

PARTNER COMMUNICATIONS CO LTD
Form 6-K
September 14, 2006

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 September 14, 2006

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 Form 40-F

(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 No

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

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15a-16 OF THE SECURITIES EXC

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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: Materials for the Annual General Meeting of Shareholders.

PARTNER COMMUNICATIONS COMPANY LTD.

NOTICE OF

GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the general meeting of Shareholders (the **AGM**) of Partner Communications Company Ltd. (the **Company** or **Partner**) will be held on October 26, 2006 at 10:00 am. (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel or at any adjournments thereof.

It is proposed at the AGM to adopt the following resolutions:

- (i) to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;
 - (ii) to approve the auditor's remuneration for the year ended December 31, 2006 as determined by the Audit Committee and by the Board of Directors;
 - (iii) to authorize the Board of Directors of the Company to determine the auditor's remuneration for the year ended December 31, 2007, subject to the prior approval of the Audit Committee; and
 - (iv) to approve the report of the Board of Directors with respect to the remuneration paid to the auditor and its affiliates for the year ended December 31, 2005;
 - (v) to re-elect nine directors to the Company's Board of Directors;
 - (vi) to approve the re-appointment of Mr. Moshe Vidman, an external director (*Dahatz*) of the Company.
 - (vii) to approve the Company's audited financial statements for the year ended December 31, 2005 and the report of the Board of Directors for such period;
 - (viii) to approve the amendments to the Articles of Association of the Company relating to:
 - (a) the authority of the Board of Directors to determine the remuneration of the Company's auditors;
 - (b) the election of directors and termination of their offices;
 - (c) the insurance of officers;
 - (d) the compliance with the terms of the License.
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Only shareholders of record at the close of business on September 21, 2006 will be entitled to receive notice of, and to vote at the AGM, subject to the restrictions in the Company's Articles of Association, as set forth in the attached Proxy Statement. All shareholders are cordially invited to attend the AGM in person.

Shareholders who will not attend the AGM in person are requested to complete, date and sign the enclosed form of proxy and to return it promptly (and in any event at least two business days prior to the date of the AGM) in the pre-addressed envelope provided. Shareholders may revoke their proxies by written notice received at the offices of the Company prior to the commencement of the AGM, and vote their shares in person.

The Articles of Association of the Company also allow shareholders of the Company to vote at the AGM by means of a deed of vote and a form of deed of vote will be made available to shareholders registered in the Company's Shareholder Register on the record date. Holders of American Depositary Shares are not registered in the Company's Shareholder Register but may instruct the Depository, Bank of New York, as to the exercise of the voting rights pertaining to the Ordinary Shares evidenced by their American Depositary Shares, in the manner and to the extent provided in the Depository Agreement governing the American Depositary Shares.

Registered joint holders of shares should take note that, pursuant to the Articles of Association of the Company, only the first named joint holder of any share shall vote, either in person, by proxy, or by deed of vote, without taking into account the other registered joint holder(s) of the share. For this purpose, the first named joint holder shall be the person whose name is registered first in the Shareholder Register.

Copies of the proposed resolutions are available at our offices, 8 Hamal Street, Rosh Haayin, Israel, every business day from 9 AM to 5PM (Israel time). Our telephone number is +972-54-7814191.

By Order of the Board of Directors

ROLY KLINGER, ADV.
Vice President
Chief Legal Counsel and
Joint Company Secretary

PARTNER COMMUNICATIONS COMPANY LTD.

8 Ha amal Street

Rosh Ha ayin 48092, Israel

PROXY STATEMENT

This Proxy Statement is furnished to the holders of Ordinary Shares, par value NIS 0.01 per share (the **Ordinary Shares**), including holders of American Depositary Shares (each representing one Ordinary Share, the **ADSs**) of Partner Communications Company Ltd. (the **Company** or **Partner**) in connection with the solicitation by the Board of Directors of proxies for use at an Annual General Meeting of shareholders (the **AGM**), to be held on October 26, 2006 commencing at 10:00 am (Israel time), at our offices, 8 Ha amal Street, Rosh Ha ayin, Israel, or at any adjournments thereof.

