



partner communications

## **PARTNER COMMUNICATIONS ANNOUNCES THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING TO PURCHASE TRANSMISSION ACTIVITY OF IC-1**

**Rosh Ha'ayin, Israel, September 5, 2005, Partner Communications Company Ltd. (NASDAQ, Tel Aviv: PTNR, London: PCCD)** announced today it signed a memorandum of understanding with MED1 I.C.-1 (1999) LTD ("IC-1") to purchase the transmission business activity of IC-1, comprising approximately 900 kilometers of transmission fiber and the related business thereof, for cash consideration of approximately US\$ 18 million.

The transaction is subject to the signing of a definitive agreement and other conditions including due diligence, regulatory approvals and board approvals.

Commenting on the proposed transaction, Amikam Cohen, Partner's CEO said today: "This transaction will assist us in reducing costs and develop new products and services which are compatible with our vision to lead personal communications services in Israel for the benefit of our customers and shareholders alike."

*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. Because such statements involve risks and uncertainties, actual results may differ materially from the results currently expected. Factors that could cause such differences include, but are not limited to:*

- Uncertainties about the degree of growth in the number of consumers using wireless personal communications services and in the number of residents;*
- The risks associated with the implementation of a third-generation network and business strategy, including risks relating to the operations of new systems and technologies, substantial expenditures required and potential unanticipated costs, uncertainties regarding the adequacy of suppliers on whom we must rely to provide both network and consumer equipment and consumer acceptance of the products and services to be offered;*
- The impact of existing and new competitors in the market in which we compete, including competitors that may offer less expensive products and services, desirable or innovative products, technological substitutes, or have extensive resources or better financing;*

- *The introduction or popularity of new products and services, including prepaid phone products, which could increase churn;*
- *The effects of vigorous competition in the market in which we operate and for more valuable customers, which may decrease prices charged, increase churn and change the customer mix, profitability and average revenue per user;*
- *The availability and cost of capital and the consequences of increased leverage;*
- *The risks and costs associated with the need to acquire additional spectrum for current and future services;*
- *The risks associated with technological requirements, technology substitution and changes and other technological developments;*
- *Fluctuations in exchange rates;*
- *The results of litigation filed or to be filed against us; and*
- *The possibility of the market in which we compete being impacted by changes in political, economic or other factors, such as monetary policy, legal and regulatory changes or other external factors over which we have no control;*
- *As well as the risk factors specified under the heading “Risk Factors” in our 2004 annual report on form 20-F filed with the SEC on April 21st, 2005.*

### About Partner

Partner Communications Company Ltd. is a leading Israeli mobile communications operator providing GSM/GPRS/UMTS services and wire free applications under the orange™ brand. The Company commenced full commercial operations in January 1999 and, through its network, provides quality of service and a range of features to 2.409 million subscribers in Israel. Partner subscribers can use roaming services in 159 destinations using 342 GSM networks. The Company launched its 3G service in 2004. Partner's ADSs are quoted on NASDAQ under the symbol PTNR and on the London Stock Exchange (LSE) under the symbol PCCD. Its shares are quoted on the Tel Aviv Stock Exchange (TASE) under the symbol PTNR. For further information: <http://www.investors.partner.co.il>

### Contact:

#### **Mr. Alan Gelman**

Chief Financial Officer

Tel: +972-54-7814951

Fax: +972-54-7815961

E-mail: [alan.gelman@orange.co.il](mailto:alan.gelman@orange.co.il)

#### **Dr. Dan Eldar**

V.P. Carrier, International & Investor Relations

Tel: +972-54-7814151

Fax: +972-54-7814161

E-mail: [dan.eldar@orange.co.il](mailto:dan.eldar@orange.co.il)