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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

Sort name: Israel Corporation

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Date of Transmission: 22/06/2010

Reference: 2010-01-529215

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

Re: Immediate Report

See the attached herewith

The date when the event first became known to the corporation: 22/06/2010, time: 11:00.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:
The Israel Corporation Ltd.

Form structure updated 15/06/2010

Name of Electronic Reporter: Maya Alcheh Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com

THE ISRAEL CORPORATION

The Israel Corporation Ltd.

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

Tel: 03-6844517, Fax: 03-6844587

Finance Department

22 June 2010

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Re: Immediate Report - Restatement in the Condensed Interim Consolidated Statements of Cash Flow of the Company for Q1 of 2010

The Company hereby reports that due to further examination of the statements of cash flow of Zim Intergraded Service Ltd., a subsidiary of the Company ("**Zim**"), for the three months period ended on March 31, 2010, a re-classification of approx. 52 million USD from financing activities to operating activities is required - such that the deficit from operating activities in Zim's cash flow will be reduced in approx. 52 million USD, and respectively a sum of approx. 52 million USD will be deducted from the financing activities in Zim's cash flow.

Due to the fact that the Company consolidates Zim's financial statements in its financial statements, a change will be made in the Company's condensed interim consolidated statements of cash flow for the three months period ended on March 31, 2010, in order to reflect the re-classification of approx. 52 million USD from financing activities to operating activities.

The following is the effect of the restatement on the Company's condensed interim consolidated statements of cash flow of for the three months ended March 31:

	Before the restatement (In Million USD)	The effect of the restatement (In Million USD)	After the restatement (In Million USD)
Cash flows from operating activities:			
Change in trade and other payables	65	52	117
Net cash provided by operating activities	176	52	228
Cash flows from financing activities:			
Receipt of long-term loans and issuance of debentures	371	(52)	319
Net cash provided by financing activities	263	(52)	211

In addition and respectively, an updated classification will be applied in the Report of the Company's Board of Directors for the First Quarter of 2010, in the section referring to "Significant Information from Zim's Cash Flow".

The Company intends to re-publish its financial statements for Q1 of 2010 that will include the restatement of the statements of cash flow as mentioned above.

Sincerely yours,

Israel Corp. Ltd.