

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

18th March, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report as to Distribution of Dividend

At a meeting on 15th March 2007 the board of Directors of the Company decided on the distribution of a dividend in the amount and at the times as follows:-

Amount of dividend: NIS 250 million
Record Date: 28th March 2007
Ex-date: 29th March 2007
Distribution Date: 16th April 2007

Tax will deducted at source from Israel residents at the following rates – individuals 16.4%, companies 10.8%. Tax will be deducted at source from non-Israel residents at the rate fixed by law taking the provisions of any relevant prevention of double taxation treaty into account.

The balance of the profit, as defined by section 302 of the Companies Law 1999, of the Company is NIS 3,541 million.

Yours faithfully,

Noga Yatziv
Company Secretary