It is proposed at the AGM:

- (i) to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;
- (ii) to approve the auditor's remuneration for year 2006 as determined by the Audit Committee and by the Board of Directors;
- (iii) to authorize the Board of Directors of the Company to determine the auditor's remuneration for year 2007, subject to the prior approval of the Audit Committee; and
- (iv) to approve the report of the Board of Directors with respect to the remuneration paid to the auditor and its affiliates for the year ended December 31, 2005;
- (v) to re-elect nine directors to the Company's Board of Directors;
- (vi) to approve the re-appointment of Mr. Moshe Vidman, an external director (*Dahatz*) of the Company;
- (vii) to approve the Company's audited financial statements for the year ended December 31, 2005 and the report of the Board of Directors for such period;
- (viii) to approve the amendments to the Articles of Association of the Company relating to:
 - (a) the authority of the Board of Directors to determine the remuneration of the Company's auditors;
 - (b) the election of directors and termination of their offices;

- (c) the insurance of officers;
- (d) the compliance with the terms of the License.

A form of proxy for use at the AGM and a return envelope for the proxy are enclosed. This proxy shall also be deemed as a voting deed (Ktav Hatzba a) under Israeli Companies Law. Shareholders may revoke their proxies by written notice received at the offices of the Company at least 24 hours prior to the AGM and vote their shares in person. Ordinary Shares represented by any proxy in the enclosed form, if the proxy is properly executed and delivered to the Company at least two business days prior to the date of the AGM, will be voted as indicated on the form or, if no preference is noted, will be voted in favor of the matters described above, and in such manner as the holder of the proxy may determine with respect to any other business as may come before the AGM or any adjournment thereof.

Proxies for use at the AGM are being solicited by the Board of Directors of the Company. Only shareholders of record at the close of business on September 21, 2006 will be entitled to receive notice of, and to vote at the AGM. Proxies are being mailed to shareholders on or about September 26, 2006 and will be solicited primarily by mail; however, certain of our officers, directors, employees and agents, none of whom will receive additional compensation therefore, may solicit proxies by telephone, e-mail or other personal contact. Partner will bear the cost of the solicitation of the proxies by the Board of Directors, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Ordinary Shares.

On August 31, 2006, the Company had outstanding 153,950,338 Ordinary Shares. The holder of each Ordinary Share is entitled to one vote upon each of the matters to be presented at the AGM. Two or more shareholders holding Ordinary Shares conferring in the aggregate at least one-third of our voting rights, present in person or by proxy at the AGM, or who have delivered to us a deed of vote, and are entitled to vote, will constitute a quorum at the AGM.

**ITEM 1 RE-APPOINTMENT OF AUDITOR AND DETERMINATION OF ITS
REMUNERATION**

Under the Companies Law and the Company's Articles of Association, the shareholders of the Company are authorized to appoint the Company's auditor and to authorize the Board of Directors to determine its remuneration. Under the Company's Articles of Association, the report of the auditor's remuneration requires the approval of shareholders. In addition, the approval by the Audit Committee of the auditor's re-appointment and remuneration is required under the Nasdaq Corporate Governance Rules.

The remuneration of Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group, the Company's auditor for the year ended December 31, 2005 was NIS 2,073,000 for auditing services, NIS 788,000 for non-audit services and NIS 258,000 for tax consultation services. Partner has agreed to indemnify Kesselman & Kesselman, and their personnel from any and all third party claims, liabilities, costs and expenses, including reasonable attorney's fees, arising from or relating to tax services rendered under the engagement letter dated November 15, 2005, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Kesselman & Kesselman relating to such services.

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The Audit Committee and Board of Directors have recommended that Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group, be re-appointed as auditor of the Company for the period ending at the close of the next annual general meeting.

