PARTNER'S ANNUAL REVENUES REACH NIS 2110.7 MILLION AND NIS 630.3 MILLION FOR FOURTH QUARTER
EBITDA IMPROVEMENT OF MORE THAN 500 MILLION NIS FOR 2000

ROSH HA'AYIN, *ISRAEL* ***March 14, 2001*** - Partner Communications Company Ltd. (NASDAQ: PTNR) today announced revenues of NIS 630.3 million ($156.1 million) for the fourth quarter of 2000, an increase of 80% over revenues of NIS 349.7 million ($86.5 million) generated for the fourth quarter of 1999. Revenues for the full year 2000 were NIS 2,110.7 million ($522.3 million), an increase of 133% over revenues of NIS 906.7 million ($224.4 million) in 1999.

"Our top line revenue growth was supported by strong subscriber growth. We added over 200,000 subscribers for the fourth quarter, and ended the year with approximately 834,000 subscribers. We increased our subscriber base by 32% in the fourth quarter. We believe that this was the highest quarterly net growth ever recorded by a cellular company in Israel," commented Mr. Amikam Cohen, CEO of Partner.

"Our record subscriber growth in the fourth quarter of 2000 increased our market share to an estimated 20 percent compared to 13 percent at December 31, 1999. In the first quarter of 2001, our subscriber base continued to grow at a quarterly pace of slightly less than 20 percent. We expect to continue our rapid subscriber growth in 2001 and materially grow our top line revenue," added Mr. Cohen.

EBITDA for the fourth quarter was NIS 9.1 million ($2.2 million), an increase of NIS 100.7 million ($ 24.8 million) over the NIS 91.6 million ($22.6 million) negative EBITDA posted for the fourth quarter of 1999. The negative EBITDA for the full year 2000 was NIS 56 million ($13.9 million), an improvement of NIS 536.1 million ($132.6 million) over the negative EBITDA of NIS 592.1 million ($146.5 million) in 1999.

Partner's Chief Financial Officer, Alan Gelman, noted: "We grew rapidly, without sacrificing our profitability targets. In the third quarter we reached the significant milestone of EBITDA positive, and we continued to post growth in our EBITDA for the fourth quarter, while adding over 200,000 subscribers. We expect to further improve our EBITDA performance and are projecting first quarter EBITDA of approximately NIS 75 million".

Mr. Gelman added: "we continued to drive down our subscriber acquisition cost to NIS 603 ($149.2) per subscriber for the fourth quarter of 2000, compared to NIS 1,633 ($404.1 million) for Q4 1999. Our average payback period for our investment in acquiring new subscribers is less than 3 months. These are strong indications of our impressive financial progress in a period of rapid growth."

Operating loss for the fourth quarter was NIS 158.6 million ($39.2 million), compared to NIS 98.7 million ($24.4 million) for the same period a year ago. Operating loss for the year was NIS 530.5 million ($131.3 million), compared to NIS 483.6 million ($119.7 million) for 1999.

Net loss for the year was NIS 760.1 million ($188.1 million) or NIS 4.14 ($1.02) per ADS, compared to NIS 728.5 million ($180.3 million), or NIS 4.82 ($1.19) per ADS for 1999. Net loss for the year under U.S. GAAP was NIS 774.6 million ($191.7 million), compared to NIS 1267.1 million ($313.6 million) in 1999.

Mr. Gelman added, “The improvement of approximately NIS 500 million in EBITDA reflects the strong incremental margin from our top line growth. From every incremental Shekel in revenues we added over 40 Agorot (40%) to our EBITDA”.

Summing up Partner’s second year of operations, Mr. Cohen concluded: “Partner has shown its strength in 2000 by maintaining high levels of usage and revenue growth, high levels of ARPU, a dramatic decrease in subscriber acquisition cost, and a continued increase in profitability. In our two years of commercial operation we believe that we have built a company that leads our market with attractive rate plans, network quality, a wide range of handsets, strong brand recognition and a variety of value added services. We have a strong financial foundation. We believe that our amended bank facility and the issuance of our senior subordinated notes in 2000 provide us with all the funding necessary for our second and 2.5 generation of cellular operations. We believe the orange™ network in Israel has manifested its tremendous growth potential, and we are confident that in the future we will see even more value created for our shareholders, customers and employees."

