

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

13th January, 2008
Ref: 2008-1-012261

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

The Company hereby gives notice that on Thursday 10th January 2008 the Board of Directors of the Company decided to make preparations for the issue of Debentures of the Company to the public. If the issue is made it will be by means of a Shelf Offer Report in accordance with the Shelf Prospectus of the Company dated 28th August 2007 (including a clerical error amendment published on 16th December 2007), by way of a uniform offer.

The issue of the Debentures is subject to receipt of approval by the Tel Aviv Stock Exchange Ltd. for registration for trade of the Debentures issued.

There is no certainty with regard to the making of the issue, the extent and terms thereof.

Yours faithfully,

Noga Yatziv