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Israel Corporation Ltd.

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Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204
Tel: 03-6844517, Fax: 03-6844587

Adv. Maya Alcheh Kaplan

General Counsel (In house) and Company Secretary

December 21, 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 - Completion of the Company's obligation in the framework of its participation in Zim's Offer of Rights

1. Further to the immediate report of the Company dated December 1, 2009 (Reference Number: 2009-01-30651) (the "**Previous Report**"), in the framework of which the Company accepted the rights offering made by Zim Integrated Shipping Services Ltd. ("**Zim**") dated 8.11.2009, as detailed in the immediate report dated 26.11.2009 (Reference Number: 2009-01-299538) (the "**Offer**"), which acceptance was made in order to implement the Company's General Meeting resolutions dated 3.11.2009, the Company hereby reports that on December 20, 2010, the Company transferred to Zim, in accordance with its undertakings under the terms of the offer, a sum of USD50 million, in addition to a sum of USD100 million which was transferred by the Company to Zim in the first quarter of 2010. By doing so the Company completed its undertakings towards Zim as stipulated in the offer. Zim will allot to the Company the respective amount of shares as set in the Offer.
2. For additional and more extensive details see the Previous Report, the Offer, the breakdown of the payments included in section 9.17.8(b) of the Annual Report of the Company for 2009 published on 25.3.2010, the immediate report in respect of the approval of the Company's General Meeting dated 3.11.2009 (Reference Number: 2009-01-273636) and the Integrated Report dated 25.8.2009 (Reference Number: 2009-01-264384) in connection with Zim's Restructuring Plan.

Sincerely yours,

Israel Corporation Ltd.