

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 T121
Public

Date of Transmission: 18/03/2018

Reference: 2018-01-025711

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

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

Immediate Report

The Event: Adjusting Interest Rates of Bonds and Special Payment

Reference numbers of previous reports on this subject: 2018-01-020247, 2018-01-020250

A file is hereby attached: <http://mayafiles.tase.co.il/rpdf/1151001-1152000/P1151442-00.pdf>

The Company is not a shell company as defined in the Stock Exchange Regulations

The date when the event first became known to the corporation: 18/03/2018
Time: 11:00

Name of report authorized signatory and name of authorized electronic signatory: Maya Alchek Kaplan
Position: Vice President, General Counsel and Company's Secretary
Signature date: 18/03/2018

Form structure updated: 20/02/2018

Securities of the corporation are listed in the Tel Aviv Stock Exchange
Short name: Israel Corporation
Address: P.O.B. 20456, Tel Aviv 61204 Tel: 03-6844517, 03-6844500, Fax: 03-6844587
Email: MAYAAK@ISRAELCORP.COM

Former names of reporting entity: Israel Corporation Ltd.

Name of Electronic Reporter: Maya Alchek Kaplan. Position: Vice President, General Counsel and Company's Secretary
Address: Aranha 23, Tel Aviv 61204 Phone – 03-6844517, Fax: 03-6844587, e-mail: mayaak@israelcorp.com

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Israel Corp. Ltd

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Attorney Maya Alcheh-Kaplan

Vice President, General Counsel and Company's Secretary

March 18, 2018

To
The Securities Authority
via MAGNA

To
Tel-Aviv Stock Exchange
via MAGNA

To whom it may concern,

**Re: Immediate Report – Adjusting Interest Rates of Bonds and Special Payment
Subject to Approval of the Deeds of Trust Amendments (Series 10 and 11)**

Following the Company's previous reports, dated 14.3.2018 (reference numbers: 2018-10-020250; 2018-10020247) concerning convening of the bondholders' meetings (series 10 and 11) of the Company (the "Bonds"), scheduled to address the amendments of the deeds of trust, specified in the abovementioned report ("Amendment Number 1 to the Bonds"), the Company hereby announces:

1. Subject to approval of the bondholders' meetings, the Bonds' principal interest rate shall be adjusted as mentioned in Amendment Number 1 to the Bonds, and the Company shall publish an immediate report concerning the adjusted interest rate of the Bonds, noting per each bond series: (A) The adjusted interest rate and the date of the adjustment of the interest rate ("Date of the Adjustment"); (B) The interest rate for the principal of the Bonds from the Date of the Adjustment to the nearest actual interest payment date; (C) The weighted interest rate to be paid by the Company to the bondholders in the nearest payment date and the annual weighted interest rate; (D) The adjusted annual interest rate which will apply starting the next interest term; (E) The six-monthly interest rate (the interest for said term shall be calculated as the annual interest rate divided into two), starting the next interest term.

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2. Subject to approval of the bondholders' meetings, the Company shall pay a one-time commission payment, as mentioned in Amendment Number 1 to the Bonds that is in addition to the principal and interest payments specifies in the Bonds' amortization schedule (the "Commission"). The Commission shall be paid on 29.3.2018 ("Date of Payment"), to bondholders on the date 22.3.2018 ("The Determining Date"). For the purpose of handling the Bonds in the Stock Exchange system, the Commission shall be calculated as a one-time interest payment.

It is hereby clarified, that in the event of failing to procure the bondholders' meetings' approval, the abovementioned dates are to be cancelled.

Sincerely,

Israel Corporation Ltd.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alcheh Kaplan
Position: Vice President, General Counsel and Company's Secretary.
Signature date: 18/03/2018