

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

Israel Corporation Ltd.

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

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Adv. Noga Yatziv

Company Secretary and Assistant to the President

16 June 2008

To:
The Securities Authority
22 Kanfei Nesharim Street,
Jerusalem 95464

To:
The Tel-Aviv Stock Exchange Ltd.
54 Ehad Ha'am Street,
Tal-Aviv 65202

Dear Sir/Madam,

Re: **Immediate Report**

The Company hereby respectfully reports that following a discussion held at the meeting of the board of directors of the Company on 15 June 2008, in the afternoon, regarding the market conditions and their affect on Zim Integrated Shipping Services Ltd. (hereinafter: "**Zim**") (in which the Company holds approx. 98.4% of its share capital), the board of directors resolved to support the resolutions passed at the board of directors of Zim, as follows:

- a. to postpone to a later date the issuance of Zim's shares on the stock exchange.
- b. to continue implementation of Zim's expansion and supplying plan, in accordance with its strategic plan.
- c. to raise capital in the sum of approx. 250 million US dollars, by way of an offer to all Zim shareholders to participate in an issuance of its shares, by way of rights offering.

The board of directors of the Company resolved to respond affirmatively to Zim's proposal to invest and participate in such issuance of rights.

The terms of rights offering are to be determined by Zim in the coming days.

Sincerely,

Noga Yatziv