



**Directors Report on the State of the Company's Affairs
for the period ended March 31, 2006**

Following is the Israel Chemicals Ltd. ("ICL" or "the Company") Directors Report for the period ended March 31, 2006.

1. Description of the Company and its Business Environment

1.1 Description of the ICL Group

Israel Chemicals ("ICL Group" or "ICL") is a multinational company that operates mainly in the areas of fertilizers and specialty chemicals, in four segments – fertilizers, industrial products, performance products and metallurgy.

ICL's operations are based primarily on natural resources – potash, bromine, magnesium and sodium chloride from the Dead Sea, and phosphates from the Negev Desert, all on the basis of concessions and licenses from the State of Israel. Operations are based as well on potash and salt mines in England and Spain under leases and concessions from the competent authorities in those countries. ICL is active in the production of these minerals, in their sale throughout the world, and also in the development, manufacture and marketing of downstream products based primarily on these raw materials.

ICL has a central position in the potash and bromine markets. Potash is a core component of fertilizers. The bromine serves a wide range of applications, primarily as a flame retardant. ICL's products are used primarily in the areas of agriculture, electronics, food products, oil and gas drilling, water purification and desalination, and in the detergent, paper, cosmetics, pharmaceutical, automotive and aluminum industries. The ICL Group has decades of accumulated experience in most of its businesses.

The ICL Group has direct access to most of the raw materials required for its activities, at low cost and high quality, by virtue of the exclusive concession granted to the ICL Group by the State of Israel for extraction of minerals from the Israeli side of the Dead Sea, in return for payment of royalties to the State. The costs of production of the potash and bromine that are extracted from the Dead Sea by ICL are relatively lower than the costs of other producers in the world who do not have access to the Dead Sea.

The ICL Group's main production facilities are based in Israel, Germany, the United States, Holland, Spain, England, China, Brazil and France. Furthermore, the ICL Group has production facilities in Austria, Belgium, Turkey, Argentina, and Australia.

The overseas operations of ICL are mainly the manufacture of products which integrate with or are based on the operations of ICL in Israel or are closely related to them. Approximately 93% of ICL's products are sold outside Israel.

The activities of ICL's facilities are integrated with one another, in terms of both supply of raw materials and whereby frequently one facility utilizes by-products of another facility to produce end-products (for example, bromine is produced by utilizing the bromine present in the byproduct streams from the evaporation ponds used to manufacture potash, etc.)

Approximately 7% of ICL's products are sold in Israel. For some of these sales, ICL and some of the ICL companies have been declared a monopoly in Israel.

Approximately 50% of ICL's sales revenue stems from manufacturing operations outside Israel.

ICL has no material dependency on any single customer, supplier or source of raw materials that is not included in the concessions granted to the ICL Group.

The four main segments of ICL's operations are grouped according to managerial-functional considerations, as follows:

A. **ICL Fertilizers** – ICL Fertilizers produces potash from the Dead Sea and mines and produces potash and salt from underground mines in Spain and England. ICL Fertilizers refines potash into various grades and sells it worldwide. In addition, the segment uses a portion of its production of potash to manufacture compound fertilizers.

ICL Fertilizers mines and processes phosphate rock from open-pit mines in the Negev Desert, and produces in Israel sulfuric acid, fertilizer-grade phosphoric acid, phosphate fertilizers, compound fertilizers based primarily on potash and phosphate and specialty fertilizers. ICL Fertilizers also produces fertilizers in Holland, Germany and Belgium. In addition, ICL Fertilizers produces phosphate-based animal feed additives in Turkey and in Israel. ICL Fertilizers markets its products worldwide, primarily in Europe, Brazil, India, China, and Israel.

B. **ICL Industrial Products** – ICL Industrial Products produces bromine from an end-brine that is created as a by-product of the production process of potash in Sdom as well as bromine-based compounds. ICL Industrial Products is currently the world's leading producer of bromine. ICL Industrial Products produces around 35% of total global production. ICL Industrial Products uses approximately 75% of the bromine it produces for its own production of bromine compounds in its production facilities in Israel, Holland and China. Additionally, ICL Industrial Products produces various salts, magnesia and chlorine (produced along with caustic soda from electrolysis of salt created as a by-product of potash production and used as a raw material in the segment's production processes). Additionally, ICL Industrial Products produces chlorine-based industrial products in Israel and the United States. ICL Industrial Products markets its products worldwide.

