

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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19 October 2009

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

Immediate Report regarding an Event or Matter falling outside the Ordinary Course of Business of the Corporation

Pursuant to Regulation 36(a) of the Securities (Periodic and Immediate Reports)
Regulations, 1970

Nature of Report: Agreement with Scailex Corporation

Further to the Immediate of Bank Leumi le-Israel B.M. (the "Bank") of 23 August 2009, pursuant to which the Bank announced the signing of an agreement with Scailex Corporation Ltd. ("Scailex"), for the acquisition of shares constituting 4.99% of the issued and fully paid share capital of Partner Communications Ltd, which includes an option to purchase debentures convertible into Scailex shares in the amount of some NIS 103 million (the "Option" and the "Agreement"), the Bank announces that on 18 October 2009 it delivered a notice to Scailex regarding the exercise of the option through Leumi Partners Ltd., a wholly owned subsidiary of the Bank. The validity of the option was extended to this date, with the agreement of Scailex.

Pursuant to the exercise of the option, NIS 102,705,270 par value convertible debentures (series 1) of Scailex will be issued to Leumi Partners at a price of NIS 1.002 for every NIS 1 par value, and for an aggregate consideration of NIS 102,910,681 (the "Issued Debentures"). The Issued Debentures will be issued by means of an extension of the series of debentures (series 1), all as in accordance with the provisions of the law and the shelf prospectus published by Scailex on 21 August 2009.

It was agreed between the Bank and Scailex that notwithstanding the provisions of the Agreement, the exercise of the option and the issue of the Issued Debentures will not be conditional upon the completion and execution of the transaction being the subject of the Agreement, and should the transaction not be completed, the provisions detailed in the trust deed of the Issued Debentures will apply in such a case.

Date and time at which the corporation first became aware of the event or matter:
18 October 2009 at 21:12.

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