

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

Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546

Phone: + 972 3 5148111, + 972 3 5149419; Facsimile: + 972 3 5149732

Electronic Mail: Yaelru@bll.co.il

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Reference Number 2011-01-000393

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

Immediate Report

Nature of Event: Completion of the Trans-Israel Highway Transaction

Further to the Immediate Report of Bank Leumi le-Israel B.M. (the "Bank") dated 30 December 2010 (Reference Number 2010-01-737034), the Bank hereby announces that on 31 December 2010 the transaction into which Leumi Partners Ltd., a wholly-controlled subsidiary of the Bank ("Leumi Partners"), had entered was completed. The transaction is for the investment in a limited partnership, T.S.Y. Drachim Limited Partnership (the "Partnership"), as described in the above-mentioned Immediate Report.

The transaction was completed following the fulfillment of the conditions precedent in respect thereof, including the receipt of approvals from the State of Israel and from the financing entities. In addition, the Partnership acquired 50% of Derech Eretz Highways (1997) Ltd. (the project franchisee). Leumi Partners, which holds some 19.5% of the Partnership, has invested some NIS 127 million in the Partnership for the purpose of purchasing the rights in the project. (Leumi Partners also undertook to make an additional investment, to the extent that bank guarantees issued in connection with the project are exercised, up to a maximum amount of some NIS 68 million.)

Date and time at which the corporation first became aware of the matter being the subject of the report: 31 December 2010 Time: 12:00.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
POB 2 Tel Aviv 61000, Phone: + 972 3 5149419, Facsimile: + 972 3 5149732,
Electronic Mail: Yaelru@bll.co.il