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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: 19/07/2012

Reference: 2012-01-190017

To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

www.isa.gov.il

www.tase.co.il

Re: **Immediate Report - Private Offering to sophisticated investors**

Israel Corporation Ltd. (the "**Company**") respectfully reports, pursuant to the Company's Board of Directors approval, on a Private Offering of the Company's Debentures (series 7) (the "**Debentures (series 7)**") to sophisticated investors, listed in the First Schedule of The Securities Law, 5728-1968, subject and stipulated to the permission of the Tel Aviv Stock Exchange to list the Debentures for trading, as follows:

1. The issuance of the Debentures (series 7) shall be in a sum of NIS 144,288,577 par value. The Debentures (series 7) shall be registered in the Company's register of securities in the name of United Mizrahi Bank Nominees Co. Ltd.
2. The issuance of the Debentures (series 7) shall be executed by way of expansion of existing series of debentures, at a price of NIS 1.2475 per debenture of NIS 1 par value. After the execution of the aforementioned Private Offering the total sum of the Debentures (series 7) series shall be NIS 1,734,744,577 par value.
3. The total (gross) consideration which is expected from the issuance of the Debentures (series 7) amounts to approx. NIS 180 million.
4. As of the date thereof the adjusted value of the Company's Debentures (series 7) is NIS 1.2021 per NIS 1 par value.

5. The terms of the discussed Debentures (series 7) will be identical to the terms of the existing Debentures (series 7) (for further details regarding the terms of the Debentures (series 7) see section 2.18 in the Company's Shelf Prospectus which was published on May 30, 2012, reference no.: 2012-01-139776), and they shall be regarded, as of the date of their issuance, as the first issued Debentures (series 7).
6. The consideration from the issuance of the aforementioned Debentures will be designated for refinancing financial obligations, investments financing or according to the Company's Board of Directors resolutions from time to time.
7. As aforesaid, the Debentures (series 7) will be issued above their adjusted value (principal and interest) and therefor without discount.
8. The Debentures (series 7), prior and after the issuance hereby reported, are rated "iIA+/Stable" by Standard & Poor's Maalot (see the Company's immediate report dated June 24, 2012, reference no.: 2012-01-164553).
9. The debentures (series 7) will be listed for trading in the Tel Aviv Stock Exchange but they shall be subject to the restrictions on resale of securities listed in section 15C of the Securities Law, 5728-1968 and regulations.
10. The Company has informed the trustee of the Debentures (series 7) regarding the aforementioned expansion of the series.
11. As mentioned above, the issuance of the new Debentures is subject and stipulated to the permission of the Tel Aviv Stock Exchange to list the new Debentures for trading.

The date when the event first became known to the corporation: 19/07/2012, time: 18:00.

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: 19/07/2012

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 01/07/2012

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