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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Short name: Israel Corporation

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL – Discontinues its Global ERP Project

Attached is an immediate report of Israel Chemicals Ltd.

The date when the event first became known to the corporation: September 29, 2016

Time: 13:20

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 29, 2016



September 29, 2016

ICL DISCONTINUES ITS GLOBAL ERP ("HARMONIZATION") PROJECT

Discontinuation of the 'Harmonize ICL' project expected to save the Company \$200-\$250 million over four years

Tel Aviv, Israel, September 29, 2016 – ICL (NYSE and TASE: ICL) today announced that, further to Item 4 – "Information of the Company - Our Strategy" of the Company's 2015 Annual Report, ICL's Board of Directors, at a meeting held on September 27, 2016, decided to discontinue the Company's Harmonize ICL project to develop and establish a central global ERP system, launched in 2014. The Board's decision was made primarily in light of substantial risks related to the project's system readiness and future cost. Recently, management identified substantial risks related to the system's suitability, complexity and readiness which significantly impacted the project's budget and timeline. Discontinuation of the 'Harmonize ICL' project is expected to save the Company \$200-\$250 million over four years and enable the Company to focus its resources on its core business activities.

The Board has instructed management to explore additional alternatives to further develop and upgrade ICL's existing IT systems, while maintaining elements of the Harmonize ICL project.

The book value of the investment in the Harmonize ICL project as of June 30, 2016, was \$225 million. Following the Board's decision, the Company is evaluating the accounting implications on its Q3 financial results, including the need to write-off all or part of the investment, as well as related closure costs.

Name of the authorized signatory on the report and the name of the authorized electronic signatory:

Lisa Haimovitz

Position: Senior Vice President, General Counsel and Corporate Secretary

Date of Signature: September 29, 2016