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Israel Corporation Ltd.

Registrar Number: 520028010

Form 125

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

Public

Sort name: Israel Corporation

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To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

www.isa.gov.il

www.tase.co.il

Immediate Report regarding rating of debentures or corporation

On May 10, 2010, Standard & Poor's Maalot published a rating report regarding debentures of the Company:

Name and type of Securities	Rating agency	Current Rating	Notes
<i>Debentures (New Series) (9 and 10)</i>	<i>Maalot</i>	<i>Maalot A+/Stable</i>	<i>Initial Rating</i>

Rating History:

Name and type of Securities	Securities No. in Stock Exchange	Rating Date	Rating	Notes
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>May 6, 2007</i>	<i>Maalot AA/Stable</i>	<i>Initial Rating</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>May 6, 2007</i>	<i>Maalot AA/Stable</i>	<i>Initial Rating</i>
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>June 7, 2007</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>June 7, 2007</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>December 3, 2007</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>December 3, 2007</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 8)</i>	<i>5760178</i>	<i>December 3, 2007</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>January 13, 2008</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>January 13, 2008</i>	<i>Maalot AA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 8)</i>	<i>5760178</i>	<i>January 13, 2008</i>	<i>Maalot AA/Stable</i>	<i>Initial Rating</i>
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>February 12, 2009</i>	<i>Maalot AA-Negative</i>	<i>Rating reduction</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>February 12, 2009</i>	<i>Maalot AA-Negative</i>	<i>Rating reduction</i>
<i>Debenture (Series 8)</i>	<i>5760178</i>	<i>February 12, 2009</i>	<i>Maalot AA-Negative</i>	<i>Rating reduction</i>
<i>Debenture (Series 6)</i>	<i>5760152</i>	<i>September 21, 2009</i>	<i>Maalot A+/Stable</i>	<i>Rating reduction</i>

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<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>September 21, 2009</i>	<i>Maalot A+/Stable</i>	<i>Rating reduction</i>
<i>Debenture (Series 8)</i>	<i>5760178</i>	<i>September 21, 2009</i>	<i>Maalot A+/Stable</i>	<i>Rating reduction</i>

Attached is Maalot Report.

The Rating for the new series of debentures will be valid to debentures (series 9 and 10) and/or to new debentures which will be issued by way of expansion of existing series of debentures, in total sum of 300 million Dollars.

The Rating for the debentures of the Company which are traded in the Tel Aviv Stock Exchange is valid also to the debentures of the Company which were issued to institutional investors.

For the sake of good order, this report is added to the immediate report of the Company published on May 10, 2010, regarding the rating of the Company's debenture to which Maalot rating report was attached (reference No. 2010-01-476355).

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 06/05/2010

Name of Electronic Reporter: Maya Alchek 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

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May 10, 2010

Israel Corporation Ltd.

'ilA+' Rating Assigned To New Series (9 And 10) And/Or Expansion Of Existing Series

Primary Credit Analyst: Yuval Torbati yuval_torbati@standardandpoors.com

Secondary Credit Analyst: Itzik Maissi Itzik_maissi@standardandpoors.com

Standard & Poor's Maalot announced today that it has assigned its 'ilA+' debt rating to an issue of bonds (Series 9 and 10) and/or an expansion of an existing series by the Israel Corporation Ltd. (ilA+/Stable), of up to \$300 million. Proceeds from the bonds shall be used to refinance existing financial debt and to fund investments.

Israel Corp. has (net) stand-alone debt of about \$2.3 billion and we assess the value of its portfolio at \$9.9 billion. Excluding cash balances, the company has a net debt to portfolio value (LTV) of about 22%. We believe that given the company's rating, this is a good leverage ratio that, if maintained, supports our view that the company is well positioned to pay and/or refinance existing financial debt. Given our current assessment of business parameters, and particularly the features of the investment portfolio, we believe that the current rating is commensurate with an LTV of up to 35%. Any deviation from this level could change the outlook on the rating to negative or may even lead to a downgrade if management does not take appropriate steps.

Our stable outlook primarily reflects our expectation that Israel Corp. will sustain an LTV which is no higher than 35% and will maintain adequate liquidity. The outlook also assumes that the company will not commit additional capital injections to subsidiary, Zim Integrated Shipping Services, beyond those promised within the framework of the recently reached debt restructuring. The outlook could be changed to negative if the company commits to additional injections that deteriorate its liquidity and/or if it becomes clear that the ability of subsidiary, Israel Chemicals Ltd. (ICL), to generate cash flow is harmed to such an extent that it jeopardizes the latter's ability to distribute dividend payments, on which the company depends. We believe that negative developments at ICL have the greatest potential to negatively impact the company's stand-alone leverage level, and under certain conditions, to cause Israel Corp. to stray from the financial parameters that underlie the rating (as detailed above). Given Zim's business environment and its financial profile, together with some of the

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more problematic features of Israel Corp.'s investment portfolio (overexposure to a single asset), we believe that a change in the rating outlook to positive is unlikely in the short term.

For more information see our rating report published September 21, 2009.

Ratings List

	Current rating
Israel Corporation	ilA+/Stable
Series 3	ilA+
Series 4	ilA+
Series 5	ilA+
Series 6	ilA+
Series 7	ilA+
Series 8	ilA+
Inst. 2002	ilA+
Series 9 (new)	ilA+
Series 10 (new)	ilA+

Standard & Poor's Maalot ratings are based on information received from the Company and from other sources that Standard & Poor's Maalot believes to be reliable. Standard & Poor's Maalot does not audit the information it receives nor does it verify the correctness or completeness of such information.

It is hereby clarified that Standard & Poor's Maalot rating does not reflect risks relating to and/or arising from breaches, through intent or oversight, of any of the obligations included in the bond documents and/or the incorrectness or inaccuracy of any of the representations contained in the documents relating to the bond offering that is the subject of this rating, Standard & Poor's Maalot report or the facts that form the basis for the opinions expressed to Standard & Poor's Maalot as a condition for the giving of the rating, fraudulent or dishonest acts of commission or omission, or any other act that contravenes the law.

The ratings could be revised as a result of changes to the information received or for other reasons. The rating should not be perceived as expressing any opinion concerning the price of the securities on the primary or secondary market. The rating should not be perceived as expressing any opinion concerning the advisability of buying, selling or holding any security.

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