Partner Communications will hold a conference call for investment professionals on March 14th, 2001, at 17:00 Israel local time. This conference call will be broadcasted live over the Internet and can be accessed by all interested parties through our investors' web site at http://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 not available to listen to the live broadcast, a replay will be available shortly after the call ends.

Notes*: The statements contained in this release, which are not historical facts, are forward-looking statements with respect to plans, projections or future performance of the Company, the occurrence of which involves certain risks and uncertainties. For a discussion of important factors that could cause actual results to differ materially from such forward-looking statements, refer to Partner's Registration Statement and Partner Communications' latest filings with the U.S. Securities and Exchange Commission.*

The financial statements set forth below should be read in conjunction with the year end financial statements of Partner Communications for the year ended December 31, 2000 and notes thereto that have been filed concurrently to the U.S. Securities and Exchange Commission on form 6-K.

The convenience translation of the Adjusted New Israeli Shekel (NIS) figures into US Dollars was made at the rate of exchange prevailing at December 31, 2000: US $1.00 equals 4.041. 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.

Partner Communications Company Ltd. is the only Global System for Mobile Communications, or GSM, mobile telephone network operator in Israel. The Company commenced full commercial operations in January 1999 under the international Orange Brand name and, through its network, provides quality of service and a range of features to approximately 834,000 subscribers in Israel. Partner subscribers can use roaming services in 79 countries using 199 GSM networks. The Company shares are quoted on NASDAQ under the symbol PTNR and on the London Stock Exchange under the symbol PCCD.
(For further information: http://investors.partner.co.il)

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PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

CONSOLIDATED BALANCE SHEETS

	December 31		
	1999	**2000**	**2000**
	Adjusted new Israeli shekels *		**Convenience translation into dollars**
	In thousands		
A s s e t s			
CURRENT ASSETS:			
Cash and cash equivalents	415,097	869	215
Accounts receivable:			
Trade	208,878	395,996	97,995
Other	52,665	28,695	7,101
Inventories	97,809	163,412	40,438
T o t a l current assets	774,449	588,972	145,749
INVESTMENTS AND LONG-TERM RECEIVABLES:			
Security deposit		94,279	23,331
Long-term receivables		11,112	2,750
		105,391	26,081
FIXED ASSETS:			
Cost	1,386,097	1,932,136	478,133
L e s s - accumulated depreciation and amortization	158,152	418,029	103,447
	1,227,945	1,514,107	374,686
LICENSE AND DEFERRED CHARGES, net of accumulated amortization	1,902,028	1,710,271	423,229
	3,904,422	3,918,741	969,745

	December 31		
	1999	2000	2000
	Adjusted new Israeli shekels*		Convenience translation into dollars
	In thousands		
Liabilities and shareholders' equity			
CURRENT LIABILITIES:			
Accounts payable and accruals :			
Trade	536,299	463,576	114,718
Shareholder - current account	2,210	2,230	552
Other	32,752	117,437	29,061
T o t a l current liabilities	571,261	583,243	144,331
LONG-TERM LIABILITIES:			
Bank loans	2,051,798	2,102,191	520,216
Notes payable		707,175	175,000
Liability for employee rights upon retirement, net of amount funded	3,905	8,774	2,171
T o t a l long-term liabilities	2,055,703	2,818,140	697,387
COMMITMENTS AND CONTINGENT LIABILITIES			
T o t a l liabilities	2,626,964	3,401,383	841,718
SHAREHOLDERS' EQUITY:			
Share capital - ordinary shares of NIS 0.01 par value: authorized - December 31,1999 and 2000 - 200,000,000 shares; issued and outstanding - December 31, 1999 and 2000 -178,888,888 shares	1,787	1,787	442
Capital surplus	2,095,632	2,095,637	518,593
Accumulated deficit	(819,961)	(1,580,066)	(391,008)
Total shareholders' equity	1,277,458	517,358	128,027
	3,904,422	3,918,741	969,745

*December 2000 adjusted NIS, see notes.

PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31			
	1998	**1999**	**2000**	**2000**
	Adjusted new Israeli shekels **			**Convenience translation into dollars**
	In thousands (except per share data)			
REVENUES		906,744	2,110,676	522,315
COST OF REVENUES (1998 - OPERATING EXPENSES - NET)	*22,424	*1,102,056	2,222,629	550,020
GROSS LOSS	(22,424)	(195,312)	(111,953)	(27,705)
SELLING AND MARKETING EXPENSES	*47,898	*194,078	288,693	71,440
GENERAL AND ADMINISTRATIVE EXPENSES	*20,314	*94,233	129,835	32,129
OPERATING LOSS	(90,636)	(483,623)	(530,481)	(131,274)
FINANCIAL EXPENSES - net	(842)	(244,860)	(229,624)	(56,824)
NET LOSS	(91,478)	(728,483)	(760,105)	(188,098)
NET LOSS PER SHARE - basic and diluted	(0.62)	(4.82)	(4.14)	(1.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	144,687,222	151,136,767	183,732,966	183,732,966

* Reclassified.

**December 2000 adjusted NIS, see notes.

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PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31			
	1998	1999	2000	2000
	Adjusted new Israeli shekels **			Convenience translation into dollars
	In thousands			
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	(91,478)	(728,483)	(760,105)	(188,098)
Adjustments required to reconcile net loss to net cash used in operating activities*	52,700	347,507	648,835	160,563
Net cash used in operating activities	(38,778)	(380,976)	(111,270)	(27,535)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(334,147)	(693,603)	(713,534)	(176,574)
Amount carried to license and deferred charges	(1,629,695)	(466,250)	(238,618)	(59,049)
Investment in security deposit			(91,619)	(22,672)
Proceeds from sale of fixed assets		602	1,067	264
Net cash used in investing activities	(1,963,842)	(1,159,251)	(1,042,704)	(258,031)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net proceeds from issuance of share capital in the Company's IPO (including share premium)		2,092,339		
Issuance of share capital		1,297		
Collection of notes receivable in respect of share capital		100		
Receipts on account of shares to be allotted			5	1
Proceeds from issuance of notes payable			705,813	174,663
Long-term bank loans received	1,137,824	906,488	1,118,221	276,719
Long-term liabilities from shareholders	881,529	501,304		
Repayment of shareholders' liabilities		(1,494,411)		
Repayment of long-term bank loans			(1,054,805)	(261,026)
Repayment of suppliers' credit		(68,526)		
Amount carried to deferred charges			(29,488)	(7,297)
Net cash provided by financing activities	2,019,353	1,938,591	739,746	183,060
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,733	398,364	(414,228)	(102,506)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		16,733	415,097	102,721
CASH AND CASH EQUIVALENTS AT END OF YEAR	16,733	415,097	869	215

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PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31			
	1998	**1999**	**2000**	**2000**
	Adjusted new Israeli shekels **			**Convenience translation into dollars**
	In thousands			
*** Adjustments required to reconcile net loss to net cash used in operating activities**				
Income and expenses not involving cash flows:				
Depreciation and amortization	4,389	424,193	661,275	163,641
Liability for employee rights upon retirement - net	453	3,452	4,869	1,205
Accrued interest and exchange differences on long-term liabilities	510	106,637	(11,661)	(2,886)
Accrued interest and exchange differences on security deposit			(2,660)	(658)
Sundry		2,631	(158)	(39)
	5,352	536,913	651,665	161,263
Changes in operating asset and liability items:				
Decrease (increase) in accounts receivable:				
Trade	(4,202)	(204,676)	(198,230)	(49,055)
Other	(22,356)	(16,704)	23,970	5,932
Increase (decrease) in accounts payable and accruals:				
Trade	113,076	61,089	152,328	37,696
Shareholder's current account	2,256	(46)	20	5
Other	12,975	14,338	84,685	20,956
Increase in inventories	(54,401)	(43,407)	(65,603)	(16,234)
	47,348	(189,406)	(2,830)	(700)
	52,700	347,507	648,835	160,563
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION - cash paid during the year:				
Interest	15,479	313,724	164,478	40,702
Advances to income tax authorities	584	2,622	1,443	357

Supplementary information on investing activities not involving cash flows

At December 31, 1999 and 2000, trade payables include adjusted NIS 369,533,000 and adjusted NIS 144,482,000 ($ 35,754,000), respectively, in respect of acquisition of fixed assets (1999 - fixed assets and deferred charges). These balances will be given recognition in these statements upon payment.

