

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

24th June, 2007
Ref: 2007-01-305212

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

Israel Corporation gives notice that it has been informed by Zim Integrated Shipping Services Ltd., a subsidiary of Israel Corporation, as follows:-

On 25.6.2007 the Board of Directors of Zim approved, both on behalf of itself and on behalf of a subsidiary, entry into an agreement for the purchase of two containers ships of 2,450 TEU each; the agreement will also give to the Company an option for the purchase of two additional ships of 2,450 TEU each.

It is intended that three of the ships will be delivered to Zim during the course of 2010 and the fourth ship during the first quarter of 2011.

The price of each of the first two ships is JPY 5,675 million, equivalent to about \$ 45.9 million.

The price of each of the option ships is JPY 5,900 million, equivalent to about \$ 47.8 million.

Additional non-substantial sums may be added on to the price in accordance with the technical requirements and additions of Zim to be defined in the agreement that is to be signed.

In view of the fact that the prices of the ships are quoted in Japanese Yen (JPY) Zim is considering protection of the Japanese Yen vis-à-vis the US Dollar.

Yours faithfully,

Noga Yatziv