PARTNER COMMUNICATIONS REPORTS

THIRD QUARTER 2005 RESULTS

Rosh Ha'ayin, Israel, November 08, 2005 **– Partner Communications Company Ltd. (NASDAQ and TASE: PTNR; LSE: PCCD), a leading Israeli mobile communications operator, today announced its results for the third quarter of 2005. Partner reported revenues in Q3 2005 of NIS 1,352.3 million (US$ 294.1 million), EBITDA of NIS 382.7 million (US$ 83.2 million), equivalent to 28.3% of total revenue, and net income of NIS 30.9 million (US$ 6.7 million).**

Commenting on the results, Partner's CEO, Amikam Cohen, said: "Q3 2005 was the quarter in which our efforts to lead the 3G revolution in Israel stepped up a gear. We launched three more 3G handsets and a range of 3G content services. To encourage take-up we significantly increased, for a limited period in Q3, the introductory handset subsidies we offered to new and upgrading 3G subscribers. The take-up has been highly encouraging: 3G subscriber numbers more than doubled in the quarter, and at the end of the quarter, over 73,000 3G subscribers were already experiencing the wide range of our exciting 3G services. We plan to market a wider range of handsets in 2006, and we expect handset costs and subsidies to come down."

Q3 2004 vs. Q3 2005 Comparison

	Q3 2004	Q3 2005	Change
Revenues (NIS millions)	1,348.4	1,352.3	0.3%
EBITDA (NIS millions)	413.8	382.7	(7.5%)
Operating Profit (NIS millions)	275.9	211.2	(23.5%)
Net Income (NIS millions)	114.9	30.9	(73.1%)
Cash flow from operating activities net of investing activities (NIS millions)	269.5	46.1	(82.9%)
Subscribers (thousands)	2,269	2,480	9.3%
Estimated Market Share (%)	32	32	-
Quarterly Churn Rate (%)	2.6	3.2	21.9%
Average Monthly Usage per Subscriber (minutes)	291	306	5.1%
Average Monthly Revenue per Subscriber (NIS)	176	162	(8.0%)
Average Subscriber Acquisition Costs (NIS)	277	363	31.0%

Financial Review

In Q3 2005 Partner's revenues totaled NIS 1,352.3 million (US$ 294.1 million), approximately equivalent to the revenues of NIS 1,348.4 million in Q3 2004 and up 8.1% from NIS 1,250.9 million in Q2 2005. Compared with Q3 2004, revenues were higher primarily as a result of a larger subscriber base and increased minutes of use, but this was offset primarily by the impact of the reduction in interconnection tariffs which went into effect in March 2005. Compared with Q2 2005, the increase was driven by the seasonal growth in service revenues and growth in handset sales.

Content and data revenues for Q3 2005 accounted for 8.0% of total revenues, up from 6.4% in Q3 2004, despite the reduction in SMS interconnection tariffs, and up from 7.3% in Q2 2005. Data and content non-SMS revenues increased by 50.1% in Q3 2005 compared with Q3 2004.

Compared with Q3 2004, the cost of revenues related to services rose by 5.4% from NIS 752.5 million to NIS 792.8 million (US$ 172.4 million) in Q3 2005, and rose by 8.7% compared with NIS 729.5 million in Q2 2005. In relation to Q3 2004, the increase was due to higher depreciation and amortization charges related to the 3G network, offset by lower variable airtime costs resulting from the reduction in interconnect tariffs mandated by the Ministry of Communications. The increase compared with Q2 2005 was due primarily to higher variable airtime costs. The cost of revenues related to equipment was NIS 231.0 million (US$ 50.2 million) in Q3 2005, an increase of 20.3% from NIS 192.1 million in Q3 2004 and an increase of 46.3% from NIS 157.9 million in Q2 2005. The increase, as compared with both Q3 2004 and Q2 2005, was due to an increase in the number and average cost of handsets sold.

Overall, gross profit was NIS 328.5 million (US$ 71.4 million) in Q3 2005, representing a 18.6% decrease from NIS 403.8 million in Q3 2004, and a 9.6% decrease from NIS 363.4 million in Q2 2005. The decrease, compared with Q3 2004, was driven by the additional handset subsidies to increase 3G subscriber penetration and the increased level of depreciation and amortization on the 3G network. Compared with Q2 2005, the decrease was almost entirely from the additional handset subsidies to increase 3G subscriber penetration.

