

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](http://www.isa.gov.il)

To:

The Tel Aviv Stock Exchange

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

The Event: Examination of a split in holdings

See Attachment

The date when the event first became known to the corporation: June 26, 2013

Time: 17:30

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

Position: Vice President, General Counsel and Company Secretary

Date of signing: June 26, 2013

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**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 Alchek-Kaplan  
Vice President  
General Counsel and Company Secretary

June 26, 2013

TO:

THE SECURITIES AUTHORITY

Through the MAGNA system

THE TEL AVIV STOCK EXCHANGE LTD.

Through the MAGNA system

Dear Sir/ Madam,

Re: **Immediate Report - Examination of a split of holdings**

The Company hereby announces that the Board of Directors adopted the recommendation of Company's management, and resolved to examine a strategic action of a split of the Company's holdings, which purpose is to create value to the Company and to all its shareholders, by exposing the Company's assets to a larger and more focused on areas of activity public of investors, creating structural flexibility in the Company's corporate holdings, and business focus, which, in the long term, is expected to help reducing the gap between the value of the Company's assets and its market value (reduction of the "Discount").

The examined actions and the manner of its implementation (as it is now is examined, and it may possibly be examined and may be completed, if completed, in a different manner) is a split of the Company's holdings (the "Split Plan"), such that Israel Corporation's holdings in IC Power Ltd., Qoros Automotive Co., Ltd., Zim Integrated Shipping Services Ltd., IC Green Energy Ltd. and Tower Semiconductor Ltd. shall be transferred and be held by all of the Company's shareholders through a new company (the "New Company") while Israel Corporation will continue to hold Israel Chemicals Ltd. ("ICL") and Oil Refineries Ltd.

("ORL"). The Company estimates that the Split Plan will be completed, if completed, within 6-12 months. The Israel Corporation's debt to financing banks and bondholders will remain in the Company, which will retain its holdings in ICL. In the future, a possibility to split the Company's holdings in ORL may be examined. Furthermore, the Company, which will hold ICL and ORL after the completion of the Split Plan, if completed, intends to refrain from making investments in new companies.

The intention is that the shares and bonds of the Company, which will hold after the completion of the Split Plan, if completed, ICL and ORL, will continue to be traded on the Tel Aviv Stock Exchange. As part of the Split Plan, the New Company will be listed on a foreign stock exchange and /or on the Tel Aviv Stock Exchange.

This report includes forward-looking information, as defined in the Securities Law. The Split Plan, in its final determined format, may not be materialized, in whole or in part, or may materialize in a different format than the one under consideration, in a different time frame than expected and in a different manner than anticipated. Factors which may influence on this are, among others, unfulfillment of various conditions, including in connection with various regulators and other bodies, which approval is required.

Sincerely,

The Israel Corporation Ltd.

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: June 26, 2013