Israel Corporation Ltd.

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

Tel: 03-6844517, Fax: 03-6844587

ISRAEL CORPORATIONAdv. Noga Yatziv

Company Secretary and Assistant to the President

December 1, 2009

To:
The Securities Authority
via MAGNA

To:
The Tel Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

Re: The Company's Participation in the Issuance of Rights in Zim

Pursuant to the Immediate Report dated 26.11.2009 (the "**Previous Report**"), Israel Corporation Ltd. (the **"Company"**) hereby reports as follows:

1. In order to execute the resolutions of the Company's General Meeting dated 3.11.2009, the Company has delivered to Zim Integrated Shipping Services Ltd. (**"Zim"**) a notification regarding its response to Zim's issuance of rights dated 8.11.2009 as specified in the Previous Report (the "**Offer**"), and in this framework the Company: (1) executed a bank transfer to the credit of the special account as set forth in the Offer in a sum of 100 million US Dollars; and (2) gave written instruction to Zim regarding the conversion of the loans that it had provided to Zim (in a way of repaying the said loan and simultaneously injecting Zim the said repaid loan amount, against an allocation of right units), in a sum of 200 million US Dollars; (3) signed a Letter of Undertaking according to which the Company will commit to provide Zim with the balance of the consideration amount (150 Million US Dollars), in one payment or in installments, upon Zim's demand, as shall be submitted to it in writing from time to time (and in the absence of such demand, by no later than 20.12.2010). According to the Letter of Undertaking, against each payment to be made as aforesaid, Zim will register in the name of the Company the right units equivalent to the respective sum paid.

2. For additional details see the Previous Report and the Offer enclosed in its framework.

Sincerely,

Noga Yatziv