

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.

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

Tel: 03-6844517, Fax: 03-6844587

ISRAEL CORPORATION

Adv. Noga Yatziv

Company Secretary and Assistant to the President

November 26, 2009

To:

The Securities Authority

via MAGNA

To:

The Tel Aviv Stock Exchange Ltd.

via MAGNA

Dear Sir/Madam,

Re: Issuance of Rights in Zim

Israel Corporation Ltd. (the "**Company**") hereby reports as follows:

1. Zim Integrated Shipping Services Ltd. ("**Zim**") has published on 8.11.2009 an offer to participate in an Issuance of Rights to all ordinary shareholders of record named as are registered in Zim's Register of Shareholders on the effective date (the "**Offerees**" and the "**Offer**", respectively).
2. In the framework of the Offer the terms of the Offer and the way to participate in it were set out, amongst others the number of the offered shares and the price for each share (7.9022 US dollars) were set out. This price is based on Zim's capital as specified in its financial reports for 30.6.2009, which are its latest financial reports at the date of the Offer. The Offer to participate in the issuance of rights as was sent by Zim to the offerees is attached as **Annex A**. According to the updates of the Offer (regarding the extension of the Offer period and the participation period) which were sent by Zim to the Offerees, as of this date, the last date to the participation of the Offerees in the Offer will be on 6.12.2009.

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3. In order to execute the resolutions of the Company's General Meeting dated 3.11.2009, the Company intends, along with sending its participation in the Offer notification to Zim, to instruct Zim with regard with the conversion of the loans the Company provided to Zim (in a way of repaying the said loan and simultaneously injecting Zim the said repaid loan amount, against an allocation of shares), in a sum of approx 200 million US Dollars (for details regarding the loans the Company provided to Zim, see the Transaction Report the Company has published on 9.9.2009); and the Company will transfer to Zim upon its participation a certain amount at the expense of the balance of the Company's expected investment in Zim which is a sum of approx 250 million US Dollars in a way that the total sum which is included in the framework of the participation in the Offer will be 450 million US Dollars (for details regarding the "Company's investment in Zim", see immediate reports of the Company dated 9.9.2009 and 18.10.2009)- all as will be specified in the framework of an immediate report which the company shall publish with its participation in the said Offer.

Sincerely,

Noga Yatziv

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[ZIM LETTERHEAD]

Date: 8 November, 2009

Zim Integrated Shipping Services Ltd.

Pursuant to a resolution of the board of directors of Zim Integrated Shipping Services Ltd. (hereinafter: “**Zim**”) dated 4 November 2009, Zim is pleased to offer all holders of Zim’s ordinary shares, each of NIS 0.03 nominal value, to participate in the issue of its shares, which is subject to and in accordance with the following terms (hereinafter: the “**Offer**”):

1. General

Zim’s registered share capital is NIS 10,500,000.06 (ten million five hundred thousand new shekels and six agorot) constituting of 350,000,001 ordinary named shares, each of NIS 0.03 nominal value (hereinafter: the “**Ordinary Named Shares**”) and one special State share with a nominal value NIS 0.03. Zim’s issued share capital is NIS 945,650.79 constituting of 31,521,692 Ordinary Named Shares and a special State share as aforesaid.

2. The Offerees and the Determining Date for Share Ownership

Those entitled to participate in the Offer are all the holders of Ordinary Named Shares, each of NIS 0.03 nominal value of Zim (“Ordinary Named Shares”) as are recorded in Zim’s Register of Shareholders (hereinafter: the “**Offeree(s)**”). The determining date for share ownership for purposes of the Offer is the date of the resolution of Zim’s board of directors concerning the Offer, namely 4 November, 2009 (hereinafter: the “**Determining Date**”).

It is hereby clarified that only those holders of Ordinary Named Shares who are registered in Zim’s Register of Shareholders on the Determining Date shall be considered as Offerees, and only they shall have entitlement to participate in the Offer, and within the framework of such rule it is clarified that any party entitled to shares by operation of law (including by inheritance, court order, etc.) and who was not recorded in the Zim shareholders register on the Determining Date shall not be considered as an Offeree for purposes of the Offer.

