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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: July 16, 2014

Reference: 2014-01-115170

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ZIM - Updates Regarding Completion of the Arrangement

See the Attached report.

The date when the event first became known to the corporation: July 16, 2014

Time: 09:00

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 16, 2014

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Israel Corporation Ltd.

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Attorney Maya Alcheh-Kaplan

Vice President
General Counsel and Company Secretary

ISRAEL CORPORATION

July 16, 2014

TO:

THE SECURITIES AUTHORITY
www.isa.gov.il

THE TEL AVIV STOCK EXCHANGE LTD.
www.tase.co.il

Re: **Updates Regarding ZIM Arrangement – Completion of the Arrangement**

Further to the immediate report dated June 29, 2014, regarding the shareholders' approval of the Company's share in the arrangement between ZIM Integrated Shipping Services, Ltd. (hereinafter: "ZIM") and the majority of its debtors, shareholders and option holders, as detailed in the Amended Transaction Report dated June 20, 2014 (Reference No. 2014-01-095184) (hereinafter: the "**Arrangement**"), and further to yesterday's immediate report regarding a settlement agreement with the State, the Company hereby announces that, as informed to it by ZIM, as of last night the consents required for the execution of ZIM's Arrangement have been obtained, and that actions required for the completion of the Arrangement's closing have begun.

Nevertheless, considering that this is an international transaction involving several countries simultaneously, from South Korea to the United States of America, spread over different time zones, some of the actions required for effecting the Arrangement's closing, such as signing of various documents, removal of liens and registration of vessels, are in the process of being completed and have not yet been effected.

Therefore, the Special Committee has instructed the Company's management to hold on the performance of the Company's share, including the transfer of the Company's investment

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amount, until the completion of all actions required for the closing of the Arrangement, provided that these shall be completed no later than the end of July 17th, 2014.

The aforesaid postponement was determined according to the Special Committee's authorization, using the authority which allows the management of the Company, with the Special Committee's approval, to agree to changes in the conditions of the Arrangement (in accordance with Section 2.1 of the Transaction Report), which have no adverse material effect on the conditions of the Arrangement which regard the Company, given that this is a delay of up to two days from the deferred date set for the execution of the Arrangement on July 15, 2014.

Additionally, it is hereby clarified that there is no certainty that the actions required for the completion of the Arrangement shall be executed.

The Company shall update further upon the execution of the Arrangement.

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 16, 2014.