

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.

Registrar Number: 520028010

**Form 121
Public**

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

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Date of Transmission: 01/07/2010

Reference: 2010-01-540432

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

Re: Immediate Report -

New business plan and additional capital investment in Chery Quantum

The Company hereby reports that on July 1, 2010, the Company's Board of Directors approved an updated business plan for Chery Quantum Auto Co., the Joint Venture in China ("**JV**") between Quantum (2007) LLC, a subsidiary of the Company ("**Quantum**"), and the Chinese vehicle manufacturer, Chery Automobile ("**Chery**"), and the increase of the capital contribution in the JV by the JV's parties in order to implement the JV's updated business plan. The JV's business plan was updated, *inter alia*, in the following subjects: the JV's electric vehicles, the second vehicle model line, and review of the location of the JV.

For the implementation the JV's updated business plan, the capital contribution in the JV by the JV's parties will be increased, and the JV is expected to obtain external financing with respect to the updated plan. In the framework of the additional capital contribution, each of the JV's parties will invest an additional sum of approx. USD 334 million¹ in the JV's capital (which includes a sum of approx. USD 40 million intended to be invested on 2011 according to the previous business plan), in four instalments in the years 2011 to 2013.

The execution of the additional investment is subject to the execution of an agreed amendment to the JV Contract (and other accompanying documents) and to the receipt of the approval by the relevant authorities in China (to the extent such approval is required).

The date when the event first became known to the corporation: 01/07/2010, time: 14:30.

¹ The binding amounts of the investment are set in RMB and are subject to the exchanging rate in the actual investment dates.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:
The Israel Corporation Ltd.

Form structure updated 15/06/2010

Name of Electronic Reporter: Maya Alcheh Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com