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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

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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 – Divestment of Low Synergy Businesses

Attached is an immediate report of Israel Chemicals Ltd.

The Company is not a shell company as defined in the Stock Exchange Regulations

The date when the event first became known to the corporation: December 7, 2017

Time: 09:00

Name of report authorized signatory and name of authorized signatory electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company's Secretary

Signing Date: December 7, 2017

Name of Electronic Reporter: Maya Alcheh-Kaplan. Position: Vice President, General Counsel and Company's Secretary. Address: Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517 Fax: 03-6844587.

E-mail: mayaak@israelcorp.com.



December 7, 2017

Divestment of Low Synergy Businesses

Pursuant to the Company's announcement dated October 19, 2017 (ref No: 2017-02-100347), the Company hereby announces that today several of its subsidiaries entered into an agreement for the sale of its fire safety and oil additives (P₂S₅ or phosphorus Penta sulfide) business units (the "**Business**") to SK Capital, a private investment firm focused on specialty materials, chemicals and pharmaceuticals sectors. The Business is part of ICL Specialty Solutions' Advanced Additives business line and has operations in North and South America, Europe, Australia and Asia.

ICL's fire safety unit is a leading supplier of chemicals and services for fighting wild fires and class A&B foams to extinguish fires. ICL's oil additives business line products are used in the manufacture of lubrication oil additives, mining chemicals and pesticides.

The consideration expected to be received in the transaction is approximately \$1 billion. During 2016, ICL's Business contributed approximately \$245 million to ICL's sales and approximately \$79 million to ICL's operating income. During the twelve months ended September 30, 2017 ICL's Business contributed approximately \$294 million to ICL's sales and approximately \$112 million to ICL's operating income.

The sale is expected to close in the first half of 2018, subject to the fulfillment of customary closing conditions specified in the sale agreement, including receipt of approvals by the competent authorities.

The decision by ICL to divest the Business is in line with ICL's previously announced strategy to divest low synergies businesses, focus the Company's operations on its mineral chains, reduce debt ratios and generate funds for growth initiatives.

There is no certainty that the transaction would reach closing and/or that it would reach closing in accordance with the abovementioned terms. Insofar as the transaction reaches closing, the Company will report accordingly, including with respect to the effects of the transaction on the results in the financial statements.

Name of the authorized signatory on the report and name of authorized electronic reporter: Lisa Haimovitz
Position: SVP, Global General Counsel and Company Secretary
Signature Date: December 7, 2017

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