

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, 03-6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

Date of Transmission: July 15, 2014

Reference: 2014-01-114441

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Zim - District Court's Decision

See the Attached report.

The date when the event first became known to the corporation: July 15, 2014

Time: 11:00

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 15, 2014

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.

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

Tel: (03) 6844517, Fax: (03) 36844587

Attorney Maya Alcheh-Kaplan

Vice President

General Counsel and Company Secretary

ISRAEL CORPORATION

July 15, 2014

TO:

THE SECURITIES AUTHORITY

www.isa.gov.il

THE TEL AVIV STOCK EXCHANGE LTD.

www.tase.co.il

Re: **Update regarding Zim's Arrangement- District Court's Decision**

Further to the Israel Corporation Ltd. (the “**Company**”) immediate report dated July 14, 2014 (reference No.: 2014-01-113874) with regards to the settlement agreement between the State and Zim Integrated Shipping Services, Ltd. (“**Zim**”), which has been validated by the Supreme Court, regarding the update of the State’s Special Share in ZIM (the “**Settlement Agreement**”), the Company hereby announces that further to a request by Zim, on July 15, 2014, the Haifa District Court approved the arrangement between Zim and its shareholders and option holders (the “**Arrangement**”), in the framework of a motion pursuant to Section 350 of the Companies Law, 1999-5759 (Haifa Liquidation File 42082-05-14), with the applicable changes resulting from the Settlement Agreement, and validated the Arrangement as a court judgment.

Sincerely,

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 & Company Secretary.

Date of signature: July 15, 2014.