

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.**

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

Tel: 03-6844517, Fax: 03-6844587

**ISRAEL CORPORATION**

**Adv. Noga Yatziv**

Company Secretary and Assistant to the President

January 25, 2010

To:

The Securities Authority

via MAGNA

To:

The Tel Aviv Stock Exchange Ltd.

via MAGNA

Dear Sir/Madam,

Re: **Immediate Report – Additional Investment in Better Place LLC**

Pursuant to the immediate reports dated 26.8.2007, 25.10.2007, 27.12.2007, 21.1.2008, 30.6.2008, 21.1.2009, 11.5.2009, 22.11.2009 and 12.1.2010 with regard to the investments of Israel Corporation Ltd. (the "**Company**") in Better Place LLC ("**Better Place**"), the Company hereby reports in brief, further to the resolutions of the Company's Audit Committee and Board of Directors dated 25.1.2010, as follows:

1. Better Place has conducted an additional financing round in the framework of which it will raise, against new B shares, a sum of US \$350 million, both from new international (not related) investors and both from some of its existing shareholders. The financing is made according a company value of approx US\$900 million pre money (and approx \$1.25 billion post money), and modifications are possible in certain cases. In this framework, the Company will invest in Better Place an additional sum of approx \$72 million. In the framework of the said raising, also Ofer Hi-Tech Investments Ltd. (the holder of the current shares, which is related to interested parties in the Company) and companies which are related to its shareholders (the "**Related Corporations**") will invest in Better Place an additional sum of approx \$20.5 million (in the same aforementioned terms). It is hereby clarified the investment of the Company and the Related Corporations is made *Pro Rata* to the proportion of their current holdings in Better Place and in the same terms. After executing the said investment, the Company is expected to hold approx 30% of the share capital of Better Place on a fully diluted basis and the Related Corporation will hold approx

8.5% from the share capital of Better Place on a fully diluted basis (however, modifications are possible in certain cases as said above).

- 2. The Company will submit in the future a more detailed immediate report in this matter, *inter alia*, according to the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000.**

Sincerely,

Noga Yatziv