

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

Form 081 Public

August 23rd, 2006

Reference: 2006-01-080761

The Securities Authority
www.isa.gov.il

The Tel Aviv Stock Exchange
www.tase.co.il

Immediate Report re Distribution of Dividend in Cash

(Regulation 37(A) of Securities Regulations

(Immediate and Periodical Reports), 1970

1. We wish to report that on 22/08/2006 the Board of Directors of the Corporation decided to distribute a dividend.
2. The amount of the dividend to be paid is \$ 90,000,000.
The dividend represents 30.4642 % of the issued and paid up share capital.
3. The Determining Date (the "Com" date) is 04/09/2006.
The "Ex" date is 05/09/2006.
The dividend distribution date: is 19/09/2006.
4. Withholding tax rate: The tax withholding from individuals who are Israeli residents will be 19.36%, and from Israeli companies 1.93%. As for foreign residents, tax shall be withheld at source in the amount prescribed by law, taking into account the rates set in treaties for the prevention of double taxation.
5. Surpluses of Profits of the corporation as defined by Section 302 of the Companies Law, 1999 following the distribution which is the subject of this report: \$ 906,924,000.
6. Dividend approval process:
On August 22nd, 2006 the Board of Directors of the Corporation decided to distribute a dividend in the amount and upon the terms described above.
- 7.

Number of Security	Amount of dividend per share to be paid -in NIS or other currency	Currency of payment	Determining date
281014	6.9920106	Other – cent, see note.	04/09/2006

The exact rate of the dividend shall be calculated according to the Representative Exchange Rate of the \$ on the Determining Date. The calculation of the dividend as a percentage of issued and paid share capital is based, for the purpose of this report only, on the exchange rate of the \$ on the date of this report, August 22nd, 2006, which is NIS 4.357 = \$1. The total amount of the dividend includes dividend in respect of the dormant shares held by the consolidated subsidiaries. Dividends will be paid only to shareholders entitled to \$2 or above.

8. The number of dormant shares of the company which are not eligible for dividends and in respect of which the company has to provide a letter waiving dividend receipt –None.
9. If the company has convertible securities, please describe the effect of the dividend distribution:
None.

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

Form structure updated 04/06/2006

Name of Electronic Reporter: Aner Berger. Position: General Counsel and Company Secretary.
Aranha 23, Millennium Tower, Tel Aviv 61070. Phone – 03-6844412,
Fax: 03-6844435, e mail – anerb@icl-group.com