

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

Date: May 1, 2006

Re: **Israel Corporation Ltd. (the “Company”) – Amendment to A Transaction Report Pursuant to the Securities (Transaction between a Company and Controlling Shareholder therein) Regulations, 5761-2001 (“Controlling Shareholders Regulations”) and Setting a New Date for the General Meeting**

Pursuant to the provisions of Regulation 11 of the Controlling Shareholders Regulations, the Company hereby advises that on April 30, 2006, the audit committees and boards of directors of the Company and Zim Integrated Shipping Services Ltd. (hereinafter: “**Zim**”), a subsidiary of the Company in which the Company holds approx. 98% of the issued share capital, resolved to change one of the details incorporated in an immediate report (Transaction Report) published by the Company on March 26, 2006 (Reference No. 2006-01-025260) (hereinafter: “**Transaction Report**”).

The subject matter of the Transaction Report is approval of a master transaction, within the meaning of this term in Regulation 1(3) of the Companies (Transactions with Stakeholders) Regulations, 5760-2000, as set out in section 2 of the Transaction Report (hereinafter: “**Master Transaction**”). Section 2.a. of the Transaction Report discusses the cooperation agreement between Zim and Ofer Maritime Ltd., for a period of 12 years, as of the date of approval thereof by the General Meeting of the Company (hereinafter: the “**Cooperation Term**” and the “**Master Agreement**”, respectively). Section 2.b. of the Transaction Report deals with the option of Zim’s signing with other stakeholders therein (within the meaning of the Transaction Report) other than Ofer Maritime Ltd., agreements concerning extension or renewal of existing lease agreements for short periods of time (up to 5 years), pursuant to the terms specified in the Master Agreement.

Pursuant to the aforesaid resolution of the Company’s audit committee and board of directors, following are the changes in the Transaction Report:

1. The maximum Cooperation Term will be for a period of 12 years as of the date of approval of the Master Transaction by the General Meeting.

2. Notwithstanding the foregoing, the Company hereby assumes an undertaking whereby at the end of every 4 year period, from the date of the approval of the Master Transaction by the General Meeting and immediately before the annual General Meeting of the Company, the audit committees and boards of directors of Zim and the Company will discuss the continued cooperation for a period of 4 additional years. Subject to the approval of the continued cooperation by the audit committees and the boards of directors of Zim and the Company as aforesaid, the Company assumes an undertaking to present the continued cooperation for the approval of the Company's annual General Meeting. Upon convening the annual General Meeting as aforesaid, the Company will report, to its shareholders, of the manner of implementation of the Master Agreement during the period between the preceding date of approval and the date of convening the annual General Meeting at that time and the Company will further specify the summary of the grounds of the Company's audit committee and Board of Directors for the continued cooperation. The resolution at the Company's annual General Meeting concerning the continued cooperation as aforesaid, will be adopted by such majority as provided in Section 275(A)(3) of the Companies Law, 5759-1999. Each 4-year period, as aforesaid, will hereinafter be referred to as: the **"Ratification Period"**.
3. Notwithstanding the provisions in section 2.2.3 of the Transaction Report, during any Ratification Period (as defined in section 2 above), no transactions will be entered into with Ofer Maritime Ltd., pursuant to the Master Transactions, such that the number of the joint vessels, together with the number of vessels that are leased long term by Zim, by virtue of transactions approved during the same Ratification Period, will exceed 10 vessels. To remove any doubts, nothing in the foregoing will derogate from the limitation provided in section 1.9 of the Transaction Report, whereby the total container capacity (TEU) of container vessels actually leased by Zim from stakeholders (including jointly owned vessels) will at no time exceed 50% of the total container capacity (TEU) of container vessels in the service of Zim at that time. Furthermore, nothing in the foregoing shall change the number of vessels included in the "jointly owned quota" within the meaning of this term in section 2.2.3 of the Transaction Report.
4. Other than the foregoing, no change has taken place either in the Master Transaction or in the Transaction Report.

5. Pursuant to the provisions of Regulation 11(b) of the Controlling Shareholders Regulations, the Company hereby defers the date of the General Meeting, designated in the Transaction Report, concerning the adoption of a resolution regarding approval of the Master Transaction. A notice is hereby given that on Thursday, May 11, 2006, at 11:00, a General Meeting of the Company's Shareholders will convene at the Company's offices, at 23 Arniya St., Tel Aviv, the agenda of which shall be the approval of the Master Transaction (as set out in section 2 of the Transaction Report and pursuant to the contents of this Report) and everything arising there from, in its entirety, including all elements thereof.

Pursuant to Regulation 10 of the Controlling Shareholders Regulations, the Securities Authority may instruct the Company to submit, within a period to be specified by it, explanations, details, information and documents concerning the proposal or the engagement, as the case may be, forming the subject matter of the Report, and instruct the Company to amend the Report in such manner and on such date as will be designated by it; and in such event, the Authority may instruct to defer the date of the General Meeting to such date as will not occur prior to the elapsing of three business days and not later than 21 days from the date of publishing the amendment to the report.

Sincerely,

Israel Corporation Ltd.