Unitronics (1989) (R"G) Ltd

Quarterly Report as of March 31, 2017

The Company is a "Small Corporation" as this term is defined in the Amendment to the Securities Regulations (Periodic and Immediate Reports) (Amendment), 2014 (hereinafter: "the Amendment"). On March 9, 2014 the Board of Directors of the Company adopted all the reliefs prescribed in the Amendment. For additional details see immediate report dated March 9, 2014 (reference no. 2014-01-009177), included herein by reference.

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CHAPTER A – PREFACE

1.1 General

Company Name:	Unitronics (1989) (R"G) Ltd. (hereinafter: “**the Company**” or “**Unitronics**”)
Company No.:	520044199
Address:	Unitronics Building, Arava Street, Airport City, POB 300, Israel 70100
Email Address:	investors@unitronics.com
Telephone:	03 977 8888
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1.2 Description of the Company and Its Business Environment

The Company operates in two main operating segments, as described below. In addition, the Company engages, through Unitronics Management, in the management and maintenance of Unitronics House.

Products segment: Design, development, production, marketing, sale and support of various models of PLCs (programmable logic controllers) which incorporate an operating panel (keyboard and display) as an integral part of the PLC, and connectivity (including Internet, intranet and cellular phone communications), as well as external expansion units for the PLCs and software for the PLCs. The PLCs are intended mainly for the management of automated systems including industrial automation, logistics systems, robotic parking facilities, for the management of production floors and additional auxiliary items.
This activity is carried out by the Company as well as via a wholly owned subsidiary, Unitronics Inc., which is incorporated in the US (hereinafter: "**Unitronics Inc.**").
The Company's PLCs and services are marketed and sold through the Company’s own marketing system and through Unitronics Inc., as well as via a network of distributors comprising approximately 165 distributors (of which 100 in the US) in approximately sixty countries (including Israel) throughout Europe, Asia, South and Central America, North America and Africa.

Automated Solutions segment: Development, design, marketing, production, construction and maintenance of robotic parking facilities and computerized logistics systems (mainly automated warehouses and automated distribution centers), including the installation of new systems and/or upgrading and servicing of existing systems as well as maintenance services for these systems based on framework agreements or individual service calls.
This activity is carried out through the Company, through Unitronics Automated Solutions Ltd., a wholly owned subsidiary of the Company (hereinafter: “**Unitronics Solutions**”), and through Unitronics Systems Inc., a second-tier subsidiary incorporated in the US, wholly owned by Unitronics Solutions (hereinafter: "**Unitronics Systems**").
The services in this operating segment are provided mainly to customers in Israel and in the US.

Until the end of 2016 the Company reported activities in the Parking Solutions segment and in the Logistics Solutions segment as two separate business segments in its periodic reports, and as two separate operating segments in its financial statements. Given the great similarity in these activities, reflected, inter alia, in their project-based character, the nature of the products and services, the nature of the production processes and the use of shared know-how and production means, as of January 1, 2017 the Company's management examines the performance of both segments jointly and allocates joint resources to them. Therefore, the Company regards these activities as a single operating segment, and it reports them as such starting from its financial statements for the first quarter of 2017.

The Company operates primarily from office and industry buildings situated in Airport City near the David Ben Gurion Airport. For further details see section 1.13 in Chapter A of the Company's Periodic Report for 2016, published by the Company on March 28, 2017, reference no: 2017-01-026116 (hereinafter: "**the Periodic Report**").

The Company's shares are traded on the Tel Aviv Stock Exchange since May 2004 and on the Belgian Stock Exchange since September 1999 (first on the EuroNM Belgium Stock Exchange, and starting from the year 2000 on the EuroNext Stock Exchange in Brussels, Belgium).

In addition, the Company is considering delisting its shares from the Euronext Stock Exchange in Brussels, Belgium (for further details see immediate report dated October 5, 2016 on an event or matter outside the ordinary course of the corporation's business, reference no. 2016-01-058692, included herein by reference).

1.3 Main Events in the Period of the Report and up to Its Publication

1.3.1 Principal payment on debentures (Series 4)

On January 31, 2017 the Company made the third payment of six principal payments on debentures (Series 4), which were issued by the Company under a shelf prospectus published on February 22, 2011 and amended on March 17, 2011 (hereinafter: "**the 2011 Shelf Prospectus**") and a shelf offering report published by the Company on January 24, 2013 pursuant to the 2011 Shelf Prospectus (hereinafter: "**the 2013 Offering Report**"). For the full version of the 2011 Shelf Prospectus see company reports dated February 22, 2011, reference no. 2011-01-058260, and March 17, 2011, reference no. 2011-01-084435. For the full version of the 2013 Shelf Offering Report see company report dated January 24, 2013, reference no. 2013-01-021699.

1.3.2 Signing of an agreement for the construction of a robotic parking facility in the US

On March 26, 2017, the Company through Unitronics Inc. signed an agreement (hereinafter: "**the agreement**") with a US customer, unrelated to the Company or to interested parties therein (hereinafter: "**the customer**"), for the construction of a robotic parking facility in a building located in California, USA (hereinafter: "**the project**").
Under the agreement the Company is expected to receive a total consideration of USD 9.3 million (NIS 34 million). For further details see immediate report dated March 27, 2017 on an event or matter outside the ordinary course of the corporation's business, reference no. 2017-01-025114, included herein by reference.

Up to and including the first quarter of 2017, the Company was engaged in the construction of a total of nine robotic parking facilities in North America, including three in New Jersey and two in California, among them, to the best of the Company's knowledge, the largest robotic parking facility on the West Coast of the US and the only one built on behalf of a municipal entity. Up to the date of this report the Company completed and delivered to its customers in North America five automated parking facilities of its make containing together about 1,400 parking spaces, and it is continuing negotiations for the construction of several new facilities in the US.

1.3.3 Adjustment of directors' fee

On March 28, 2017, the Board of Directors of the Company resolved, pursuant to the approval of the Compensation Committee on March 23, 2017 and in accordance with Regulation 1A(2) of the Companies Regulations (Reliefs in Transactions with Interested Parties), 2000, to adjust the fee of directors who are not officers or External Directors of the Company, so that it equals the fee of the Company's External Directors, which was adjusted for 2017 following an increase in the Company's equity, in accordance with the Companies Regulations (Rules on Remuneration and Expenses of External Directors), 2000. For further details see immediate report dated March 28, 2017 on an event or matter outside the ordinary course of the corporation's business, reference no. 2017-01-026266, included herein by reference.

1.3.4 Renewal and extension of the Company's directors and officers liability insurance policy

On May 24, 2017, the Audit and Compensation Committee of the Company resolved, in accordance with the provisions of Regulations 1B(5) and 1B1 of the Companies Regulations (Reliefs in Transactions with Interested Parties), 2000 (hereinafter: "**the Reliefs Regulations**"), to approve the purchase of a directors and officers liability insurance policy for the Company's directors and officers (hereinafter: "**the Policy**"), for a period of 12 months from May 18, 2017 until May 17, 2018, in accordance with the Company's Compensation Policy. The Audit and Compensation Committee also resolved to insure, in accordance with the terms of the Policy, the directors and officers of the Company who are not controlling shareholders of the Company or their relatives, as well as the directors and officers of the Company who are controlling shareholders of the Company or their relatives.

The principal terms of the Policy are as follows: insurance coverage for damage that may occur during the period of insurance, in the amount of USD 5,000,000 (five million US dollars) for any one event and in the aggregate (plus reasonable legal defense expenses in Israel and abroad); the Company's deductible for claims submitted in the US and Canada is USD 25,000 for any one event, except for securities claims, for which the deductible is USD 35,000 for any one event.

In addition, further to the Audit and Compensation Committee aforementioned approval, on May 28, 2017, the Board of Directors of the Company resolved, in accordance with the provisions of Regulation 1B(5) and 1B1 of the Reliefs Regulations: (a) to approve the purchase of the Policy for a period of 12 months from May 18, 2017 until May 17, 2018, in accordance with the Company's Compensation Policy, and (b) to insure, in accordance with the terms of the Policy, the directors and officers of the Company who are not controlling shareholders of the Company or their relatives, as well as the directors and officers of the Company who are controlling shareholders of the Company or their relatives (for further details see immediate report on a transaction with a controlling shareholder or director that does not require the approval of the general meeting, published concurrently with this report and included herein by reference).

1.3.5 Change in company's officers

On May 28, 2017, Dr. Eyal Horowitz ceased to serve as the Internal Auditor of the Company. On the same day, Mr. Ronen Leibovitz began serving in this position (for further details see immediate report on the senior officers of the Company, published concurrently with this report and included herein by reference).