It is clarified that up to 3 (three) business days prior to the end of the Response Period, Zim may cancel the Offer, extend the Response Period or change or modify the terms of the Offer, by providing a notice of the same to the Offerees.

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3. The Offered Securities

3.1 57,567,595 Ordinary Named Shares of Zim (hereinafter: the “**Offered Shares**”) are being offered by way of rights to the Offerees, in such a way that every one Ordinary Named Share registered in the name of an Offeree on the Determining Date shall entitle the same Offeree a right to purchase one right unit as follows (hereinafter: “**Right Unit/s**”):

1 ordinary share (Offered Share) at a price of 7.9022 United States Dollars or a sum in NIS equivalent to 7.9022 United States Dollars according to the known representative rate at the Bank of Israel on the time of the bank transfer (as set forth in clauses 4.2 and 4.3 below).

3.2 Notwithstanding clause 3.1 above, Zim shall not consider fractions of rights to participate in the Offer in such a way that if an Offeree is entitled to purchase part of one Right Unit, then the number of Right Units that the Offeree is permitted to purchase in accordance with the Offer shall be rounded down (to the closest whole number), provided that the Offeree shall pay for the full quantity of units that he has actually purchased.

3.3 It is clarified that all of the Offered Shares shall have equal rights to the Ordinary Named Shares existing in Zim’s share capital on the date of their issuance and shall entitle their owners to the full rights stipulated in Zim's Articles of Association, including the right to receive dividends in cash or in bonus shares or in any other distribution that shall be declared and/or distributed by Zim following the date of their issuance.

4. Responding to the Offer by the Offerees

4.1 In this Offer, the following terms shall have the meanings ascribed next to them:

The “**Response Period**” and the “**Offer Period**”, mean - the period commencing on 8 November 2009 and terminates on 20 November 2009 (inclusive);

The “**Special Account**” means - for payment in United States Dollars - account number 101000669500 in HSBC bank (HSBC Bank PLC) Rothschild Branch Tel Aviv, number 101. For payment in New Israeli Shekels - account number

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101000669490 in HSBC bank (HSBC Bank PLC), Rothschild Branch Tel Aviv, number 101.

The "**Consideration Amount**" means the multiple of the number of Right Units that the Offeree wishes to purchase at a price of 7.9022 United States Dollars or the sum in NIS equivalent to 7.9022 United States Dollars according to the known representative rate at the Bank of Israel at the time of effecting the payment.

4.2 An Offeree wishing to exercise its right to purchase Right Units shall perform one of the following acts (hereinafter: the "**Exercise Acts**") or a combination of same, as further clarified hereunder: (1) a bank transfer to the credit of the Special Account for at least one half of the Consideration Amount (hereinafter: the "**Bank Transfer**"); (2) give Zim a written instruction to convert the loan/s provided by it to the benefit of Zim (by way of repayment of said loan and simultaneously the injection to Zim of the loan amount repaid as aforesaid against the issuance of Right Units), in an amount equal to at least half of the Consideration Amount (all subject to its entitlement to the Rights Units). An Offeree shall be entitled to make a combination of the two Exercise Acts, provided that the total amount of the Bank Transfer and the conversion of loan/s shall amount to at least one half of the Consideration Amount. The Offeree shall deliver to Zim written notice as to the performance of the Exercise Acts at Zim's offices, as stated in clause 11 below, together with a commitment letter, as stated in clause 4.4 below, provided that the sum of the Bank Transfer, and/or the instruction to convert the loan/s, the notice and the commitment letter shall reach Zim within the Response Period (hereinafter: the "**Response Notification**"). Should the Offeree pay for the Right Units which are being purchased with United States Dollar currency, then he must transfer, by the Bank Transfer, a sum in United States Dollars equivalent to at least one half of the number of Right Units being purchased multiplied by 7.9022 United States Dollars (the price of one Right Unit). Should the Offeree pay for the Right Units being purchased using NIS, then he must transfer, by the Bank Transfer, a sum in New Shekels equivalent to at least one half of the number of the Right Units being purchased multiplied by 7.9022 United States dollars according to the known representative rate at the Bank of Israel at the time of the Bank Transfer.

