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Form 121

Public

Israel Corporation Ltd.

Registrar Number: 520028010

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

Sort name: Israel Corporation

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Date of transmission: 29/05/2012

Reference: 2012-01-139077

To:	To:
The Securities Authority	The Tel Aviv Stock Exchange
www.isa.gov.il	www.tase.co.il

Immediate report

The event: Updating the corporation's businesses – supplementary report

Attached herewith is a supplementary report.

Enclosed herewith is file

isa.pdf.supplementaryreportupdatingcorporation'sbusinesses

The date when the event first became known to the corporation: May 29th 2012 at 18:15.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alcheh Kaplan. Adv.
Position: General Counsel (In House) and Company's Secretary.
Signature date: 29/05/2012

Reference numbers of previous documents on the subject (the mention does not constitute inclusion by way of referral).
Previous names of the reporting entity: Israel Corporation Ltd.

Form structure updated 13/05/2012

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

Israel Corp. Ltd

Israel Corp. Ltd
Millennium Tower 23 Aranha Street P.O. Box 20456 Tel Aviv 61204 Israel
Tel.: (03) 6844517 Fax: (03) 6844587
Advocate Maya Alcheh-Kaplan
In-house Legal Advisor and Company Secretary

May 29th 2012

To

The Securities Authority

Via the electronic disclosure system

To

The Tel-Aviv Stock Exchange Ltd.

Via the electronic disclosure system

Dear Sir/ Madam,

Re: Updating the corporation's businesses – supplementary report

Following the company's periodical report for 2011, published on March 29th 2012 (reference number 2012-01-084666) (**the "Periodical Report**"), and following the company's immediate report regarding the submitting of a draft shelf prospectus to the Securities Authority and to the Tel-Aviv Stock Exchange Ltd., published on April 1st 2012 (reference number 2012-01-090609), the Israel Corporation Ltd. (**the "Company**") is hereby submitting a supplementary report, containing clarifications and an addition to the Periodical Report. Unless stated otherwise, these updates are brought according to the order of the articles and their numbers in the Periodical Report and the terms below shall have the meaning ascribed to them in the Periodical Report.

1. Article 9 in chapter A of the Periodical Report – Zim Integrated Shipping Services Ltd. (hereinafter: "Zim")

1.1 Article 9.17 of the Periodical Report (the "Recovery Plan")

After the second paragraph, the following paragraph will be added:

"As stated in the reports mentioned in this article 9.17 below, as part of the arrangements with the Related Companies included in the Recovery Plan it has been agreed, inter alia, on the reduction of the leasing fees in a total sum of no less than 150 million US dollars and that the period of the reduction shall be for no later than December 31st 2013. It will be noted that as of December 31st 2011, the accumulated reduction in the leasing fees to the Related Companies was in the amount of 112 million US dollars. As of March 31st 2012, the accumulated reduction in the leasing fees to the Related Companies was in the amount of 122 million US dollars. Zim has estimated that until the end of the said reduction period, the overall reduction amount will be the amount determined in the Recovery Plan. As for the contents of the Company's report dated September 24th 2009 (reference number 2009-01-240204, incorporated by way of reference) according to which the particular rate of reduction in the leasing fees of each ship leased from Related Companies shall be 35%, when in the context of things, emphasis was placed on the fact that the goal is achieving an overall reduction sum and maintaining said reduction period, in actuality there is no similarity in the particular rate of reduction between ships leased from Related Companies, and the calculation of the reduction rate was made in a manner ensuring that the overall reduction sum will be no less than 150 million US dollars until the end of the reduction period."

"It will be further noted that the reduction of the leasing fees to the Related Companies as agreed upon in 2009, embodies a reduction of 35% in the overall leasing fees, compared to a reduction of 23.9% in the leasing fees to non-Related Companies. Furthermore, the reduction in the leasing fees to the non-Related Companies was carried out against a debt (bearing interest) convertible to shares or the extension of the lease period or a combination of both, while the reduction sum for the Related Companies is not returned to the Related Companies but rather is assigned to the Company as stated in the Company's immediate report dated November 3rd 2009."

