



**PRESS RELEASE**  
**Airport City, Israel,**  
**June 14, 2016**

**UNITRONICS (1989) (R"G) LTD.**

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

**An immediate report concerning**  
**the Annual report regarding Company Debentures (series 5)**  
**published by the trustee for such Debentures for 2015**

**Airport City, Israel – June 14, 2016** - Unitronics published the attached Immediate Report pursuant to the requirements of Israeli law, in connection with the publication of the Annual report regarding Company Debentures (series 5) published by the trustee for such Debentures.

**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  
the Annual report regarding Company Debentures (series 5)  
published by the trustee for such Debentures for 2015**

Essence of event: Annual Trustee report re: Company Debentures (Series 5)

Attached annual report on the affairs of the trustee, for holders of debentures (Series 5), Hermetic Trust (1975) Ltd, for the period from June 3, 2015 until the date of this report.

Respectfully,

Unitronics (1989) (R"G) Ltd.

Tel Aviv, June 14, 2016

To:  
**Debenture Holders (Series 5) of**  
**Unitronics (1989) (R"G) Ltd.**

To:  
**Unitronics (1989) (R"G) Ltd.**  
**3 Haarava St.**  
**Airport City**

Dear Sirs/Mesdames:

**Re: Annual Report – Trust for Holders of Debentures (Series 5) Issued by**  
**Unitronics (1989) (R"G) Ltd.**

In our capacity as trustees of the holders of debentures (Series 5) issued by Unitronics (1989) (R"G) Ltd. ("**the Company**"), we herewith present an annual report on the trust activities performed by us during the period from June 3, 2015 until the date of this report ("**the period of the report**"), in accordance with the provisions of the Trust Deed and the law.

1. **Trust Deed**

On September 10, 2014, a trust deed was executed by and between the Company and Hermetic Trust (1975) Ltd. (the "**Trustee**") as trustee of the holders of debentures (Series 5) ("**the Trust Deed**").

2. **Securities Issued**

As of the date of this report the total amount of the outstanding debentures is NIS 36,000,000 par value.

3. **Collateral and Commitments**

The debentures are not secured by any collateral. The Company has undertaken to comply with financial covenants as set forth in Appendix 5 to the Trust Deed, and it has undertaken, furthermore, not to create floating charges over all of its assets.

4. **Payments of Principal and Interest**

Regarding payments of principal and interest see the terms overleaf appended to the Trust Deed, and see also the reports of the Company and particulars on the MAYA website of the Tel Aviv Stock Exchange Ltd.

**5. Special Events**

During the period of the report the Trustee had no knowledge of: (1) any material breach of the Trust Deed by the Company; (2) nonperformance of any material obligation of the Company; (3) any other extraordinary event in connection with the trust under the Trust Deed, except as detailed below:

The Company reported on March 20, 2016<sup>1</sup> and on March 31, 2016<sup>2</sup> ("**the reports**") that the Company and Mr. Haim Shani, the Company's controlling shareholder, had (each separately) signed an agreement with the FIMI Fund whereby, following the closing of the two transactions, Mr. Haim Shani would hold approximately 22% of the Company's shares and the FIMI Fund would hold 49.99% of the Company's shares<sup>3</sup> ("**the transactions**").

At a Debenture Holders' meeting held on May 5, 2016, the Company's position was presented according to which, in view of the shareholders' agreement between Mr. Haim Shani and the FIMI Fund, which includes a cooperation and voting agreement in connection with the appointment of directors, Mr. Shani and the FIMI Fund exercise joint control. Hence, the grounds for immediate repayment should Mr. Haim Shani cease to be the controlling shareholder of the Company, directly or indirectly, do not exist, even without the approval of a simple majority of the debenture holders (Series 5) and/or (Series 4) for said transfer of control, inter alia in light of the following definition of the term "control" in the trust deeds: "Control" – within the meaning of the Securities Law, 5728-1968, including control jointly with others.

On May 10, 2016 the Trustees published a Debenture Holders' meeting summary report and addressed debenture holders who are interested in acting in any manner in connection with the above matter are requested to apply by May 16, 2016 and elaborate their position on the matter. No such applications were received.

On May 18, 2016 the transaction of investment by the FIMI Fund in the Company was accomplished.

**This report is not a substitute for review by holders of the Company's public reports, including its financial statements and the auditors' opinions.**

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<sup>1</sup> See immediate report dated March 20, 2016 (Reference No.: 2016-01-009696).

<sup>2</sup> See immediate report dated March 31, 2016 (Reference No.: 2016-01-021966).

<sup>3</sup> Under Section 10.1.11 of the Trust Deed, a change in control of the Company constitutes grounds for immediate repayment.

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**6. Rating**

The debentures are not rated by any rating company.

**7. Dividends**

During the period of the report the Company did not distribute dividends. For details see the Company's reports in the MAGNA system of the Israel Securities Authority and on the MAYA website of the Tel Aviv Stock Exchange Ltd.

**8. Certificates to the Trustee**

The Company submitted all certificates required under the Trust Deed and as requested by the Trustee.

**9. Debenture Holders' Meetings and Shareholders' Meetings**

9.1 Regarding meetings of the Company's shareholders held during the period of the report, including the issues on the agenda and the resolutions that were adopted, see the Company's reports in the MAGNA system of the Israel Securities Authority and on the MAYA website of the Tel Aviv Stock Exchange Ltd.

9.2 Regarding meetings of the Company's Debenture Holders held during the period of the report, including the issues on the agenda and the resolutions that were adopted, see the Company's reports in the MAGNA system of the Israel Securities Authority and on the MAYA website of the Tel Aviv Stock Exchange Ltd.

**Sincerely yours,**

**Hermetic Trust (1975) Ltd.**