

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

30 December 2010

Reference Number 2010-01-737034

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

Immediate Report

Nature of Event: Agreement Regarding Investment in the Trans-Israel Highway

Bank Leumi le-Israel B.M. (the "Bank") is pleased to announce that Leumi Partners, Ltd., a wholly-controlled subsidiary of the Bank ("Leumi Partners"), yesterday (28 December 2010) signed an agreement for the establishment of a limited partnership (the "Agreement" and the "Partnership," respectively) which will invest in the toll road project known as the Trans-Israel Highway (Highway 6), including in this an investment in Derech Eretz Highways (1997) Ltd. (the "Project").

Leumi Partners will hold a share of some 19.5% in the Partnership, in return for an investment of some NIS 127 million. Leumi Partners also undertook to make an additional investment in the Partnership, to the extent that bank guarantees issued in connection with the Project are exercised, up to a maximum amount of some NIS 68 million.

The general partner will be Israel Infrastructures Management 1 Ltd., which is controlled by S.T.G. Investments, Yaron Kestenbaum and the Harel Insurance Company, Ltd. The limited partners are institutional entities, including Leumi Partners and a company which is wholly owned by the Israel Infrastructures Fund.

The Agreement lays down conditions precedent for the completion of the transaction. These include conditions relating to agreements into which the partnership has entered with third parties for the purchase of rights in the Project, the fulfillment of representations and undertakings that the general partner and the partnership have undertaken in the context of the Agreement, and the approval of the content and texts of documents relating to the Project's financing, and the State's consent to the transaction which is the subject of the Agreement.

Date and time at which the corporation first became aware of the matter being the subject of the report: 29 December 2010 Time: 15:00.

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