

CELLCOM ISRAEL ANNOUNCES FILING OF SUPPLEMENTAL SHELF OFFERING REPORT IN ISRAEL

Netanya, Israel –July 6, 2014 – Cellcom Israel Ltd. (NYSE: CEL) (TASE: CEL) (hereinafter: the "Company") announced that, following the Company's previously announced possible debt raising in Israel, the Company filed today a supplemental shelf offering report, or Offering Report, with the Israel Securities Authority and the Tel Aviv Stock Exchange, or TASE. Pursuant to the Offering Report, the Company is offering, in Israel only, new series H debentures in an aggregate principal amount of up to NIS 125 million, and new series I debentures in an aggregate principal amount of up to NIS 275 million.

The series H and series I debentures are unsecured and contain standard terms and conditions in addition to certain additional undertakings by the Company as detailed in the Company's annual report for the year ended December 31, 2013, on Form 20-F, under "Item 5 – Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Debt Service" and the Company's current report on Form 6-K, dated June 23, 2014. The debentures will be listed for trading on the TASE.

The Company has received early commitments from institutional investors for the purchase of the following:

- Series H debentures in the aggregate principal amount of approximately NIS 99.8 million at an interest rate of no more than 1.98% per annum, with principal and interest linked to the Israeli Consumer Price Index. The series will be sold at par value (NIS 1,000 per unit); and
- Series I debentures in the aggregate principal amount of NIS 220 million, at an interest rate no of more than 4.14% per annum, without linkage. The series will be sold at par value (NIS 1,000 per unit).

In consideration for making early commitments, the institutional investors will receive an early commitment commission in the amount of 0.6% for series H and 0.6% for series I. The public tender for both series of debentures is expected to be held on Monday, July 7, 2014.

The aggregate amount that the Company expects to pay in arrangement fees and other expenses in connection with this offering (assuming total consideration of approximately NIS 400 million), including the aforesaid commitment commissions, is approximately NIS 3.1 million. The Company estimates that the net proceeds from the Offering, if completed, will be approximately NIS 396.9 million, after deduction of the arrangers' fees and other estimated expenses.

The Company intends to use the net proceeds from the offering for general corporate purposes, which may include financing its operating and investment activity, refinancing of outstanding debt under its debentures, and dividend distributions, subject to certain restrictions that apply to dividend distributions made by the Company and to the decisions of the Company's board of directors from time to time.

For additional details of the Company's public debentures see the Company's annual report for the year ended December 31, 2013 on Form 20-F, under "Item 5. Liquidity and Capital Resources – Debt Service"; for details of the Company's Israeli shelf prospectus and contemplated debt raising see the Company's current report on Form 6-K filed on June 23, 2014; for details of the Company's dividend policy see the Company's annual report for the year ended December 31, 2013 on Form 20-F under "Item 8. Financial Information - A. Consolidated Statements and Other Financial Information - Dividend Policy" and the Company's current report on Form 6-K filed on June 23, 2014.

The offering described in this press release will be made only in Israel and only to residents of Israel. The said debentures will not be registered under the U.S. Securities Act of 1933 and will not be offered or sold in the United States or to U.S. persons. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any debentures.

Forward looking statements

The information included in this press release contains, or may be deemed to contain, forward-looking statements (as defined in the U.S. Private Securities Litigation Reform Act of 1995 and the Israeli Securities Law, 1968). Said forward-looking statements, relating to the execution of the offering and the amount to be raised are subject to uncertainties and assumptions about market conditions and sufficient offers received for an adequate interest rate. The actual conditions could lead to materially different outcome than that set forth above.

About Cellcom Israel

Cellcom Israel Ltd., established in 1994, is the largest Israeli cellular provider; Cellcom Israel provides its approximately 3.049 million subscribers (as at March 31, 2014) with a broad range of value added services including cellular and landline telephony, roaming services for tourists in Israel and for its subscribers abroad and additional services in the areas of music, video, mobile office etc., based on Cellcom Israel's technologically advanced infrastructure. The Company operates an HSPA 3.5 Generation network enabling advanced high speed broadband multimedia services, in addition to GSM/GPRS/EDGE networks. Cellcom Israel offers Israel's broadest and largest customer service infrastructure including telephone customer service centers, retail stores, and service and sale centers, distributed nationwide. Through its broad customer service network Cellcom Israel offers technical support, account information, direct to the door parcel delivery services, internet and fax services, dedicated centers for hearing impaired, etc. Cellcom Israel further provides through its wholly owned subsidiaries internet connectivity services and international calling services, as well as landline telephone communication services in Israel, in addition to data communication services. Cellcom Israel's shares are traded both on the New York Stock Exchange (CEL) and the Tel Aviv Stock Exchange (CEL). For additional information please visit the Company's website www.cellcom.co.il

Company Contact

Shlomi Fruhling
Chief Financial Officer
investors@cellcom.co.il
Tel: +972 52 998 9755

Investor Relations Contact

Ehud Helft
GK Investor & Public Relations In partnership with LHA
cellcom@GKIR.com
Tel: +1 617 418 3096