



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE
Airport City, Israel
August 18, 2014

Regulated Information
For Immediate Release


Re: complementary report to the periodic report for 2013

Airport City, Israel – August 18, 2014 – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in concerning with a complementary report to the periodic report for 2013.

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 forty distributors (and a wholly owned US subsidiary) in approximately fifty 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**
Unitronics (1989) (R”G) Ltd.
(“the Company”)

public

August 18, 2014

To the
Israel Securities Authority
www.isa.gov.il

To the
Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Subject: complementary report to the periodic report for 2013

As part of the company’s shelf prospectus which it wishes to publish on August 2014 (the “**shelf prospectus**”¹), the company hereby announces certain additions to the periodic and annual report for 2013 as was published on March 27 2014 (reference no. 2014-01-027369) (hereby: the “**periodic report**”) which the shelf prospectus refers to, as follows

1. Chapter A of the periodic report

Chapter A of the periodic report shall be amended as follows:

1.1 At the end of section 1.6, the following paragraphs and tables shall be added:

“The tables below detail the revenues, direct costs and the company’s profit generated from systems projects and parking solutions projects in 2013, 2012 and 2011 as well as additional financial data related to the company’s projects in these fields. The tables include projects whose revenues exceed 1 million NIS each.

Projects in progress during 2013 (in NIS 000’s)

The tables below include all the projects that were in progress during 2013. 2013 data and comparative figures are only for these projects. The projects’ application period (including comparative figures) varies according to the projects’ completion date in each reporting period.

Projects’ revenues and progress

Area	Cumulative recognized revenues			Projected revenues for 31.12.13	Total revenues : projected and actual
	2013	2012	2011		
Systems	201,589	155,528	116,353	41,902	243,491
Parking Solutions	4,259	0	0	27,814	32,073
Total	205,847	155,528	116,353	69,716	275,564

¹ It should be noted that the offer of securities under the shelf prospectus shall be made in Israel only and not in Belgium.

Area	weighted progress percentage			Advances received on 31.12.13	turnover during the period		
	2013	2012	2011		2013	2012	2011
Systems	83%	66%	68%	13,992	46,061	39,174	44,827
Parking Solutions	13%	0	0	6,184	4,259	0	0
Total	75%	66%	68%	20,176	50,320	39,174	44,827

Costs and Gross Profit

Area	Cumulative recognized costs			Projected costs for 31.12.13	Total: projected + actual
	2013	2012	2011		
Systems	173,215	134,924	97,313	36,458	209,673
Parking Solutions	3,711	0	0	24,859	28,570
Total	176,926	134,924	97,313	61,317	238,243

Area	Cumulative recognized gross profit			Projected gross profit balance	Gross profit: cumulative + projected	Gross Profit margin		
	2013	2012	2011			2013	2012	2011
Systems	28,374	20,604	19,040	5,444	33,818	14%	13%	16%
Parking Solutions	548	0	0	2,955	3,503	11%	0%	0%
Total	28,922	20,604	19,040	8,399	37,321	14%	13%	16%

1.2 At the end of section 1.10.16, the following paragraphs shall be added:

"The company has an agreement with subcontractor A for a project in which the company has committed itself also to the building and construction work. Subcontractor A has performed all of the building and construction work according to the agreement between the customer and the company "back to back". The subcontractor has provided the customer directly with autonomous banking guarantees. All payments made to the subcontractor were according to the payment and linkage terms agreed upon between the company and the customer in the main agreement, and made against invoices within 5 days of receipt of the payment by the company from the customer.

The company has an agreement with subcontractor B to perform the company's commitments according to agreements with various customers to supply certain components in the system which the company has committed to supply its customers. The commercial terms with this subcontractor are: payment varies between end of month plus 30 and end of month plus 45 according to the relevant agreement, the subcontractor should provide the company with autonomous guarantees, predefined delivery times, delivery and transport paid by the supplier and supplier's commitment to replace or repair goods in case of mismatch or quality problems, as well as liability and indemnity provisions for the company relating to the work of the subcontractor.

In 2013 the company had no major subcontractors. In 2012 the company's payments to subcontractor A accounted for about 12% of the company's total expenses for raw materials and subcontractors during this period. The company's payments to subcontractor B accounted for

about 11% of the company's total expenses for raw materials and subcontractors during this period.”

2. Corporate Governance Questionnaire

2.1 On section 34 of the corporate governance questionnaire attached to the periodic report, the “incorrect” notation shall be replaced with the V notation in the ‘correct’ column and “yes” shall be marked in response to the question whether the relevant organ in the corporation has acted according to the Audit Committee’s recommendations.

3. Chapter D of the periodic report

3.1 At the end of section 4.6.1, the following paragraphs shall be added:

“Since 2003, the services provided by Unitronics indirectly, have been discussed, from time to time, as part of the approval of lease agreements in Unitronics Building made to the company by controlling shareholders Messrs. Haim and Ricky Shani (as detailed in section 4.6.2 below), and recently on March 2012. In these discussions, the management fees are reviewed and discussed, in comparison to other buildings in Airport City, and it has been found that the management fees are at market rates.

However, to avoid all doubt, the company has brought up the subject for additional review on the Audit Committee’s meeting on 20.7.14 and it has been confirmed again that the management and maintenance fees are at market rates, and are at usual business course and do not have material impact on the company’s business results, assets and liabilities, and therefore do not constitute an extraordinary transaction. As such, there was no need to limit these services in time (beyond the already existing limitation, in any agreement for these services by any renter separately and directly from Unitronics management).”

Sincerely,

Unitronics (1989) (R”G) Ltd.

Haim Shani, CEO and Chairman of the Board

Gabriel Badusa , Chief Financial Officer