

**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**

20<sup>th</sup> September, 2007  
Ref: 2007-1-399421

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

**Immediate Report**

Further to the Immediate Report of the Company dated 5<sup>th</sup> September 2007, the company gives notice as follows:

1. On 20<sup>th</sup> September 2007 the Boards of Directors of the Company and of Zim Integrated Shipping Services Ltd. ("**Zim**"), a company that is controlled in full by the Company, discussed the matter that was the subject of the aforesaid Report. The Board of Zim and the Board of the Company approved a transaction between Zim and a shipyard in Korea ("**the Shipyard**") for the purchase of 8 container ships of 12,600 TEU each with an option for the purchase of an additional ship ("**the Ships**"); the contract price for each such ship will be \$ 170,850,000. It is anticipated that the ships will be delivered in 2012.
2. The Company is examining the possibility of entering into transactions with regard to the Ships, some or all of them, with third parties and/or with companies controlled by interested parties, which transaction may *inter alia* include sale and lease back of the relevant ships.
3. The purchase discussed is part of the strategic plan of Zim during the coming years in accordance with which, *inter alia*, Zim is interested in substantially increasing its haulage capacity, mainly by means of increasing its fleet.

Yours faithfully,

Noga Yatziv