

This is an English translation from the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

ISRAEL CORPORATION LIMITED

5th June, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

On 4th June 2007 Israel Corporation Ltd. raised NIS 700 million by way of private issue of series of debentures as follows:

NIS 350 million Series 6 Debentures yielding 3.9%. The debentures are linked to the Consumer Prices Index and will be repaid by annual installments commencing in 2012 until 2016 inclusive.

NIS 350 million Series 7 Debentures yielding 4.2%. The debentures are linked to the Consumer Prices Index and will be repaid by annual installments commencing in 2017 until 2021 inclusive.

Until registration of each series of the above debentures for trade, if and to the extent registered, additional interest at the rate of 0.3% per annum will be paid.

The consideration for the debentures will be used by the company for its current operations in various fields of investment.

The debentures have been graded by Ma'alot The Israel Securities Rating Company as AA/Stable as specified in Immediate Reports dated 1st January and 6th March 2007.

Yours faithfully,

Noga Yatziv