It is proposed that at the AGM the following resolutions be adopted:

- (i) **RESOLVED**, that the Company's auditor, Kesselman & Kesselman, be and is hereby re-appointed as the auditor of the Company for the period ending at the close of the next annual general meeting;
- (ii) **RESOLVED**, that the auditor's remuneration for year 2006 as determined by the Audit Committee and by the Board of Directors be and is hereby approved;
- (iii) **RESOLVED**, that the Board of Directors be and is hereby authorized to determine the auditor's remuneration for year 2007, subject to the prior approval of the Audit Committee; and
- (iv) **RESOLVED**, that the report by the Board of Directors of the auditor's remuneration for the year ended December 31, 2005 be and it is hereby approved.

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval of these resolutions.

**The Board of Directors recommends a vote FOR approval
of these proposed resolutions.**

ITEM 2 RE-APPOINTMENT OF THE COMPANY'S DIRECTORS

Under the Companies Law and the Company's Articles of Association, the directors of the Company (other than the external directors (*Dahatzim*) who generally serve for three year terms) are elected at each annual general meeting. The elected directors commence their terms at the close of the AGM and serve in office until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Companies Law and the Company's Articles of Association.

All the nine (9) directors listed below will terminate their office as directors of the Company as of the end of the AGM. It is proposed that these directors be re-elected until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Companies Law and the Articles of Association. Dr. Michael Anghel will continue to serve as external director (*Dahatz*) of the Company and Mr. Moshe Vidman will continue to serve as external director (*Dahatz*) of the Company subject to the approval of the resolution under Item 3.

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Proxies (other than those directing the proxy holders not to vote for all of the listed nominees) will be voted for the election of all of the nine (9) nominees, to hold office until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Companies Law and the Company's Articles of Association. In the event any one or more of such nominees shall be unable to serve, the proxies will be voted for the election of such other person or persons as shall be determined by the proxy holder in accordance with his or her best judgment. The Company is not aware of any reason why any of the nominees, if elected, should not be able to serve as a director.

<u>Name</u>	<u>Position</u>
Fok Kin-ning, Canning	Director and Chairman of the Board of Directors
Chan Ting Yu	Director
Chow Woo Mo Fong, Susan	Director
Uzia Galil	Director
Erez Gissin	Director
Lui Dennis Pok Man	Director
Pesach Shachar	Director
Amikam Shorer	Director
Frank John Sixt	Director

Fok Kin-ning, Canning has been a director of Partner since May 1998 and the Chairman of its Board of Directors since that time. Mr. Fok has been an Executive Director of Hutchison Whampoa Limited since 1984 and its Group Managing Director since 1993. He also serves as the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications International Limited, Hutchison Telecommunications (Australia) Limited, Hongkong Electric Holdings Limited and Hutchison Telecommunications Limited (the holding company of the telecommunications interests of Hutchison Whampoa Limited), and in addition, Mr. Fok is the Co-Chairman of Husky Energy Inc. and the Deputy Chairman of Cheung Kong Infrastructure Holdings Limited. He is also a Director of Cheung Kong (Holdings) Limited. Mr. Fok holds a Bachelor of Arts degree from St. John's University in Minnesota, United States and a diploma in financial administration from the University of New England in Australia. He is a member of the Australian Institute of Chartered Accountants. Mr. Fok was nominated as a director, and as the Chairman of the Board of Directors, by Advent Investments Pte Ltd.

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Chan Ting Yu was a director of Partner from October 1997 to March 2000 and became a director again in May 2001. He is a member of the Executive Committee and the Compensation Committee. Mr. Chan is an Alternate Director of Hutchison Telecommunications International Limited. Since joining the Hutchison Whampoa group, he has been closely involved in the management and development of Hutchison's telecommunications business internationally. Mr. Chan holds a degree in Law and Arts (Maths), as well as a Postgraduate Certificate in Laws. Mr. Chan was nominated as a director, and as a member of the Executive Committee, by Advent Investments Pte Ltd.

