

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

Israel Corporation Ltd.

Registrar Number: 520028010

Form 121
Public

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

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Date of Transmission: 01/01/2012

Reference: 2012-01-000297

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

RE: Immediate Report

Essence of the Event: Zim – Amendment of Financial Covenants

Further to section 10 of the financial statements of the Company as of September 30, 2011, the Company wishes to update that until 31.12.2011, Zim has not completed the receipt of the waivers or amendments to the financial covenants for the 12 months period that began on September 30, 2011. In view of the outcome of negotiations with the banks, it will not be possible to complete the receipt of the waivers or amendments before Zim's updated business plan will be presented to the banks and examined by them. According to the principles of IFRS, the nonacceptance of the above waivers or amendments by the end of the current cut-off period (31/12/2011), may lead to the classification of the relevant debts as short term debts in the Company's balance sheet, this even if the necessary waivers will be received by the date of publication of the financial statements. It shall be noted that Zim does not have financial covenants that are based on classifying debt as short term or long term.

The date when the event first became known to the corporation: 29/12/2011, time: 17:30.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

The Israel Corporation Ltd.

Form structure updated 29/12/2011

Name of Electronic Reporter: Maya Alchek Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com