

This is a summary in English of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

ISRAEL CORPORATION LIMITED

4th April, 2006

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report as to Convention of Shareholders Meeting

Regulations 36(b) and (c) of Securities (Immediate and Periodic Reports) Regulations 1970

1. On 27th March 2006 the Company convened an Annual General Meeting to be held on 4th May 2006 at 10:00 a.m. at 23 Aranha Street, Millennium Tower, 23rd Floor, Tel Aviv.
2. The Record Date for entitlement to participate and vote at the meeting is 27th April 2006.
3. On the Agenda:-
Item 1:
Presentation and discussion of the Financial Statements, the Directors' Report and Periodic Report for the year 2005.
No resolution will be put to the vote.

Item 2:
Appointment of directors and determination of the remuneration for all of the directors (with the exception of the Chairman).
Summary of resolution –
To re-appoint Messrs. Idan Ofer, Avi Levy, Ehud Angel, Amnon Lion, Zvi Itskovitz, Moshe Weidman, Prof. Itsik Ben Israel and Irit Izakson as directors of the company.
Messrs. Yair Sarussi and Yochi Dvir will continue in office as external directors until the termination of their period of office by provision of law.

Proposed annual remuneration and meeting attendance fee:

During the years 2004-2007 (inclusive) the Company will pay to all directors (with the exception of the Chairman) annual remuneration and meeting attendance fees in the frame of The Companies (Rules for Remuneration and Expenses of External Directors) Regulations as follows:-

Annual remuneration NIS 45,392, attendance fee per meeting NIS 1,746; in respect of attendance of meeting by means of communication, the attendance fee will be 60% of the attendance fee for a regular meeting.

Requisite Majority:

Simple majority of shareholders present in person or by proxy who are entitled to vote at the meeting.

Item 3:

Appointment of accountant-auditors for the year 2006 and determination of their remuneration.

Summary of resolution –

To re-appoint Somech Chaiken as accountant-auditors of the Company and to authorize the Board to determine their remuneration.

Requisite Majority:

Simple majority of shareholders present in person or by proxy who are entitled to vote at the meeting.

4. A quorum shall be constituted by the presence in person or by proxy of at least 5 shareholders who together hold at least 25% of the voting rights. If no quorum is present half an hour after the time fixed for the meeting, the General Meeting shall be adjourned to the same day in the following week, at the same time and at the same place. If no quorum is present at the adjourned meeting after half an hour of the time fixed for the meeting – the shareholders present shall constitute a legal quorum.
5. The Financial Statements, the Directors' Report and the full text of the resolutions to be brought for approval by the General Meeting and a full specification of the items on the Agenda, may be perused at the offices of the Company at 23 Aranha Street, Tel Aviv, on Sunday to Thursday during the hours 09:00 to 16:00.

Note:

In accordance with The Companies (Proof of Ownership of Shares for the Purpose of General Meeting Voting) Regulations, 2000 (“The Regulations”), a shareholder to whose credit a share is registered with a Member of The Tel Aviv Stock Exchange Ltd., which share is included in the Shareholders Register of the Company in the name of a Nominee Company, who wishes to vote at the General Meeting, is required to furnish the Company with a Certificate of the Stock Exchange Member with whom the share is registered to his credit, certifying his ownership of the share at the Record Date, in accordance with Form 1 in the Appendix to the Regulations.

Yours faithfully,

Noga Yatziv
Company Secretary