

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

**Israel Corporation Ltd.**

Registrar Number: 520028010

Form 121

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

Public

Sort name: Israel Corporation

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Date of Transmission: 29/03/2012

Reference: 2012-01-084732

To:

The Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

To:

The Tel Aviv Stock Exchange

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

The Event: Updating of Employees Option Plan

In accordance with the amendment of the Tel Aviv Stock Exchange (the "**Exchange**") by-laws and regulations, pursuant to the transfer to "T+1" clearing of shares and convertible securities (as specified in the Exchange's publication dated January 8<sup>th</sup>, 2012), and by virtue of the authority of the Company's Board of Directors to update terms in the Company's Employees Option Plans of 2007 and 2010, pursuant to which the Company granted options to the Company's employees, as specified in the Company's immediate reports dated 26.6.2007 and 13.9.2010 (Reference No. 2007-01-305395 and 2010-01-619053, respectively), the Company determined that conversion of options into Company's shares will not be allowed on a the "Record Date" for allocation of stock dividend, rights offering, distribution of dividend, capital consolidation, capital split or capital reduction (each of the foregoing: "**Company Event**"). Also it was determined that if the "Ex-Day" of a Company Event occurred before the "Record Date" for the Company Event, conversion will not be allowed on such "Ex-Day". In addition adjustments provisions set in the Option Plans were updated (as required) to refer the "closing price" of the Company's shares on the trading day before the "Ex-Day" to the "base price" of the Company's shares on the "Ex-Day". The Company gave a notice to the offerees pursuant to the said Exchange's publication in addition to this immediate report. For details regarding the Option Plans and the terms of the warrants which were allocated to the Company's employees see the aforementioned immediate reports of the Company.

The date when the event first became known to the corporation: 28/03/2012, time: 13:00.

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 14/03/2012

Name of Electronic Reporter: Maya Alcheh 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](mailto:mayaak@israelcorp.com)