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.

Form 121

Public

Registrar Number: 520028010

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

Short name: Israel Corporation

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Date of Transmission: August 7, 2014

Reference: 2014-01-128814

To:	To:
The Securities Authority	The Tel Aviv Stock Exchange
www.isa.gov.il	www.tase.co.il

Immediate Report

The Event: Qoros - Financing and Guarantee Agreements

See attached report

Date the Corporation first learned of the event: August 6th 2014 at 6:15PM

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: August 7, 2014

Reference of former documents in this regard (referring does not constitute inclusion by reference):
Previous names of reporting entity: Israel Corporation Ltd.

Form revised: May 14th 2014

Name of Electronic Reporter: Maya Alcheh-Kaplan, Position: President, General Counsel and Company Secretary. Employing Company: Aranha 23 Tel Aviv 61204, Tel: 03-6844517, Fax: 03-6844587, Email: mayaak@israelcorp.com

Israel Corporation Ltd.
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ISRAEL CORPORATION

Adv. Maya Alcheh-Kaplan
President, General Counsel and Company Secretary

August 7, 2014

To:	To:
The Securities Authority	The Tel Aviv Stock Exchange
www.isa.gov.il	www.tase.co.il

Qoros Automotive Co. Ltd ("Qoros") - Financing and Guarantee Agreements

Following Sections 12.2.14 and 12.2.3 of the Company's periodic report for 2013 dated 27.3.2014 and Section 4 of the periodic report for the first quarter of 2014 dated 28.5.2014, in connection with matters of Qoros' financing, the joint venture for manufacturing cars in China, held (50/50) by the Company (through its subsidiary Quantum (2007) LLC ("**Quantum**")) and Chery Automobile Co. Ltd ("**Chery**") (through a subsidiary of Chery), the Company hereby reports as follows:

1. Regarding Qoros' financing agreement dated July 2012, on July 31, 2014, the Company provided an irrevocable guarantee in favor of Chery ("**2014 Guarantee**") with respect to half of any amount Chery would pay under the guarantee provided by Chery to a company from the district city in which Qoros's manufacturing plant is located, which provided on its part guarantee for the said financing. The 2014 Guarantee, is up to a total of RMB 750 million plus related expenses and interest (totaling aprox. 140 million dollar as of the date of this report), based on the conditions under which Chery agreed (back-back-to) and subject to the terms of the guarantee.

   It shall be clarified that the said 2014 Guarantee is in addition to the guarantee provided by the Company in connection with the aforementioned financing agreement dated July 2012, up to a sum of RMB 750 million plus related expenses and interest (totaling approx. 140 million dollar as of the date of this report), as specified in the Company's immediate report dated 24.07.2012.

2. Moreover, in order to secure additional funding that Qoros took totaling approx. RMB 1.2 billion (approx. USD 200 million as of the date of this report) Quantum pledged a part of its shares in Qoros (including dividends thereunder), in accordance with its proportionate share in Qoros's capital, in favor of the Chinese bank that provided Qoros with such financing. Simultaneously, the subsidiary of Chery (which holds Chery's rights in Qoros) also pledged a proportionate part of its rights in Qoros. This financing agreement of Qoros includes, *inter alia*, liabilities, provisions regarding covenants, events of immediate payment and/or early payment for violations and/or events specified in the agreement. The lien agreement includes, *inter alia*, provisions concerning the ratio of securities and the addition of securities in certain circumstances including the addition of shares up to pledging all of Quantum's shares in Qoros or cash, provisions regarding events that, if occurring, entitle the Chinese bank to exercise the lien, certain representations and covenants, and provisions regarding the registration and approval of the lien.

Respectfully yours,

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: August 7, 2014