C. **ICL Performance Products** - ICL Performance Products purifies some of the fertilizer-grade phosphoric acid produced by ICL Fertilizers, purchases

purified phosphoric acid from other sources and also produces thermal phosphoric acid. The pure acid is used to produce downstream products with high added value - phosphate salts, food additives, hygiene products, phosphorus derivatives and products for preventing the spreading of fires. ICL Performance Products also produces specialty products based on aluminum oxide (alumina) and other raw materials. ICL Performance Products' production takes place mainly in Germany, the United States, Brazil, Israel and China.

- D. **ICL Metallurgy** – ICL Metallurgy produces and markets pure magnesium and magnesium alloys. The magnesium production is done in Sdom from carnallite that is extracted (during the potash production process) from the Dead Sea. ICL Metallurgy's magnesium products are used primarily in casting facilities to produce automotive parts and as a component in the aluminum alloy process in the aluminum industry. ICL Metallurgy's operations are conducted through a joint venture between the ICL Group and Volkswagen AG of Germany.

In addition to these segments, ICL has other operations that include water desalination and land transportation.

Management by segment is performed on a group-wide managerial-functional basis, even when the managerial structure and the legal ownership do not fully correspond.

1.2 The Business Environment and Profitability of ICL

ICL is a multinational group. Its business results are influenced by global economic trends, by changes in trading and financing conditions, and by fluctuations in exchange rates. The demand for ICL's products is influenced, inter alia, by the demand for basic agricultural products and by the global economic situation.

ICL is taking steps to adjust its marketing and production policy to the circumstances in world markets. ICL is focusing on improving its cash flow, diversifying its sources of financing and continuing with its savings and efficiency measures.

The vast majority of ICL's sales are made in foreign currency, mainly U.S. dollars and the euro. A portion of its operating expenses are in NIS. Therefore, a devaluation of the currency exchange rate of the NIS relative to the US dollar has a positive impact on ICL's profitability, and vice-versa. ICL has more revenues than expenses in Euro. Therefore, an appreciation of the exchange rate of the Euro relative to the US dollar has a positive impact on ICL's profitability, and devaluation has a negative impact. ICL hedges against some of these exposures.

Most of the Group's debt bears variable interest rates. Therefore, the Group is exposed to fluctuations in interest rates. The Company partially protects against such exposure by using financial hedging instruments including derivatives.

The negotiations between the potash suppliers and the Chinese customers regarding the price of potash in the framework of the annual agreement for the

year 2006, has continued longer than is usual in recent years. This has led to a cessation of shipments to China by sea. In addition, the decision by other potash consumers to wait and see the outcome of the negotiations with the Chinese, and the long winter in Europe led to a significant reduction in potash sales since the beginning of 2006 and to a corresponding increase in potash stocks. These effects have led a number of major potash producers to announce a reduction in production at their plants, in order to adjust production to sales.

The recovery in the electronics market has led to a growth in the demand for flame-retardants, compared with the corresponding quarter of last year. Sales prices of chemicals used for oil drillings rose significantly, compared with prices in the corresponding quarter of last year.

The activity of ICL Performance Products is affected by the increasing competition in some of its target markets and by the rate of exchange. The devaluation in the average rate of exchange of the Euro relative to the US dollar compared with the corresponding quarter of last year helped increase competitiveness in some of its production activity in Europe.

The growth in energy prices and the drop in the demand for magnesium negatively impacted the profitability of ICL Metallurgy. Also noteworthy is the rise in the prices of energy and important raw materials worldwide, which influenced production costs in other segments as well.

- 1.3 This Directors Report accompanies the interim financial statements for the period ended March 31, 2006, and assumes that the reader has those financial statements at his disposal. The Directors Report relates briefly to that period, and assumes that the reader is familiar with the Periodic Report for the year 2005.

2. Results of Operations

2.1 Principal Financial Results

Following is a summary of the results of operations in the reviewed period compared with the corresponding period of last year, in \$ millions.