Should the Offeree convert loans provided by him to Zim, and which were provided in United States Dollar currency, then he will be required to convert loans in an amount in United States Dollars equivalent to at least one half of the number of Right Units being purchased multiplied by 7.9022 United States Dollars (the price of one Right Unit). Should the Offeree convert loans provided by him to Zim, and which were provided in New Shekels, then he will be required to convert loans in an amount in New Shekels equivalent to at least one half of the number of the Right Units being purchased multiplied by 7.9022

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United States Dollars according to the known representative rate at the Bank of Israel at the time of the Bank Transfer.

A combination of a Bank Transfer and conversion of loan/s, should be made as provided above, *mutatis mutandis*.

It is clarified that Zim shall not accept Response Notifications that shall arrive at its offices after the end of the Response Period.

- 4.3 The Response Notification shall be given by a letter duly signed, together with a duly signed commitment letter and confirmation of one of the following (subject to his entitlement to Right Units): (1) the execution of the Bank Transfer to the credit of the Special Account of at least half of the Consideration Amount; or (2) instruction to convert the loan/s in an amount equal to at least one half of the Consideration Amount; or (3) the confirmation of the execution of the Bank Transfer to the credit of the Special Account and instruction to convert the loan/s amounting to at least one half of the Consideration Amount – all provided that said letter shall be printed in accordance with the full following wording and attached thereto shall be the documents stated therein:

“For the attention of Zim Integrated Shipping Services Ltd. (“Zim”),

I the undersigned, _____, ID No. _____, holder of _____ ordinary named shares, each of NIS 0.03 nominal value of Zim (“Ordinary Named Shares”), that are recorded in my name in Zim's Register of Shareholders on 4, November 2009, am entitled to purchase up to _____ Ordinary Named Shares according to the terms of offer of Zim dated 8, November 2009 (the “Offer”) and I am interested in purchasing _____ Ordinary Named Shares at a price of 7.9022 United States Dollars each (the “Purchased Shares”), all in accordance with and subject to the terms of the Offer. It is clarified that I am purchasing the Purchased Shares only on the basis of the Offer and its terms and I shall not have any complaints, demands or claims in connection therewith. Attached hereto is a certification of execution of a bank transfer in favor of the special account set forth in the Offer, in the amount of _____ United States Dollars / NIS _____ which is equivalent to _____ United States Dollars according to the known representative rate at the Bank of Israel at the time of the above the bank transfer /by signing this letter I hereby instruct the conversion of the loan/s I provided to Zim in the amount of _____ United States Dollars / NIS _____ which is equivalent to _____ United

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States Dollars according to the known representative rate at the Bank of Israel at the time of this letter *.

**Furthermore, enclosed hereto is a commitment letter signed by me..
Additionally, enclosed hereto a photocopy of my identity card/foreign
passport/ certificate of incorporation.**

[Signature]

