PARTNER COMMUNICATIONS CO LTD
Form 6-K
February 08, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15a-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated February 8, 2005

Partner Communications Company Ltd.
(Translation of Registrant s Name Into English)

8 Amal Street
Afeq Industrial Park
Rosh Ha'ayin 48103
Israel

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F x Form 40-F o

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes o No x

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________)

This Form 6-K is incorporated by reference into the Company s Registration Statement on Form F-3 filed with the Securities and Exchange Commission on December 26, 2001 (Registration No. 333-14222).

Enclosure: Press Release dated February 8, 2005 re: Elbit, Eurocom and Polar offer to sell 17.2% of Partner shares to Partner

Elbit, Eurocom and Polar offer to sell 17.2% of Partner shares to Partner

Rosh Ha ayin, Israel, February 8th, 2005 Partner Communications Company Ltd. (NASDAQ, TASE: PTNR; London: PCCD) (the Company , Partner) announced today that three of its founding Israeli shareholders: Elbit Limited, Eurocom Communications Limited and Polar Communications Limited (together, the Sellers) have irrevocably offered to sell all of their 31.7 million Partner shares (17.2% of ordinary shares) to Partner. Pursuant to this offer, Matav Investments Limited, Partner s other Israeli founding shareholder, would have the right to also participate in the sale to the Company (the Matav Option), if the offer to Partner is accepted. In the event that Matav elects to sell shares, the number of shares sold would increase to 33.3 million Partner shares (18.1% of ordinary shares) and all of the founding Israeli shareholders would continue to hold further shares constituting in the aggregate 5% of Partner s fully diluted shares.

The Sellers offer price will be calculated as a 10% discount to Partner s 20 day volume-weighted average share price on the day before the shareholder meeting called to approve the transaction on the TASE and is subject to a minimum price of NIS 31.04 (US$ 7.10) and a maximum price of NIS 32.22 (US$ 7.37) per share.

Partner s board has been given 21 days to decide if it wishes to accept the offer. The offer is conditional upon various conditions precedent, including the release of the share pledges in favor of Partner s lending banks currently governing the shares. Partner s board of directors met today to consider the buy back and noted that acceptance of the offers by Partner will also be subject to it obtaining all corporate and regulatory consents and approvals required by law or Partner s general license, including, among others:

approval of Partner's audit committee, board of directors and shareholders;

the consent of the Ministry of Communications to changes in Partner's license including the reduction of the minimum Israeli shareholding requirement in Partner; and

securing the necessary financing and bank approvals

There is no assurance that Partner will accept the offer, or that the conditions for closing will be met. We understand that our founding shareholders have entered into an arrangement regarding the sale of Partner shares if the offers are not accepted, or the conditions are not met.

Commenting on the offer, Alan Gelman, Partner s CFO said: Our initial impression is that the offer represents an opportunity for Partner. This share buy-back would eliminate the overhang of the sellers shares and at the same time would allow Partner to acquire the shares at a discount to the market price. Further, we believe the acquisition could enhance Partner s earnings per share and would be compatible with our strategy to maintain an efficient capital structure.

Partner CEO, Amikam Cohen said We have, with the help of our founding shareholders, built a strong and successful company since it was founded in 1998. We are now one of the most successful mobile operators in Israel and with Hutchison s continued support are confident that we can go on to greater success.

Dennis Lui, Chief Executive Officer of Hutchison Telecom said Partner has been an important and integral part of our operations since its inception. The buy back will not change that nor affect the ongoing development of our business which, with the recent launch of 3G, has exciting prospects. Hutchison is fully supportive of Partner and will endorse any proposal which provides the platform upon which the Company can capitalize on this success. Partner has retained UBS Investment Bank as financial advisor for this transaction.

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. 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 2003 annual report on form 20-F filed with the SEC on April 30th, 2004.

The convenience translations of the Nominal New Israeli Shekel (NIS) figures into US Dollars were made at the rate of exchange of: US $1.00 equals NIS 4.372. The translations were made purely for the convenience of the reader.

About Partner

Partner Communications Company Ltd. is a leading Israeli mobile communications operator providing GSM/GPRS/UMTS services and wire free applications under the preferred 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 2.34 million subscribers in Israel. Partner subscribers can use roaming services in 152 destinations using 333 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

Dr. Dan Eldar
V.P. Carrier, International & Investor Relations
Tel: +972-54-7814151
Fax: +972-54-7814161
E-mail: dan.eldar@orange.co.il

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Partner Communications Company Ltd.

BY: /S/ Alan Gelman

Alan Gelman
Chief Financial Officer

Dated: February 8, 2005