



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE
Airport City, Israel
March 20, 2016

Regulated Information
For Immediate Release

Re: Immediate Report on an event or matter deviating from the usual corporate business, the submission of which was delayed in accordance with Regulation 36 (b) of the Israeli Securities Regulations (Periodic and Immediate Reports) - 1970

Airport City, Israel – March 20, 2016 – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in connection with an event or matter deviating from the usual corporate business, the submission of which was delayed in accordance with Regulation 36 (b) of the Securities Regulations (Periodic and Immediate Reports) - 1970

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: Immediate Report on an event or matter deviating from the usual corporate business,
delayed submission, in accordance with Regulation 36 (b) of the Israeli Securities
Regulations (Periodic and Immediate Reports) - 1970**

Under Regulation 36 (b) (c) of the Israeli Securities Regulations (Periodic and Immediate Reports) –
1970

Essence of the Event: Signing an agreement of investment in the company

1. Today March 20, 2016, pursuant to the approval of the Audit Committee and the Board of Directors of the Company, the Company signed an agreement with FIMI Opportunity Fund (hereinafter: "FIMI") whereby FIMI will invest NIS 60 million against issuance of shares which will constitute approximately 27.27% of the issued share capital of the company; the controlling shareholder of the Company, Mr. Haim Shani, informed the Company that concurrently he signed an agreement with FIMI whereby FIMI will purchase from him shares of the company held by him for a total amount of NIS 50 million, which will constitute approximately 22.72% of the issued share capital of the Company (after completion of the two transactions) and, therefore, he will continue to hold after FIMI joins the Company approximately 22% of the issued share capital of the company and will continue to serve as its CEO. Accordingly, subject to closing of the transactions under the two agreements, FIMI will hold approximately 49.99% of the issued share capital of the Company.

The price per share in each of the agreements is NIS 16 and is subject to an adjustment mechanism according to which, under certain conditions, it may be reduced down to NIS 14 per share by issuance of additional shares to FIMI by the company and transfer of additional shares to FIMI by Mr. Shani, in the event that the total amounts FIMI will receive as a result of all the shares purchased in the above two transactions (whether by way of sale, dividend, or indemnification according to the purchase agreements) will be less than a 250% multiple of the total amount FIMI paid for them. This adjustment mechanism will expire 8 (Eight) years from the date of closing of the transactions.

Mr. Shani also informed the Company that a shareholders agreement is to be signed between FIMI and himself under which they have agreed to cooperate between them in voting on various issues including the appointment of directors (including the Chairman who shall be designated by FIMI) and have also agreed between them on various rights upon either party effecting certain transactions in its shares. It was also agreed that the chairman appointed by FIMI will be entitled to fees equal to 55% of the total cost to the company of the CEO's fees. These arrangements are limited in time and/or in the percentage of holdings of each party in the company's shares.

Both agreements include other arrangements customary to such transactions, including representations, indemnity in form customary to such transactions and undertakings to run the company's business until closing of the transactions in the ordinary course of business consistent with past practice and upon coordination with Fimi regarding communications with authorities.

The transactions are subject to the approval of the General Meeting of Company's Shareholders and are contingent upon customary terms, including the absence of a material detrimental development in the company, the representations remaining at closing substantially the same, the receipt of all approvals required by law, including the approval of the Antitrust Commissioner, the concurrent closing of both transactions, implementing agreed changes in the composition of the Board of Directors, adoption of revised Article of Association and other conditions.

The agreements also stipulate that if the transactions are not closed within 90 days from the date of signing, each party may terminate, provided that the failure to close will not result from of a breach of such party's obligations, whereupon such party shall bear the other's damages, subject to agreed limitations.

The company will publish additional details within reports of convening a General Meeting of its Shareholders for approving the transactions as required under the law, including the relevant reporting regulations.

2. The reason to the delay in submission of the report:

The report about the negotiation of the agreement was delayed in light of the company's assessment that the publication of its details, under the existing circumstances, could detrimentally affect the prospects of the company entering into the agreement or significantly worsen its terms. The delay ceased upon the signing of the agreement.

3. On March 20, 2016, at 12:00 PM the reason to the delay was removed.

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