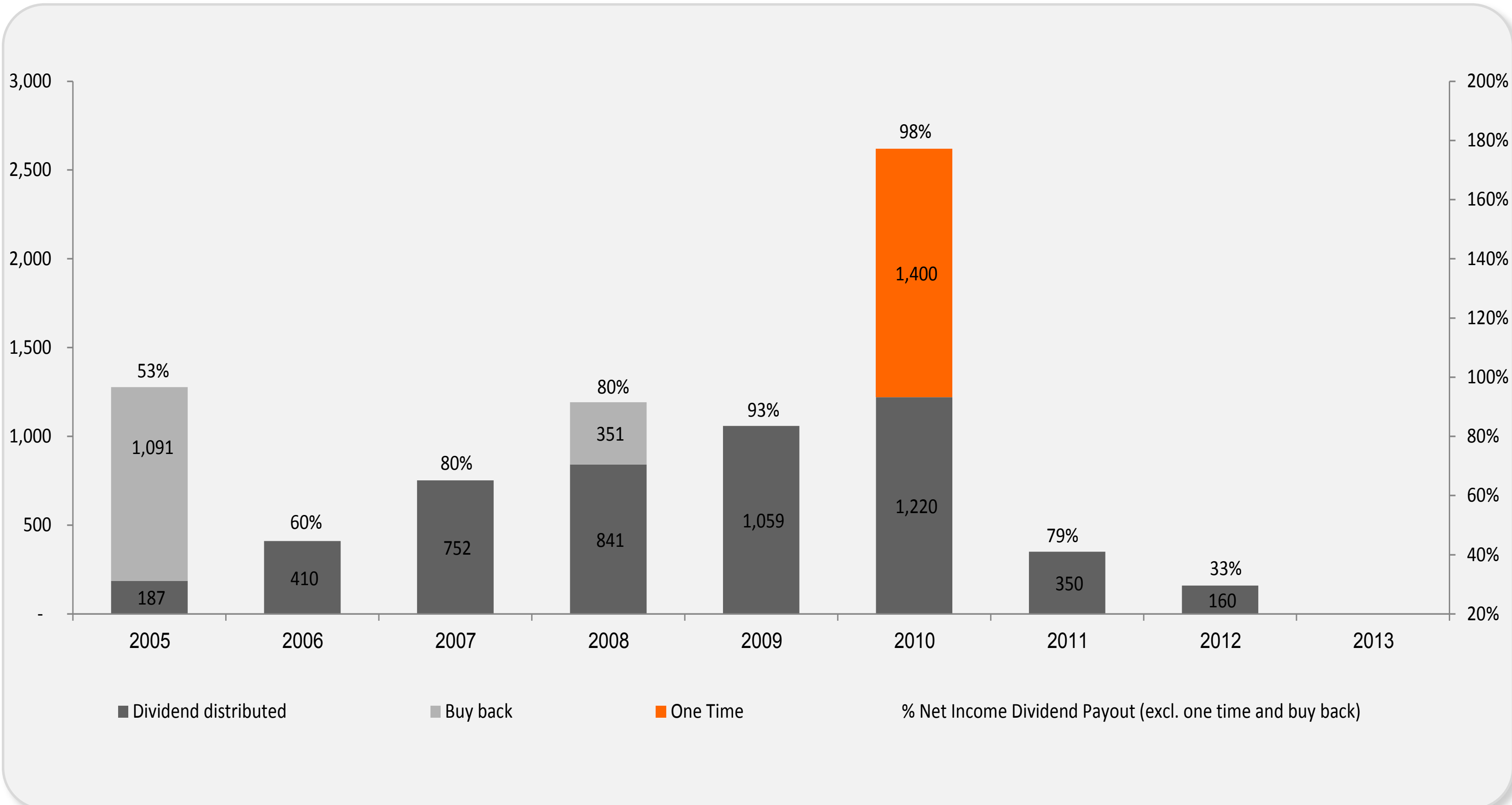
Balance Sheet, September 30, 2013 (In million NIS)

Assets		Liabilities and Equity	
Cash and cash equivalents	779	Current maturities of Notes payables and loans	334
Trade receivables and other	1,251	Trade payables	743
Inventories	84	Other current liabilities	294
Total Current Assets	**2,114**	**Total Current Liabilities**	**1,371**
Trade receivables and other	447	Long term borrowings	3,653
Property and equipment	1,811	Other liabilities	91
Goodwill	407	**Total Long-term Liabilities**	**3,744**
Intangible assets	1,171		
Total Long-term Assets	**3,836**	**Equity**	**835**
Total Assets	**5,950**	**Total Liabilities and Equity**	**5,950**

Dividend Distribution (In million NIS)



4. Partner's Strategic Direction

Network Sharing Arrangement With Hot Mobile

- 15-year agreement, scope and terms subject to approval by Israeli authorities, including the Antitrust Authority
- 50%-50% joint venture to operate and develop a shared radio access network

- Hot Mobile to pay Partner one-time amount by 2017
- from 2017, capital expenditure (CAPEX) requirements to be shared equally
- operating costs (OPEX) to be shared, 50% equally and 50% based on traffic

Both companies will continue independently:

- to retain and operate its own core network
- to provide cellular services to its own customers
- marketing and sales activities

Key benefits:

- savings in CAPEX and OPEX
- reduced no. of network sites
- improved network coverage and capacity
- optimal utilization of existing spectrum for benefit of 4G
- lower environmental impact

Our Strategy

Customer centric strategy	Strong Branding	Operational Excellence	Growth in mobile broadband	Innovation and technological leadership
▪ Excellence in customer experience ▪ Advanced quality service ▪ High level of customer service ▪ Customer value management	▪ Focused marketing strategy ▪ Focus on service, innovation & advanced technology	▪ Integration with 012 Smile ▪ Realizing the full marketing and product potential ▪ Cost savings	▪ Capitalizing on the rapid increase in demand for ubiquitous mobile data services and devices	▪ Innovative products and services ▪ Commitment to network quality ▪ Preparing for 4G network

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In Summary- Why Partner

Advanced network

Customer centric Strategy

Strong Brand

Innovation

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The future is bright. The future is Orange

Ziv Leitman, CFO

investors@orange.co.il

+972 54 781 4951

Investors' website: http://www.orange.co.il/en/Investors-Relations/lobby/

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