

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

22nd January, 2008
Ref: 2008-01-022830

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report Results of Issue pursuant to Shelf Offer on 21st January 2008

In accordance with the Shelf Offer Report of Israel Corporation Ltd. (“**the Company**”) dated 21st January 2008 (hereinafter “**the Shelf Offer Report**”) published pursuant to the Prospectus of the Company dated 28th August 2007 (including a clerical error amendment on 16th December 2007) (hereinafter “**the Shelf Prospectus**”), in relation to calculation of the rate of discount of Series 6 Debentures, and in accordance also with the approval received from the Tax Authority on 10th January 2008, the Company gives notice as follows:-

1. The issue of Series 6 Debentures pursuant to the Shelf Offer was carried out without discount.
2. The Company will accordingly deduct tax at source in accordance with provisions of law at the time of redemption of the Series 6 Debentures.
3. In the event that the Company should issue additional Series 6 Debentures, it is possible that a rate of discount will be fixed in which case the Company will give notice as to the weighted discount rate fixed, and the provisions of the Shelf Prospectus will apply to the extent relevant at such time.

Yours faithfully,

Noga Yatziv