

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 125

Public

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report regarding rating of debentures/rating of corporation or cease of rating

On 04/01/2017, Maalot S&P published an updated rating report.

Rating of the Company's Debentures:

Name and type of Securities	Securities No. in Stock Exchange	Rating Agency	Current Rating	Notes
Debenture (Series 7)	5760160	Maalot S&P	Maalot S&P ilA/Stable	Rating Confirmation
Debenture (Series 9)	5760202	Maalot S&P	Maalot S&P ilA/Stable	Rating Confirmation
Debenture (Series 10)	5760236	Maalot S&P	Maalot S&P ilA/Stable	Rating Confirmation
Debenture (Series 11)	5760244	Maalot S&P	Maalot S&P ilA/Stable	Rating Confirmation

Rating history of the last 3 years prior to the current published rating:

Name and type of Securities	Securities No. in Stock Exchange	Rating Date	Type of Securities	Rating	Notes
Debenture (Series 3)	5760103	21/09/2014	Debenture	Maalot S&P ilA+/Stable	Rating Confirmation
Debenture (Series 4)	5760111	21/09/2014	Debenture	Maalot S&P ilA+/Stable	Rating Confirmation
Debenture (Series 5)	5769129	21/09/2014	Debenture	Maalot S&P ilA+/Stable	Rating Confirmation
Debenture (Series 6)	5760152	21/09/2014	Debenture	Maalot S&P ilA+/Stable	Rating Confirmation
Debenture (Series 7)	5760160	21/09/2014	Debenture	Maalot S&P ilA+/Stable	Rating Confirmation

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<i>Debenture (Series 8)</i>	5769178	21/09/2014	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	21/09/2014	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	5760152	27/08/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	27/08/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	27/08/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	5760152	23/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	23/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	23/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	5760152	30/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	30/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	30/11/2015	<i>Debenture</i>	<i>Maalot S&P ilA+/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 6)</i>	5760152	26/01/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	26/01/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	26/01/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	05/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	05/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 10)</i>	5760236	05/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 11)</i>	5760244	05/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	5760160	25/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	5760202	25/05/2016	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>

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<i>Debenture (Series 10)</i>	<i>5760236</i>	<i>25/05/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 11)</i>	<i>5760244</i>	<i>25/05/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA+/Negative</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>22/11/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Downgrade</i>
<i>Debenture (Series 9)</i>	<i>5760202</i>	<i>22/11/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Downgrade</i>
<i>Debenture (Series 10)</i>	<i>5760236</i>	<i>22/11/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Downgrade</i>
<i>Debenture (Series 11)</i>	<i>5760244</i>	<i>22/11/2016</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Downgrade</i>
<i>Debenture (Series 7)</i>	<i>5760160</i>	<i>01/01/2017</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 9)</i>	<i>5760202</i>	<i>01/01/2017</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 10)</i>	<i>5760236</i>	<i>01/01/2017</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Confirmation</i>
<i>Debenture (Series 11)</i>	<i>5760244</i>	<i>01/01/2017</i>	<i>Debenture</i>	<i>Maalot S&P ilA/Stable</i>	<i>Rating Confirmation</i>

Attached is Maalot S&P Rating Report January 4.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alchek Kaplan
 Position: Vice President, General Counsel and Company's Secretary.
 Signature date: 04/01/2017

Form structure updated: 29/12/2016

Securities of the corporation are listed in the Tel Aviv Stock Exchange
 Short name: Israel Corporation
 Address: P.O.B. 20456, Tel Aviv 61204 Tel: 03-6844517, 6844500, Fax: 03-6844587
 Email: MAYAAK@ISRAELCORP.COM

Name of Electronic Reporter: Maya Alchek Kaplan. Position: Vice President, General Counsel and Company's Secretary. Address: Aranha 23, Millennium Tower, Tel Aviv 61204 Phone – 03-6844517 Fax: 03-6844587 e-mail: mayaak@israelcorp.com

Israel Corporation Ltd.

January 4, 2017

New Issue

'iIA' Rating Assigned To Bond Issuance Of Up To NIS 1 Billion Par Value

Primary Credit Analyst

Matan Benjamin, 972-3-7539731 matan.benjamin@spglobal.com

Secondary Credit Analyst

Tom Dar, 972-3-7539722 tom.dar@spglobal.com

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 January 4, 2017, the Hebrew version shall apply.

New Issue

'ilA' Rating Assigned To Bond Issuance Of Up To NIS 1 Billion Par Value

Standard & Poor's Maalot hereby assigns its 'ilA' rating to bonds of up to NIS 1 billion par value that will be issued by Israel Corporation Ltd. (ilA/Stable) through the extension of Series 11. The proceeds will mainly be used for debt refinancing and for the company's ongoing operations. This report replaces the one published on January 1, 2017.

For additional information on Israel Corporation Ltd.'s issuer rating and for additional regulatory requirements, see our rating report dated November 22, 2016.

Rating Detail (As of 1-Jan-2017)

Israel Corporation Ltd.

Issuer Credit Rating(s)

Local Currency Long Term	ilA/Stable
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Issue Rating(s)

Senior Unsecured Debt

Series 7, 9	ilA
Series 10	ilA
Series 11	ilA

Rating History

Local Currency Long Term	
November 22, 2016	ilA/Stable
January 25, 2016	ilA+/Negative
September 21, 2009	ilA+/Stable
February 11, 2009	ilAA-/Negative
November 30, 2008	ilAA/Watch Neg
January 01, 2007	ilAA/Stable
July 12, 2006	ilAA
July 03, 2005	ilAA/Negative

Other Details

Time of the event	14:38 04/01/2017
Time when the analyst first learned of the event	14:38 04/01/2017
Rating requested by	Issuer

Credit Rating Surveillance

S&P Maalot conducts surveillance activities on developments which may affect the creditworthiness of issuers and specific bond series which it rates, on an ongoing basis. The purpose of such surveillance is to identify parameters which may lead to a change in the rating.

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