

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

23rd August, 2007
Ref: 2007-1-368545

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

Israel Corporation Ltd. gives notice that at 13:00 on 22nd August 2007 the Board of Directors of Zim Integrated Shipping Services Ltd. (“**Zim**”) approved the entry into an agreement for the sale of two ships of 6,350 TEU which were ordered by Zim in 2004 and which have not yet been delivered to Zim (these ships were leased by Zim to a third party in July 2006 and the sale of the ships includes the lease agreement – see the Report dated 11th July 2006). The price to be paid to Zim for each ship is an amount of \$ 112.1 million. The estimated capital profit in respect of each ship is approximately \$ 34.1 million (\$ 25.6 million after tax) and the profit will be entered in the books upon the delivery of each ship in 2008 and 2009.

Yours faithfully,

Noga Yatziv