Chow Woo Mo Fong, Susan has been a director of Partner since August 1998. Mrs. Chow has been an Executive Director of Hutchison Whampoa Limited since 1993 and its Deputy Group Managing Director since 1998. Mrs. Chow is also an Executive Director of Cheung Kong Infrastructure Holdings Limited, Hutchison Harbour Ring Limited and Hongkong Electric Holdings Limited and a Director of Hutchison Telecommunications (Australia) Limited, TOM Group Limited and Hutchison Telecommunications Limited. She is also an Alternate Director of Hutchison Telecommunications International Limited and TOM Online Inc. She is a solicitor and holds a Bachelor's degree in Business Administration. Mrs. Chow was nominated as a director by Advent Investments Pte Ltd.

Uzia Galil has been a director of Partner since August 1999. Mr. Galil currently serves as Chairman and Chief Executive Officer of Uzia Initiatives and Management Ltd., a company specializing in the promotion and nurturing of new businesses associated with mobile communication, electronic commerce and medical information media, which he founded in November 1999. From 1962 until November 1999, Mr. Galil served as President and Chief Executive Officer of Elron Electronics Industries Ltd., an Israeli high technology holding company, which he founded and of which he also served as Chairman of the Board. From January 1981 until leaving Elron, Mr. Galil also served as Chairman of the Board of Directors of Elbit Ltd., an electronic communication affiliate of Elron, and as a member of the Boards of Directors of Elbit Systems Ltd., a defense electronics affiliate of Elron, and all other private companies held in the Elron portfolio. Mr. Galil currently serves as a member of the Boards of Directors of Orbotech Ltd., NetManage Inc., and as Chairman of Zoran Corporation. From 1980 to 1990, Mr. Galil served as Chairman of the International Board of Governors of the Technion. Mr. Galil holds a M.S. in Electrical Engineering from Purdue University and a B.S. from the Technion. Mr. Galil has also been awarded an honorary doctorate in technical sciences by the Technion in recognition of his contribution to the development of science-based industries in Israel, an honorary doctorate in philosophy by the Weizman Institute of Science, an honorary doctorate in engineering by Polytechnic University, New York, and an honorary doctorate from the Ben-Gurion University of the Negev in Israel and the Solomon Bublick prize laureate from the Hebrew University of Jerusalem. In 1997 he was awarded the prestigious Israel Prize for his contribution to the development of the Israeli hi-tech industry. Until April 20, 2005, Mr. Galil had been a director nominated by Elbit.COM. Since then, Mr. Galil serves as a director on behalf of Advent Investments Pte Ltd.

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Erez Gissin has been a director of Partner since August 1998 and is currently a member of the Executive Committee and the Audit Committee and independent director under the listing requirements of the Nasdaq National Market. Since April 2005, Mr. Gissin is a private investor through his management and investment company. For the prior five years, Mr. Gissin has been the CEO of IP Planet Network Ltd., an Israeli telecommunication company providing satellite broadband services. Previously, he was the Vice President of Business Development of the Eurocom Group, an Israeli leader in telecom and internet products and services. Mr. Gissin holds a Bachelor of Science in Industrial Engineering from Tel Aviv University and an MBA degree from Stanford University, California. Until April 20, 2005 Mr. Gissin had been a director nominated by Eurocom. Since then and until September 12, 2005, Mr. Gissin served as a director and member of the Executive Committee, on behalf of Advent Investments Pte Ltd. Since then, Mr. Gissin is an independent director and serves on the Executive committee and the Audit Committee of the Company.

Lui Dennis Pok Man has been a director of Partner since April 2004 and is the Chairman of the Executive Committee and the Chairman of the Compensation Committee. Mr. Lui is an Executive Director and the Chief Executive Officer of Hutchison Telecommunications International Limited. He first joined the Hutchison Whampoa Limited group in 1986 and was the managing director in charge of the mobile telecommunications, land-line, multi-media, internet and paging businesses in Hong Kong, China, Taiwan and Macau from January 1989 until 2000. Mr. Lui rejoined the Hutchison Whampoa group in May 2001 as group managing director of HTI (1993) Holdings Limited (HTI) overseeing all the operations and new business development of the HTI group. He holds a Bachelor of Science Degree from the University of Oregon. Mr. Lui was nominated as a director, and as a member of the Executive Committee, by Advent Investments Pte Ltd.

