

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

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

Public

Sort name: Israel Corporation

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Date of Transmission: 21/06/2012

Reference: 2012-01-162300

To: The Securities Authority
www.isa.gov.il

To: The Tel Aviv Stock Exchange
www.tase.co.il

Immediate Report

The Event: Conversion of the Reserve Amount

Further to the Company's Immediate Report dated 29.3.2012 (reference: 2012-01-084864) and pursuant to the Restructuring Plan of Zim Integrated Shipping Services Ltd. ("Zim") as approved by the Company's General Meeting in 2009, the Company's Audit Committee and Board of Directors approved on 17.6.2012 and 20.6.2012 (respectively), the conversion of a sum of USD 25 million (including interest and index linkage which have accumulated since the date of the Reserve's granting until the date of the conversion) out of the total Reserve Amount (a total sum of USD 50 million, including interest and index linkage which have accumulated since the date of the Reserve's granting), to Zim's share capital, by participating in Zim's Rights Offering which was announced by Zim on 11.6.2012, according to a value derives from the owner's equity as included in last Zim's Financial statements prior to the conversion date. After exercising the rights, to the extent that no other Zim's shareholders would exercise their allotted rights, the Company's share at Zim will increase from approx. 99.62% to approx. 99.66%.

The date when the event first became known to the corporation: 20/06/2012, time: 15:00.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alchek Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary.
Signature date: 21/06/2012

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 13/05/2012

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