



October 26, 2015

Immediate Report

Approval of outline plan for the company's land in Saqiya

Following on Section 2.7.4 to the Company's periodic report for 2014 and the report for the second quarter of 2015 concerning the Company's right to receive land to be used for warehouses and offices in Saqiya (near the Messubim junction) with a net area of 70 dunams ("the Property"), the signing of an authorization contract for planning the Property for five years between the Company and the Israel Land Authority and the submission and publication of a detailed outline plan for the Property specifying the purposes, uses, building rights, and building provisions for the zoning uses set for the land in the plan, we hereby provide an immediate report that on October 26, 2015, the Company received the District Planning and Building Committee's approval of the same date validating the outline plan. The Company is thus expected to sign a lease contract for the Property.

The Company is studying the implications of the approval and its various options for exercising its rights in the Property, including options to sell the Property or part thereof and for its accounting treatment in its financial statements, some of which may lead to recognition of material gains at a value which according to the Company's preliminary assessment and prior to conducting the relevant inquiries may amount to hundreds of millions of shekels.

The information presented in this report includes forward-looking information as defined in the Securities Law, 1968 which is based, among other things, on the Company's assessments concerning its possible options for presenting the Property in its financial statements and concerning the sale of the Property, costs, expenses and taxes related to the sale of the Property, the Company's needs and current conditions in the real estate market in Israel. Should any of these assessments fail to materialize the forward-looking information may fail to materialize as well.

The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.