Selling and marketing expenses decreased by 10.6% in Q3 2005 to NIS 72.1 million (US$ 15.7 million) from NIS 80.7 million in Q3 2004, but increased by 10.2% from NIS 65.4 million in Q2 2005. The increase compared with Q2 2005 was principally due to distribution and marketing costs related to 3G promotions.

General and administrative expenses in Q3 2005 decreased by 4.1% to NIS 45.2 million (US$ 9.8 million) compared with NIS 47.1 million in Q3 2004 and decreased by 2.1% from NIS 46.2 million compared with Q2 2005.

Overall, operating profit for Q3 2005 was NIS 211.2 million (US$ 45.9 million), representing a decrease of 23.5% from NIS 275.9 million in Q3 2004, and a decrease of 16.1% from NIS 251.8 million in Q2 2005. The Company recorded quarterly EBITDA of NIS 382.7 million (US$ 83.2 million) compared with EBITDA in Q3 2004 of NIS 413.8 million, a decrease of 7.5%, and a decrease of 9.1% compared with NIS 420.8 million in Q2 2005. In revenue terms, EBITDA decreased to 28.3% of revenues in Q3 2005, down from 30.7% in Q3 2004 and from 33.6% in Q2 2005.

Financial expenses in Q3 2005 were NIS 148.8 million (US$ 32.4 million), up 237.8% from NIS 44.0 million in Q3 2004, and up 79.6% compared with NIS 82.8 million in Q2 2005. The increase was primarily driven by a one-off charge in the amount of NIS 63 million related to the redemption of the US$ 175 million 13% Senior Subordinated Notes on August 15, 2005, as well as interest charges related to both the redeemed Notes and the new CPI-linked shekel-denominated Notes.

Net income in the third quarter of 2005 was NIS 30.9 million (US$ 6.7 million), representing a decrease of 73.1% from NIS 114.9 million in Q3 2004, and 73.3% from NIS 115.8 million in Q2 2005. The decrease compared with both Q3 2004 and Q2 2005 can be primarily attributed to the one-off charges related to the redemption of the 13% Senior Subordinated Notes on August 15, 2005 and the additional activation, retention, and selling and marketing costs associated with the drive to increase 3G subscriber penetration.

Basic earnings per share, based on the average number of shares outstanding during the quarter, were NIS 0.20 (4 US cents) in Q3 2005, down from NIS 0.63 in Q3 2004 and NIS

0.73 in Q2 2005. Fully diluted earnings per share in Q3 2005 were also NIS 0.20 (4 US cents), down from NIS 0.62 in Q3 2004 and down from NIS 0.72 in Q2 2005.

Funding and Investing Review

On August 15, 2005, the Company redeemed its outstanding US$ 175 million 13% Senior Subordinated Notes, due 2010. According to the terms of the Notes, the redemption price was 106.5% of the principal amount. The redemption, which was financed from our new bank facility and funds generated from current operations, concluded the refinancing of the Company's long term debt into lower cost CPI linked shekel-denominated debt.

In Q3 2005 cash flows generated from operating activities, net of cash flows from investing activities, totaled NIS 46.1 million (US$ 10.0 million), compared with NIS 269.5 million in Q3 2004, a decrease of 82.9%, and compared with NIS 132.8 million in Q2 2005, a decrease of 65.3%. The decrease from Q3 2004 incorporated both a decrease in cash flows from operating activities and an increase in payments for investments in fixed assets. The decrease from Q2 2005 was primarily due to a decrease in cash flows from operating activities, following payment of the one-off charges related to the redemption of the US$ 175 million 13% Senior Subordinated Notes.

Net investment in fixed assets totaled NIS 76.8 million (US$ 16.7 million) in Q3 2005, down from NIS 170.7 million in Q3 2004 and down from NIS 139.4 million in Q2 2005. In Q2 2005 the Company substantially completed the build-out of its 3G network, which started early in 2004. Therefore, the investment level in the current quarter was lower.

