

**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**

29<sup>th</sup> October, 2006

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

**Immediate Report**

Israel Corporation Ltd. hereby gives notice that in the afternoon Thursday 26<sup>th</sup> October 2006, Zim Integrated Shipping Services Ltd., a 98% owned subsidiary of the Company, issued Debentures to institutional investors in a total amount of NIS 490 million.

The Debentures are linked, principal and interest, to the Consumer Prices Index, bear interest at the rate of 5.45% per annum and are repayable by 3 equal installments in the years 2013-2015.

The Debentures have been graded A+ by Ma'alot.

Yours faithfully,

Noga Yatziv  
Company Secretary