

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

**Israel Corporation Ltd.**

Registrar Number: 520028010

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

Sort name: Israel Corporation

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: Mayaak@ISRAELCORP.COM

**Form 121  
Public**

Date of Transmission: 24/07/2012

Reference: 2012-01- 192615

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

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

Re: **Immediate Report**

The Event: Qoros Financing Agreement

The Company wishes to announce that Qoros, the Company's auto manufacturing venture in China, has engaged in a financing agreement (hereinafter: the "**Financing Agreement**") with a consortium of foreign banks, in a total amount of 3 billion yuan (approximately US\$ 470 million) (hereinafter: the "**Amount of the Loan Principal**"), which will be used by Qoros to finance the construction of a plant for the manufacture of 150,000 cars (the construction of the plant is under way, and subsequently, there are plans for the expansion of the plant, in accordance with that set forth in section 12.2.9 of the Company's annual report, as of December 31, 2011). The Financing Agreement is for a period of 10 years. Qoros shall provide various securities to the bank, to secure repayment of the loan. Chery, which holds (through a subsidiary) 50% of the share capital of Qoros, gave a guarantee to the financing banks in a total amount of 1.5 billion yuan (approximately US\$ 235 million). A company, based in the city of the province in which the plant is to be set up, has provided a guarantee to the financing banks in connection with the balance of the amount of the loan, that is to say 1.5 billion yuan (approximately US\$ 235 million). Israel Corporation Ltd., which indirectly holds 50% of the share capital of Qoros, through a wholly-owned subsidiary, has undertaken to Chery, to pay to it half of any amount which Chery shall be required to pay in respect of the guarantee which it gave in connection with the Financing Agreement, that is to say, up to an amount of 750 million yuan (approximately US\$ 118 million), and also in respect of related expenses and interest in respect of the Amount of the Loan Principal.

The date when the event first became known to the corporation: 23/07/2012, time: 21:10.

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: 24/07/2012

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 22/07/2012

---

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