CHAPTER B – BOARD OF DIRECTORS' REPORT

2.1 Financial Position

2.1.1 Balance Sheet

	As of March 31		As of December 31,	Board of Directors' explanations for changes in balance sheet balances compared to December 31, 2016
	2017	2016	2016	
	NIS in thousand			
Current assets	106,642	89,737	106,066	The change is mainly attributable to the following items: A decrease of NIS 13,583 thousand in cash and cash equivalents and in short-term deposits, mainly due to the need to pay principal and interest on debentures (Series 4) as set out hereinafter, as against an increase of NIS 12,938 thousand in trade receivables and income receivable mainly in the Automated Solutions segment.
Non-current assets	111,208	89,991	112,011	There was no significant change in the balance of intangible assets in the reporting period. This is mainly explained by an investment in the R&D asset in an amount equal to its amortization in the reporting period.
Total assets	**217,850**	**179,728**	**218,077**	
Current liabilities	55,623	50,326	45,705	The increase is mainly attributable to the following items: An increase of NIS 3,910 thousand in other accounts payable, mainly due to an increase in expenses payable in the Automated Solutions segment reflecting the rate of progress in projects; An increase of NIS 2,033 thousand in trade payables, attributable to expanded activity in all business segments of the Company; An increase of NIS 4,260 thousand in current maturities of debentures (Series 4).
Non-current liabilities	66,296	74,170	76,328	The decrease is mainly attributable to the following items: A decrease of NIS 10,894 thousand in debentures following the third principal payment (of six) on debentures (Series 4) in the reporting period, as well as an increase in current maturities of debentures (Series 4) as noted above.
Equity attributable to Company shareholders	95,931	55,232	96,044	Equity represents 44% of the Company's assets.
Total liabilities and equity	**217,850**	**179,728**	**218,077**	

The Company's working capital as of March 31, 2017 totaled NIS 51,019 thousand compared to working capital as of December 31, 2016 totaled NIS 60,361 thousand. The decrease is mainly attributable to a decrease in short-term deposits, increase in current maturities of bonds, increase in accounts payable – other, offset by increase in accounts receivable – trade.

2.1.2 Results of Operations

	For the three-month period ended March 31		For the year ended December 31, 2016	Board of Directors' explanations for changes in profit and loss items compared to the year-before period
	2017	2016		
	NIS in thousand			
Revenues	46,915	35,312	148,988	The increase in revenues in the reporting period compared to the same period last year is attributable to an increase in revenues in all business segments of the Company. For details of revenues by segments, see section 2.1.3 below.
Cost of revenues	33,160	27,666	117,042	
Gross profit (gross profit margin)	13,755 (29.3%)	7,646 (21.6%)	31,946 (21.4%)	The increase in gross profit and gross profit margin in the reporting period compared to the same period last year is attributable to an increase in each of the Company's business segment, as detailed in section 2.1.3 below.
Development expenses, net	1,141	1,404	5,087	The decrease in development expenses, net (recognized in profit and loss) is attributable to a decrease in those expenses in all business sectors of the Company. Development costs in the reporting period reflect the continued development of technologies required to support the Company's operations.
Selling and marketing expenses	6,092	5,476	24,381	The increase in selling and marketing expenses in the reporting period compared to the same period last year is primarily attributable to higher expenditures in the Products segment aimed at boosting revenues in this segment.
Administrative and general expenses	3,964	3,148	14,243	The increase in administrative and general expenses in the reporting period compared to the same period last year is primarily attributable to an increase in headquarters expenses and the Company's relocation to an additional office and industry building.
Other expenses	7	-	15	
Profit (loss) from ordinary activities	2,551	(2,382)	(11,780)	
Financing expenses, net	(459)	(1,035)	(5,476)	The decrease in financing expenses in the reporting period is primarily attributable to the weakening of the dollar and the euro, which resulted in income from the revaluation of hedging transactions made by the Company as well as income from erosion in the value of the Company's loans and obligations in these currencies.
Profit (loss) before tax benefit (taxes on income)	2,092	(3,417)	(17,256)	
Tax benefit (taxes on income)	(987)	(203)	246	Tax expenses in the reporting period arise from profit for the period, in respect of which the Company created a provision for current taxes taking into account the tax benefits to which it is entitled, as well as from changes in deferred tax balances.
Profit (loss) for the period	**1,105**	**(3,620)**	**(17,010)**	

2.1.3 **Analysis by operating segments**

As mentioned above, as of January 1, 2017, the Company's main commercial operations are carried out in two business segments: the Products segment and the Automated Solutions segment. For further details regarding the Company's operating segments, see Chapter A, sections 1.8, 1.9, 1.10 and 1.11 of the Periodic Report. The information in respect of previous periods presented below for the Automated Solutions segment combines the information that was presented in the past separately for the Parking Solutions activity and the Logistics Solutions activity.

2.1.3.1 **Revenues**

Operating segment	For the three-month period ended March 31		For the year ended December 31,	Board of Directors' explanations for changes compared to the year-before period
	2017	2016	2016	
	NIS in thousand			
Products	31,029	27,550	113,509	In spite of the weakening of the dollara and the euro during the reporting period, the Company was able to record an increase in revenues in this business segment, which is export-oriented, due to the introduction of new products and expansion of marketing activities.
Percentage of total company revenues	66%	78%	76%	
Automated Solutions	15,789	7,670	35,052	This business segment is project-based and characterized by fluctuations stemming from the number of projects in execution and the rate of progress in those projects. The increase in revenues from this segment in the reporting period is attributable to an increase in the total value of projects in execution in the reporting period compared to the same quarter last year.
Percentage of total company revenues	34%	22%	24%	

2.1.3.2 Segment Results

Operating segment	For the three-month period ended March 31		For the year ended December 31,	Board of Directors' explanations for changes compared to the year-before period
	2017	2016	2016	
	NIS in thousand			
Products	7,177	6,570	24,098	The improvement in results of this segment in the reporting period compared to the same period last year is mainly attributable to an increase in revenues as well as continuing efficiency measures and a decrease in production costs.
Automated Solutions	(1,784)	(6,619)	(25,027)	The improvement in results of this segment is mainly attributable to an increase in revenues and a decrease in production costs.

2.2 Liquidity and Sources of Financing

The balance of cash and cash equivalents, short- and long-term deposits and marketable securities of the Company as of March 31, 2017, totaled NIS 57,353 thousand compared to NIS 70,904 thousand as of December 31, 2016. Below are explanations for the changes in cash flows:

	For the three-month period ended March 31		For the year ended December 31, 2016	Board of Directors' explanations
	2017	2016		
	NIS in thousand			
Cash flows - operating activities	(2,544)	(983)	(694)	The negative cash flow from operating activities in the reporting period is primarily attributable to an increase in trade receivables and income receivable resulting from revenue growth in all the operating segments. The negative cash flow in 2016 was primarily attributable to the loss for the year excluding depreciation and amortization.
Cash flows - investing activities	6,832	7,572	(50,701)	Cash flows provided by investing activities in the reporting period are mainly attributable to the realization of short-term deposits net of investments in development assets. The negative cash flow from investing activities in 2016 was mainly attributable to the investment of the proceeds from the allocation of shares to the FIMI Fund in short- and long-term deposits, as well as investments in development assets and in fixed assets. As against this, cash was provided by the sale of marketable securities.
Cash flows - financing activities	(6,940)	(6,971)	46,513	Cash from financing activities in the reporting period was mainly used to pay the third of six principal payments on debentures (Series 4), as detailed in section 1.3.1 above. Cash from financing activities in 2016 was provided by the allocation of shares to the FIMI Fund, net of payments on debentures (Series 4 and 5) and repayment of bank loans.

As of March 31, 2017, total credit lines available to the Company for its operating activities amounted to NIS 12.3 million. As of March 31, 2017, a total of NIS 11.4 million of this amount was used mainly to secure the Company's obligations in projects carried out in the Automated Solutions sector.