Operational Review

In Q3 2005, approximately 71,000 net active subscribers joined the Company compared with approximately 67,000 in Q3 2004 and approximately 37,000 in Q2 2005. The quarterly churn rate increased to 3.2% from 2.6% in Q3 2004 and decreased from 3.6% in Q2 2005. The changes in the churn rates resulted primarily from the prepaid sector. The Company's active subscriber base at the end of September 2005 was approximately 2,480,000, including approximately 486,000 business subscribers or 19% of the base, approximately 1,255,000 postpaid private subscribers, or 51% of the base, and approximately 739,000 prepaid subscribers, or 30% of the base. Of the Company's subscriber base, approximately 73,000 are 3G subscribers. Overall, we estimate our total market share to be around 32%.

ARPU in Q3 2005 was approximately NIS 162 (US$ 35), compared with approximately NIS 176 in Q3 2004 and NIS 157 in Q2 2005. The decrease compared with Q3 2004 was primarily driven by the reduction in interconnection charges.

The average minutes of use for Q3 2005 was approximately 306 minutes per month, compared with 291 minutes per month in Q3 2004 and 296 minutes per month in Q2 2005.

In Q3 2005, the average cost of acquiring new subscribers (SAC) was approximately NIS 363 (US$ 79), up from NIS 277 in Q3 2004 and from NIS 263 in Q2 2005. The increase compared with both Q3 2004 and Q2 2005 principally reflects the higher introductory handset subsidies provided to 3G subscribers.

Outlook and Guidance

Commenting on the Company's outlook, Mr. Alan Gelman, Partner's Chief Financial Officer said: "In the third quarter we invested in two major courses of action which significantly impacted on our quarterly operating results; one to promote future revenue growth and one to reduce future financial expenses.

As part of our 3G strategy and to establish future incremental revenue streams, we temporarily increased handset subsidies and consequently incurred an increased gross loss on handsets of approximately NIS 40 million compared with Q3 2004 and NIS 35 million compared with the previous quarter. As part of the restructuring of our debt into lower cost CPI linked shekel-denominated debt, we redeemed our expensive US$ 175 million 13% Senior Subordinated Notes and incurred a one-off charge in the amount of NIS 63 million. Since handset subsidies in Q4 will be lower than Q3, we expect our fourth quarter results to support the annual guidance we gave on February 7, 2005, our main objective being to maintain 2005 EBITDA at the level achieved in 2004."

Conference Call Details

Partner Communications will hold a conference call to discuss the company's third-quarter results on Tuesday, November 08, 2005, at 16:00 Israel local time (09AM EST). This conference call will be broadcast live over the Internet and can be accessed by all interested parties through our investor relations web site at http://www.investors.partner.co.il.

To listen to the broadcast, please go to the web site at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. For those unable to listen to the live broadcast, an archive of the call will be available via the Internet (at the same location as the live broadcast) shortly after the call ends, and until midnight of November 15, 2005.

About Partner Communications

Partner Communications Company Ltd. (Partner) 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 service and a range of features to 2,480 million subscribers in Israel (as of 30 September, 2005). Partner subscribers can use roaming services in 161 destinations using 344 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 under the symbol PCCD. Its shares are quoted on the Tel Aviv Stock Exchange under the symbol PTNR.

Partner is a subsidiary of Hutchison Telecommunications International Limited (Hutchison Telecom). Hutchison Telecom is a leading listed telecommunications operator (SEHK: 2332; NYSE: HTX) focusing on dynamic markets. It currently offers mobile and fixed-line telecommunication services in Hong Kong, and operates or is rolling out mobile telecommunication services in India, Israel, Macau, Thailand, Sri Lanka, Ghana, Indonesia and Vietnam.

For more information about Partner, see www.investors.partner.co.il.

Notes: Some of the information in this release contains forward-looking statements that involve risks and uncertainties within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us.

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 annual report 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.

