

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

Sort name: Israel Corporation

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Date of Transmission: 20/09/2010

Reference: 2010-01-626433

To:
The Securities Authority
via MAGNA

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

Dear Sir/Madam,

Re: Immediate Report

Further to the Private Offering Immediate Report dated 31 August 2010 and the Supplemental Report thereto dated 13 September 2010 (hereinafter: "**the Offering Report**") of Israel Corporation Ltd. (hereinafter: "**the Company**"), and in accordance with footnote No. 6 in the Offering Report, the Company hereby updates the aggregate economic value of the Option Notes to be granted to Offeree 1 (Mr. Amir Elstein, the Chairman of the Company's Board of Directors), as of the date of approval of such grant by the general meeting of the Company, as follows:

1. The aggregate economic value of all the Option Notes to be granted to Offeree 1 (Mr. Amir Elstein) is NIS thousand 15,360.
2. The updated economic value of the said Option Notes has been calculated in accordance with the "Black and Scholes" formula, considering the closing rate of the Company's shares in the Stock Exchange on the 15th of September, 2010, which is the closing rate known at the date of the approval of the said grant by the general meeting of the Company, which was NIS 3,230 per share.
3. All the other assumptions for calculating the economic value of the said Option Notes are as detailed in the Offering Report.

Yours respectfully,

The Israel Corporation Ltd.

The date when the event first became known to the corporation: 16/09/2010, time: 10: 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 07/09/2010

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