



UNITRONICS (1989) (R" G) LTD.

PRESS RELEASE
Airport City, Israel,
May 18, 2016

*****Regulated Information*****
*****For Immediate Release*****

AN IMMEDIATE REPORT CONCERNING COMPLETION OF A TRANSACTION WITH THE FIMI FUND

Airport City, Israel – May 18, 2016 - Unitronics published the attached Immediate Report pursuant to the requirements of the Israeli law, in connection with Completion of a Transaction with the FIMI Fund.

About Unitronics

Unitronics (1989) (R" G) Ltd. is an Israeli company that engages, through its Products Department, in the design, development, production, marketing and sale of industrial automation products, mainly Programmable Logic Controllers ("PLCs"). PLCs are computer-based electronic products (hardware and software), used in the command and control of machines performing automatic tasks, such as production systems and automatic systems for industrial storage, retrieval and logistics. The Company also engages, through its Systems Department and/or its subsidiaries, in the design, construction and maintenance services in the framework of projects for automation, computerization and integration of computerized production and/or logistics systems, mainly automated warehouses, automated distribution centers and automated parking facilities. The Company's PLCs are distributed by over one hundred and sixty distributors (and a wholly owned US subsidiary) in approximately sixty countries throughout Europe, Asia, America and Africa. The services of the Systems Department are provided to customers in Israel and also outside Israel.

This press release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.

Unitronics (1989) (R"G) Ltd.
(the "Company")

**Re: AN IMMEDIATE REPORT, CONCERNING COMPLETION OF A TRANSACTION WITH
THE FIMI FUND**

**Pursuant to regulation 36(a)
to the Israeli Securities Regulations (Periodic and Immediate Reports), 5730 – 1970**

Further to the reports of the Company dated March 20, 2016, March 31, 2016, and May 2, 2016 (Reference Numbers: 2016-01-009696, 2016-01-021966, and 2016-01-057655, respectively) (hereinafter: the "Reports"), the Company hereby announces that on May 18, 2016 an investment transaction in the Company was completed by the FIMI Fund (hereinafter: the "Transaction Closing Date", the "Transaction" and "FIMI", respectively).

As part of the transaction, the Company allocated to FIMI 3,750,000 ordinary shares of the Company (the "Allotted Shares") in exchange for an investment of NIS 60 million. In addition, if the conditions as specified in the reports will met, the Company will allocate to FIMI up to 535,714 additional shares (the "**Additional Shares**"), for no additional consideration. For the request of the Tel-Aviv stock Exchange, the Company obligated that as a condition for the allocation of the additional shares, the company will capitalize to the share capital part of the premium of the shares allotted, or from any other source in equity permitted for capitalization under any law, in the amount of NIS 0.30 for any additional share allocated to FIMI.

In addition, further to the approval of the General Meeting of Shareholders on May 9, 2016 (Reference No. 2016-01-062236), on the Transaction Closing Date, the resolutions of the General Meeting of Shareholders, which are part of the terms of the transaction, came into effect as follows: Amendment of the employment agreement of the controlling shareholder of the Company, Mr. Haim Shani; Amendment of the Articles of Association of the Company; Amendment of the Compensation Policy of the Company; The appointment of Ms. Rivka Granot as an external Director in the Company and approval of the terms of her service and employment; The appointment of Messrs. Amit Ben-Zvi, Yariv Avisar and Gillon Beck as Directors of the Company and approval of the terms of service and employment of Messrs Yariv Avisar and Gillon Beck; Approval of the terms of service and employment of Mr. Amit Ben-Zvi as the active Chairman of the Board of Directors of the Company.

It should further be noted that as the Company was told by the controlling shareholder thereof, Mr. Haim Shani, that the transaction of the sale to FIMI of 3,125,000 of Mr. Haim Shani's shares in the company, was also completed on the Transaction Closing Date, and 446,429 additional shares of the company were put by Mr. Shani into escrow for future transfer to FIMI, if the conditions as specified in the reports will met. In addition, a shareholders agreement between Mr. Haim Shani and FIMI was signed and came into effect, as specified in the reports.

For further details in connection with the items listed above, see the individual reports published by the Company immediately following the publication of this Immediate Report.

Respectfully,

Unitronics (1989) (R"G) Ltd.