2.3 Dedicated Disclosure to Debenture Holders

2.3.1

(1)	Security	Debentures (Series 4)
A	Issue date	January 2013
B	Total par value on issue date	53,125,000
C	Par value as of the reporting date	33,203,125
D	Par value according to linkage terms – as of the report date	33,269,530
E	Accrued interest as of the report date	293,000
F	Liability value as of the report date	32,845,000
G	Stock Exchange value	35,527,000
H	Type of interest, including description	5.4% fixed annual interest
I	Payment dates of outstanding principal	Three unequal annual installments payable on January 31 of each year from 2018 to 2020 (inclusive), at the following rates (from the original principal) by years in chronological order: (a) 20.5% of the principal (b) 21% of the principal, (c) 21% of the principal.
J	Future interest payment dates	Every January 31 and July 31 from July 31, 2017 up to (and including) January 31, 2020
K	Details of linkage basis of interest and principal	Principal and interest linked to the Consumer Price Index. Base index – December 2012 CPI, without hedging
L	Are the debentures convertible?	Not convertible
M	Corporation's right to perform early redemption	Exists (for details regarding the conditions for exercising the Company's right to early redemption, see section 12 of the Shelf Offering Report dated January 24, 2013, reference no. 2013-01-021699)
N	Has a guarantee been given for payment of the liability in the trust deed?	No
O	Is the liability material to the Company?	Yes
(2)	The trustee, the person in charge of the debenture series at the trust company; the trustee's contact details	Mishmeret Trust Company Ltd. 48 Menachem Begin Road, Tel Aviv 66184, Israel Phone: 03-6374352, Fax: 03-6374344 Email: ramis@bdo.co.il

(5 +6) As of and during the reporting period, the Company, to the best of its knowledge, complied with all the terms and obligations in the trust deed for debentures (Series 4), the Company was not in breach of any obligation or condition set forth in the trust deed, and there were no grounds for calling for the immediate repayment of the debentures.

(8) On February 12, 2013, a lien on the deposit funds in a bank account in the amount of the semi-annual interest on the debentures was created at the Registrar of Companies, to secure the payment of interest on debentures (Series 4). As long as the Company has an outstanding balance of debentures (Series 4), the Company and any of its subsidiaries (on the date of the signing of the trust deed and any other subsidiary that may be established or acquired until the date of full repayment of debentures (Series 4)) shall not create a general lien on its assets to any third party without the prior consent of a simple majority of the debenture holders. It is emphasized that the Company and/or any of its subsidiaries shall be entitled to grant a specific lien of any ranking over all or any of their property, including cash and cash equivalents, to financing entities that provide it with financing for the purchase of property or equipment, including a floating lien over specific asset/s, including for the purchase of building construction services, including the replacement of financing entities that hold specific liens on the date of the Offering Report with other entities, without having to obtain the consent of the holders of debentures (Series 4) for this.

Pursuant to the terms of issue of debentures (Series 4), the Company has made the following undertakings:

- Dividend distribution – the Company has undertaken that during the period in which debentures (Series 4) are outstanding, it shall not distribute dividends at a rate exceeding 30% of the annual (calendar) cumulative net profit attributable to the Company's shareholders based on the last audited consolidated financial statements of the Company published prior to the date of the Company's resolution regarding the dividend distribution, unless the Company obtains the prior consent of the holders of debentures (Series 4) in a special resolution passed at a meeting of the debenture holders convened as provided in the Second Addendum to the trust deed of debentures (Series 4). For further details on the said restriction, see section 11.1 of the Shelf Offering Report published on January 24, 2013 (reference no. 2013-01-021699) (hereinafter: "**the 2013 Offering Report**").

- Net financial debt to net cap ratio – the Company undertook that as of the date of the listing of debentures (Series 4) and as long as debentures (Series 4) are outstanding, the ratio between the Company's net financial debt and its net cap (solo) according to the Company's audited or reviewed (as the case may be) solo financial statements as of June 30 and December 31, shall not exceed 80%. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 4) on the first payment date following the date of the breach shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 4) shall be increased by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that this ratio is 85% or more, then such breach shall constitute grounds for declaring the outstanding balance of debentures (Series 4) immediately due and payable. For further details regarding the aforesaid restriction, see section 11.2 of the 2013 Offering Report.

- Net financial debt to EBITDA ratio – the Company undertook that as of the date of the listing of debentures (Series 4) and as long as debentures (Series 4) are outstanding, the ratio between the Company's net financial debt and its EBITDA according to the Company's audited or reviewed (as the case may be) consolidated financial statements as of June 30 and December 31, shall not exceed 10. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 4) on the first payment date following the date of the breach shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 4) shall be raised by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that this ratio is 12 or more, then such breach shall constitute grounds for declaring the outstanding balance of debentures (Series 4) immediately due and payable. For further details regarding the aforesaid restriction, see section 11.3 of the 2013 Offering Report.

- Restriction on shareholders' equity – the Company's shareholders' equity according to its audited or reviewed (as the case may be) solo financial statements as of June 30 and December 31, shall not be less than NIS 20 million. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 4) on the first payment date following the publication of the last financial statements which indicate the breach, shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 4) shall be increased by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that the shareholders' equity falls below NIS 15 million, then such breach shall constitute grounds for declaring the outstanding balance of debentures (Series 4) immediately due and payable. For further details regarding the aforesaid restriction, see section 11.4 of the 2013 Offering Report.

- The Company's undertaking not to create charges – the Company undertook not to create a general charge on all its property, and to ascertain that each of its subsidiaries (on the date of execution of the trust deed and any additional subsidiary of the Company that may be established or acquired until the date of final repayment of debentures (Series 4)) shall not create any charge as aforesaid. For further details regarding the aforesaid restriction, see section 11.5 of the 2013 Offering Report.

The Company shall be entitled (but not obligated), in its sole discretion, to make an early redemption, in whole or in part, of debentures (Series 4), upon such terms and subject to such restrictions as set forth in the Amended Shelf Prospectus and in the 2013 Offering Report.

Upon the occurrence of certain events, and under certain conditions, the trustee of debentures (Series 4) may declare the debentures immediately due and payable. Among these events, the following may be enumerated, in brief: a material deterioration in the Company’s business and a real concern that the Company may not be able to repay the debentures on time; the imposition of an attachment on the Company's assets, the performance of an execution action against the Company's assets, or the appointment of a temporary or permanent receiver to the Company's assets, which were not removed and/or cancelled within 45 days; the sale of a substantial part of the Company's assets; if Mr. Haim Shani ceases to be the controlling shareholder of the Company, directly or indirectly, without obtaining the consent of the holders of debentures (Series 4) to the transfer of control; a fundamental breach of the terms and the trust deed of debentures (Series 4), which was not remedied within 14 days of the date on which the trustee notified the Company of the said breach; a breach of any of the financial covenants set forth in section 11 of the 2013 Offering Report, where it is explicitly stated that the breach thereof constitutes grounds for immediate repayment. For details regarding the list of the grounds available to the trustee for declaring debentures (Series 4) due and payable, see section 18.1 of the 2013 Offering Report.

2.3.2

(1)	Security	Debentures (Series 5)
A	Issue date	September 2014
B	Total par value on issue date	40,000,000
C	Par value as of the reporting date	32,000,000
D	Par value according to linkage terms – as of the report date	32,000,000
E	Accrued interest as of the report date	156,000
F	Liability value as of the report date	31,163,000
G	Stock Exchange value	36,182,000
H	Type of interest, including description	5.8% fixed annual interest
I	Payment dates of outstanding principal	Seven unequal annual installments payable on August 31 of each year from 2017 to 2023 (inclusive), at the following rates (from the original principal) by years in chronological order: (a) 5% of the principal, (b) 5% of the principal, (c) 5% of the principal (d) 20% of the principal, (e) 20% of the principal, (f) 20% of the principal, (g) 20% of the principal.
J	Future interest payment dates	Every February 28 and August 31 from August 31, 2017 up to (and including) August 31, 2023
K	Details of linkage basis of interest and principal	Unlinked
L	Are the debentures convertible?	Not convertible
M	Corporation's right to perform early redemption	Exists (for details regarding the conditions for exercising the Company's right to early redemption, see section 8.4 of the Shelf Offering Report dated September 10, 2014, reference no. 2014-01-155406)
N	Has a guarantee been given for payment of the liability in the trust deed?	No
O	Is the liability material to the Company?	Yes
(2)	The trustee, the person in charge of the debenture series at the trust company; the trustee's contact details	Hermetic Trust (1975) Ltd. 113 Hayarkon Street, Tel Aviv, Israel Phone: 03-5274867, Fax: 03-5271736 Email: hermetic@hermetic.co.il

(5 +6) As of and during the reporting period, the Company, to the best of its knowledge, complied with all the terms and obligations in the trust deed for debentures (Series 5), the Company was not in breach of any obligation or condition set forth in the trust deed, and there were no grounds for calling for the immediate repayment of the debentures.

