



UNITRONICS (1989) (R" G) LTD.

PRESS RELEASE

Airport City, Israel

November 22<sup>nd</sup>, 2012

**\*\*\*Regulated Information\*\*\***

**\*\*\*For Immediate Release\*\*\***

## **An Immediate Report Concerning the Approval of a Plan for Acquisition of Company Shares**

**Airport City, Israel – November 22<sup>nd</sup>, 2012** - Unitronics (1989) R" G Ltd. (the "Company") published the attached Immediate Report pursuant to the requirements of Israeli law, in connection with the approval of a plan for acquisition of Company shares.

### **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 (1989) (R"G) Ltd.**  
**(The "Company")**

**Re: An immediate report concerning of an acquisition plan approval**

Pursuant to regulation 31L(A) to the Israeli Securities Regulation (Periodic and Immediate Reports), 5766 - 2006.

1. Holder type: the company.
2. I.D No type: Registrar of Companies.
3. Holder I.D No.: 52-004419-9.
4. Country of Incorporation or Registration: Israel.
5. The security type predicate of the acquisition plan: Ordinary shares, par value NIS 0.02 each; Exchange Security Number: 1083831.
6. Commencing Implementation of the acquisition plan intended date: November 26<sup>th</sup>, 2012.
7. The estimated timing for future acquisitions: The Board of Directors authorized Company's management to execute such acquisition at such prices and times as management shall determine, on a case-to-case basis.
8. The Period prescribed for the plan's Implementation: November 26<sup>th</sup>, 2012 until March 31<sup>th</sup> 2013.
9. Date of approval of the acquisition plan by the Board of directors: November 22nd, 2012.
10. The Board's reasons for Implementation of the acquisition plan:
  - a. After reviewing the Company's financial statements, the Company's sources of funding for the repayment of its existing and future debts and obligations, including its cash balance, based on the Company's financial reports to the quarter ending on September 30<sup>th</sup>, 2012, the Company's expected cash flow in accordance with management's review, as well as the price levels of Company shares on the stock exchange, which provide a good opportunity for the Company to acquire its own shares allowing, inter alia, the maintaining of share reserves (as dormant shares) for future financial transactions, the Board determined that in its opinion, approval of the Plan is suitable and appropriate, in light of the Company's financial achievements over the past 2 years, for the purpose of strengthening investors' confidence in the Company.
  - b. Profitability Test – The Board resolved, after reviewing its most recent audited financial statements, that the Company's profits, within the meaning of Section 302 of the Israeli Companies Law, amount to approximately NIS 13,822 thousand. After execution of the Plan to its fullest extent, such profits' surplus shall be reduced to NIS 11,822 thousands. Therefore and since the Company has not voluntarily adopted the IFRS 9 ahead of time and has no intention to do so as of this date, the Board determined that approval of the Plan conforms with the Profitability Test under such section 302, including taking into account acquisitions of Company securities made by it over the past 2 years.
  - c. The Liquidity Test – It is in the Board's opinion, there is no reasonable concern that the above Plan will harm the Company's ability to repay its debts, as they mature, and therefore the above approval conforms with the Liquidity Test under section 302 of the Companies Law.

The Board determined that the new acquisition plan will replace the previous acquisition plan approved by it on August 30<sup>th</sup>, 2012 (the "**Previous Plan**") (for details concerning the Previous Plan, see an immediate report of the Company published on August 30<sup>th</sup>, 2012 regarding its approval), since no shares have been purchased under the framework of NIS 2 million approved by the Board according with the Previous Plan. Since the Board decided to continue company's self-acquisition until March 2012 and the Previous Plan will expire on December 31<sup>th</sup>, 2012, the Board decided that there is no need for two separate plans. Therefore, the Previous Plan, including the unused balance of it, shall expired.

It is hereby clarified that the Board's approval to adopt such plan, does not obligate the Company to execute the self-acquisition plan and the Company may choose not to purchase shares at all and / or purchase in a volume smaller than the one that was approved.

11. The estimated total cost of the acquisition plan: an aggregate value of up to 2 million NIS.
12. Tax implications of the acquisition plan Implementation on the company and on its shareholders: The Company does not expect any tax implications on itself or its shareholders in connection with the execution of the Plan. Shareholders selling their shares may be subject to tax liabilities according to their personal tax status.
13. The Sources of funding for the acquisition plan implementation: The source of funding for the acquisition plan Implementation is the Company's income from ordinary operations.
14. The acquisition plan implementation framework: the acquisitions shall be effected directly on the Tel-Aviv and/or Belgian stock exchanges, or directly from unrelated parties (off the floor).
15. Details regarding acquisition plans approved over the past 3 years: For details regarding Company's self-acquisition plans over the past 3 years, see immediate reports concerning an event which is exceptional to the Company's usual business, published January 8<sup>th</sup> 2009; December 7<sup>th</sup> 2009; March 4<sup>th</sup> 2010; May 23<sup>th</sup> 2010; November 11<sup>th</sup> 2010; March 27<sup>th</sup> 2011; September 18<sup>th</sup> 2011; November 17<sup>th</sup> 2011; March 29<sup>th</sup>, 2012, May 29<sup>th</sup>, 2012 and August 30<sup>th</sup> 2012.
16. The acquisition plan is for shares or for Securities convertible into shares: yes
17. The Company's profits, within the meaning of Section 302 of the Israeli Companies Law: NIS 13,822,000 thousand.
18. Is the acquisition plan expected to materially affect the rate of holdings and voting rights of shareholders: yes  
Detail: if executed to its fullest extent, and under current share prices on the Tel-Aviv stock exchange, the Plan (taking into account previous purchases of Company securities over the past 8 quarters) is expected to have a material effect on the rate of holdings and voting rights of Mr. Haim Shani, CEO, chairman of the Board and controlling shareholder of the Company (i.e. it may increase the rate of relative holdings and voting rights of Mr. Shani by more than 5%).

Respectfully,

**Unitronics (1989) (R"G) Ltd.**

Date: November 22<sup>nd</sup>, 2012.

Name of the signatory: Mr. Yair Itscovich.

Position of Signatory in the reporting corporation: CFO.