

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 11, 2010

To:  
The Securities Authority  
via MAGNA

To:  
The Tel Aviv Stock Exchange Ltd.  
via MAGNA

Dear Sir/Madam,

Re: **Notification regarding a Decrease and an Increase in the Rating of Bonds of Zim**

Israel Corporation Ltd. hereby reports, according to a report delivered to it by Zim Integrated Shipping Services Ltd. ("**Zim**"), that on January 10, 2010, at noon, Standard & Poor's Maalot Ltd. ("**Maalot**") has notified Zim that Maalot has decreased the rating of bonds (Series A), (Series B), and (Series C) of Zim (hereinafter jointly: the "**Bonds**") from a rating of 'ilCC' with a forecast of a negative rating to a rating of 'D'. The decrease in the rating of Bonds to 'D' is a result of the completion of all the preemptive conditions and the entering into effect of the settlement to rescheduling the debt that was raised in the framework of the Bonds of the company, according to the customary methodology in Maalot, as specified in the attached Maalot's report. In addition, Maalot has notified in the attached report that it is reviewing the rating of Bonds under the new conditions after the completion of the settlement and if there will not be any new developments, Maalot estimates that the rating of Bonds will increase to ilB with a forecast for stable rating.

On January 11, 2010 Maalot has notified Zim, in an additional notification attached herewith, that after reviewing the rating of Bonds, the rating of Bonds of Zim has increased to a rating of ilB with a stable outlook.

Sincerely,  
Noga Yatziv