

PARTNER COMMUNICATIONS CO LTD  
Form 6-K  
August 16, 2017

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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

August 16, 2017

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): 82- \_\_\_\_\_)

This Form 6-K is incorporated by reference into the Company's Registration Statements on Form S-8 filed with the Securities and Exchange Commission on December 4, 2002 (Registration No. 333-101652), September 5, 2006 (Registration No. 333-137102), September 11, 2008 (Registration No. 333-153419), August 17, 2015 (Registration No. 333-206420), November 12, 2015 (Registration No. 333-207946) and on March 14, 2016 (Registration No. 333-210151)

Enclosure: Partner Communications reports second quarter 2017 results



PARTNER COMMUNICATIONS REPORTS  
SECOND QUARTER 2017 RESULTS<sup>1</sup>

ADJUSTED EBITDA<sup>2</sup> TOTALED NIS 252 MILLION

OPEX<sup>2</sup> TOTALED NIS 489 MILLION, A DECLINE OF NIS 83 MILLION FROM Q2 2016

ADJUSTED FREE CASH FLOW<sup>2</sup> TOTALED NIS 208 MILLION

Second quarter 2017 highlights (compared with second quarter 2016)

- Total Revenues: NIS 805 million (US\$ 230 million), a decrease of 10%
- Service Revenues: NIS 646 million (US\$ 185 million), a decrease of 7%
- Equipment Revenues: NIS 159 million (US\$ 45 million), a decrease of 22%
- Total Operating Expenses (OPEX): NIS 489 million (US\$ 140 million), a decrease of 15%
- Adjusted EBITDA: NIS 252 million (US\$ 72 million), an increase of 11%
- Adjusted EBITDA Margin<sup>2</sup>: 31% of total revenues compared with 25%
- Profit for the Period: NIS 34 million (US\$ 10 million), an increase of 31%
- Net Debt<sup>2</sup>: NIS 1,081 million (US\$ 309 million), a decrease of NIS 883 million
- Adjusted Free Cash Flow (before interest): NIS 208 million (US\$ 59 million), an increase of NIS 48 million
- Cellular ARPU: NIS 62 (US\$ 18), a decrease of 5%
- Cellular Subscriber Base: approximately 2.66 million at quarter-end, a decrease of 1%

Rosh Ha'ayin, Israel, August 16, 2017 – Partner Communications Company Ltd. ("Partner" or the "Company") (NASDAQ and TASE: PTNR), a leading Israeli communications operator, announced today its results for the quarter ended June 30, 2017.

Commenting on the second quarter 2017 results, Mr. Isaac Benbenisti, CEO of Partner noted:

"The second quarter results portray a net increase in the number of cellular subscribers, continued efficiency measures implemented in the Company and an increase in operating profit.

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<sup>1</sup> The quarterly financial results are unaudited.

<sup>2</sup> For the definition of this and other Non-GAAP financial measures, see "Use of Non-GAAP Financial Measures" in this press release.



In the last quarter, we continued to establish our leadership in the cellular segment, and we reported an increase in the number of Post-Paid subscribers, who account for 85% of the Company's cellular subscriber base, for the eighth consecutive quarter. We continue to deploy 4.5G network throughout the country and at the same time we continue to implement MIMO 4X4 technology in our cellular network, which will enable us to offer cellular internet at speeds of up to 400 Mbps. In addition, we continue to develop additional capabilities for Partner's unique IoT (Internet of Things) Pro network, which are for private use and adapted to the specific needs of business subscribers.

We opened the second half of 2017 with the initial marketing of Partner TV services and triple services which include internet and fixed-line telephony, in addition to TV. Over 20,000 consumers have requested to join Partner TV, reflecting the strong interest in the Israeli market to switch to a more advanced TV service at a more attractive price. In the last two weeks we have already begun installations in the homes of consumers. In addition, the localized launch of Netflix in Israel, and our partnership with the world's leading internet television network, will enable us to offer a unique value-added offering to Partner TV customers.

Last week we revealed additional news, with the announcement regarding the expansion of Partner's fiber optic network, which enables private customers, already at this point in time, internet services at speeds of up to 1,000Mbps and we have already reached tens of thousands of households. In the coming months we plan to significantly expand our deployments within the cities with a reach of additional tens of thousands of homes using Partner's fiber infrastructure. This is in addition to growing numbers of business customers already enjoying the advantages of Partner's fiber optic network, which is deployed in central business areas in various cities in Israel and is connected to economic centers worldwide.

The positive quarterly results, together with the successful launch of Partner TV and the progress in fiber deployment, are the result of long-term plans that we started over two years ago, designed to provide our customers with added value across the variety of communication services we offer as a comprehensive communications group."