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:

— the effects of the high degree of regulation in the telecommunications market in which we operate;

— regulatory developments relating to tariffs, including interconnect tariffs;

— regulatory developments related to the implementation of number portability;

— the difficulties associated with obtaining all permits required for building and operating of antenna sites;

— alleged health risks related to antenna sites and use of telecommunication devices;

— the possible requirement to indemnify planning committees in respect of claims made against them relating to the depreciation of property values or to alleged health damages resulting from antenna sites;

— 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 our customer mix, profitability and average revenue per user, and the response of competitors to industry and regulatory developments;

— 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;

— uncertainties about the degree of growth in the number of consumers in Israel using wireless personal communications services and the growth in the Israeli population;

— the risks associated with the implementation of a third generation (3G) network and business strategy, including risks relating to the operations of new systems and technologies, 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 risks associated with technological requirements, technology substitution and changes and other technological developments;

— fluctuations in foreign exchange rates;

— the availability and cost of capital and the consequences of increased leverage;

— the results of litigation filed or that may 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 22, 2005.

The attached summary financial statements were prepared in accordance with U.S. GAAP. The attached summary financial statements for Q3 2005 are unaudited.

The convenience translations of the Nominal New Israeli Shekel (NIS) figures into US Dollars were made at the rate of exchange prevailing at September 30, 2005: US$ 1.00 equals NIS 4.598. The translations were made purely for the convenience of the reader.

Earnings before interest, taxes, depreciation, amortization, exceptional items and capitalization of intangible assets ('EBITDA') is presented because it is a measure commonly used in the telecommunications industry and is presented solely in order to improve the understanding of the

Company's operating results and to provide further perspective on these results. EBITDA, however, should not be considered as an alternative to operating income or income for the year as an indicator of the operating performance of the Company. Similarly, EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity. EBITDA is not a measure of financial performance under generally accepted accounting principles and may not be comparable to other similarly titled measures for other companies. EBITDA may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results.

Reconciliation between our cash flows from operating activities and EBIDTA is presented in the attached summary financial statements.

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PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)

CONDENSED CONSOLIDATED BALANCE SHEETS

	New Israeli shekels		Convenience translation into U.S. dollars	
	September 30, 2005	**December 31, 2004**	**September 30, 2005**	**December 31, 2004**
	(Unaudited)	**(Audited)**	**(Unaudited)**	**(Audited)**
	I n t h o u s a n d s			
A s s e t s				
CURRENT ASSETS:				
Cash and cash equivalents	3,078	4,611	669	1,003
Accounts receivable:				
Trade	750,259	625,220	163,171	135,977
Other	106,775	70,158	23,222	15,258
Inventories	129,470	101,656	28,158	22,109
Deferred income taxes	126,175	255,503	27,441	55,568
T o t a l current assets	1,115,757	1,057,148	242,661	229,915
INVESTMENTS AND LONG-TERM RECEIVABLES:				
Accounts receivables - trade	181,130	96,687	39,393	21,028
Funds in respect of employee rights upon retirement	74,117	69,128	16,119	15,034
	255,247	165,815	55,512	36,062
FIXED ASSETS, net of accumulated depreciation and amortization	1,820,629	1,843,182	395,961	400,866
LICENSE AND DEFERRED CHARGES, net of amortization	1,343,916	1,325,592	292,283	288,298
DEFERRED INCOME TAXES	82,053	94,442	17,845	20,540
	4,617,602	4,486,179	1,004,262	975,681

Date of approval of the financial statements: November 7, 2005

	New Israeli shekels		Convenience translation into U.S. dollars	
	September 30, 2005	December 31, 2004	September 30, 2005	December 31, 2004
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	I n t h o u s a n d s			
Liabilities and shareholders' equity				
CURRENT LIABILITIES:				
Current maturities of long-term liabilities	34,342		7,469	
Accounts payable and accruals:				
Trade	624,902	552,377	135,907	120,135
Other	213,941	307,364	46,529	66,847
Dividend payable	86,769		18,871	
T o t a l current liabilities	959,954	859,741	208,776	186,982
LONG-TERM LIABILITIES:				
Bank loans, net of current maturities	809,313	1,185,088	176,014	257,740
Notes payable	2,006,580	753,900	436,403	163,963
Liability for employee rights upon retirement	99,303	92,808	21,597	20,185
Other liabilities, net of current maturities	19,805	7,567	4,307	1,646
T o t a l long-term liabilities	2,935,001	2,039,363	638,321	443,534
T o t a l liabilities	3,894,955	2,899,104	847,097	630,516
SHAREHOLDERS' EQUITY:				
Share capital - ordinary shares of NIS 0.01 par value: authorized - December 31, 2004 and September 30, 2005 - 235,000,000 shares; Issued and outstanding - December 31, 2004 - 184,037,221 shares and September 30, 2005 – 152,224,013 shares	1,522	1,840	331	400
L e s s - receivable in respect of shares		(2,260)		(492)
Capital surplus	2,394,223	2,362,027	520,710	513,707
Deferred compensation	(15,210)	(23,650)	(3,309)	(5,144)
Accumulated deficit	(1,657,888)	(750,882)	(360,567)	(163,306)
T o t a l shareholders' equity	722,647	1,587,075	157,165	345,165
	4,617,602	4,486,179	1,004,262	975,681

