

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

11th September, 2006

Securities Authority

Tel Aviv Stock Exchange

Dears Sirs,

Immediate Report as to Distribution of Dividend

1. The Company gives notice that on 10th September 2006, the Board of Directors decided upon the distribution of a dividend, details of which are as follows:-
2. The cash amount of dividend to be distributed is NIS 60 million, namely a dividend at the rate of 785.6% of the paid up share capital.
3. Relevant Dates:-
 - Record Date– 20th September 2006
 - Ex-Date– 21st September 2006
 - Payment Date– 4th October 2006
4. Withholding Tax:-
 - Individuals resident in Israel who are not material shareholders – 15%
 - Israel corporations – 15%
 - Foreign Residents – withholding tax at the rates fixed by law subject to the provisions of relevant Treaties for Prevention of Double Taxation.
5. After distribution of the above dividend, the balance of profits of the Company as defined in section 302 of the Companies Law 1999 is NIS 3,567 million.

Yours faithfully,

Noga Yatziv