\$	1-3/2006		1-3/2005		2005	
	\$ million s	% of sales	\$ millio ns	% of sales	\$ milli ons	% of sales
Sales	717.0	100.0	710.0	100.0	2,986.0	100.0
Gross income	269.6	37.6	279.0	39.3	1,140.7	38.2
Operating income	136.0	19.0	139.4	19.6	561.3	18.8
Pre-tax income (loss)	131.2	18.3	137.1	19.3	514.3	17.2
Net income	96.6	13.5	95.3	13.4	422.2	14.1
Cash flow from current operations	44.7		124.1		490.9	
Investments in property, plant and equipment less grants	32.2		40.5		147.8	

2.2 Results of Operations for the Period January – March 2006

Sales:

Sales of ICL Group in the report period amounted to approximately \$717.0 million, compared with \$710.0 million last year, an increase of approximately 1%. This growth reflects mainly the effect of the inclusion of sales in respect of the operations of Astaris (which were acquired in November 2005), and price costs in most of the activity segments, which were offset by a quantitative drop in potash sales and those of a number of other products.

Below is a breakdown of sales by geographical markets:

CIF Sales	1-3/2006		1-3/2005	
	\$ million s	%	\$ millions	%
Israel	46.9	6.5	53.3	7.5
North America	176.2	24.6	83.2	11.7
South America	37.2	5.2	24.9	3.5
Europe	302.6	42.2	333.6	47.0
Asia	124.6	17.4	185.4	26.1
Rest of the world	29.5	4.1	29.6	4.2
Total	717.0	100.0	710.0	100.0

The breakdown in sales for Q1 2006 shows a sharp increase in the sales and in the percentage of sales in North America. This growth is affected primarily by the addition in sales in the ICL Performance Products segment as a result of the acquisition of the activity of Astaris (in November 2005). Growth also occurred in South America, mainly due to the acquisition of new operations (Astaris and Adicon). Sales in Asia dropped, mainly due to a decrease in potash sales to China and India, stemming mainly from the effect of the ongoing negotiations being conducted by the world's leading potash suppliers with their Chinese customers, as stated. The drop in sales in Europe stems, first and foremost, from a quantitative reduction in fertilizer sales, in particular in the wake of the prolonged winter in Europe, and from the devaluation of the euro relative to the dollar compared with last year.

Gross Profit:

The gross profit totaled \$269.6 million, a decrease of 3.4% compared with last year. The gross profit rate from sales turnover stands at 37.6% versus 39.3% in the corresponding period of last year. The gross profit for the period includes insurance receipts in the sum of approximately \$16 million as partial compensation received mainly in respect of loss of profit in the wake of flood damage in Sdom, which took place in late 2004.

The gross profit was affected mainly by the drop in sales quantities of potash and by the growth in the costs of principal inputs, mainly the rise in energy prices and land transportation costs. Nevertheless, the rise in sales prices, as aforesaid, and the acquisition of the activity of Astaris, partly offset the erosion in gross profit.

Sales and Marketing Expenses:

Sales and marketing expenses totaled \$97.4 million, a decrease of approximately 8.0% compared with the corresponding quarter of last year.

The drop in expenses stemmed from a quantitative reduction in sales, and potash sales in particular. On the other hand, there was a growth in expenses stemming from the new activity that was acquired in the United States and Brazil. Despite the negative effect of the rise in oil prices on transportation costs in general, the marine transportation costs in the ICL Fertilizers segment dropped, compared with the corresponding period of last year. This is the result of a drop in bulk marine transportation costs compared with the prices that prevailed in the corresponding quarter of last year and a drop in the quantities that were conveyed.

General and Administrative Expenses:

Management and general expenses totaled \$27.8 million, an increase of approximately 7.9% compared with the corresponding quarter of last year. The growth in management expenses stems from the consolidation of the activity that was acquired in the United States and Brazil. After neutralizing the effect of the new activities that were acquired, management and general expenses dropped during the period in comparison with the corresponding period of last year.

Research and Development Expenses:

R&D expenses (net of grants from the Chief Scientist) amounted to approximately \$8.4 million, an increase of about \$0.4 million compared with last year.

Operating income:

Operating income decreased by 2.4% compared with last year, reaching \$136.0 million. This decrease stems mainly from a reduction in gross profit as aforesaid, which was moderated due to the reduction in marketing and sales expenses. The percentage of operating income out of sales is 19.0%, compared with 19.6%% last year.

