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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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To:
The Securities Authority
www.isa.gov.il

To:
The Tel Aviv Stock Exchange
www.tase.co.il

Immediate Report

The Event: Maalot ranking.

Attached hereto: the Maalot report.

The date when the event first became known to the corporation: June 27, 2013

Time: 17:00

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: June 30, 2013

Israel Corp. Ltd.

June 27, 2013

Bulletin

No Change In Ratings Following Company's Decision To Explore Holding Split

Primary Credit Analyst:

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Tel Aviv, June 27, 2013: Standard & Poor's Maalot announced today that the 'iIA+/Stable' rating on Israel-based holding company, The Israel Corp. Ltd., remains unchanged following the decision yesterday by the company's board to explore a split of its holdings.

Our credit rating on Israel Corp. reflects low leverage at the holding company level and strong debt coverage ratios. However, the high concentration of the company's portfolio in a single asset--that of Israel Chemicals Ltd. (ICL), strong though it may be--continues to be a major constraint for the rating, in our opinion, along with our assessment that the portfolio's liquidity is limited, de facto, by what we see as the company's low willingness to sell shares of ICL in order to adjust holding-level leverage. Although an asset split, as described in the company's announcement yesterday, would increase the company's leverage to about 23% (based on current data), this gearing level would remain within the range we consider commensurate with the current rating, that is, at LTV (loan-to-value) ratios of below 35%. However, an asset split would reduce portfolio size, and the level of industry and asset diversification would be negatively affected, which we believe would almost certainly impact Israel Corp.'s business risk profile. This would, however, be mitigated, apparently, by the distance placed between the company and some of its troubled holdings, thus making equity infusions to struggling or growth companies far less probable. As a consequence, it is unlikely that Israel Corp's rating will be affected.

We note that Israel Corp. is currently exploring the split option, and that there is no certainty regarding the final format or timing. We will monitor developments closely, and review the rating in line with updated information.

Please note that this translation was made for the company's use only and under no circumstances obligates Standard & Poor's Maalot. In the case of any discrepancy with the official Hebrew version published on June 27, 2013, the Hebrew version shall apply.

The Israel Corp. Ltd.

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