Pesach Shachar has been a director of Partner since May 1998 and is a member of the Executive Committee. For 21 years he was the General Manager, founder, and a shareholder in Nogay Ltd., a telecommunications consulting firm active in numerous high-tech projects in Israel and overseas. In that capacity, he advised Hutchison on the prospects in the cellular market in Israel, established the Partner shareholder consortium and advised Hutchison on the bidding for the license and launch of operations. Mr. Shachar served 28 years in the Israel Defense Forces Signal Corps and Air Force/Telecommunications, reaching the rank of Colonel. Mr. Shachar was nominated as a director, and as a member of the Executive Committee, by Advent Investments Pte Ltd.

Amikam Shorer has been a director of Partner since June 2005. He was nominated as director by our Israeli founding shareholders. Mr. Shorer has served as Vice President of Business Affairs and the General Counsel of Eurocom Group, an Israeli leader in telecom and internet products and services, since 2000. Mr. Shorer also serves as a director in several companies within the Eurocom Group. Mr. Shorer holds an LLB degree from Bar-Ilan University.

Frank John Sixt has been a director of Partner since May 1998. Mr. Sixt has been an Executive Director of Hutchison Whampoa Limited since 1991 and its Group Finance Director since 1998. He is the Chairman of TOM Group Limited and TOM Online Inc. He is also an Executive Director of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited and a Director of Cheung Kong (Holdings) Limited, Hutchison Telecommunications International Limited, Hutchison Telecommunications (Australia) Limited, Husky Energy Inc., and Hutchison Telecommunications Limited. He holds a Bachelor of Arts degree and a Master of Arts degree from McGill University and a Bachelor's degree in Civil Law from the University of Montreal, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada. Mr. Sixt was nominated as a director by Advent Investments Pte Ltd.

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, that Messrs. Fok Kin-ning, Canning, Chan Ting Yu, Uzia Galil, Erez Gissin, Lui Dennis Pok Man, Pesach Shachar, Amikam Shorer, and Frank John Sixt, and Mrs. Chow Woo Mo Fong, Susan are re-elected to serve as directors of the Company until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Companies Law and the Company's Articles of Association.

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval of this resolution.

**The Board of Directors recommends a vote FOR approval
of this proposed resolution.**

**ITEM 3 RE-APPOINTMENT OF MR. MOSHE VIDMAN, AN EXTERNAL
DIRECTOR (DAHATZ) OF THE COMPANY**

The term of office of Mr. Moshe Vidman as an External Director (*Dahatz*) of the Company expires on October 28, 2006. According to the Companies Law, an existing external director (*Dahatz*) can be re-appointed for one additional term of three years and according to the Companies Regulations (Relieves for public companies whose shares are registered for trade in stock exchanges outside of Israel) under certain circumstances, an external director can be re-appointed for further additional terms. The Board of Directors recommended to re-appoint Mr. Moshe Vidman for one additional term of three years.

Moshe Vidman has been an external director of Partner since October 2003. Mr. Vidman is the Revlon representative in Israel and serves as a director of the following companies: Israel Corporation Ltd., ICL Israel Chemical Ltd., Rotem Amfert Negev Ltd., Dead Sea Works Ltd., Jafora-Tabori Ltd., Rosebud Medical Ltd., Ex-Libris Ltd., Bank Leumi Le Israel Ltd., Melisron and Ofer Brothers Properties (1957) Ltd. Since 2000 Mr. Vidman is the Revlon Representative in Israel. Mr. Vidman is also a member of the Board of Directors and a member of Executive Committee of the Jerusalem Foundation. He also serves as a member of the Board of Governors and the Chairman of the Endowment Fund Committee and Chairman of the assets Company of the Hebrew University. Previously he held various positions at the Ministry of Education and Culture. From 1978 until 1983 Mr. Vidman served as the Deputy Accountant General in the Ministry of Finance. From 1983 until 1990 he served as the President and Chief Financial Officer of Aryt Optronics Ltd., a hi-tech company which developed optics and laser applications for military and medical use. From 1990 until 1999 Mr. Vidman was the Managing Director of Revlon Israel and until March 1999 he served as a director of Koor Industries and Chairman of its Investment Committee. He also served as Chairman of the Executive Committee of Africa-Israel Ltd. and as the Chairman of the Board of Directors of Africa-Israel Hotels.

