

CELLCOM ISRAEL ANNOUNCES A LABOR DISPUTE

Netanya, Israel – January 23, 2019 – Cellcom Israel Ltd. (NYSE: CEL) (TASE: CEL) (hereinafter: the "Company") announced today the receipt of a labor dispute announcement by the Histadrut, the union representing the Company's employees, regarding the Company's intention to dismiss approximately 250 employees of the Company and failure to agree on other streamlining measures with the employees' union which do not include involuntary termination of employment. Under the announcement, the Company's employees would be entitled to take organizational steps (including a strike), as of February 7, 2019. The Company rejects the claims made as a basis for the announcement. At this preliminary stage, the company is unable to assess the effects of this announcement.

For additional details see the Company's most recent annual report for the year ended December 31, 2017 on Form 20-F, filed on March 26, 2018, under "Item 3. Key Information – D. Risk Factors – Risks Related to our Business – The unionizing of our employees may impede necessary organizational and personnel changes, result in increased costs or disruption to our operation" and Item 6. Directors, senior management and employees – D. Employees" and the Company's current reports on form 6-K dated August 8, 2018 under "-Other developments during the second quarter of 2018 and subsequent to the end of the reporting period - Collective Employment Agreement and Employee Voluntary Retirement Plan".

About Cellcom Israel

Cellcom Israel Ltd., established in 1994, is a leading Israeli communications group, providing a wide range of communications services. Cellcom Israel is the largest Israeli cellular provider, providing its approximately 2.825 million cellular subscribers (as at September 30, 2018) with a broad range of services including cellular telephony, roaming services for tourists in Israel and for its subscribers abroad, text and multimedia messaging, advanced cellular content and data services and other value-added services in the areas of music, video, mobile office etc., based on Cellcom Israel's technologically advanced infrastructure. The Company operates an LTE 4 generation network and 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. Cellcom Israel further provides OTT TV services, internet infrastructure and connectivity services and international calling services, as well as landline telephone services in Israel. 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 <http://investors.cellcom.co.il>.

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