

This is an English convenience translation from the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

Israel Corporation Ltd.

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ISRAEL CORPORATION

Adv. Noga Yatziv

Company Secretary and Assistant to the President

January 6, 2010

To:

The Securities Authority

(via MAGNA)

To:

The Tel Aviv Stock Exchange Ltd.

(via MAGNA)

Dear Sir/Madam,

Re: Immediate Report regarding Chery Quantum Auto Co., Ltd.

Pursuant to the Immediate Report dated March 1, 2009 (Reference No. 2009-01-046662) (the "**Previous Report**") of Israel Corporation Ltd. (the "**Company**"), and to the description in the periodic and annual reports of the Company with respect to Chery Quantum Auto Co., Ltd., the joint venture for the manufacturing of automobiles in the PRC (hereinafter: the "**Joint Venture**"), held by the Company via the subsidiary Quantum (2007) LLC (hereinafter: "**Quantum**"), and to the resolutions of the Joint Venture as specified in the said report, the Company hereby reports, in accordance with the report transferred to it by Quantum, as follows:

1. The Joint Venture has received the approval of the authorities in the PRC for the resolutions of the Joint Venture's board of directors mentioned in the aforementioned Immediate Report.

2. Due to the approval that was received, the said resolutions of the Joint Venture's board of directors have entered into effect. Accordingly, a change in the percentage of holding in the equity of the Joint Venture has accrued, as follows: Quantum holds 50% of the equity of the Joint Venture (instead of 45% it has held); Wuhu Chery Automobile Investment Co., Ltd., holds 50% (instead of 55% it has held); in addition, Quantum shall not be required to continue to inject to the Joint Venture any additional sum during 2009 and 2010 (in addition to the sums which were injected). Furthermore, Quantum was given the right to appoint an additional director in the Joint Venture's board of directors in a way that it shall have 3 directors in the Joint Venture out of 6 directors (in comparison to 2 directors out of 5 directors before the receipt of the said authorities' approval).
3. For additional details, see the Previous Report and the relevant part in the periodic reports, which are brought herein *via* reference.

Sincerely,

Noga Yatziv