

**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

34 Yehuda Halevi Street, Tel Aviv 651316

Phone: 076-8858111, 076-889419; Facsimile: 076-8859732

Electronic Mail: Livnat.Ein-Shay@bll.co.il

13 May 2018  
2018-01-037635

To: Israel Securities Authority (www.isa.gov.il)  
**The Tel Aviv Stock Exchange ([www.tase.co.il](http://www.tase.co.il))**

**Immediate Report**

Nature of Event: Agreement for sale of holdings in Avgol

See attached Annex [Avgol Report135182 isa.pdf](#)

The company is not an envelope company as defined in the Stock Exchange by-laws.

Date and time at which the corporation first became aware of the matter being the subject of the report: 13 May 2018 Time: 08:00.

**Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.**

**The original Hebrew version is available on the distribution website of the Israel Securities**

**Authority: <http://www.magna.isa.gov.il>**

---

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary  
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732  
Electronic Mail: [david.sackstein@bankleumi.co.il](mailto:david.sackstein@bankleumi.co.il)

13 May 2018

To:

Tel Aviv Securities Exchange  
2 Ahuzat Bayit Street  
Tel Aviv 652516

Israel Securities Authority  
22 Kanfei Nesharim Street  
Jerusalem 95464

Dear Sir or Madam:

Re: **Agreement for the Sale of holdings in Avgol Industries**

Pursuant to the Immediate Report published on 8 May 2018 (Reference No. 2018-01-045655), Bank Leumi is pleased to announce as follows:

In the morning of 13 May 2018, Leumi Partners Ltd. (hereafter: "**Leumi Partners**"), the Bank's subsidiary, signed an agreement (hereafter: "the **Agreement**") with Indorama Ventures Spain S.L., a private company incorporated in Spain (hereafter: "the **Buyer**") for the sale of all of Leumi Partners' holdings in Avgol Industries 1953 Ltd. (hereafter: "the **Company**"), which constitutes some 14.96% of the rights in the Company's capital and voting rights (hereafter: "the **Sold Shares**"). Leumi Partners entry into an agreement has taken place in parallel to the entry of HFH International BV, the controlling shareholder of the Company, into an agreement with the Buyer for the sale of all its shares in the Company (hereafter: "the **HFH Agreement**"). The completion of the transaction pursuant to Agreement, and the completion of the transaction pursuant to the HFH agreement are each conditioned upon the completion of the other transaction, and they will be carried out simultaneously.

The share price pursuant to the Agreement is 1.62 United States dollars per share, which is NIS 5.78 per share, based on the representative exchange rate as of the date of this Report). According to the said representative exchange rate, the consideration to be received by Leumi Partners from the total transaction pursuant to the Agreement amounts to some NIS 255 million. The Bank is expected to record a pre-tax profit of some NIS 118 million for the investment in the Company and the above-described transaction.

The sale transaction will be completed subject to the satisfaction of several conditions precedent, and the primary condition is the completion of the HFH Agreement transaction. The completion of the HFH Agreement transaction is itself subject to several conditions precedent, of which the primary ones are the receipt of the required regulatory approvals and of the required consents from third parties to a change in the control of the Company. The Agreement provides that the last date for the satisfaction of the conditions precedent is within 120 days from the signing of the Agreement. Each of the parties has the right to postpone this date by an additional 45 days, provided that the extending party is not in substantial breach of the Agreement. The Agreement also provides that the last date for the satisfaction of the conditions precedent may be postponed until the final

date for the satisfaction of the conditions precedent in the HFH Agreement, if that date is postponed in accordance with the HFH Agreement.

As of the current time, there is no certainty regarding the completion of the above-mentioned sale Agreement, taking into consideration, *inter alia*, the conditions precedent for the completion of the agreements as stated. The Buyer's parent company, Indorama Ventures Public Company Ltd., a public company traded in Thailand, is a guarantor of the Buyer's financial undertakings.

Sincerely,

Bank Leumi le-Israel Ltd.

by

Mr. Ronen Agassi, Head of the Capital Markets Division

Attorney Irit Roth, Chief Legal Advisor