

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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To:	To:
<u>The Securities Authority</u>	<u>The Tel Aviv Stock Exchange</u>
www.isa.gov.il	www.tase.co.il

Re: Immediate Report - Filing of Form F-1 by ICL

Further to the Company's Immediate Report dated March 19, 2014, the Company hereby announces that on September 12, 2014, ICL filed a Registration Statement on Form F-1 to list its shares for trading on the New York Stock Exchange (NYSE) in the United States. The Company intends to enter into transactions in connection with a total amount of approximately 72 million shares of ICL, which constitute approximately 5.7% of ICL's issued share capital (the "**Transaction Shares**"). The division between the sale offer and the financial transaction (which is described in general below), and also the division between the shares to be sold out of the Transaction Shares, as set forth below, is not final and is subject to updates.

Sale Offer - the Company intends to offer for sale to the public outside of Israel and to institutional investors in Israel approximately 36.2 million shares of ICL.

Financial Transaction - the Company intends to enter into a financial transaction (of a derivative kind) (the "**Financial Transaction**") with Morgan Stanley and Goldman Sachs (the "**Financial Entities**"), pursuant to which the Company will receive an amount which is essentially a loan, it will loan¹ to the Financial Entities approximately 36.2 million shares of ICL, and it will enter into options with the Financial Entities. The Financial Entities, for the purpose of hedging the financial exposure on their end, will sell through the underwriters, approximately 25.8 million shares of ICL, which will be loaned to the Financial Entities by the Company.

To the extent that the Company enters into the Financial Transaction and the sale offer, the number of shares sold pursuant to prospectus under the registration statement is expected to be 62 million Shares of ICL.

¹ The aforesaid relates to the transfer of the Transaction Shares to the ownership of the Financial Entities in accordance with the security settlements in derivative transactions applicable to the Financial Transaction.

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In connection with the Transaction Shares, the Company shall enter into, *inter alia*, an underwriting agreement with ICL and with American underwriters ("**Underwriters**"). In the underwriting agreement, the Underwriters shall be given an option (Green Shoe) in connection with up to 6.2 million additional ICL shares.

The Company considers its holding in ICL as a strategic, long-term holding and the Company has no intention of selling additional ICL shares. The Company's engagement in the Financial Transaction is intended to allow the Company to benefit, in the future, from an increase in the value of the ICL shares, if they increase, whilst receiving protection against a decrease in the value of the ICL share rate in connection with the Transaction Shares, and subject to the terms of the Financial Transaction, if the Company engages in the said transaction.

The purpose of the transaction is to strengthen the Company's capital structure, and to promote the liquidity of the ICL shares.

Such transactions, insofar as the Company shall engage therein, are intended to be completed during September 2014.

The Board of Directors of the Company has not yet decided upon the engagement in the transactions, the format of the transactions, the final number of ICL shares in respect of which the Company will enter into the sale offer or the Financial Transaction, if at all, or the terms and conditions of the transaction, including the price of the ICL share in the said transaction, if the Company engages in the said transaction.

There is no certainty that the Company will indeed engage in the aforesaid transactions, and in the event that it does engage in the transactions, there is no certainty that the aforesaid transactions will be completed, and when. There is no certainty that ICL will complete the listing of its shares in New York, and there is no certainty that the ICL shares held by the Company will be listed for trading in New York.

This press release is not an offer of securities for sale in the United States. The shares may not be offered or sold in the United States absent registration or an exemption from registration, and any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from ICL that will contain detailed information about the company and management, as well as financial statements.

The date on which the event first became known to the corporation: September 12, 2014

Time: 22:15

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: September 12, 2014.