PARTNER COMMUNICATIONS COMPANY LTD.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	New Israeli shekels				Convenience translation into U.S. dollars	
	9 month period ended September 30,		3 month period ended September 30,		9 month period ended September 30,	3 month period ended September 30,
	2005	2004	2005	2004	2005	2005
	(U n a u d i t e d)					
	In thousands (except per share data)					
REVENUES - net:						
Services	3,487,020	3,438,005	1,208,953	1,204,141	758,378	262,930
Equipment	376,645	383,600	143,369	144,238	81,915	31,181
	3,863,665	3,821,605	1,352,322	1,348,379	840,293	294,111
COST OF REVENUES:						
Services	2,265,663	2,145,588	792,806	752,540	492,750	172,424
Equipment	570,464	518,418	231,022	192,077	124,068	50,244
	2,836,127	2,664,006	1,023,828	944,617	616,818	222,668
GROSS PROFIT	1,027,538	1,157,599	328,494	403,762	223,475	71,443
SELLING AND MARKETING EXPENSES	194,910	248,919	72,105	80,691	42,390	15,682
GENERAL AND ADMINISTRATIVE EXPENSES	132,935	131,628	45,222	47,134	28,912	9,835
OPERATING PROFIT	699,693	777,052	211,167	275,937	152,173	45,926
FINANCIAL EXPENSES – net	282,462	197,081	148,782	44,042	61,431	32,358
INCOME BEFORE TAXES ON INCOME	417,231	579,971	62,385	231,895	90,742	13,568
TAXES ON INCOME	145,960	239,834	31,441	116,992	31,744	6,838
NET INCOME FOR THE PERIOD	271,271	340,137	30,944	114,903	58,998	6,730
EARNINGS PER SHARE (“EPS”) :						
Basic	1.65	1.86	0.20	0.63	0.36	0.04
Diluted	1.63	1.84	0.20	0.62	0.36	0.04
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:						
Basic	164,847,982	183,275,823	151,907,587	183,538,076	164,847,982	151,907,587
Diluted	166,665,935	184,926,914	153,538,181	184,829,244	166,665,935	153,538,181

PARTNER COMMUNICATIONS COMPANY LTD.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	New Israeli shekels		Convenience translation into U.S. dollars
	9 month period ended September 30		9 month period ended September 30,
	2005	2004	2005
	(Unaudited)		
	In thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income for the period	271,271	340,137	58,998
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	521,303	412,248	113,376
Amortization of deferred compensation related to employee stock option grants, net	8,226	1,180	1,789
Liability for employee rights upon retirement	6,495	14,239	1,412
Accrued interest and exchange and linkage differences on long-term liabilities	90,062	21,235	19,588
Deferred income taxes	141,717	237,585	30,821
Income tax benefit in respect of exercise of option granted to employees	4,243	2,249	923
Capital loss (gain) on sale of fixed assets	420	(391)	91
Changes in operating assets and liabilities:			
Increase in accounts receivable:			
Trade	(209,482)	(187,956)	(45,559)
Other	(36,617)	(3,273)	(7,964)
Increase (decrease) in accounts payable and accruals:			
Trade	112,349	231,519	24,434
Other	(93,423)	(63,168)	(20,318)
Increase in inventories	(27,814)	(46,571)	(6,049)
Increase (decrease) in asset retirement obligations	(194)	294	(42)
Amount carried to deferred charges	(13,874)		(3,017)
Net cash provided by operating activities	774,682	959,327	168,483
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	(467,505)	(408,369)	(101,676)
Purchase of additional spectrum	(41,539)	(48,850)	(9,034)
Proceeds from sale of fixed assets	16	552	3
Funds in respect of employee rights upon retirement	(4,989)	(8,732)	(1,085)
Net cash used in investing activities	(514,017)	(465,399)	(111,792)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Financial lease undertaken	15,832		3,443
Repayment of financial lease	(964)		(210)
Repurchase of company's shares	(1,091,841)		(237,460)
Issuance of notes payable under a prospectus, net of issuance costs	1,929,486		419,636
Redemption of notes payable	(793,100)		(172,488)
Proceeds from exercise of stock options granted to employees	30,442	18,629	6,621
Long-term bank loans received	497,001		108,091
Repayment of long term bank loans	(849,054)	(503,227)	(184,658)
Net cash used in financing activities	(262,198)	(484,598)	(57,025)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,533)	9,330	(334)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,611	3,774	1,003
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,078	13,104	669

