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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Date of Transmission: December 03, 2018

Reference: 2018-01- 117684

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL - Filing of Law Suit against IBM

Attached is an immediate report of Israel Chemicals Ltd - Filing of Law Suit against IBM Israel due to the Failure of ICL's IT Project

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 3, 2018

Time: 13:30

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 3, 2018

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.

Filing of Law Suit against IBM Israel due to the Failure of ICL's IT Project

Further to the Company's immediate report dated September 29, 2016 (Ref. No. 2016-02-057429) and to the Company's 2017 Annual Report (20-F), regarding ICL's board of Director's decision to discontinue the Harmonization Project, aimed at developing and establishing an updated global ERP system, as well as to the Company's disclosure regarding the mediation proceeding conducted between the Company and the lead supplier in the Project (IBM Israel) for settlement of mutual monetary disputes that arose upon discontinuation of the Project, the Company reports, that following exhaustion of the mediation proceeding, it has filed today a law suit in the Tel Aviv District Court, against IBM Israel, in the amount of \$300 million (approx. ILS 1,113,000,000), for compensation of the damages incurred to the Company due to IBM's failure to meet its undertakings within the Project, which led to the failure of the Project and the write-off of the investment made therein from the Company's books.

Name of the authorized signatory on the report and name of authorized electronic reporter:
Lisa Haimovitz

Position: SVP, Global General Counsel

Signature Date: December 3, 2018

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