

**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 6513616  
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732  
Electronic Mail: Yaelru@bl.co.il

27 January 2015  
Reference: 2015-01-019978

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: 27 January 2015 Time: 11:00.

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Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, Group Secretary  
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732,  
Electronic Mail: [david.sackstein@bankleumi.co.il](mailto:david.sackstein@bankleumi.co.il)

**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/>**

27 January 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: **Israel Corp.**

Bank Leumi Le-Israel Ltd. ("the Bank") is pleased to report the following:

1. The Bank holds some 18% of the outstanding share capital of the Israel Corp. Ltd. (the "Israel Corp.>").
2. The Israel Corp. published an Immediate Report this morning indicating, that it expects to record a reduction of some 400 million dollars in its 2014 financial statements, in light of the price at which the Kenon share traded on its first day of trading.
3. The Bank has conducted a preliminary examination of the impact of this reduction, if it is carried out, on the Bank's financial results for the year 2014. According to this preliminary assessment, the impact of the reduction on the Bank's net profit for the year 2014 is expected to amount to some NIS 250 million.
4. It is noted that this is only a preliminary assessment calculated on the basis of what was stated in the Israel Corp.'s Immediate Report, and there may therefore be a significant difference between the said preliminary assessment and the final calculated amount. It is also noted that the Bank does not at this stage have any estimations concerning the financial results for the fourth quarter of 2014 and the actual results may be significantly different from the said preliminary assessment.

Very sincerely,

Bank Leumi Le-Israel Ltd.

By:

Ron Fainaro, Head of Finance Division

Shlomo Goldfarb, Head of Accounting Division