1.2 <u>Article 9.19.11 of the Periodical Report ("providing a "safety net" by the Israel Corporation and its controlling shareholder and approving the reserve sum")</u>

In article 9.19.11 b of the Periodical Report, after the second paragraph, the following sentence will be added:

"Following the report dated March 29th 2012 (reference number 2012-01-084864), as of the date of this report, the Company has transferred to Zim the sum of 50 million dollars, the "Reserve" sum as a convertible loan.[1] Zim stated that Zim has completed receiving all of the consents from the relevant banks to the waiver amendment of its financial standards according to its business plan."

1.3 Article 9.22.5 of the Periodical Report

After sub-article c, sub-article d will be added as follows:

"d. Following is a table concentrating Zim's projected payments to the Related Companies for the ship leasing fees (including costs of operation) in each of the upcoming four years and in the following period (the sums are stated in thousands of US dollars):

2012	**2013**	**2014**	**2015**	**2016 onwards**
100,328	122,361	93,927	81,737	256,971

Payments (after neutralizing payments to the Israel Corporation[2])

2. Article 11 in chapter A of the Periodical Report – I.C.Power (hereinafter – ICP)

2.1 Article 11.2 of the Periodical Report ("ICP's activity and a description of the development of its holdings")

Article 11.2.10 will be added, containing the following tables.

"Following is a table concentrating data on ICP's active power plants:

[1] As of the date of this report a resolution regarding the conversion has yet to be made.

[2] Neutralizing the payments to the Company stems from the assignment of right mentioned in article 1.1 of this report.

Subsidiary/ included company	**Location**	**Percentage of ownership %**	**Number of sites**	**Power plant/ the site**	**Type of gas for operating the installations**	**The plants manufacturing capacity (MW)**	**Clients**	**Date of end of power purchasing contract**
KALLPA[3]	Peru	74.9%	1	The manufacturing site located in Chilka, 60 km south of Lima, Peru.			60 PPA agreements with a variety of distribution companies and non-supervised clients, according to which Kallpa has agreed to provide availability and energy to these clients (for more details see article 11.5.1 of the Periodical Report).	2012 – 2023 2022 is the last year for which over 50% of the available energy (MwH) is sold.
				3 turbines in an open cycle: Kallpa I	Natural gas	581: 189.9 (after		

[3] For details on the combined cycling conversion projects see the following table.

Subsidiary/ included company	**Location**	**Percentage of ownership %**	**Number of sites**	**Power plant/ the site**	**Type of gas for operating the installations**	**The plants manufacturing capacity (MW)**	**Clients**	**Date of end of power purchasing contract**
				Kallpa II Kallpa III		upgrading) 193.5 197.8		
COBEE	Bolivia	100%	15				A long term PPA agreement in the scope of 30% of the manufacturing capability with a mining company in Bolivia, Minera San Cristobal (for more details see article 11.5.7 of the Periodical Report).	2017
				10 sites on the Zongo River: Zongo Tiquimani	Hydro-electric	188 11 9.7		

Subsidiary/ included company	**Location**	**Percentage of ownership %**	**Number of sites**	**Power plant/ the site**	**Type of gas for operating the installations**	**The plants manufacturing capacity (MW)**	**Clients**	**Date of end of power purchasing contract**
				Botijlaca Cutichucho Santa Roas Sainani Churuaqui Harca Cahua Huaji		6.8 23 17.6 10.5 25.4 25.9 28 30.2		
				4 sites on the Miguillasl River: Miguillas Asngostura Chopuetanga Carabuco	Hydro-electric	21 2.6 6.2 6.2 6.1		
				A site containing	Natural gas	19		

Subsidiary/ included company	Location	Percentage of ownership %	Number of sites	Power plant/ the site	Type of gas for operating the installations	The plants manufacturing capacity (MW)	Clients	Date of end of power purchasing contract
				a couple of open cycle turbines and located in El Alto				
CENTRAL CARDONES	Chile	87%	1	One open cycle turbine located in Copiapo, 800 km north of Santiago, Chile.	Diesel	155	The power plant provides availability and as of the date of the report is not tied in an agreement with a specific client.	
NEJAPA	El Salvador	71.2%	1	27 diesel engines, located 20 km from the city San Salvador	Fuel oil	140	Five PPA agreements in respect of most of the manufacturing capability (for more details see article 11.5.5 of the Periodical Report).	2013
CENERGICA	El Salvador	100%	1	3 gas tanks located at the Acajutla port in	Fuel terminal	-	The Company leases from time to time some of the terminal's storage	

