

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

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

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Date of Transmission: 23/12/2012

Reference: 2012-01-316875

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Shareholder's letter

The Israel Corporation Ltd. (the "**Company**") respectfully reports, for the sake of caution, that a letter of demand was received at its offices from one of its shareholders (according to his statement), which according to its headline was sent pursuant to section 194 of the Companies Law, 5759-1999 (the "**Demand Letter**"). The Demand Letter includes, *inter alia*, claims regarding the Company's resolutions in regards to compensation of the Company's officers, the approval procedure thereof and the Company's reports issued pursuant in connection therewith.

The Company intends to review the Demand Letter and the claims included therein and address the Demand Letter in accordance with the law.

The date when the event first became known to the corporation: 18/12/2012, time: 14:00.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alcheh Kaplan. Adv.

Position: Vice President, General Counsel and Company's Secretary.

Signature date: 23/12/2012

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 04/11/2012

Name of Electronic Reporter: Maya Alcheh Kaplan. Position: Vice President, General Counsel and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com