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Israel Corporation Ltd.

Registrar Number: 520028010

Form 121

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Public

Short name: Israel Corporation

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Date of Transmission: May 25, 2016

Reference: 2016-01-033135

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Results of Bids to Investors

Attached an immediate report - results of bids to classified investors to receive early commitments.

The date when the event first became known to the corporation: May 25, 2016 Time: 08:30

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: May 25, 2016

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Israel Corporation Ltd.

May 25, 2016

To: The Securities Authority
www.isa.gov.il

To: The Tel Aviv Stock Exchange
www.tase.co.il

Dear Sir/Madam,

Re: **Immediate Report regarding the Results of Bids to Receive Early Commitments by Classified Investors**

Further to immediate reports issued by the Company in regards with the inspection of the possibility to raise debt by way of issuance of new bonds (series 10 and 11) which will be listed for trade in the Tel Aviv Stock Exchange Ltd. and regarding S&P Maalot approval of the rating of bonds which may be issued as stated in a scope of up to NIS 750 million par value¹, the Company hereby wishes to report the results of the bids to classified investors (as defined in section 1 of the Securities Law Regulations (Offer of Securities to the Public), 2007) (hereinafter: "Classified Investors"). Which were held on May 24, 2016, in connection with the possibility to issue series of bonds as stated as well as in regard with an application to receive an updated rating report regarding the bonds as stated in a scope of up to NIS 1.4 billion, as follows:

1. Bonds (series 10) were offered to Sophisticated Investors by way of bid on the interest rate, where each unit consisted of NIS 1,000 par value bonds (series 10); Bonds (series 11) were offered to Sophisticated Investors by way of bid on the interest rate, where each unit consisted of NIS 1,000 par value bonds (series 11).
2. In the framework of the bids the Company has received orders for total of NIS 1.75 billion, as follows: (a) the orders include early commitments from Sophisticated Investors to purchase 1,136,000 units of bonds (series 10) in total scope of NIS 1,129 million par value bonds (series 10); (b) the orders include early commitments from Sophisticated Investors to purchase 632,000 units of bonds (series 11) in total scope of NIS 632 million par value bonds (series 11).
3. In light of the demands received in the bids as stated, and subject to receipt of S&P Maalot's approval regarding expanding the scope of the debt raising to a total of NIS 1,400 million par value, the Company's intention to accept early commitments of Sophisticated Investors (as shall be detailed in the shelf offer report for the issuance of the Company's bonds (series 10 and 11), if published), as following:

¹ Immediate report regarding the board of directors resolution dated May 5, 2016 (reference No: 2016-01-059674); immediate report regarding the rating report dated May 5, 2016 (reference No: 2016-01-059926); and immediate report regarding updated forms of the deeds of trust dated (May 19, 2016 (reference No: 2016-01-02995).

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- 3.1. Early commitments to purchase 661,941 units of bonds (series 10) in financial scope of approximately NIS 662 million with annual interest the bonds (series 10) will bear, which shall not exceed 3.85%, which will constitute the maximal interest rate the bonds (series 10) will bear in an issuance to the public (if executed).
- 3.2. Early commitments to purchase 490,534 units of bonds (series 11) in financial scope of approximately NIS 490 million with annual interest the bonds (series 11) will bear, which shall not exceed 5.00%, which will constitute the maximal interest rate the bonds (series 10) will bear in an issuance to the public (if executed).

It is clarified that the final interest rate of each of the bonds (series 10) and bonds (series 11), respectively, shall be determined in the bid to the public (if executed).

Additionally it shall be emphasized that as of the date of this report S&P Maalot's approval in regard with the expansion of the scope of raising as described in section 3 above was not yet received and at this point there is no full certainty of its receipt.

It is also emphasized that there is no certainty as to the making of the issuance and its execution is subject to the Company's discretion and to the obtainment of the necessary approvals according to law. It is further clarified that the issuance to the public, if executed, shall be made in the framework of shelf offer report, by way of a uniform offer.

Sincerely,
Israel Corporation Ltd.

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: May 25, 2016

