

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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29 June 2011
Reference: 2011-01-196971

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

Immediate Report

Nature of the Event: Avgol Industries

On 29 June 2011, Leumi Partners Ltd. (a company which is wholly-owned by the Bank) (hereinafter: "Leumi Partners") signed an agreement with Petrochemicals Investments (2006) Ltd., Joshua Goldwasser, Music Nut Ltd., Achai Bonne, Achai Bonne Investments Ltd., Abraham Zilberfeld and Avzil Holdings Ltd. (hereinafter: "the Sellers"), for the purchase of 34,253,163 ordinary shares of Avgol Industries 1953 Ltd. (hereinafter: "the Company"), constituting some 11.26% (fully diluted) of the Company's issued and paid-up share capital, as well as options for the purchase of 25,317,555 ordinary shares in the Company (hereinafter: "the Options"), constituting some 8.32% (fully diluted) of the Company's issued and paid-up share capital, for consideration of some NIS 110 million (hereinafter: "the Agreement"). The Options are exercisable during a period of 3 years from the date of the signing of the agreement, for an exercise price of NIS 3.25 per share, less the amount of any dividend. The Agreement includes standard rights for the protection of Leumi Partners' investment. In accordance with the Agreement, the transaction was completed on 29 June 2011.

Date and time at which the corporation first became aware of the matter being the subject of the report: 29 June 2011 Time: 16:00.

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