

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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Date of Transmission: 01/01/2012

Reference: 2012-01-001656

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

RE: Immediate Report

Essence of the Event: ICL – The Permanent Solution and Royalties

Further to the immediate reports dated July 3, 2011, September 11, 2011, November 17, 2011, December 28, 2011, and December 29, 2011, attached herewith is an Immediate Report of Israel Chemicals Ltd. (a subsidiary) regarding the permanent solution and royalties.

[ICL's report attached]

The date when the event first became known to the corporation: 01/01/2012, time: 15:30.

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 29/12/2011

Name of Electronic Reporter: Maya Alcheh 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



1 January 2012

Re: Immediate Report of a Permanent Solution and Royalties

Further to clause 9.11 of the Directors' Report for the third quarter of 2011 and the Companies' reports dated July 3, 2011 (Reference No. 2011-01-199626), September 11, 2011 (Reference No. 2011-01-269844), November 17, 2011 (Reference No. 2011-01-330438), December 28, 2011 (Reference No. 2011-01-377307), and December 29, 2011 (Reference No. 2011-01-378960), the Company hereby wishes to report that the Government of Israel today approved the proposal made by the Ministry of Finance regarding a permanent solution for the level of the Dead Sea and the royalties, which was approved by the Company's Board of Directors on December 28, 2011.

A detailed contract will be signed by the Company and that the Government of Israel.

Sincerely,

Israel Chemical, Ltd.