Subsidiary/ included company	**Location**	**Percentage of ownership %**	**Number of sites**	**Power plant/ the site**	**Type of gas for operating the installations**	**The plants manufacturing capacity (MW)**	**Clients**	**Date of end of power purchasing contract**
				El Salvador.			capability.	
CEPP	The Dominican Republic	96.7%	1	Located in the city of Puerto Plata in the Dominican Republic. Three diesel generators on land and nine more on a barge.	Fuel oil	67	A power sale agreement (PPA) with several local distribution companies (for more details see article 11.5.4 of the Periodical Report).	2014
EDEGEL[4]	Peru	21.1%	10		Hydro-electric and natural gas		72 PPA agreements with a variety of distribution companies and private clients, according to which Edegel has agreed to provide availability and energy to these	2012 – 2025 2021 is the last year for which over 50% of the available energy (MwH) is sold.

[4] For details on hydro-electric power plant in stages of development see the following table.

Subsidiary/ included company	**Location**	**Percentage of ownership %**	**Number of sites**	**Power plant/ the site**	**Type of gas for operating the installations**	**The plants manufacturing capacity (MW)**	**Clients**	**Date of end of power purchasing contract**
							clients.	
			5	Five sites located 50 km outside Lima, Peru.	Hydro-electric	552		
			2	Two sites located 280 km outside Lima, Peru.	Hydro-electric	194		
			2	2 sites in the city of Lima, Peru.	Natural gas	922		
PEDREGAL	Panama	21.2%	1	A manufacturing site located in Pacora, Panama, 25 km outside the Panama capital, Panama City.	Fuel oil	54	PPA agreements for the provision of availability alone with Edemet and Edechi for 2012 – 2014 (for more details see article 11.5.6 of the Periodical Report). In certain cases it is possible that some of the	

Subsidiary/ included company	Location	Percentage of ownership %	Number of sites	Power plant/ the site	Type of gas for operating the installations	The plants manufacturing capacity (MW)	Clients	Date of end of power purchasing contract
							energy sold by the Company to the spot market will be included as part of an agreement for the sale of surplus energy.	
JPPC	Jamaica	15.6%		A manufacturing site located in Kingston, Jamaica.	Fuel oil	58	JPS	2018

Following is a table concentrating data of ICP's projects that are under construction[5]:

Name of company building the project	**Location**	**Percentage of ownership %**	**Power plant**	**Expected commercial operation**	**Actual investment up to March 31st 2012 in millions of dollars**	**Total project cost in millions of dollars**	**Total external financing in millions of dollars**	**Projected manufacturing capacity of the installation (MW)**	**The client**	**Date of end of power purchasing contract**	**Status of execution**
KALLPA CC	Peru	74.9%	Conversion of the Kallpa site to combined cycle	The second half of 2012	335	395	277	288	The power sale agreements belong to Kallpa (see detailing above)		In final stages of construction. For more details see article 11.2.1 of the Periodical Report.
CENTRO DEL AGUILA (CdA)	Peru	74.9%	The construction of a hydro-electric installation	2016	49	900	Financing agreement have yet to be signed	500	Two power sale agreements[6] to local distribution companies (for more details see article 11.5.2 of the Periodical	2031	In initial stages in construction. For more details see article 11.2.3 of the Periodical Report.

[5] **The information on the projects under construction, including in respect of the estimated time of operation, the projected costs, the scope of financing and the estimated manufacturing capacity, constitutes future looking information which there is no certainty will be realized. In actuality there may be delays and/or non-completion of the projects, an increase in the costs and in the required financing and the manufacturing scope may also vary from the projections, inter alia, due to changes in the relevant power market**.

[6] The agreements will commence in 2016.