It is proposed that at the AGM the following resolutions be adopted:

RESOLVED, to re-appoint Mr. Vidman as an External Director (*Dahatz*) of the Company for one additional term of three years in accordance with the Companies Law, commencing on October 28, 2006 .

The election of external director (*Dahatz*) under the Companies Law requires approval by the general meeting of the shareholders provided that either (a) the majority of the votes at the meeting, including at least one third of the votes of non-controlling shareholders voted at the meeting, voted in favor of the resolution, or (b) the total number of votes against the resolution among the shareholders mentioned in paragraph (a) above does not exceed one percent of the aggregate voting rights in the Company.

The Board of Directors recommends a vote FOR approval of these proposed resolution.

ITEM 4 APPROVAL OF THE COMPANY S AUDITED FINANCIAL STATEMENTS

The Board of Directors has approved, as required by the Companies Law, the audited financial statements of the Company for the year ended December 31, 2005, attached hereto as **Annex A** . These financial statements are distributed together with this Proxy Statement. Under the Company s Articles of Association, shareholders approval is required for both the financial statements and the respective report of the Board of Directors, which is attached hereto as **Annex B** . A representative of the Company s auditor, Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group, is expected to be present at the AGM, and will be available to respond to appropriate questions from shareholders.

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, that the audited financial statements of the Company for the year ended December 31, 2005 and the report of the Board of Directors for such period, are hereby approved.

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval of this resolution.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

**ITEM 5 AMENDMENTS TO THE COMPANY S
ARTICLES OF ASSOCIATION**

A. The authority of the board of directors to determine the remuneration of the Company s auditor

Article 29.3 to the Articles of Association stipulates that the Board of Directors has the authority to determine the compensation of the auditor of the Company.

It is proposed to amend Article 15.1.2 to the Articles of Association for consistency. The amendments to Article 15.1.2 to the Articles of Association are attached hereto as Annex C .

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, to approve the amendments to Article 15.1.2. to the Articles of Associations of the Company, as attached hereto as Annex C .

The affirmative vote of the holders of 75% of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for this amendment to our Articles of Association.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

B. Elections of Directors and termination of their office

Article 23.3.3 to the Company s Article of Association stipulates that an Extraordinary Meeting of the Company may elect any person as a Director, to fill an office which became vacant or to serve as an external Director (*Dahatz*) or an independent Director and also in any event in which the number of the member of the Board of Directors is less than the minimum set in the Articles of Association.

It is proposed to amend Article 23.3.3. to the Company s Article of Association so that, in addition to the circumstances specified in the current Article 23.3.3, the Company may, by Ordinary Majority, unless otherwise required under any applicable law, resolve at the Extraordinary Meeting to elect any person as an additional member to the then existing Board of Directors provided that the maximum number of Directors permitted under Article 23.1 is not exceeded. Any Director elected in such manner (excluding an external Director (*Dahatz*)) shall serve in office until the coming Annual Meeting, unless his office becomes vacant earlier in accordance with the provisions of these Articles of Association and may be reelected. The amendments to Article 23.3.3 to the Articles of Association are attached hereto as Annex D .

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In addition, Article 23.4 to the Company's Article of Association stipulates that the Board of Directors of the Company may elect, upon approval of at least 75% of the Directors of the Company, any person as a Director, to fill an office which became vacant and also in any event in which the number of the member of the Board of Directors is less than the minimum set in the Articles of Association.

