

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.**

Registrar Number: 520028010

**Form 121  
Public**

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

Short name: Israel Corporation

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

Date of Transmission: July 2, 2014

Reference: 2014-01-105696

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 dated June 29, 2014, regarding the shareholders of the Company approval of the Company's part in the arrangement between Zim Integrated Shipping services Ltd. ("Zim") and between most of its creditors and its shareholders' representatives, as detailed in the transaction report dated June 20, 2014 (reference No.: 2014-01-095184) (the "Arrangement"), and further to the Company's report issued this morning in regards with that not all of the conditions precedent to the Arrangement have been satisfied (reference No.: 2014-01-105141), the Company hereby announces, as follows :

On July 2, 2014, in the afternoon the District Court in Haifa (liquidation file 42082-05-14) decided to update the terms of the State special share in ZIM, so that instead of the existing terms according to which the State's approval to any shares transfer which provides its owners with a holding percentage of 24% of Zim share capital or more, the State approval shall be required to any shares transfer which provides its owners with a holding percentage of 35% of Zim share capital or more. In addition, any shares transfer which provides its owners with a holding percentage of more than 24% but which does not exceed 35% shall require prior notice to the State which details in full the details of the suggested transferor and transferee and the holding percentage being transferred. Insofar that the State shall deem such shares transfer to have a possible harmful effect on the State's security or any of its essential interests, the State could

announce within 21 days its objection to the transfer and shall be obliged to justify its objection. In such case, the petitioner of the transfer could file with the court of liquidation an application for the court's instructions on this matter, which shall discuss and decide if the transfer should be approved.

It shall be clarified that the existing provision according to which any holding of or transfer of shares in such percentage which provides its holders with the control in Zim, was unchanged, as well as the rest of the terms of the State special share in Zim, including the provisions regarding the maintenance of a minimal fleet as detailed in Zim's Articles of Association.

Additionally, the court has accepted the request of the State's representative to delay the execution of the aforesaid decision until July 7, 2013 at 2 p.m.

The Company is examining the implications of the court's aforesaid decision.

The date on which the event first became known to the corporation: July 2, 2014

Time: 16:00

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: July 2, 2014