

This is an English convenience translation from 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

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ISRAEL CORPORATION

Adv. Noga Yatziv

Company Secretary and Assistant to the President

November 9, 2009

To:
The Securities Authority
via MAGNA

To:
The Tel Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

Re: Immediate Report – Filing of a Motion to Approve the filing of a Derivative Lawsuit

Israel Corporation Ltd. (the "**Company**") hereby reports that today (9.11.09) it has been served with a copy of a motion to approve the filing of a derivative lawsuit (and a copy of the derivative lawsuit) which was filled to the district court in Tel-Aviv by a shareholder who claim to be the holder of 7 shares of the Company against Messrs. Idan Ofer and Ehud Angel who serve as directors in the Company.

The essence of the background to this lawsuit is: (a) the investment of the Company during 2008 in the amount of approx. 246 million U.S. Dollars by accepting the offer to participate in the issuance of rights published by Zim Integrated Shipping Services Ltd. ("**Zim**") to its shareholders and (b) Providing of a long term loan to Zim in the amount of 100 million U.S. Dollar that was completed in July 2009. The summary of the essence of the plaintiff claim is that Messrs. Idan Ofer and Ehud Angel had a personal interest in the investment and in the providing of the loan, and the conclusion of the plaintiff is that they did not transfer to the Company information about the nature of their personal interest. Therefore, the plaintiff claims that the said actions were not approved according to the procedures required by law. The plaintiff claims that consequently the Company sustained damage in a total amount of approx. 346 million U.S Dollars.

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The Company hereby notes that a letter of demand that was submitted by the plaintiff to the Company prior to the filing of the motion to approve the filling of a derivative lawsuit as required by law, and in which the essence of the events above were specified, was discussed on 29.10.2009 in the Company's Board of Directors with the participation of directors that are not related to Messrs. Idan Ofer and Ehud Angel. The Company's Board of Directors, after considering the matter, decided that there is no place, cause, reason or justification to file a lawsuit as requested in the said letter. A formal announcement in this spirit was sent to the plaintiff's representative.

Sincerely,

Noga Yatziv