It is proposed to amend Article 23.4 to the Company's Article of Association so that, in addition to the circumstances specified in the current Article 23.4, the Board of Directors of the Company shall be entitled to elect, upon approval of at least 75% of the Directors of the Company, any person as an additional member (excluding an External Director *Dahatz*) to the then existing Board of Directors provided that the maximum number of Directors permitted under Article 23.1 is not exceeded. Any Director elected in such manner shall serve in office until the coming Annual Meeting, and may be reelected. The amendments to Article 23.4 to the Articles of Association are attached hereto as Annex D.

In addition, Article 23.9 to the Company's Article of Association stipulates several cases in which the term of a Director shall be terminated.

According to section 228(b) to the Companies Law, a company may include in its articles of association cases for termination of the term of a director. It is proposed to amend Article 23.9 to the Company's Article of Association and to add Article 23.9.8 according to which, the Board of Directors may terminate a Director's office in case it concludes that the office of such Director is in violation to the provisions of any license granted to Partner or any of its subsidiaries or any other entity it controls by the Minister of Communications of the State of Israel or of any other applicable law. The amendments to Article 23.9 to the Articles of Association are attached hereto as Annex D.

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, to approve the amendments to Articles 23.3.3, 23.4 and 23.9 to the Articles of Associations of the Company, as attached hereto as Annex D.

The affirmative vote of the holders of 75% of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for this amendment to our Articles of Association.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

D. The insurance of officers

On March 23, 2006, the extraordinary general meeting approved amendments to the Company's Articles of Association in connection with the indemnification of directors and officers.

In light of these amendments, our Board of Directors has approved, subject to the approval of our shareholders, an amendment to Article 33 of our Articles of Association in order to more accurately reflect the current provisions of the Companies Law and to enable the Company to enter into an insurance contract to cover to the fullest extent its commitment to indemnify the officers under the provisions of the Articles of Association and under the Companies Law. The amendments to Article 33 to the Articles of Association are attached hereto as Annex E.

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, to approve the amendments to Article 33 to the Articles of Associations of the Company, as attached hereto as Annex E .

The affirmative vote of the holders of 75% of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for this amendment to our Articles of Association.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

D. **The compliance with the terms of the License**

The Company has and wishes to have in the future several telecommunications licenses issued by the Ministry of Communications.

Article 43 to the Company's Articles of Association refers to the compliance of the shareholders of the Company with the License which is defined in Article 1.1 of the Articles of Association to mean the General License for the Provision of Mobile Radio Telephone Services issued by the Ministry of Communications dated April 7, 1998 only.

Since the Company has applied to the Ministry of Communications to grant additional telecom licenses, it is proposed to amend Article 43 to the Company's Articles of Association so that it will cover the obligation of the shareholders and the Company to comply with the terms of the License (as defined in the Articles of Association) and any other telecommunications license(s) held by the Company from time to time. The amendments to Article 43 to the Articles of Association are attached hereto as Annex F .

It is proposed that at the AGM the following resolution be adopted:

RESOLVED, to approve the amendments to Article 43 to the Articles of Associations of the Company, as attached hereto as Annex F .

The affirmative vote of the holders of 75% of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for this amendment to our Articles of Association.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

RESTRICTIONS ON VOTING RIGHTS

Partner conducts its operations pursuant to a license granted to Partner by the Minister of Communications of the State of Israel. Partner's Articles of Association and, with respect to shareholders other than shareholders of Partner prior to its public offering, Partner's license contain provisions that may cause the suspension of voting rights of the holders of Ordinary Shares or ADSs if such voting rights would breach the ownership limits contained in our license. These limits prohibit the transfer or acquisition of 10% or more of Partner's means of control and acquisition of control of the Company without the consent of the Minister of Communications in Israel, and restrict cross-control and cross-ownership of other mobile telephone operators in Israel, and shareholdings and agreements which may reduce or harm competition. Ordinary Shares or Ordinary Shares represented by ADSs held in breach of these limits may be considered as dormant shares. Notwithstanding anything to the contrary in this Proxy Statement, dormant shares will not bear any rights to which the holders would otherwise be entitled, other than the right to receive dividends and other distributions to shareholders (including the right to participate in rights offerings). Specifically, the holders of dormant shares will not have voting rights with respect to their dormant shares, nor will they have the right to participate in general meetings of shareholders.