Supplementary information on investing and financing activities not involving cash flows

At September 30, 2005, and 2004, trade payables include NIS 84,644,000 ($ 18,409,000) (unaudited) and NIS 147,484,000 ($ 32,076,000) (unaudited) in respect of acquisition of fixed assets and additional spectrum, respectively. This balance will be given recognition in these statements upon payment.

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RECONSILIATION BETWEEN OPERATING CASH FLOWS AND EBITDA

	New Israeli shekels		Convenience translation into U.S. dollars
	9 Month Period Ended September 30,		9 Month Period Ended September 30,
	2005	2004	2005
	(Unaudited)		
	In thousands		
Net cash provided by operating activities	774,682	959,327	168,483
Liability for employee rights upon retirement	(6,495)	(14,239)	(1,412)
Accrued interest and exchange and linkage differences on long-term liabilities	(90,062)	(21,235)	(19,588)
Amount carried to differed charges	13,874		3,017
Increase in accounts receivable:			
Trade	209,482	187,956	45,559
Other	36,617	3,273	7,964
Decrease (increase) in accounts payable and accruals			
Trade	(112,349)	(231,519)	(24,434)
Other	93,423	63,168	20,318
Increase in inventories	27,814	46,571	6,049
Decrease (Increase) in Assets Retirement Obligation	194	(294)	42
Financial Expenses	256,958	190,269	55,885
EBITDA	1,204,138	1,183,277	261,883

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	New Israeli shekels				
	3 month period ended				
	September 30, 2004	December 31, 2004	March 31, 2005	June 30, 2005	September 30, 2005
	(U n a u d i t e d)				
	I n t h o u s a n d s				
REVENUES - net	1,348,379	1,319,132	1,260,468	1,250,875	1,352,322
COST OF REVENUES	944,617	951,008	924,825	887,474	1,023,828
GROSS PROFIT	403,762	368,124	335,643	363,401	328,494
SELLING AND MARKETING EXPENSES	80,691	76,325	57,363	65,442	72,105
GENERAL AND ADMINISTRATIVE EXPENSES	47,134	49,505	41,510	46,203	45,222
OPERATING PROFIT	275,937	242,294	236,770	251,756	211,167
FINANCIAL EXPENSES – net	44,042	63,464	50,854	82,826	148,782
INCOME BEFORE TAXES ON INCOME	231,895	178,830	185,916	168,930	62,385
TAXES ON INCOME	116,992	47,414	61,423	53,096	31,441
NET INCOME FOR THE PERIOD	114,903	131,416	124,493	115,834	30,944

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Summary Operating Data

	Q3 2004	Q3 2005
Subscribers (in thousands)	2,269	2,480
Estimated share of total Israeli mobile telephone subscribers	32%	32%
Churn rate in quarter	2.6%	3.2%
Average monthly usage in quarter per subscriber (minutes)	291	306
Average monthly revenue in year per subscriber, including in-roaming revenue (NIS)	176	162
Number of 2G operational base stations (in parenthesis number of micro sites out of total number of base stations)	2,210 (730)	2,244 (723)
Subscriber acquisition costs in quarter per subscriber (NIS)	277	363
Number of employees (full-time equivalent)	3,107	3,475