Pursuant to the terms of issue of debentures (Series 5), the Company has made the following undertakings:

- Dividend distribution – the Company has undertaken that during the period in which debentures (Series 5) are outstanding, it shall not make a distribution, as this term is defined in the Companies Law, 1999, at a rate exceeding 30% of the annual (calendar) net profit in the last calendar year ended prior to the distribution, attributable to the Company's shareholders based on the last audited consolidated financial statements of the Company published prior to the date of the Company's resolution regarding the dividend distribution, unless the Company obtains the prior consent of the holders of debentures (Series 5), in a special resolution passed at a meeting of debenture holders convened as provided in the Second Addendum to the trust deed of debentures (Series 5). For further details on the said restriction, see section see section 1 in Appendix 5 to the Shelf Offering Report published on September 10, 2014 (reference no. 2014-01-155406) (hereinafter: "**the 2014 Offering Report**").

- Net financial debt to net cap ratio – the Company undertook that as of the date of the listing of debentures (Series 5) and as long as debentures (Series 5) are outstanding, the ratio between the Company's net financial debt and its net cap (solo) according to the Company's audited or reviewed (as the case may be) solo financial statements as of June 30 and December 31, shall not exceed 70%. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 5) on the first payment date following the date of the breach shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 5) shall be increased by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that this ratio is 75% or more, then such breach shall constitute grounds for declaring the outstanding balance of debentures (Series 5) immediately due and payable. For further details regarding the aforesaid restriction, see section 2 in Appendix 5 to the 2014 Offering Report.

- Restriction on shareholders' equity – the Company's shareholders' equity according to its audited or reviewed (as the case may be) solo financial statements as of June 30 and December 31, shall not be less than NIS 25 million. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 5) on the first payment date following the publication of the last financial statements which indicate the breach, shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 5) shall be increased by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that the shareholders' equity falls below NIS 20 million, then such breach shall constitute grounds for declaring the outstanding balance of debentures (Series 5) immediately due and payable. For further details regarding the aforesaid restriction, see section 3 in Appendix 5 to the 2014 Offering Report.

- Net financial debt to EBITDA ratio – the Company undertook that as of the date of the listing of debentures (Series 5) and as long as debentures (Series 5) are outstanding, the ratio between the Company's net financial debt and its EBITDA according to the Company's audited or reviewed (as the case may be) consolidated financial statements for the 12-month period prior to the review date, shall not exceed 10. The review of the Company’s compliance with the net financial debt to EBITDA ratio shall be conducted twice in each calendar year on the date of publication of the financial statements as of June 30 and December 31 of each year. If the Company is in breach of this undertaking, at any review date, the interest rate payable by the Company to the holders of debentures (Series 5) on the first payment date following the date of the breach shall be increased by 0.5% only per annum above the interest rate determined in the tender, during the period of the breach. Should the Company breach this undertaking on a date subsequent to the previous review date, the interest rate which is to be paid by the Company to the holders of debentures (Series 5) shall be increased by an additional 0.5% per annum above the previous interest rate, from the date of the additional breach until the end of the breach period. If said breach is discovered on two consecutive review dates, such that this ratio is 12 or more, then this breach shall constitute grounds for declaring the outstanding balance of debentures (Series 5) due and payable. For further details regarding the aforesaid restriction, see section 4 in Appendix 5 to the 2014 Offering Report.

- The Company's undertaking not to create charges – the Company undertook not to create a general charge on all its property, and to ascertain that each of its subsidiaries (on the date of execution of the trust deed and any additional subsidiary of the Company that may be established or acquired until the date of final repayment of debentures (Series 5)) shall not create any charge as aforesaid. For further details regarding the aforesaid restriction, see section 5 in Appendix 5 to the 2014 Offering Report.

The Company shall be entitled (but not obligated), in its sole discretion, to make an early redemption, in whole or in part, of Debentures (Series 5), upon such terms and subject to such restrictions as set forth in the 2014 Shelf Prospectus and in the 2014 Offering Report.

Upon the occurrence of certain events, and under certain conditions, the trustee of debentures (Series 5) may declare the debentures immediately due and payable. Among these events, the following may be enumerated, in brief: there has been a material deterioration in the Company’s business compared to the situation on the date of the offering and there is a real concern that the Company may not be able to repay the debentures on time; the debentures were not repaid on time or another material undertaking provided to the holders was not met; the Company failed to publish a financial statement that it is required to published by law, within 30 days from the last date required by law; the debentures were delisted from the stock exchange; there is a real concern that the Company may not meet its material obligations to the holders; the Company ceased or announced its intention to cease payments; the Company is in breach of any of the financial covenants set forth in Appendix 5 to the trust deed of debentures (Series 5), where it is explicitly stated that the breach thereof constitutes grounds for immediate repayment. For details regarding the list of grounds available to the trustee for declaring debentures (Series 5) due and payable, see section 8 of the 2014 Offering Report.

2.4 Quarterly Report on the Company's Liabilities by Maturity Dates

For details regarding the Company's liabilities by repayment dates as of March 31, 2017, see immediate report (T-126) dated May 28, 2017 published by the Company concurrently with the publication of this report and included herein by reference.

2.5 Projected Cash Flows

The Board of Directors of the Company determined, following an examination of the warning signs specified in Regulation 10(b)(14) of the Securities Regulations (Periodic and Immediate Reports), 1970 regarding disclosure of the projected cash flows for repayment of the Company's obligations, that no warning sign exists, and that the Company has no liquidity problems and is able to meet its obligations, including the full payment of its obligations in respect of debentures (Series 4 and 5). An examination as stated is performed by the Board of Directors on a quarterly basis, concurrently with the approval of the quarterly financial statements published by the Company.

Amit Ben Zvi Chairman of the Board of Directors	Haim Shani Director and CEO

Date: May 28, 2017

UNITRONICS (1989) (R"G) LTD.

Condensed Consolidated Interim Financial Statements March 31, 2017

(Unaudited)

Unitronics (1989) (R"G) Ltd.

Condensed Consolidated Interim Financial Statements

March 31, 2017

(Unaudited)

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PKF
Amit, Halfon

BDO Ziv Haft

REVIEW REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF UNITRONICS (1989) (R"G) LTD.

Introduction

We reviewed the attached financial information of Unitronics (1989) (R"G) Ltd. and its subsidiaries (hereinafter – "the Group") which include the condensed consolidated interim statement of financial position as of March 31, 2017 and the condensed consolidated interim statements of profit or loss, comprehensive loss, changes in equity and cash flows for the three-month period then ended. The Board of Directors and management are responsible for the preparation and presentation of the financial information for this interim period in accordance with IAS 34 "Financial reporting for interim periods", and they are responsible for the preparation of the financial information for this interim period and in accordance with Chapter D of the Israeli Securities Regulations (Periodic and Immediate Report) – 1970. Our responsibility is to express a conclusion on the financial information for the interim period, based on our review.

The condensed consolidated interim statement of financial position of the Group as of March 31, 2016 and the condensed consolidated interim statement of profit or loss, comprehensive loss, changes in equity and cash flows for the three-month then ended were reviewed by Amit, Halfon Certified Public Accountants (Israel) whose review report dated May 29, 2016 was unqualified.

Scope of the review

We prepared our review in accordance with Review Standard No.1 of the Institute of Certified Public Accountants in Israel "Review of interim financial information performed by the independent auditor of the entity". The review of the financial information for interim periods comprises clarifications, mainly with the people responsible for financial and accounting matters, and from adopting analytical and other review procedures. A review is more limited in scope to a much larger extent than an audit performed in accordance with generally accepted auditing standards in Israel, and therefore does not enable us to be certain that we will know of all the significant matters which could have been identified in an audit. Consequently, we are not issuing an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the above financial information has not been prepared, in all significant aspects, in accordance with IAS 34.

In addition to the remarks in the previous paragraph, based on our review, nothing came to our attention which cause us to believe that the above financial information does not meet, in all significant aspects, the provisions of Disclosure under Chapter D of the Israeli Securities Regulations (Periodic and Immediate Reports) - 1970.

