

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

12th April, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

Further to the articles that were published on 10th and 11th April 2007 in the “Yediot Aharonot” and “Globes” newspapers, and further to the Immediate Report filed by the Company on 28th March 2007, the Company wishes to give notice that the agreement that is the subject of the abovementioned Immediate Report is with a subsidiary of Chery Automobile Co. Ltd., a car manufacturer in China.

The establishment of the joint venture in China is subject to the receipt of approval by the competent authorities as to signature of various ancillary agreements.

Yours faithfully,

Noga Yatziv
Company Secretary