*** delete the irrelevant option”**

- 4.4 An Offeree wishing to exercise his right to purchase Right Units shall sign a commitment letter, in the form which shall be available at Zim's offices and shall be provided to the Offeree at his written request, which shall be submitted according to the provisions of clause 11 below, under which, he shall undertake to transfer to Zim the balance of the Consideration Amount, in whole or in installments, according to Zim's requirement as shall be submitted to him , from time to time, to his address, as detailed in the commitment letter. The transfer of the balance of the Consideration Amount may be made in one of the following ways or combination thereof, as hereby clarified: (1) bank transfer to the credit of the Special Account of the balance of the Consideration Amount; or (2) written instruction to Zim to convert the loan/s provided by him to Zim, in the amount equal to the balance of the Consideration Amount; a combination of the two ways mentioned above provided that the total amount of the bank transfer and the conversion of loans shall amount to at least the balance of the Consideration Amount.
- 4.5 It is clarified that the Offerees shall not have any right of set-off against Zim in respect of amounts that they must pay.
- 4.6 Should no Response Notification to the Offer be received or if no confirmation will be received by Zim concerning the Bank Transfer as stated above, and/or the commitment letter, all until the end of the Response Period, then the entitlement to participate in the Offer shall be considered unexercised and it shall automatically expire.

5. Completion of the Offer at the end of the Offer Period

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Within three business days from the end of the Response/Offer Period and subject to the other terms of the Offer:

- 5.1 **The Register of Shareholders:** Zim shall record in Zim's Register of Shareholders those Offerees who have duly delivered a Response Notification, and who have paid the consideration required, as the owners of the shares purchased by them within the framework of the Offer as aforesaid.
- 5.2 **Share Certificate:** Zim shall send a share certificate to the Offerees who have duly delivered a Response Notification and who have paid the required consideration, in respect of those shares purchased by them within the framework of the Offer as aforesaid.

6. Closing the Register of Shareholders

Zim's Register of Shareholders shall be closed from the date of this notification until the end of three business days from the end of the Offer Period, other than for purposes of executing those activities stipulated in clause 5 above.

7. Completion of the balance of the Consideration Amount

An Offeree who delivered a Response Notification and did not transfer, for any reason whatsoever, the balance of the Consideration Amount, in whole or in part, in accordance with Zim's demand as set forth in clause 4.4 above, Zim shall be entitled to forfeit the shares registered in his name as stated in clause 5 above, including pursuant to Zim's Articles of Association, and without derogating from any other right Zim may have under any law.

8. Prohibition of Assignment of Rights

The rights subject of this Offer may not be assigned and/or transferred and/or sold, in any way or manner, and Zim shall not honor any application made to it in regard to the Offer, including a response to the Offer, other than by the Offeree.

9. Unexercised Rights

Rights that have not been exercised in accordance with the provisions of this Offer up to the end of the Response/Offer Period shall expire and shall not confer any rights to Offerees nor confer any shares in respect thereof.

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10. Additional Details

For details pertaining to Zim, one may peruse the annual financial statements and the quarterly statement of the Israel Corporation Ltd. (Zim's controlling shareholder), which is a public company whose shares are traded on the Tel Aviv Securities Exchange Ltd. (hereinafter: the "**Stock Exchange**"), as is published on the web sites of the Stock Exchange and in the Securities Authority (respectively): www.magna.isa.gov.il; maya.tase.co.il. To obtain additional details, the Offeree may apply to Zim's Secretariat at Zim's offices as stated in clause 11 below, on Sunday–Thursday between 09:00-16:00 by prior coordination using telephone number 04–8652170.

11. Zim's Offices and Address for sending Response Notifications

Zim's address and the address for sending the Response Notifications is:

To the Secretariat of, Zim Integrated Shipping Services Ltd., 9 Andrei Sakharov Street (Matam Building), Haifa 31016, Israel.

12. Notices

Zim has delivered this Offer by post to all of the holders of Ordinary Named Shares of Zim (the "Offerees") as they are recorded in Zim's Register of Shareholders on the Determining Date according to their addresses recorded in the said register, or if no address is recorded as aforesaid - according to the address provided by the shareholder for purposes of sending notices to him. Notice that was sent by post shall be considered as having been received by the recipient following three business days after the date it was sent. In addition, Zim has delivered a suitable notification in respect of this Offer by publishing an announcement in two daily newspapers published in Israel in the Hebrew language. The date of publication in the newspaper shall be considered as the date on which the notice was received by the shareholders.

Yours sincerely,

Zim Integrated Shipping Services Ltd.