

This is an English convenience translation of the original Hebrew report. 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

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

Date of Transmission: 12/12/2010

Reference: 2010-01-713946

To:
The Securities Authority
via MAGNA

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

Dear Sir/Madam,

Re: Immediate Report

The event: Zim- Sale of Rights in a Joint Venture in China

Further to the Immediate Reports dated 5.5.2010 (Reference No. 2010-01-470034) and 9.6.2010 (Reference No. 2010-01-515697), the Company hereby reports, as per the information provided by Zim Intergraded Services Ltd. ("**Zim**"), a subsidiary of the Company, that Zim has completed a transaction for the sale of its entire rights (approx. 8% of the equity of the Joint Venture and rights associated thereto) in a Joint Venture in China which main activity is the building and operation of of approx 18 terminals for freight trains in China. The entire consideration 197 million RMB (approx. USD29 million according to the exchange rate known at the date of this report) was paid to Zim. The capital gain expected to the Company is not material.

The date when the event first became known to the corporation: 11/12/2010, time: 18:15.

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 08/12/2010

Name of Electronic Reporter: Maya Alchek 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