

Translation of Immediate Report

Bank Leumi le-Israel B.M.

Registration No. 520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name: Leumi

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30 August 2011

Reference Number 2011-01-256839

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Nature of Event: Trans-Israel Highway Transaction

Bank Leumi le-Israel B.M. (the "Bank") B.M. hereby announces that, pursuant to its report dated 11 August 2011 (Reference 2011-01-237849) concerning the additional investment by Leumi Partners Ltd. in T.S.Y. Drachim Limited Partnership (the "Partnership"), which has invested in the toll road project known as the Trans-Israel Highway (Highway 6), through Derech Eretz Highways (1997) Ltd. ("Derech Eretz"), the State yesterday notified Derech Eretz that the notice of the exercise of the right of first refusal does not comply with the terms of the offer notice, with the options agreement with the State, or with the provisions of the law, and the State therefore views Derech Eretz as not having exercised its right of first refusal for the purchase of the profit sharing certificates. Derech Eretz has given notice that it rejects the State's claims and that it is examining the possible courses of action that are available to it.

Date and time at which the corporation first became aware of the matter being the subject of the report: 29 August 2011 Time: 19:10.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
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