

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.

November 7, 2010

TO:

THE SECURITIES AUTHORITY
THROUGH THE MAGNA SYSTEM

THE TEL AVIV STOCK EXCHANGE LTD.
THROUGH THE MAGNA SYSTEM

Dear Sir/Madam,

**Re: Immediate Report - The Sale of all Zim's holdings
in a company which operates containers terminal in Lagos, Nigeria.**

Further to the immediate report dated 5.5.2010 (Reference Number: 2010-01-470034) and the immediate report dated 6.6.2010 (Reference Number: 2010-01-511935), the Company hereby reports, in accordance with the report provided to the Company by its subsidiary, Zim Intergraded Services Ltd. ("**Zim**"), that Zim has entered into an agreement with a (unrelated) third party, in accordance with Zim's Business Plan, for the a sale of all Zim's (indirect) holdings (47.5%) in a foreign company, TICT - Tincan Island Container Terminal ("**TICT**"), which holds and operates a containers terminal in Lagos, Nigeria.

According to the information provided by Zim, in consideration for all TICT shares held by Zim, waiver of all Zim's rights in TICT, Zim's non-compete undertaking for a period of 5 years, and in consideration for ZIM's undertaking to enter into a 10 year exclusive terminal service agreement with TICT, the Purchaser, China Merchants Group ("the **Purchaser**") paid Zim a total amount of approx. USD 154 million (the consideration amount will be paid as detailed below).

In the framework of the Agreement Zim provided the purchaser with different representations and warranties and undertook to indemnify the purchaser for breaching the representations and warranties, which was limited by time period and a cap of liability amount. The transaction is subject to the receipt of different approvals by the authorities in Nigeria which are expected to be given within two weeks from of date of signature of the agreement. At the agreement signing date, 50% of the consideration was paid to Zim and 50% of the consideration was deposited in escrow account, against the transfer of ownership in TICT shares to the purchaser, and will be transferred to Zim upon the receipt of said approvals by the authorities in Nigeria. To the extent the said approvals will not be granted within two weeks period as of the signing date, the

agreement will be cancelled (TICT shares will be returned to Zim and Zim will return the consideration it received, unless the parties will decide to extend the aforesaid period).

According to Zim's assessment, to the extent the agreement will be completed, Zim will write a gross profit (before Tax) from the sale of TICT which is estimated at approx. USD 120 million.

Sincerely yours,

Israel Corporation Ltd.