Amit, Halfon
Certified Public Accountants (Israel)

Ziv Haft
Certified Public Accountants (Isr.)
BDO Member Firm

May 28, 2017

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of financial position

	March 31, 2017	March 31, 2017	March 31, 2016	December 31, 2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Current assets				
Cash and cash equivalents	5,714	22,184	30,473	25,757
Restricted cash	483	1,874	2,099	2,121
Marketable securities	-	-	1,615	-
Short-term deposits in banks	3,879	15,060	-	25,070
Accounts receivable -				
Trade	9,330	36,220	23,644	23,237
Other	884	3,431	3,988	3,525
Other financial assets	330	1,281	441	415
Inventory	6,593	25,595	23,222	25,341
Inventory - work in progress	256	997	4,255	600
	27,469	106,642	89,737	106,066
Non-current assets				
Long-term deposits in banks	5,180	20,109	-	20,077
Long-term deposits - Other	88	343	354	361
Property and equipment, net	5,859	22,745	21,127	22,962
Intangible assets, net	17,519	68,011	68,510	68,611
	28,646	111,208	89,991	112,011
	56,115	**217,850**	**179,728**	**218,077**

Amit Ben Zvi	Haim Shani	Gavriel Badusa
Chairman of the Board of Directors	Director and C.E.O.	Chief Financial Officer

Approved: May 28, 2017

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of financial position

	March 31, 2017	March 31, 2017	March 31, 2016	December 31, 2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Current liabilities				
Current maturities of long-term loans	229	889	1,164	1,129
Current maturities of bonds	3,230	12,538	10,205	8,278
Accounts payable -				
Trade	5,592	21,711	22,220	19,678
Other	5,277	20,485	16,737	16,575
Other financial liabilities	-	-	-	45
	14,328	55,623	50,326	45,705
Non - current liabilities				
Loans from banks	605	2,347	3,552	2,527
Bonds	13,258	51,470	63,875	62,364
Liabilities for benefits to employees, net	603	2,340	2,218	2,352
Liability for share purchase option	1,379	5,355	-	4,897
Deferred taxes	1,232	4,784	4,525	4,188
	17,077	66,296	74,170	76,328
Equity				
Share capital	110	427	352	427
Share premium	26,921	104,513	50,588	104,513
Capital reserve from translation of foreign operations	(260)	(1,009)	68	209
Company shares held by the company	(1,814)	(7,042)	(7,042)	(7,042)
Reserve deriving from a transaction with a controlling party	27	104	104	104
Retained earnings (loss)	(274)	(1,062)	11,162	(2,167)
	24,710	95,931	55,232	96,044
	56,115	**217,850**	**179,728**	**218,077**

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of Profit or Loss

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Revenues	12,085	46,915	35,312	148,988
Cost of revenues	8,542	33,160	27,666	117,042
Gross profit	3,543	13,755	7,646	31,946
Development expenses, net	294	1,141	1,404	5,087
Selling & marketing expenses	1,569	6,092	5,476	24,381
General & administrative expenses	1,021	3,964	3,148	14,243
Other expenses	2	7	-	15
Operating profit (loss)	657	2,551	(2,382)	(11,780)
Financing income	454	1,762	177	943
Financing expenses	572	2,221	1,212	6,419
Profit (loss) before tax benefit (taxes on income)	539	2,092	(3,417)	(17,256)
Tax benefit (taxes on income)	(254)	(987)	(203)	246
Profit (loss) for the period	285	1,105	(3,620)	(17,010)
Profit (loss) per 1 ordinary share NIS 0.02 par value (NIS):				
Basic and diluted profit (loss) per 1 ordinary share	0.021	0.080	(0.362)	(1.379)

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of comprehensive loss

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Profit (loss) for the period	285	1,105	(3,620)	(17,010)
Other comprehensive income (loss) (after tax)				
Items that may not be classified afterwards to profit or loss:				
Re-measurement gain from defined benefit plans	-	-	-	61
Items that may be reclassified to profit or loss in the future if certain conditions are met:				
Adjustments arising from translating financial statements of foreign operations	(314)	(1,218)	(520)	(379)
Other comprehensive loss for the period	(314)	(1,218)	(520)	(318)
Total comprehensive loss for the period	(29)	(113)	(4,140)	(17,328)

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of changes in equity

	Share capital	Share premium	Capital reserve from translation of foreign operation	Company shares held by the company	Reserve deriving from a transaction with a controlling party	Retained earnings (loss)	Total
				NIS, in thousands			
Balance at January 1, 2016 (audited)	352	50,588	588	(7,042)	104	14,782	59,372
Loss for the year	-	-	-	-	-	(17,010)	(17,010)
Other comprehensive income (loss) for the year	-	-	(379)	-	-	61	(318)
Total comprehensive loss for the year	-	-	(379)	-	-	(16,949)	(17,328)
Private placement of shares	75	53,925	-	-	-	-	54,000
Balance at December 31, 2016 (audited)	427	104,513	209	(7,042)	104	(2,167)	96,044
Profit for the period	-	-	-	-	-	1,105	1,105
Other comprehensive loss for the period	-	-	(1,218)	-	-	-	(1,218)
Total comprehensive income (loss) for the period	-	-	(1,218)	-	-	1,105	(113)
Balance at March 31, 2017 (unaudited)	427	104,513	(1,009)	(7,042)	104	(1,062)	95,931
Balance at January 1, 2016 (audited)	352	50,588	588	(7,042)	104	14,782	59,372
Loss for the period	-	-	-	-	-	(3,620)	(3,620)
Other comprehensive loss for the period	-	-	(520)	-	-	-	(520)
Total comprehensive loss for the period	-	-	(520)	-	-	(3,620)	(4,140)
Balance at March 31, 2016 (unaudited)	352	50,588	68	(7,042)	104	11,162	55,232
			Convenience translation into Euro (1), in thousands (unaudited)				
Balance at December 31, 2016	110	26,921	54	(1,814)	27	(559)	24,739
Net profit for the period	-	-	-	-	-	285	285
Other comprehensive loss for the period	-	-	(314)	-	-	-	(314)
Total comprehensive income (loss) for the period	-	-	(314)	-	-	285	(29)
Balance at March 31, 2017	110	26,921	(260)	(1,814)	27	(274)	24,710

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statement of cash flows

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Cash flows - operating activities				
Profit (loss) for the period	285	1,105	(3,620)	(17,010)
Adjustments necessary to show the cash flows - operating activities (Appendix A)	(940)	(3,649)	2,637	16,316
Cash flows used in operating activities	(655)	(2,544)	(983)	(694)
Cash flows - investing activities				
Sale of marketable securities, net	-	-	12,776	14,392
Purchase of property and equipment	(86)	(333)	(1,018)	(4,832)
Sale of property and equipment	-	-	-	64
Investment in long-term deposits in banks	-	-	-	(20,000)
Repayment (Investment) in short-term deposits in banks	2,576	10,000	-	(25,000)
Repayment of restricted cash	49	190	185	185
Repayment (investment) in long-term deposits	2	7	(16)	21
Investment in intangible assets	(781)	(3,032)	(4,355)	(15,531)
Cash flows provided by (used in) investing activities	1,760	6,832	7,572	(50,701)
Cash flows - financing activities				
Repayment of long-term loans	(71)	(274)	(291)	(1,160)
Repayment of bonds	(1,717)	(6,666)	(6,680)	(10,680)
Private placement of shares and share purchase option	-	-	-	58,353
Cash flows provided by (used in) financing activities	(1,788)	(6,940)	(6,971)	46,513
Translation differences in respect of foreign operation cash balances	(237)	(921)	(42)	(258)
Change in cash and cash equivalents in the period	(920)	(3,573)	(424)	(5,140)
Cash and cash equivalents at beginning of the period	6,634	25,757	30,897	30,897
Cash and cash equivalents at end of the period	5,714	22,184	30,473	25,757

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Condensed consolidated interim statements of cash flows

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Appendix A - Adjustments necessary to show the cash flows - operating activities				
Income and expenses not involving cash flows:				
Depreciation and amortization	1,090	4,232	4,003	16,901
Loss from marketable securities, net	-	-	101	100
Change in liabilities for benefits to employees, net	(3)	(12)	28	223
Capital loss	2	7	-	23
Change in deferred taxes	140	542	62	(339)
Reevaluation of deposits in banks	(6)	(22)	-	(147)
Reevaluation of long-term loans and bonds	(55)	(212)	(355)	(308)
Reevaluation of other financial assets	(234)	(910)	93	136
Reevaluation of share purchase option	118	458	-	544
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable - trade	(3,550)	(13,783)	3,238	3,870
Decrease (increase) in accounts receivable -other	17	65	(428)	20
Increase in inventory	(53)	(204)	(1,360)	(3,416)
Decrease (increase) in inventory - work in progress	(102)	(397)	(728)	2,963
Increase (decrease) in accounts payable - trade	532	2,066	(129)	(2,199)
Increase (decrease) in accounts payable - other	1,164	4,521	(1,888)	(2,055)
	(940)	(3,649)	2,637	16,316
Appendix B - Non-cash operations				
Purchase of property and equipment on credit	-	-	477	-
Appendix C - Additional information regarding operating activities				
Cash paid during the period for:				
Interest	524	2,034	2,343	4,565
Taxes on income	4	14	14	54
Cash received during the period for:				
Interest and dividend	14	55	84	245

(1) See note 1B.

