

This is a summary in English of the main points of an Immediate Notice in Hebrew.
In case of any discrepancy, the binding version is the Hebrew original.

ISRAEL CORPORATION LIMITED

26th June, 2007
Ref: 2007-01-305395

Securities Authority

Tel Aviv Stock Exchange

SUMMARY

The following are the main points of the Immediate Notice:

1. The notice of the Company relates to the private allotment by the Company of 60,000 Ordinary shares of NIS 1 each to H.L. Management & Consultancy Ltd., a fully owned subsidiary, which shares will serve the subsidiary in the frame of a new option plan for senior officers.
2. The subsidiary will allot 20,000 options to Mr. Nir Gilad the CEO of the Company; 19,000 options to senior officers who are not directors or interested parties; and 21,000 options to a trustee for the purpose of future allotments. The shares allotted to the subsidiary will serve as exercise shares for the options if and when exercised.
3. The right of the CEO and senior officers to receive the options will crystallize in three equal annual portions commencing July 2008. Following crystallization of each portion there will be an additional blocking period of one year before the options in such portion may be exercised.
4. The exercise price of each option is NIS 3,031 linked to the Consumer Prices Index, however this exercise price will serve only for the purpose of calculation of the bonus value of the shares to be allotted in practice in accordance with the following calculation:-
5. On receipt of a notice of exercise of any options, the difference will be calculated between the closing stock market price of the ordinary shares of the Company multiplied by the number of options exercised, and between the above exercise price of each option multiplied by the number of options exercised. The difference will constitute the bonus value and a quantity of shares the market price of which is equal to the bonus value will be allotted in practice.