

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

ISRAEL CORPORATION LTD.

9th May 2005

Securities Authority
22 Kanfei Neshirim St.
Jerusalem, 95464

Tel Aviv Stock Exchange Ltd.
54 Ahad Haam St.
Tel-Aviv, 65202

Dear Sirs,

Immediate Report

Israel Corporation Ltd., ("the Company"), hereby gives notice of the signing of an agreement between Oren Semiconductor Inc. ("Oren") and between Zoran Corporation ("Zoran"), by which Zoran would acquire all the shares of Oren from its shareholders.

The company holds 23% in Oren and the value of the exchange will be received in cash and in shares of Zoran in an amount of approximately \$11 million. The capital gain after taxation is expected to reach approximately \$8 million.

The transaction is subject to certain approvals.

Sincerely yours,

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Noga Yatziv

ד'תשס"ה