

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
Public**

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

Sort name: Israel Corporation

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: conversion of capital notes of Tower

Further to clause 21.1 of the Company's periodic report as of December 31, 2012, and further to the immediate report dated May 29, 2012 [reference 2012-01-139077], the Company hereby reports that today it gave Tower Semiconductor Ltd. ("Tower") an instruction to convert all of Tower's convertible capital notes, held by the Company, into Tower's shares. Following the conversion, the Company holds 39.4% of Tower's share capital and approximately 30.5% of Tower's share capital after the conversion, assuming the conversion of all convertible capital notes held by the banks.

The date when the event first became known to the corporation: March 24, 2013

time: 12:10

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: March 24, 2013