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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

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

Short name: Israel Corporation

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Date of Transmission: June 25, 2014

Reference: 2014-01-098499

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ZIM - Court Decision

Further to the Company's immediate report (reference No.: 2014-01-095184) dated June 20, 2014, regarding the convening of a special general meeting of the shareholders of the Company, and further to ZIM's application to the court in an urgent request to convene a special general meeting of the shareholders and the rights-holders, as detailed in the aforementioned report, the Company wishes to update as follows:

On June 24, 2014, a court hearing was held regarding the State's response in regards with the updating of the special State share in ZIM rights, at the conclusion of which the Court ordered the State and ZIM to enter into intensive negotiations, regarding the status of the State share in the proposed arrangement, which will begin immediately and must be concluded no later than Sunday, June 29, 2014. In the event that the parties are unable to reach a compromise until the said date, the Court shall here the arguments of both parties on the aforementioned date and shall reach a decision on this matter.

The date on which the event first became known to the corporation: June 24, 2014

Time: 14:00

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 25, 2014