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Notes to the Consolidated Financial Statements

Note 1 - General

A. These financial statements have been prepared in a condensed format as of March 31, 2017, and for the three months period then ended (hereinafter - "consolidated interim financial statements"). These financial statements should be read in conjunction with the Company's audited annual financial statements and accompanying notes as of December 31, 2016 and for the year then ended.

B. Convenience translation in EURO

For the convenience of the reader, the NIS amounts for the last reported period have been translated to EURO by dividing each NIS amount by the representative exchange rate of the EURO as of March 31, 2017 (EURO 1 = NIS 3.8822).

The translated EURO amounts presented in these financial statements should not be construed as representing amounts receivable or payable in EURO unless otherwise indicated.

Note 2 - Accounting Policies

A. The consolidated interim financial statements are prepared in accordance with International Accounting Standard IAS 34 – "Financial reporting for interim periods" including the requirements of disclosure under Chapter D of the Israeli Securities Regulations (Periodic and Immediate Reports) – 1970.

B. The accounting policy which was implemented in the preparation of the consolidated interim financial statements is identical to those used in the preparation of the last annual consolidated financial statements.

Note 3 - Significant events in the reported period and thereafter

On March 26, 2017 the subsidiary Unitronics Inc. signed with a client that not a related to the company or to the interested parties on an agreement to establish an automatic parking facility in California, United States, in the amount of approximately 9.3 million US dollars.

Note 4 - Financial Instruments

A. Fair value

Below the balances in the books and the fair value of financial instruments which are not presented in the financial statements according to their fair value, and there is a substantial difference between the carrying amount to fair value:

Financial liabilities (*)

	March 31, 2017		March 31, 2016		December 31, 2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	(unaudited)				(audited)	
	NIS, (in thousands)					
Bonds linked to the Israeli CPI	33,138	35,527	39,439	44,027	40,417	43,211
Bonds - non-linked	31,319	36,182	35,175	41,220	31,749	36,672

(*) The fair value is based on stock market value as at the report date.

Note 4 - Financial Instruments (cont'd)

B. Classification of financial instruments at fair value rating

The financial instruments presented in the statement of financial position at fair value or that disclosure of their fair value, are classified, according to groups with similar characteristics, to the rating of fair value as follows, which is determined in accordance with the source of the data used in determining fair value:

Level 1: Quoted prices (without adjustments) in an active market of identical assets and liabilities.

Level 2: Data which is not quoted prices included in Level 1, which can be seen directly or indirectly.

Level 3: Data which is not based on market data which can be seen (evaluation techniques without the use of market data which can be seen).

The Company holds financial instruments measured at fair value according to the classifications as follows:

	Level 1	Level 2	Level 3	Total
As of March 31, 2017 (unaudited)		NIS, (in thousands)		
Financial assets at fair value:				
Forward contracts	-	1,181	-	1,181
Foreign currency purchase/sell options	-	100	-	100
Financial liabilities measured at fair value				
Liability for share purchase option	-	-	5,355	5,355
Liability for share purchase option				
As of March 31, 2016 (unaudited)				
Financial assets at fair value:				
Marketable securities	1,615	-	-	1,615
Forward contracts	-	360	-	360
Embedded derivatives	-	81	-	81
As of December 31, 2016 (audited)				
Financial assets at fair value:				
Forward contracts	-	360	-	360
Foreign currency purchase/sell options	-	55	-	55
Financial liabilities measured at fair value				
Foreign currency purchase/sell options		45	-	45
Liability for share purchase option	-	-	4,897	4,897

During the specified periods, there were no transfers between Level 1 and Level 2, and there were no transfers to or from Level 3.

Note 4 - Financial Instruments (cont'd)

C. Adjustment for fair value measurements that classified as Level 3 on fair value hierarchy of financial instruments

	Financial liabilities at fair value that classified to profit or loss NIS, (in thousands)
Balance at May 18, 2016 - the date of establishment the liability (unaudited)	4,353
Total net loss recognized in profit or loss	544
Balance at December 31, 2016 (audited)	4,897
Balance at January 1, 2017 (audited)	4,897
Total net loss recognized in profit or loss	458
Balance at March 31, 2017 (unaudited)	5,355

D. Evaluation techniques

Liability for share purchase option

The fair value of the liability for share purchase option for which no quoted market price exists, is determined for every reporting period on the basis of the economic model used in an evaluation made by an external evaluator.

The economic model prepared on May 18, 2016 (the date of completing the transaction) established an estimate for the liability of NIS 4,353 thousand. This estimate was updated on the date of the report.

The fair value of the price adjustment mechanism is the expected future value of the additional shares which will be allotted to FIMI (should they be allotted), discounted on the date of the calculation, where the number of shares that will be allotted to FIMI will be derived from the consideration that FIMI will receive at the time of the sale of all the acquired shares.

The future values of the acquired shares are estimated using the binomial model and are divided into two categories:

1. The branches where the value of the shares acquired is lower than 250% of FIMI'S purchase price for which FIMI is entitled to the allotment of additional shares.

2. The branches in which the value of the shares acquired is higher than 250% of FIMI'S purchase price for which FIMI is not entitled to the allotment of additional shares.

The future value of the additional shares was calculated by multiplying (a) the total shares that FIMI will receive by (b) the future value of the share and by (c) the probable future value of the share.

The figure used in the measurement of the unforeseeable fair value is the standard deviation.

The fair value of the additional shares was calculated by discounting the future value by zero risk interest on the date of the calculation.

Note 5 - Business segments

A. The Group defined the Chairman of the Board of Directors and the Company's CEO who makes the strategic decisions as the chief operating decision makers, of the Group. The Chairman and the CEO reviews the internal reports of the Group in order to evaluate performance and allocate recourses and determines the operating segments based on these reports.

The Chairman and the CEO examines the segment's operating performance on the basis of measuring operating income, this measurement basis is not affected by one-time expenses in the operating segments, such as the costs of structural change and an impairment in the value of assets, where the impairment in value results from a single one time event. Interest revenues and expenses and taxes are not included in the results in each of the operating segments examined by senior management.

B. The Group operates in two main operative segments:

- Planning, development, manufacture and marketing of PLC's - Programmable Logic Controllers systems (hereinafter - "Products segment").
- Planning, development, manufacture, marketing, construction and maintenance of mechanized systems for automated parking solution and system integration projects (hereinafter - "automated solutions segment").

Until the end of 2016 the Company reported activities in the Parking Solutions segment and in the Logistics Solutions segment as two separate business segments in its periodic reports, and as two separate operating segments in its financial statements. Given the great similarity in these activities, reflected, inter alia, in their project-based character, the nature of the products and services, the nature of the production processes and the use of shared know-how and production means, as of January 1, 2017 the Company's management examines the performance of both segments jointly and allocates joint resources to them. Accordingly, commencing with this quarterly report, these activities are presented as one operating segment (the Automated Solutions segment). The Company reclassified for comparative purposes the information corresponding to previous periods.

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
C. Revenues				
Products	7,993	31,029	27,550	113,509
Automated solutions	4,067	15,789	7,670	35,052
Other	25	97	92	427
Total revenues	12,085	46,915	35,312	148,988
D. Segment results and match income (loss) for the period:				
Products	1,848	7,177	6,570	24,098
Automated solutions	(459)	(1,784)	(6,619)	(25,027)
Other	(1)	(5)	15	33
Unallocated corporate expenses	(731)	(2,837)	(2,348)	(10,884)
Operating profit (loss)	657	2,551	(2,382)	(11,780)
Unallocated financing expenses, net	(118)	(459)	(1,035)	(5,476)
Tax benefit (taxes on income)	(254)	(987)	(203)	246
Profit (loss) for the period	285	1,105	(3,620)	(17,010)

(1) See note 1B

UNITRONICS (1989) (R"G) LTD.

Financial data from the consolidated financial statements attributed to the company itself

March 31, 2017

(Unaudited)

Amit, Halfon

To the shareholders of Unitronics (1989) (R"G) Ltd.

Re: **Special review report on separate interim financial information under Regulation 38D to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970**

Introduction

We reviewed the separate interim financial information presented in accordance with Regulation 38D of the Israeli Securities Regulations (Periodic and Immediate Reports) - 1970 of Unitronics (1989) (R"G) Ltd. (hereinafter - "the Company") as of March 31, 2017 and for the three-months period then ended. The Board of Directors and Management are responsible for the preparation and presentation of the separate interim financial information . Our responsibility is to express a conclusion on the separate interim financial information for the interim period, based on our review.