Mr. Dudu Mizrahi, Partner's Chief Financial Officer, commented on the second quarter results of 2017:

"The past months at Partner have been characterized by activity in a wide range of operational and financial areas, and continued efficiency measures in the Company, all alongside the planning of future investments by the Company.

During the last quarter, the Company's cellular subscriber base grew by 4 thousand subscribers, with the Post-Paid subscribers increasing by 14 thousand subscribers while the Pre-Paid subscribers base declined by 10 thousand subscribers. An increase in the size of the subscriber base together with an increase in ARPU, as a result of seasonality and price stability in calls and data packages, resulted in a quarterly increase in revenues from cellular services.

In the equipment sales operations, the steps that we have taken in the past few months resulted in an improvement in gross profit from equipment sales to NIS 33 million with profitability of 21% compared to gross profit of NIS 26 million and profitability of 16% in the first quarter of 2017.

Further, in the second quarter, following the trend we have seen in previous quarters, we continued to reduce the Company's OPEX, which contributed to the improvement in the Company's EBITDA compared to the previous quarter as well as to the parallel quarter last year. In the second quarter of 2017, the higher EBITDA was a result of the growth in service revenues, the improvement in gross profit from equipment sales and the continued decline in OPEX.

We continue to report strong adjusted free cash flow before interest payments, which totaled NIS 208 million in the second quarter of 2017, an increase of 30% compared to the second quarter of 2016 and a 65% increase compared to the first quarter of 2017.

With respect to financing, during the past quarter we took a number of steps including a capital raise of approximately NIS 190 million, early repayments of loans from banks and financial institutions in a total amount of NIS 700 million in June and NIS 175 million in July, while at the same time raising new debt by issuing bonds in an amount of approximately NIS 255 million in July. These measures strengthened the Company's balance sheet and will reduce the Company's finance expenses, in order to enable us to realize Partner's strategic plans."

NIS Million	Q2'17	Q1'17	Comments
Service Revenues	646	640	
Equipment Revenues	159	163	Decrease in fixed-line equipment sales
Total Revenues	805	803	
Gross profit from equipment sales	33	26	Change in product mix with increase in profit margins
OPEX	489	496	
Adjusted EBITDA	252	233	
Profit for the Period	34	51	Finance expenses in Q2 2017 included one-time early repayment expense of NIS 25 million
Capital Expenditures (additions)	61	40	
Adjusted free cash flow (before interest payments)	208	126	
Net Debt	1,081	1,415	Decline in debt results from positive free cash flow and capital raise of approximately NIS 190 million

NIS Million	Q2'17	Q1'17	Comments
Cellular Post-Paid Subscribers (end of period, thousands)	2,273	2,259	
Cellular Pre-Paid Subscribers (end of period, thousands)	389	399	
Monthly Average Revenue per Cellular User (ARPU) (NIS)	62	61	Increase as a result of seasonality and price stability in call and data packages
Quarterly Cellular Churn Rate (%)	9.0 %	9.8 %	Decline in churn rate of both Post-Paid subscribers and Pre-Paid subscribers

### Key Financial Results

NIS MILLION (except EPS)	Q2'17	Q2'16	% Change	
Revenues	805	897	-10	%
Cost of revenues	637	730	-13	%
Gross profit	168	167	+1	%
Operating profit	103	67	+54	%
Profit for the period	34	26	+31	%
Earnings per share (basic, NIS)	0.21	0.17	+24	%
Adjusted free cash flow (before interest)	208	160	+30	%

### Key Operating Indicators

	Q2'17	Q2'16	Change	
Adjusted EBITDA (NIS million)	252	228	+11	%
Adjusted EBITDA (as a % of total revenues)	31 %	25 %	+6	
Cellular Subscribers (end of period, thousands)	2,662	2,700	-38	
Quarterly Cellular Churn Rate (%)	9.0 %	9.8 %	-0.8	
Monthly Average Revenue per Cellular User (ARPU) (NIS)	62	65	-3	

### Partner Consolidated Results

NIS Million	Cellular Segment			Fixed-Line Segment			Elimination		Consolidated		
	Q2'17	Q2'16	Change %	Q2'17	Q2'16	Change %	Q2'17	Q2'16	Q2'17	Q2'16	Change %
Total Revenues	642	715	-10 %	206	236	-13 %	(43 )	(54 )	805	897	-10 %
Service Revenues	497	527	-6 %	192	219	-12 %	(43 )	(54 )	646	692	-7 %
Equipment Revenues	145	188									