

This is an English convenience translation of 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 5, 2010

To:

The Securities Authority  
(via MAGNA)

To:

The Tel Aviv Stock Exchange Ltd.  
(via MAGNA)

Dear Sir/Madam,

**Re: Investment in HelioFocus**

Israel Corporation Ltd. hereby reports, in accordance with a report transferred to it by IC Green Energy Ltd. (which is the renewable energies investment division of the Company and is fully owned by it) ("**ICG**") regarding the investment in HelioFocus Ltd. (in which ICG holds approx. 56.5% of its share capital), as follows:

1. On January 5, 2010 an investment agreement was signed according to which, *inter alia*, a Chinese company, named Zhejiang Sanhue Co. Ltd., will invest \$US 9.25 million in HelioFocus against shares (according to a company value of approx. \$US 34 million pre money), and will acquire shares from the entrepreneurs group against a sum of \$US 1,249,600. In addition, ICG will invest in HelioFocus a sum of \$US 2.31 million against shares (according to a company value of approx. \$US 34 million pre money). Following the completion of the transaction, the holding structure in HelioFocus will be, as follows: ICG – approx. 46.3%; Zhejiang Sanhua – approx 32.9%; the entrepreneurs group – approx. 20.8%.

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It shall be noted that in the framework of the said transaction, ICG will be provided with options to acquire additional shares from the entrepreneurs group (in aggregate of approx. 2.4% after executing the said investment) against total sum of \$US 312,400 (a part of the said amount can be exercised until 90 days as of the date of the completion of the transaction and the balance can be exercised until November 2010).

The completion of the said transaction is subject, *inter alia*, to the receipt of the approval of PRC government.

2. should the said transaction be completed, the predicted profit which is expected to be registered in Israel Corp. for the said investment transaction, with the assumption of exercising the options as mentioned above, is a sum of approx. \$US 9.5 million.

Sincerely,

Noga Yatziv