



*For Immediate Release*

## **ISRAEL CORPORATION INTENDS TO SELL APPROXIMATELY 6% OF ICL SHARES**

- ***APPROXIMATELY 62 MILLION SHARES ARE EXPECTED TO BE SOLD IN A SECONDARY OFFERING***
- ***A STEP EXPECTED TO PROMOTE THE LIQUIDITY OF ICL'S SHARES FOLLOWING ITS LISTING ON THE NEW YORK STOCK EXCHANGE***
- ***ISRAEL CORPORATION REMAINS STRONGLY COMMITTED TO ICL AND CONSIDERS IT AS A LONG TERM STRATEGIC HOLDING***
- ***AS PART OF THE TRANSACTION, ISRAEL CORPORATION IS EXPECTED TO ENTER INTO A FORWARD SALE AGREEMENT TO PROVIDE EXPOSURE TO POTENTIAL INCREASES IN ICL VALUE***

**TEL AVIV, ISRAEL – September 12<sup>th</sup>, 2014** – Israel Corporation Ltd. (TASE: ILCO) (“ILCO”), announced that in connection with Israel Chemicals Ltd.'s (TASE: ICL) (“ICL”) filing today of its Registration Statement on Form F-1 to dual list its shares on the New York Stock Exchange, it intends to offer and sell, and/or enter into a forward sale, of approximately 6% (approximately 72 million) of ICL shares (the "Transaction"). Morgan Stanley & Co. LLC and Barclays Capital Inc. are acting as lead active book-running managers for the public offering, Deutsche Bank and Goldman Sachs & Co. are acting as book-runners and BMO Capital Markets Corp. is acting as co-manager for the offering (collectively, the “Underwriters”).

The potential Transaction is intended to further strengthen ILCO's capital structure, which along with ILCO's strategic split expected to be completed by the end of 2014, are two important strategic initiatives for ILCO. The Transaction is also expected to promote the liquidity of ICL's shares following its listing on the New York Stock Exchange, broaden ICL's global investor base and better align ICL with its major industry peers.

"ILCO remains strongly committed to ICL. We consider ICL as a long term strategic holding, and have no intention to sell additional shares. As a strategic shareholder, we believe in ICL's long term strategic growth and development potential. Accordingly, the structure of the Transaction is designed to provide ILCO with current liquidity, while providing exposure to certain future potential increases in the value of ICL's shares as well as certain downside protection", stated Ron Moskovitz, Chairman of the Board of ILCO.

Mr. Moskovitz continued: "In addition, ILCO also views ICL's stated dividend policy as an important value creation element for ILCO's own capital structure".

As part of the Transaction, approximately 36 million shares are expected to be sold in the form of a direct sale and approximately 36 million shares are expected to be subject to, and made available in connection



with, forward sale agreements. The forward sale agreements are expected to be entered into with each of Morgan Stanley & Co. LLC and Goldman Sachs & Co. or one of their respective affiliates ("Forward Counterparties"). The Forward Counterparties are expected to initially offer and sell approximately 26 million shares through the Underwriters in the offering to hedge their positions under the forward sale agreements. In total, approximately 62 million shares are expected to be sold in connection with the secondary offering. Any final allocation of shares to be sold directly by ILCO to the Underwriters and shares to be subject to, and made available in connection with, the forward sale agreements will be determined prior to the effectiveness of the registration statement filed in connection with the Transaction. ILCO will also grant the Underwriters a 30-day option to purchase up to approximately 6 million additional shares, if exercised.

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.

### **About Israel Corporation**

Israel Corporation Ltd. is a global industrial holding company operating in key industries that support the basic needs of fast growing global markets, including the chemicals, energy, automotive and shipping sectors. ILCO group companies include ICL, Oil Refineries Ltd. (TASE:ORL), IC Power Ltd., Qoros Automotive Co. Ltd., ZIM Integrated Shipping Services Ltd., Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), and IC Green Energy Ltd. Founded in 1968, ILCO was listed on the Tel Aviv Stock Exchange in 1982, where it currently ranks among the top ten companies in terms of market capitalization.

### **About Israel Corporation's Strategic Split Process**

ILCO is contemplating a strategic split, which is expected to be brought to the approval of its shareholders and completed by the end of this year. Following the split, ILCO will hold only ICL and ORL (TASE: ORL), and intends to refrain from making investments in new companies.

For more information, please visit the Company's website: <http://www.israelcorp.com>

### **Forward Looking Statement**

This press release may contain forward-looking statements, including those that discuss the forward sale transaction and the listing of ICL shares. These forward-looking statements may not materialize and are subject to risks and uncertainties not under the control of ILCO which may cause actual results to differ materially from those contained in the statements, including potential future sales of ICL shares by ILCO, whether the forward agreement will be settled in cash or in shares, whether the offering will be consummated and other factors that may affect the listing or the forward transactions. ILCO cautions you that the above list of important factors is not comprehensive.

Please refer to the immediate report filed with the TASE on September 12<sup>th</sup>, 2014.

### **Company Contact Information:**

Eli Goldschmidt  
EVP Communication & Regulation  
Tel: +972 (0)3 684 4535  
Email: [elig@israelcorp.com](mailto:elig@israelcorp.com)

Barak Cohen  
Senior Director, BD & IR  
Tel: +972 (0) 3 684 4531  
Email: [Barak@israelcorp.com](mailto:Barak@israelcorp.com)