Any shareholder seeking to vote at the AGM must notify the Company prior to the vote, or, if the vote is by deed of vote, must so indicate on the deed of vote, if any of the shareholder's holdings in Partner or the shareholder's vote requires the consent of the Minister of Communications due to a breach by the shareholder of the restrictions on the transfer or acquisition of means of control or acquisition of control of Partner, or the provisions regarding cross-ownership or cross-control of other mobile telephone operators in Israel, in each case as specified in sections 21 and 23 of Partner's license. If a shareholder does not provide such notification, the shareholder shall not vote and, if the shareholder has voted, his or her vote shall not be counted.

By Order of the Board of Directors

ROLY KLINGER, ADV.
Vice President
Chief Legal Counsel and
Joint Company Secretary

Dated: September 14, 2006

PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

2005 ANNUAL REPORT

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The amounts are stated in New Israeli Shekels (NIS) in thousands.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of

PARTNER COMMUNICATIONS COMPANY LTD.

We have audited the consolidated balance sheets of Partner Communications Company Ltd. and its subsidiary (collectively the Company) as of December 31, 2004 and 2005 and the related consolidated statements of operations, of changes in shareholders' equity (capital deficiency) and of cash flows for each of the three years in the period ended December 31, 2005. These financial statements are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States), and with auditing standards generally accepted in Israel, including those prescribed by the Israeli Auditors (Mode of Performance) Regulations, 1973. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2004 and 2005 and the consolidated results of its operations, changes in shareholders' equity (capital deficiency) and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States.

Tel-Aviv, Israel
March 7, 2006

Kesselman & Kesselman
Certified Public Accountants (Israel)

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
CONSOLIDATED BALANCE SHEETS

	December 31		
	2004	2005	2005
	New Israeli shekels		Convenience translation into U.S. dollars (note 1a)
	In thousands		
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	4,611	4,008	871
Accounts receivable (note 13):			
Trade	625,220	795,156	172,747
Other	70,158	97,128	21,101
Inventories	101,656	209,323	45,476
Deferred income taxes (note 10)	255,503	65,361	14,200
T o t a l c u r r e n t a s s e t s	1,057,148	1,170,976	254,395
INVESTMENTS AND LONG-TERM RECEIVABLES:			
Accounts receivable - trade (note 13)	96,687	189,013	41,062
Funds in respect of employee rights upon retirement (note 7)	69,128	75,443	16,390
	165,815	264,456	57,452
FIXED ASSETS , net of accumulated depreciation and amortization (note 3)	1,843,182	1,768,895	384,292
LICENSE AND DEFERRED CHARGES , net of accumulated amortization (note 4)	1,325,592	1,321,167	287,023
DEFERRED INCOME TAXES (note 10)	94,442	86,505	18,793
T o t a l a s s e t s	4,486,179	4,611,999	1,001,955

Date of approval of the financial statements: March 7, 2006

Amikam Cohen
Chief Executive Officer

Alan Gelman
Chief Financial Officer

Moshe Vidman
Director

	December 31		
	2004	2005	2005
	New Israeli shekels		Convenience translation into U.S. dollars (note 1a)
	In thousands		
Liabilities and shareholders' equity			
CURRENT LIABILITIES:			
Current maturities of long-term liabilities (notes 5, 13d)		34,464	7,487
Accounts payable and accruals:			
Trade	552,377	665,542	144,589
Other (note 13)	307,364	231,480	50,289
Related party - trade		10,513	2,284
Dividend payable		44,996	9,775
	<u>859,741</u>	<u>986,995</u>	<u>214,424</u>
T o t a l current liabilities	859,741	986,995	214,424
LONG-TERM LIABILITIES:			
Bank loans, net of current maturities (note 5)	1,185,088	665,974	144,682
Notes payable (note 6)	753,900	2,022,257	439,335
Liability for employee rights upon retirement (note 7)	92,808		