

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

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

Public

Short name: Israel Corporation

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Date of Transmission: September 27, 2016

Reference: 2016-01-055068

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Krauskopf Motion –Appeal

Further to the Company's immediate report dated June 26, 2016, regarding the judgment of the District Court of Tel - Aviv - Jaffa (Economics Department), which rejected a motion to approve derivative action in connection with the approval of the Company's engagement in the debt arrangement of Zim Shipping Services Ltd. ("**Zim**"), and the condition of the transferability of Zim's shares under the State's Special Share in Zim (reference No.: 2016-01-066547), the Company hereby announces that it was notified that an appeal was filed to the Supreme Court regarding the above mentioned District Court's decision.

The date when the event first became known to the corporation: September 26, 2016

Time: 17:15

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: September 27, 2016