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ISRAEL CORPORATION LIMITED

25th June, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

Attached is a notification of ICL Israel Chemicals Ltd., a subsidiary of Israel Corporation Ltd.

Time upon which the event first came to the notice of the Company: 25th June 2007 at 11:00.

Yours faithfully,

Noga Yatziv

On 24th June 2007 ICL entered into an agreement with Supresta Holdings LLC (“**the Vendor**”), a holding company of Ripplewood Holdings LLC, for purchase of the equity interests in Supresta Holdings (“**Supresta**”), a company registered in Delaware USA, that engages in the manufacture and marketing of fire suppressants and other phosphor based products.

The purchase price is US \$ 352 million, subject to adjustments mainly in respect of working capital. The price will be paid in cash on completion of the transaction.

Supresta is a world leader in the manufacture and marketing of phosphor based fire suppressants. Supresta which was established in 2004 when the Vendor acquired the activity of Akzo Nobel, employs more than 300 workers. Supresta owns two factories in the US and in Germany. Supresta has more than 80 phosphor based products that serve as fire suppressors for polyurethanes and engineering resins, plasticizers as well as functional fluids for powers stations and other uses.

The price was fixed by negotiation after private sale proceedings of the Vendor with several entities. ICL will fund the purchase from its own sources and bank credit. ICL does not anticipate that substantial additional investment in Supresta will be required following the purchase.

ICL intends to incorporate the operations of Supresta in the industrial sector of ICL, taking advantage of operational and other synergy, including with regard to purchase of raw materials; this incorporation will expand the fire suppressant product basket by the addition of products in the field of polyurethanes and engineering resins.

The following are main financial figures of Supresta in accordance with the statements received:

(\$ millions) **	1-5/2007	1-5/2006	2006	2005
Income	113.5	107.3	248.8	248.8
Gross Profit	20.9	18.8	49.8	53.3
Operation Profit	4.8	2.7	7.5	12.6
Adjusted operation Profit *	11.1	9.4	28.9	30.1
Adjusted EBDITDA	14.9	12.6	35.5	37.6
Total assets	290.0	314.1	295.9	317.7

* After writing off non-recurring costs such as management fees, and costs of transfer of assets and revocation of the increase of amortization as a result of the purchase of Supresta by the Vendor in 2004.

** The net profit is not shown because the rights purchased are in a limited liability company that is not regarded as a separate entity for federal tax purposes.

The annual figures have been taken from audited statements prepared in accordance with usual US accounting practice (US GAPP). The figures for the January-May period have been taken from the monthly statements of the management; un-reviewed and un-audited and not necessarily prepared in accordance with GAAP.

Completion of the transaction is subject to several conditions precedent including approval by the Antitrust Authorities in the US and in Germany. The Company anticipates that the transaction will be completed at the end of the 2007 summer.