



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE  
Airport City, Israel  
February 23<sup>rd</sup>, 2014

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

**An Immediate Report on an Event or Matter Outside the Ordinary Corporate Business**  
**Regulation 36(A) of Securities Regulations (Periodic and Immediate Reports), 1970**  
**Re: Sale of Property in the Modiin-Tirat Yehuda Industrial Zone**

**Airport City, Israel – February 23<sup>rd</sup>, 2014**– Unitronics published the attached Immediate Report pursuant to the requirements of Israeli law, in concerning with the Sale of Property in the Modiin-Tirat Yehuda Industrial Zone.

**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: Sale of Property in the Modiin-Tirat Yehuda Industrial Zone**

Pursuant to Regulation 36(A) of Securities Regulations (Periodic and Immediate Reports), 1970

The Company hereby announces that on February 20, 2014, it entered into an agreement with a third party unrelated to the Company or to the interested parties therein (hereinafter "**the Agreement**" and "**the Buyer**", respectively) for the sale of the Company's rights in a real estate property covering 11,000 square meters, in the Hevel Modiin – Tirat Yehuda Industrial Zone and the plans held by the Company in connection with the planning of the said property (hereinafter – "**the Property**" and the "**Plans**" respectively), for a total consideration of NIS 18,550,000 (eighteen million and five hundred thousand New Israeli Shekels), plus VAT as required by law.

Below are the highlights of the transaction:

- 1) Subject to the fulfillment of all the Buyer's obligations pursuant to the Agreement and any applicable law, the Company has undertaken to sell and transfer to the Buyer all its rights to the Property and the Plans, with the Property, Plans and Company's rights thereto in the same condition as it was on the date of execution of the Agreement, free and clear of any debt and/or charge and/or attachment and/or mortgage and/or pledge and/or any third party right (hereinafter – "**Third Party Rights**").
- 2) In return for the transfer of the Company's rights to the Property and Plans to the Buyer as aforesaid, the Buyer shall transfer to the Company a total amount of NIS 18,550,000 (eighteen million and five hundred thousand New Israeli Shekels), plus VAT as required by law, as follows: (a) at the time of signing the Agreement the Buyer has deposited in trust a bank check in favor of the Company for the amount of NIS 1,855,000 (one million eight hundred and fifty five thousand New Israeli Shekels) plus VAT. The above check shall be transferred to the Company 2 (two) business days after the date of receipt of notice regarding approval of the Agreement by the Company's Board of Directors; (b) no later than 14 days from the date of approval of the Agreement by the Company's Board of Directors, the Buyer shall transfer the remaining consideration, in the amount of NIS 16,695,000 (sixteen million six hundred and ninety five thousand New Israeli Shekels) plus VAT, to the Company, in a bank check, in return for the transfer of ownership in the Property, where the Property is free and clear of any Third Party Rights (including pledge of the Company's contractual rights in relation to the Property in favor of a commercial bank, which existed on the date of signing the Agreement) and with the exception of those registered at the request of the Buyer or the parties related thereto, and delivery of the necessary documents for the transfer of Company's rights in the Property to the

Buyer. If by the date of such payment the Company fails to furnish to the Buyer confirmation of betterment tax payment and/or the local authority confirmation, including in respect of a betterment tax and/or confirmation of the Economic Company for the Development of Hevel Modiin, a total of NIS 1,500,000 from the second payment shall be deposited in trust, to be used as collateral for the payments and/or furnishing of certain documents.

- 3) All taxes, fees and payments (hereinafter – **“the Mandatory payments”**) as well as all payments relating to the day-to-day maintenance and use of the Property, which were created prior to and up to the date of execution of the Agreement, shall be imposed on the Company and paid by it (and the Buyer shall be entitled to deduct a total of NIS 1.4 million from the second payment and to pay it on account of the betterment tax owed by the Company, if it failed to paid it), and all the Mandatory payments and payments relating to the day-to-day maintenance and use of the Property, which were created after the date of execution of the Agreement – shall be imposed on the Buyer and shall be paid by it.
- 4) The Buyer shall handle itself, at its sole responsibility and at its own expense, the registration of its rights to the Property in its name with the Israel Land Administration.
- 5) The Company and the Buyer have made representations as customary for this type of transactions.
- 6) The Agreement is conditional on approval by the Company’s Board of Directors no later than March 2, 2014 (hereinafter – **“the Suspensive Condition”**). The Company has convened a Board of Directors meeting to approve the Agreement prior to this date. Once the Suspensive Condition has been met, the Buyer may notify the Israel Land Administration of the signing of the Agreement as well as register a pledge with the Registrar of Pledges in respect of the Company’s undertakings under the Agreement.

**Sincerely,**

**Unitronics (1989) (R”G) Ltd.**