

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.

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Attorney Maya Alcheh-Kaplan

Vice President

General Counsel and Company Secretary

ISRAEL CORPORATION

May 5, 2016

TO:
THE SECURITIES AUTHORITY
Through the MAGNA system

TO:
THE TEL AVIV STOCK EXCHANGE LTD.
Through the MAGNA system

Dear Sir/Madam,

Re: **Immediate Report**

The Company hereby reports that on May 4th the Company's Board of Directors authorized the Company's management to examine the feasibility and rentability of offering and listing on the Tel Aviv Stock Exchange ("TASE") two new series of bonds (the "Bonds"). The offering of the Bonds will be done pursuant to a shelf offering report which the Company consider to publish in accordance with the Company's shelf prospectus.

The offering and the publication of the shelf offering report, if and to the extent executed, are subject, inter alia, to a definitive decision of the management and Board of Directors of the Company in connection with the terms and structure of such offering and with the publication of the shelf offering report, and to the receipt of TASE's approval for listing the Bonds for trading.

For avoidance of doubt, it is clarified that the Company is not undertaking to execute the aforesaid offering of the new Bonds and/or of additional existing bonds of the Company, and the execution of such offering (or no execution), its scope and its other terms are subject to the Company's discretion and to the above stated in this report.

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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 & Company Secretary.

Date of signature: May 5, 2016.