

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

Address: P.O.B. 20456, Tel Aviv 61204

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Date of Transmission: 03/07/2011

Reference: 2011-01-199704

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 – Immediate Report Regarding Permanent Solution

Attached herewith is an Immediate Report of Israel Chemicals Ltd. (a subsidiary of the Company) regarding the preferred permanent solution for the level of the Dead Sea.

[ICL's report attached]

The date when the event first became known to the corporation: 03/07/2011, time: 09:19.

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 29/06/2011

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



July 3, 2011

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Further to sub-section 4.1.17 in the 2010 Periodic Report and to the notice from the Prime Minister's Office that the preferred permanent solution to the level of the Dead Sea is to harvest the salt and that the Prime Minister has instructed Ministry of Finance officials to review the financing alternatives for the harvest, the Company wishes to announce that its representatives are in talks with these officials, concerning all the matters involved in applying the harvesting solution, including how the financing will be allocated.

The Company will report on any substantive developments in this matter.