

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: November 30, 2015

Reference: 2015-01-169539

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Private Placing - expansion of debentures (series 7)

See the attached report.

The date when the event first became known to the corporation: November 30, 2015

Time: 17:00

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: November 30, 2015

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November 30, 2015

To:
The Securities Authority
via MAGNA

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

Dear Sir/Madam,

Re: Immediate Report - Private placement to Classified Investors
(debentures (series 7), by way of expansion of listed series)

Israel Corporation Ltd. (hereinafter: the "Company") hereby reports that on November 30, 2015 the board of directors of the Company approved a private placement of approximately NIS 390 million par value of debentures (series 7) by way of expansion of the Company's debentures (series 7) (hereinafter: the "Issued Debentures") to investor which are, to the Company's best knowledge, investors of the type listed in the First Schedule of the Securities Law, 5728-1968, and which are not, to the Company's best knowledge, interested parties in it (hereinafter: the "Offerees"), as detailed below:

1. The Issued Debentures will be issued to the Offerees in private placement (locked-up) by way of expansion of the Company's debentures (series 7), at a price of 130.5 Israeli Agorot for each NIS 1 par value, and for a total consideration (gross) of approximately NIS 500 million.
2. The consideration to be received by the Company for the Issued Debentures will be designated, *inter alia*, for refinancing of financial indebtedness or according to the board of directors' resolutions from time to time.
3. The Issued Debentures shall be issued as mentioned by way of expansion of traded series, which was listed for trading on the Tel Aviv Stock Exchange Ltd. according to the Company's shelf prospectus dated August 28, 2007 (and as expanded from time to time), by virtue of deed of trust in respect of debentures (series 7) (the "Deed of Trust") dated March 8, 2007 (as amended from time to time) between the Company and Reznik Paz Nevo R.P.N trust 2007 Ltd. (the "Trustee")¹.
4. The Company's debentures (series 7) were originally issued (including past series' expansions), without discount. As of the date hereof the adjusted value of the Company's debentures (series 7) is 121.59 Israeli Agorot to each NIS 1 par value and therefore the Issued Debentures will be issued without discount as well.

¹ Hermetic Trust (1975) Ltd. was originally the Trustee to the Company's debentures (series 7). On May 28, 2008 the meeting of the holders of debentures (series 7) has approved their replacement.

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Following the issuance of the Issued Debentures (total of NIS 386,768,675 par value) the series of debentures (series 7) par value will be NIS 2,464,159,063.

5. The Deed of Trust shall apply to the Issued Debenture, and they shall be deemed, as of the date of their issuance, as debentures (series 7) originally issued. For details regarding the terms of debentures (series 7) see section 2.18 and Annex A1 to the Company's shelf prospectus dated May 30, 2012 (reference No.: 2012-01-139776) and the Company's immediate reports dated December 17, 2014 (reference No.: 2014-01-224616) and dated December 21, 2014 (reference No.: 2014-01-226965), which the details included therein are included herein by way of reference.
6. In connection with the expansion of debentures (series 7) described herein, on November 30, 2015 Standard & Poor's Maalot (hereinafter: "Maalot") notice was received, according to which a rating of ilA+ was approved in respect to additional debentures of up to NIS 400 million par value, which will be issued by the Company (for details see the Company's dated November 30, 2015, reference No.: 2015-01-169386, which the details included therein are included herein by way of reference). The aforesaid Maalot's rating is the same as the existing rating of debentures (series 7) which are currently traded.
7. The Company informed the Trustee of the Company's (series 7) debentures regarding the issuance of the Issued Debentures.
8. The Issued Debentures shall be registered in the Company's securities registry under the name of Nominee Company of Bank Mizarhi tefahot Ltd.
9. The issuance of the Issued Debentures is subject and contingent on obtaining the Stock Exchange's approval for the listing of the Issued Debentures.
10. The restrictions on resale (lock-up provisions) stipulated in section 15c of the Securities Law, 5728-1968, and Securities Law Regulations (Details with regard to Sections 15A to 15C of the Law), 2000 shall apply to the Issued Debentures.
11. If the private placement will not be executed, for any reason, including if the Stock Exchange's approval will not be obtained, 30 business days following November 30, 2015, the Oferees will be entitled to cancel their offers.

Sincerely,

Israel Corporation Ltd.

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