

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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14 October 2011

Reference Number 2011-01-301551

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

Pursuant to its report dated 30 August 2011, Bank Leumi le-Israel B.M. hereby announces the following regarding the exercise of Derech Eretz' right of first refusal: Following the State's announcement of its rejection of the notice of the exercise by Derech Eretz of the right of first refusal, an arbitration proceeding was held among Derech Eretz, the State of Israel and the party that the State had declared to be the winner of the tender. The subject of the arbitration was Derech Eretz' claim that its exercise of the right of first refusal be recognized. On 10 October 2011, the arbitrator issued a ruling that rejected Derech Eretz' request and confirmed the State's notice regarding the rejection of the notice of the exercise of the right of first refusal that had been submitted by Derech Eretz.

Date and time at which the corporation first became aware of the matter being the subject of the report: 11 October 2011 Time: 14:00.

Reference numbers of previous documents in this regard (does not constitute inclusion by reference):

2011-01-256839

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