

Translation of Immediate Report

Bank Leumi le-Israel B.M.

Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
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11 February 2015
Reference: 2015-01-029800

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Nature of Event: Israel Corp.

See the attached annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 11 February 2015 Time: 15:00.

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732,
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11 February 2015

To

Tel Aviv Stock Exchange
Ahuzat Bayit Street 2
Tel Aviv 6525216

To

Israel Securities Authority
Kanfei Nesharim Street 22
Jerusalem 95464

Dear Sir or Madam:

Re: **Sale of a part of shares held by the Bank in the Israel Corp.**

Bank Leumi le-Israel Ltd. (hereinafter: “the **Bank**”) is pleased to report as follows:

1. On 11 February 2013, the Bank sold 531,550 shares of the Israel Corp. Ltd. (hereinafter: “the Israel Corp.”) to a number of entities, at a price of approximately NIS 1,330 per share, for total consideration of approximately NIS 707 million. The shares that were sold constitute approximately 6.904% of the outstanding and paid-up capital of the Israel Corp.
2. The said transactions are expected to produce a pre-tax profit for the company of approximately NIS 530 million, which is expected to be included in the financial statements for the first quarter of 2015. The assessment of the profit was calculated on the basis of the cost of the Israel Corp. shares on the Bank’s books, in accordance with the financial statements as of 30 September 2014, and after adjusting this cost for the dividend paid by the Israel Corp. in January 2015, and for a write-down, as described in the Immediate Report published by the Bank on 27 January 2015 (Reference No. 2015-01-019978).
3. After the sale, the Bank will retain ownership of Israel Corp. shares constituting approximately 11.1% of the outstanding and paid-up share capital of the Israel Corp.
4. The Bank has undertaken to the purchasers that it will not sell more shares in the Israel Corp. at least until 11 May 2015.

Very sincerely,

Bank Leumi Le-Israel Ltd.

By:

Professor Daniel Tsiddon, Deputy Chief Executive Officer

Ron Fainaro, Head of Finance Division