Name of company building the project	Location	Percentage of ownership %	Power plant	Expected commercial operation	Actual investment up to March 31st 2012 in millions of dollars	Total project cost in millions of dollars	Total external financing in millions of dollars	Projected manufacturing capacity of the installation (MW)	The client	Date of end of power purchasing contract	Status of execution
									Report).		
EDEGEL	Peru	21.1%	Hydro-electric power plant	Has not been determined yet	Has not been determined yet	Has not been determine d yet	Has not been determined yet	180	See detailing above	See detailing above	In initial stages in construction. A calculation of the final cost and the structure of finance have not been formulated yet and the works have yet to begin or a date for their commencement has not been determined.
OPC	Israel	80%	Power plant under construction in the Rotem Plane	The first quarter of 2013	345	568	439	440	7 agreements with private consumers[6] receiving a fixed rate of discount from the manufacturing	Private consumers – as a rule, 10 years from the time of expected commercial operation,	Under construction

Name of company building the project	**Location**	**Percentage of ownership %**	**Power plant**	**Expected commercial operation**	**Actual investment up to March 31st 2012 in millions of dollars**	**Total project cost in millions of dollars**	**Total external financing in millions of dollars**	**Projected manufacturing capacity of the installation (MW)**	**The client**	**Date of end of power purchasing contract**	**Status of execution**
									component, constituting part of the rate according to system load and duration (Taoz) published from time to time by the Electricity Authority, electricity that will not be sold to these consumer, will be sold to the Israel Electricity Company according to the terms of the PPA agreement signed with it, whether by way of providing the availability or	meaning 2023[7] The Israel Electricity Company – 20 years from the time of expected commercial operation.	

[7] Most of the agreements are subject to the consumer's right to be released under certain conditions, by giving prior notice (between one to three years).

Name of company building the project	Location	Percentage of ownership %	Power plant	Expected commercial operation	Actual investment up to March 31st 2012 in millions of dollars	Total project cost in millions of dollars	Total external financing in millions of dollars	Projected manufacturing capacity of the installation (MW)	The client	Date of end of power purchasing contract	Status of execution
									by the sale of energy. (For more details see article 11.5.8 of the Periodical Report).		

2.2 Article 11.6 of the Periodical Report ("Backlog")

After the first paragraph the following paragraph and table will be added:

"As stated above, the consumers tied in agreements with ICP undertake to purchase power from ICP during the times they consume power, but are not obliged to consume power or consume certain quantities of power, and therefore it is difficult to estimate the power consumption according to the power capacity supply agreements that were signed. Considering the above, the income in the table below is based on signed contracts as of the time of the signing of the financial reports, when the calculation of income is based on ICP's estimation as to the clients' average consumption based on past experience and the past consumption data of these clients, as well as on the contractual prices as they are today without price adjustments based on the indexing mechanisms of the price of power in the future. It will be noted that the clients have no obligation to consume power and there is no certainty that ICP's projections regarding future income will be realized."

Year	2012				2013	2014	2015 onwards
	First quarter	Second quarter	Third quarter	Fourth quarter			
In millions of dollars	89	92	97	112	671	611	6,476

3. Article 12 in chapter A of the Periodical Report – additional investments that do not amount to an area of activity

3.1 Article 12.1 of the Periodical Report – Tower Semiconductor Ltd. ("Tower")

After article 12.1.1a of the Periodical Report, the following paragraph will be added:

"The Company has informed Tower of its intention to convert all of the capital notes Tower has issued the Company to 206 million Tower shares. Furthermore, the Company has informed Tower that at this point it does not intend to ask for registration for trading of the shares, and that at this point it does not intend to trade or sell the shares."

4. Article 18 in chapter A of the Periodical Report – legal proceedings

4.1 Article 18.1 of the Periodical Report:

After the third paragraph, the following paragraph will be added:

"On May 20th 2012, after the deadline for submitting responses/ objections to the settlement (as defined above) has passed, and no such responses/ objections were submitted, a verdict has been given in said claims, in which the District Court in Tel Aviv – Jaffa has approved the settlement. Upon the approval of the settlement by the court as stated above, and in accordance with the provisions of the settlement, some of the provisions of the settlement will be brought for the approval of the authorized organs in Zim and the Company, as detailed in the immediate report dated February 22nd 2012 mention above."

Sincerely,

Israel Corporation Ltd.