The separate interim financial information of the Company as of March 31, 2017 and for the three-months period then ended which included in the Company's periodic report was reviewed by Amit, Halfon Certified Public Accountants (Israel) whose special review report dated May 29, 2016 was unqualified.

Scope of the review

We prepared our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel "Review of financial information for interim periods prepared by the entity's auditor". The review of the financial information for interim periods comprises clarifications, mainly with the people responsible for financial and accounting matters, and from adopting analytical and other review procedures. A review is more limited in scope to a much larger extent than an audit performed in accordance with generally accepted auditing standards, and therefore does not enable us to be certain that we will know of all the significant matters which could have been identified in an audit. Consequently, we are not issuing an opinion of an audit.

Conclusion

Based on our review, nothing came to our notice which would cause us to think that the above separate interim financial information is not prepared, in all significant aspects, in accordance with regulation 38D of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Amit, Halfon
Certified Public Accountants (Israel)

Ziv Haft
Certified Public Accountants (Isr.)
BDO Member Firm

May 28, 2017

Unitronics (1989) (R"G) Ltd.

Assets and liabilities included in the consolidated interim financial statements attributed to the company

	March 31, 2017	March 31, 2017	March 31, 2016	December 31, 2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Current assets				
Cash and cash equivalents	4,093	15,888	21,735	19,057
Restricted cash	232	901	1,091	1,091
Marketable securities	-	-	1,615	-
Short-term deposits in banks	3,879	15,060	-	25,070
Accounts receivable -				
Trade	3,708	14,395	12,557	11,329
Other	653	2,537	1,543	1,972
Other financial assets	330	1,281	360	415
Accounts receivable - other - subsidiaries	10,744	41,712	32,255	34,296
Inventory	5,227	20,294	19,442	19,658
	28,866	112,068	90,598	112,888
Non-current assets				
Long-term deposits in banks	5,180	20,109	-	20,077
Long-term deposits - Other	43	166	354	277
Property and equipment, net	4,318	16,764	17,747	16,902
Long-term receivables - Subsidiaries	19,319	75,000	55,000	75,000
Intangible assets, net	11,479	44,563	43,638	44,602
	40,339	156,602	116,739	156,858
	69,205	**268,670**	**207,337**	**269,746**

Amit Ben Zvi
Chairman of the Board of Directors

Haim Shani
Director and C.E.O.

Gavriel Badusa
Chief Financial Officer

Approved: May 28, 2017.

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Assets and liabilities included in the consolidated interim financial statements attributed to the company

	March 31, 2017	March 31, 2017	March 31, 2016	December 31, 2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Current liabilities				
Current maturities of long term loans	229	889	1,164	1,129
Current maturities of bonds	3,230	12,538	10,205	8,278
Accounts payable -				
Trade	4,527	17,575	14,733	15,212
Other	1,671	6,489	7,799	7,630
Other financial liabilities	-	-	-	45
	9,657	37,491	33,901	32,294
Non-current liabilities				
Liabilities less assets associated with subsidiaries	17,865	69,356	44,034	65,080
Loans from banks	605	2,347	3,552	2,527
Bonds	13,258	51,470	63,875	62,364
Liabilities for benefits to employees, net	499	1,936	2,218	2,352
Liability for share purchase option	1,379	5,355	-	4,897
Deferred taxes	1,232	4,784	4,525	4,188
	34,838	135,248	118,204	141,408
Equity				
Share capital	110	427	352	427
Share premium	26,921	104,513	50,588	104,513
Capital reserve from translation of foreign operations	(260)	(1,009)	68	209
Company shares held by the company	(1,814)	(7,042)	(7,042)	(7,042)
Reserve arising from a transaction with a controlling party	27	104	104	104
Retained earnings (loss)	(274)	(1,062)	11,162	(2,167)
	24,710	95,931	55,232	96,044
	69,205	**268,670**	**207,337**	**269,746**

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Revenues and expenses included in the consolidated interim financial statements attributed to the company

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Revenues	5,490	21,312	19,281	78,626
Revenues from subsidiaries	2,401	9,320	8,211	31,263
Total revenues	7,891	30,632	27,492	109,889
Cost of revenues	5,037	19,553	17,692	72,227
Gross profit	2,854	11,079	9,800	37,662
Development expenses, net	208	809	744	3,167
Selling & marketing expenses	612	2,376	1,805	9,463
General & administrative expenses	659	2,560	1,802	8,917
General & administrative expenses to subsidiaries	44	169	193	800
Operating profit	1,331	5,165	5,256	15,315
Financing income	613	2,381	612	3,003
Financing expenses	617	2,396	1,397	6,501
Profit after financing, net	1,327	5,150	4,471	11,817
The Company's share of subsidiaries losses	788	3,058	7,888	29,073
Profit (loss) before tax benefit (taxes on income)	539	2,092	(3,417)	(17,256)
Tax benefit (taxes on income)	(254)	(987)	(203)	246
Profit (loss) for the period attributed to the company's shareholders	285	1,105	(3,620)	(17,010)

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Comprehensive loss included in the consolidated interim financial statements attributed to the company

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Profit (loss) for the period attributed to the company's shareholders	285	1,105	(3,620)	(17,010)
Other comprehensive income (loss) (after tax)				
Items that may not be classified afterwards to profit or loss:				
Re-measurement loss from defined benefit plans	-	-	-	61
Items that may be reclassified to profit or loss in the future if certain conditions are met:				
Adjustments arising from translating financial statements of foreign operations	(314)	(1,218)	(520)	(379)
Other comprehensive loss for the period	(314)	(1,218)	(520)	(318)
Total comprehensive loss for the period attributed to the company's shareholders	(29)	(113)	(4,140)	(17,328)

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Cash Flows included in the consolidated interim financial statements attributed to the company

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Cash flows - operating activities				
Profit (loss) for the period attributed to the company's shareholders	285	1,105	(3,620)	(17,010)
Adjustments necessary to show the cash flows - operating activities (Appendix A)	652	2,534	10,591	41,127
Cash flows provided by operating activities of the company	937	3,639	6,971	24,117
Cash flows used in operating activities from transactions with subsidiaries	(1,996)	(7,750)	(12,711)	(34,689)
Cash flows used in operating activities	(1,059)	(4,111)	(5,740)	(10,572)
Cash flows - investing activities				
Sale of marketable securities, net	-	-	12,776	14,392
Purchase of property and equipment	(49)	(192)	(41)	(233)
Investment in long-term deposits in banks	-	-	-	(20,000)
Repayment (Investment) in short-term deposits in banks	2,576	10,000	-	(25,000)
Repayment of restricted cash	49	190	185	185
Repayment (Investment) of long-term deposits, net	17	67	(16)	60
Investment in intangible assets	(562)	(2,183)	(2,638)	(10,468)
Cash flows provided by (used in) investing activities of the company	2,031	7,882	10,266	(41,064)
Cash flows - financing activities				
Repayment of long-term loans	(71)	(274)	(291)	(1,160)
Repayment of bonds	(1,717)	(6,666)	(6,680)	(10,680)
Private placement of shares and share purchase option	-	-	-	58,353
Cash flows provided by (used in) financing activities	(1,788)	(6,940)	(6,971)	46,513
Change in cash and cash equivalents	(816)	(3,169)	(2,445)	(5,123)
Cash and cash equivalents at beginning of the period	4,909	19,057	24,180	24,180
Cash and cash equivalents at end of the period	4,093	15,888	21,735	19,057

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R"G) Ltd.

Cash Flows included in the consolidated financial interim statements attributed to the company

	For the three months period ended March 31,	For the three months period ended March 31,		For the year ended December 31,
	2017	2017	2016	2016
	(unaudited)	(unaudited)		(audited)
		(in thousands)		
	Convenience translation into Euro (1)	NIS		
Appendix A - Adjustments necessary to show the cash flows - operating activities				
Income and expenses not involving cash flows:				
The Company's share of subsidiaries losses	788	3,058	7,888	29,073
Depreciation and amortization	682	2,650	2,647	10,931
Loss from marketable securities, net	-	-	101	100
Change in liabilities for benefits to employees, net	(3)	(12)	28	223
Change in deferred taxes	139	542	62	(339)
Reevaluation of deposits in banks	(6)	(22)	-	(147)
Reevaluation of long-term loans and bonds	(55)	(212)	(355)	(308)
Reevaluation of other financial assets	(234)	(910)	108	76
Reevaluation of share purchase option	118	458	-	544
Changes in assets and liabilities:				
Decrease (Increase) in accounts receivable - trade	(790)	(3,066)	3,887	5,115
Decrease (increase) in accounts receivable - other	(152)	(591)	160	(317)
Decrease (increase) in inventory	(164)	(636)	717	444
Increase (decrease) in accounts payable trade	609	2,363	(2,242)	(1,763)
Decrease in accounts payable - other	(280)	(1,088)	(2,410)	(2,505)
	652	2,534	10,591	41,127
Appendix B - Non-cash operations				
Providing long-term financing to a subsidiary	-	-	-	20,000
Appendix C - Additional information regarding operating activities				
Cash paid during the period for:				
Interest	524	2,034	2,343	4,565
Taxes on income	4	14	14	54
Cash received during the period for:				
Interest and dividend	14	55	84	245

(1) See note 1B.

