

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**

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

**Public**

Sort name: Israel Corporation

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To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

[www.isa.gov.il](http://www.isa.gov.il)

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

The Event: Filing of a Motion to Approve a Class Action

See the attached report.

The date when the event first became known to the corporation: January 15, 2015

Time: 13:30

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: January 18, 2015

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January 18, 2015

To:	To:
<u>The Securities Authority</u>	<u>The Tel Aviv Stock Exchange</u>
www.isa.gov.il	www.tase.co.il

**Immediate Report - Filing of a Motion to Approve a Class Action**

Israel Corporation Ltd. ("**the Company**") hereby announces, that on January 15, 2015 it was served with a copy of a motion to approve a class action (and a copy of the lawsuit which was enclosed thereto) (the "**Motion**"), which was filed with the district court in Tel-Aviv (Economic Department) against the members of the board of directors of the Company, the former CEO of the Company, the current CEO (the Company's former CFO) and the controlling shareholder of the Company (collectively: the "**Respondents**").

According to the applicant, *inter alia*, the Company's periodic report for the third quarter of 2014, which was issued on November 11, 2014, included a misleading item in regards to the scope of the relative indebtedness of IC Power Ltd. (which was at that time wholly-owned by the Company), until that detail was revised by the Company in an immediate report regarding a scribal error, which was issued by the Company on December 31, 2014. Therefore, according to the applicant, the Respondents are liable for damages incurred, in his opinion, to the group to which he belongs and which he wish to represent - which includes holders of shares of the Company on November 24, 2014 and who sold his shares (or any part of them) until December 31, 2014 - which derives from the fact that the share of the Company was traded during that period at a lower price, as claimed, than its "real" price.

In the framework of the Motion the court was requested, *inter alia*, to approve the lawsuit which was filed as a class action in respect to the said group, and to order that the Respondents have breached their applicable disclosure obligations according to the Securities Law, 1968, caused injustice to the members of the group and have not acted toward them in good faith and in an acceptable way, and to order the Respondents to compensate the applicant and the rest of the members of the group for their damages as shall be set in the discussion in the lawsuit, which were set in the Motion, based on an economic opinion, which was enclosed thereto, on a total of NIS 36 million.

The Company is studying the Motion and the lawsuit.

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 and Company Secretary  
Date of signing: January 18, 2015