**December 2000 adjusted NIS, see notes.

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
Effect of material differences between
generally accepted accounting principles in Israel and in the United States

Should the Company presented its financial statements under U.S. GAAP, the Company's net loss and EPS would be as follows:

	Year ended December 31			
	1998	1999	2000	2000
	Adjusted NIS			Convenience translation into U.S. dollars
	In thousands			
1) Net loss for the year:				
As reported in these financial statements under Israeli GAAP	(91,478)	(728,483)	(760,105)	(188,098)
Effect of the treatment of the following items under U.S. GAAP:				
Subscriber acquisition costs	(7,665)	(436,567)	42,132	10,426
Stock options granted to Company employees		(102,081)	(56,618)	(14,011)
Net loss under U.S. GAAP	(99,143)	(1,267,131)	(774,591)	(191,683)
Net loss per share - basic and diluted:				
Israeli GAAP	(0.62)	(4.82)	(4.14)	(1.02)
U.S. GAAP	(0.71)	(8.65)	(4.33)	(1.07)

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
RECONCILIATION OF EBITDA

	Adjusted new Israeli shekels*				Convenience translation Into U.S. dollars **
	Year ended December 31,		3 month period ended December 31		3 months ended December 31,
	2000	**1999**	**2000**	**1999**	**2000**
	In thousands				
Net loss	(760,105)	(728,483)	(222,210)	(141,901)	(54,988)
Adjustments required to reconcile EBITDA:					
Financial Expenses***	222,608	237,309	61,794	41,326	15,291
Depreciation and amortization:					
Subscriber acquisition costs	221,922	88,547	58,892	38,284	14,574
Other	439,353	335,646	119,850	100,823	29,658
Less:					
Capitalization of subscriber acquisition costs	(179,790)	(525,114)	(9,256)	(130,169)	(2,290)
EBITDA	(56,012)	(592,095)	9,070	(91,637)	2,245

* The financial statements have been prepared on the basis of historical cost adjusted to reflect the changes in the general purchasing power of the Israeli currency as of December 31, 2000, in accordance with the Opinions of the ICPA of Israel.

** The convenience translation of the Adjusted New Israeli Shekel (NIS) figures into US dollars was made at the exchange prevailing at December 31, 2000: US $1.00 equals NIS 4.041.

*** Financial expenses exclude any charge for the amortization of pre-launch financial costs which are included in depreciation and amortization - other charges stated above.

PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

Summary operating data

	DECEMBER 31, 1999		**DECEMBER 31, 2000**
Subscribers (in thousands)	**355**		**834**
Estimated share of total Israeli mobile telephone subscribers...............	**13%**		**20%**
Churn rate in fourth quarter..	**1.8%**		**1.1%**
Average monthly usage in fourth quarter per subscriber (minutes)……………..	**427**		**361**
Average monthly revenue in fourth quarter per subscriber, including in-roaming revenue (nominal NIS)…**(1)**	**374**		**265**
Estimated coverage of Israeli population	**96%**		**97%**
Number of operational base stations (in parenthesis number of micro sites out of total number of base stations)..................................	**846 (46)**		**1,355 (347)**
Subscriber acquisition costs in fourth quarter per subscriber (nominal NIS)...**(2)**	**1,633**		**603**
Number of employees (full-time equivalent)	**1,453**		**2,131**

(1) We have presented the amounts in nominal NIS. The equivalent adjusted NIS amounts are **370** as of December 31, 1999 and **265** as of December 31, 2000.

(2) We have presented the amounts in nominal NIS. The equivalent adjusted NIS amounts are **1,610** as of December 31, 1999, and **603** as of December 31, 2000.