The additional information to the financial information form an integral part thereof.

Unitronics (1989) (R”G) Ltd.

Additional information

Note 1 - General

A. These separate interim financial information as of March 31, 2017 and for the three months period then ended, have been prepared in accordance with regulation 38D of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970. This separate interim financial information should be read in conjunction with the Company's audited annual separate financial information as of December 31, 2016 and for the year then ended, and with the related additional information.

B. Convenience translation to EURO

For the convenience of the reader, the NIS amounts for the last reported period have been translated to EURO by dividing each NIS amount by the representative exchange rate of the EURO as of March 31, 2017 (EURO 1 = NIS 3.8822).

The translated EURO amounts presented in these financial statements should not be construed as representing amounts receivable or payable in EURO unless otherwise indicated.

C. The accounting policy applied in the separate interim financial information is identical to the accounting policy described in Note 2 to the condensed consolidated interim financial statements of the Company as of March 31, 2017.

<u>Chapter D - Statements by the CEO and CFO of the Corporation for the First Quarter of 2017</u>

a. **Statement by CEO pursuant to Regulation 38C(D)(1) of the regulations**
b. **Statement by CFO pursuant to Regulation 38C(D)(2) of the regulations**

Statement by the CEO pursuant to Regulation 38C(D)(1) of the regulations:

I, Haim Shani, certify that:

1. I have reviewed the quarterly report of UNITRONICS (1989) (R"G) Ltd. ("the corporation") for the first quarter of 2017 ("the Report").

2. To the best of my knowledge, the report is free of any misrepresentation of material fact and is not lacking any representation of material fact required for the representations made there in, under the circumstances in which they were made, to not be misleading in reference to the period covered by the report.

3. To the best of my knowledge, the financial statements and other financial information included in the report properly reflect, in all material aspects, the financial standing, operating results and cash flows of the corporation as of the dates and for the periods to which the report refers.

4. I have disclosed to the corporation's Independent Auditor, the Board of Directors and the Audit Committee of the corporation's Board of Directors, any fraud, whether material or not, involving the CEO or any direct report of the CEO, or involving any other employees that have a significant role in the financial reporting and in disclosure and control over financial reporting.

The foregoing shall not detract from my statutory responsibility, or that of any other person.

May 28, 2017

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Haim Shani, Director and CEO

Statement by the CFO pursuant to Regulation 38C(D)(2) of the regulations

I, Gavriel Badusa, certify that:

1. I have reviewed the interim financial statements and other financial information included in the interim reports of UNITRONICS (1989) (R"G) Ltd. ("the corporation") for the first quarter of 2017 (hereinafter - "the Report" or "the Interim Reports").

2. To the best of my knowledge, the interim financial statements and the other financial information included in the interim reports are free of any mis-representation of material fact and is not lacking any representation of material fact required for the representations made there in, under the circumstances in which they were made, to not be misleading in reference to the period covered by the report.

3. To the best of my knowledge, the interim financial statements and the other financial information included in the interim reports properly reflect, in all material aspects, the financial standing, operating results and cash flows of the corporation as of the dates and for the periods to which the report refers.

4. I have disclosed to the corporation's Independent Auditor, the Board of Directors and the Audit Committee of the corporation's Board of Directors, any fraud, whether material or not, involving the CEO or any direct report of the CEO, or involving any other employees that have a significant role in the financial reporting and in disclosure and control over financial reporting.

The foregoing shall not detract from my statutory responsibility, or that of any other person.

May 28, 2017

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Gavriel Badusa, CFO

UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE

Airport City, Israel,

May 29, 2017

*****Regulated Information*****

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

Corporation's Liabilities Status Report by Dates of Payment

Airport City, Israel – May 29, 2017 - Unitronics published the attached Immediate Report pursuant to the requirements of Israeli law, in connection with the requirement to report the Corporation's liabilities status by dates of payment.

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 Automated Solutions 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 Corporation's Liabilities Status by Dates of Payment**

Pursuant to section 36A of the Israeli Securities Law, 1968.

Reporting period: March 31th, for the year: 2017.
Detailed Corporation's liabilities status by dates of payment is as follows:

A. Debentures issued by the reporting Corporation to the public and held by the public, excluding such Debentures held by the Corporation's parent company, its controlling shareholder, companies controlled by same or companies which are controlled by the Corporation ("Solo" report) (in NIS thousands)

	Fund Payments								
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year	10,912	2,000						3,595	16,507
Second Year	11,179	2,000						2,889	16,068
Third Year	11,179	2,000						2,170	15,349
Fourth Year		2,000						1,450	3,450
Fifth Year and So On		24,000						2,088	26,088
Total	**33,270**	**32,000**						**12,192**	**77,462**

B. Private debentures and non banking-credit, excluding debentures or credit which was given by the Corporation's parent company, its controlling shareholder, companies controlled by same or companies which are controlled by the Corporation – based on data from the Corporation's separate financial reports ("Solo" report) (in NIS thousands)

	Fund Payments								
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year									
Second Year									
Third Year									
Fourth Year									
Fifth Year and So On									
Total									

C. Bank credit – from Israeli banks ("Solo" report) (in NIS thousands)

	Fund Payments								
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year			592	297				89	978
Second Year			324					71	395
Third Year			324					61	385
Fourth Year			324					51	375
Fifth Year and So On			1,375					99	1,474
Total			**2,939**	**297**				**371**	**3,607**

D. Bank credit – from banks abroad ("Solo" report) (in NIS thousands)

Fund Payments									
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year									
Second Year									
Third Year									
Fourth Year									
Fifth Year and So On									
Total									

E. Summary table of tables A-D, Total credit- banking, non-banking and debentures ("Solo" report) (in NIS thousands)

Fund Payments									
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year	10,912	2,000	592	297				3,684	17,485
Second Year	11,179	2,000	324					2,960	16,463
Third Year	11,179	2,000	324					2,231	15,734
Fourth Year		2,000	324					1,501	3,825
Fifth Year and So On		24,000	1,375					2,187	27,562
Total	**33,270**	**32,000**	**2,939**	**297**				**12,563**	**81,069**

F. External balance credit exposure ("Solo" report) (in NIS thousands)

	Fund Payments								
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year									
Second Year									
Third Year									
Fourth Year									
Fifth Year and So On									
Total									

G. External balance credit exposure of all consolidated companies, excluding companies which are reporting companies and excluding the reporting Corporation's data included in table F above (in NIS thousands)

	Fund Payments								
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year									
Second Year									
Third Year									
Fourth Year									
Fifth Year and So On									
Total									

H. Total credit balance, banks, non banks and debentures of all consolidated companies, excluding companies which are reporting companies and excluding the reporting Corporation's data included in tables A-D above (in NIS thousands)

Fund Payments									
	NIS Index Linked	**NIS Index Unlinked**	**Euro**	**USD**	**---**	**---**	**Other**	**Gross Interest Payment (Without Tax Deduction)**	**Total by year**
First Year									
Second Year									
Third Year									
Fourth Year									
Fifth Year and So On									
Total									

I. Total credit balance provided to the reporting Corporation by its parent company or controlling shareholder and balance of debentures issued by the reporting Corporation and held by its parent company or controlling shareholder: 0.

J. Total credit balance provided to the reporting Corporation by companies controlled by its parent company or controlling shareholder which are not controlled by the reporting Corporation, and balance of debentures issued by the reporting Corporation and held by companies controlled by its parent company or controlling shareholder which are not controlled by the reporting Corporation: 0.

K. Total credit balance provided to the reporting Corporation by consolidated companies and balance of debentures issued by the reporting Corporation and held by the consolidated companies: 0.

L. (1) Cash and cash equivalents, marketable securities and short term deposits ("Solo" report) (in NIS thousands): 30,948
(2) Cash and cash equivalents, marketable securities and short term deposits of all consolidated companies (in NIS thousands): 37,244
(*) Pledged cash is excluded.

Respectfully,

Unitronics (1989) (R"G) Ltd.