

Translation from the Hebrew. The binding version is in the Hebrew.

Form 046 Public

January 3rd, 2006

Reference: 2006-01-003813

The Securities Authority

The Tel Aviv Stock Exchange

www.isa.gov.il

www.tase.co.il

Immediate report on Convening of a Shareholders Meeting

Regulation 36B (a) to Securities Regulations
(Periodic and Immediate Reports), 5730 – 1970

Explanation: If one of the items on the agenda of the Meeting is approval of a transaction with a controlling interest or approval of an exceptional proposal, Form 133 or Form 138, respectively, must be filled out.

1. On January 3rd, 2006, it was resolved to call a Special Shareholders Meeting, to be convened on Thursday, January 26th, 2006 at 09:30 am.
The security listed in the Tel Aviv Stock Exchange the holder of which is eligible to participate in the meeting is 281014.
Address: 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv.
2. The determining date for eligibility to attend and vote at the Meeting, if any, is 18/1/2006.
3. The agenda:
 - a. *Appointment of additional directors of the Company and establishment of their compensation.*
 - b. *Appointment of KPMG Somech Chaikin, CPAs, as the joint auditors of the Company for 2005, in addition to the current auditors of the Company, PWC Kesselman and Kesselman, CPAs, and the agreement of the Board of Directors to establish their compensation.*
 - c. *The majority required in a General Meeting (including a postponed meeting, if it will be held) for matters on the agenda is a majority vote of the shareholders present, in person or via a proxy, who are authorized to participate in the meeting. Votes of those abstaining will not be counted.*

The right to participate in the vote: A shareholder may nominate a proxy who may participate and vote at the meeting on his behalf according with the conditions set out in the Articles of Association of the Company. The proxy statements will be deposited with the Company Secretary in the Company's registered office at least 48 hours before the time set for the Shareholders' Meeting or the deferred meeting.

The determining date for the eligibility of a Company shareholder to vote at the General Meeting, as provided in Section 182 of the Companies Law, 5759-1999, Wednesday, January 18, 2006, at the end of trading on the stock exchange ("the Determining Date").

- d. *In accordance with the Companies Regulations (Proof of Ownership of Shares for Purposes of Voting at a General Meeting), 5760 – 2000 (the “Regulations”), a shareholder whose shares are registered on his benefit with a member of the Tel Aviv Stock Exchange Ltd., and which shares are included in the Company's name with the shares of the Company registered in the registry of shareholders of the Company, and who is interested in voting at the Meeting, should produce a consent for the Company from the member of the Stock Exchange stating that the shares are registered with it for his benefit, and were owned by him as of the Determining Date, in accordance with Regulation 2 of the Regulations and Form 1 of the addenda to the Regulations.*

Explanation: Details of the items on the agenda: Alongside each of the items a description of the nature of the item will appear, stating the main facts required for properly understanding each matter requiring a vote at the Meeting, and the text of each proposed resolution or a brief description of its main points will appear. In addition, the majority required will be stated for each item on the agenda.

The text of the proposed resolutions or a brief description of their main points:

a. Suggested Resolution:

To appoint Mr. Avraham (Beiga) Shochat and Ms. Irit Isaacson as members of the Board of Directors, in addition to the current members of the Board of Directors.

The average compensation of directors (annual compensation and participating compensation) shall be the maximum permitted amount under the Companies Ordinance (Regulations Regarding Compensation and Expenses of an External

Director) 5760 – 2000, regarding companies of the Company's level, as may be amended from time to time.

b. Suggested Resolution:

To appoint KPMG Somech Chaikin, CPAs, as the joint auditors of the Company for 2005 (including all other review or survey activities that may be requested, if they are requested, regarding prior periods), jointly and in addition to the current auditors of the Company, PWC Kesselman and Kesselman, CPAs, and to authorize the Board of Directors to establish their compensation.

4. The quorum for holding the Meeting:
The legal quorum will be reached at the time when at least two members are present, either in person or via proxy, who together hold more than 50% of the outstanding voting shares of the Company. If, after half an hour from the appointed time for the Meeting a legal quorum is not present, the Meeting will be postponed to the following week, on the same day, at the same time and at the same location. If at the Meeting a legal quorum is not present after a half hour from the appointed time for the Meeting – at that point two members with voting rights, present in person or via proxy, holding at least one-third of the outstanding capital stock of the Company will constitute a legal quorum.
5. In the absence of a quorum, the adjourned Meeting will be held on February 2nd, 2006 at 09:30 am, at 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv.
6. The place and times at which the text of proposed resolutions that were not fully presented in the agenda above can be read:
The full text of any resolution which was not fully cited above is available for review with the General Counsel and Company Secretary, Adv. Aner Berger, on Sunday through Thursday, at regular work hours, after coordination in advance (tel: 03-684-4412).

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

Form structure updated 28/12/2005

Name of Electronic Reporter: Aner Berger. Position: General Counsel and Company Secretary.

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