Financing Expenses:

Net financing expenses amounted to about \$6.0 million, compared with \$2.3 million last year, an increase of \$3.7 million.

Net financing expenses were influenced by an increase of approximately \$64 million in the average balance of net financial liabilities in the period, compared with the corresponding period last year, and by a rise in the average dollar interest rate for the period, of approximately 1.5% (150 points).

Tax Expenses:

The expenses amounted to \$37.2 million, compared with 42.6% last year. The pre-tax profit tax rate dropped from 31.0% to around 28.4%.

Net income:

Net income amounted to \$96.6 million, compared with \$95.3 million in the corresponding quarter of last year.

3. Segments of Operation

The segments of operation of ICL are presented below according to the managerial division presented in the introduction to this report.

Sales CIF By operating segment	1-3/2006		1-3/2005		2005	
	\$ millions	% of total Sales	\$ millions	% of total Sales	\$ millions	% of total Sales
ICL Fertilizers	281.1	36.2	381.4	49.5	1,573.7	48.5
ICL Industrial Products	219.8	28.3	183.7	23.8	805.5	24.8
ICL Performance Products	*242.2	31.2	153.3	19.9	*677.0	20.9
ICL Metallurgy	19.2	2.5	30.7	4.0	102.8	3.2
Others and setoffs	(45.3)	-	(39.1)	-	(173.0)	-
Total	717.0	-	710.0	-	2,986.0	-

Remark: Sales data in the segments and their percentages out of total sales, are before setoff of inter-segment sales.

Operating income By operating segment	1-3/2006		1-3/2005		2005	
	\$ millions	% of sales in segment	\$ millions	% of sales in segment	\$ millions	% of sales in segment
ICL Fertilizers	53.9	19.2	83.0	21.8	348.1	22.1
ICL Industrial Products	62.2	28.3	34.5	18.8	153.9	19.1
ICL Performance Products	*24.7	10.2	17.7	11.5	*55.0	8.1
ICL Metallurgy	(5.5)	(28.5)	1.2	4.0	(9.0)	(8.7)
Others and setoffs	0.7	-	3.0	-	13.3	-
Operating profit (consolidated)	136.0	19.0	139.4	19.6	561.3	18.8

Remark: The profit percentage is out of sales before setoff of inter-segment sales.

* Including the activity that was purchased from Astaris beginning on November 4, 2005.

3.1 ICL Fertilizers

Sales:

The volume of operations in the segment in the first quarter of 2006 amounted to approximately \$281.1 million, a decrease of 26.3%% compared with last year. The decrease in sales turnover arises mainly from a material drop in potash sales, mainly to China and India, which was partly offset by a price rise in comparison with the corresponding quarter of last year.

Profitability:

Operating income in the segment amounted to \$53.9 million, a decrease of 35.1% compared with the corresponding period of last year. The operating margin on sales was 19.2%, compared with 21.8% last year.

The decrease in profit stems from a reduction in quantities that were sold, and a growth in principal production input costs, and energy prices in particular, which was partly offset by price rises, as stated. The operating profit includes revenues from insurance receipts in respect of flood damage in Sdom which occurred in late 2004.

An average drop in bulk transportation prices occurred, in comparison with last year. On the other hand, the average cost of land transportation rose, in comparison with last year, mainly as a result of the increase in the price of diesel fuel.

Potash

Sales revenue from potash includes the sales of the Dead Sea Works (without the activity of Dead Sea Salts), Iberpotash and Cleveland Potash.

Potash – Sales Revenue and Income

\$ millions	1-3/2006	1-3/2005	2005
Revenues*	177.1	268.1	1,064.1
Operating income	51.4	76.6	333.6

* * Including revenue from inter-segment sales, including sales of potash within the Group as a raw material for the production of fertilizers.

The decrease in sales revenue in the quarter in comparison with the corresponding quarter of last year is the result of a decrease in quantities sold, which was partly offset by the price rise compared with the corresponding quarter of last year. The decrease in sales, as stated, stems from the drop in the demand for potash, due to the wait for the closing of the contract for the sale of potash to China. The drop in operating income, by 32.8%, derives

primarily from the drop in quantities sold, as stated, coupled with the rise in prices of some of the inputs for production, headed by energy prices.

Potash – Production and Sales

Thousands of tons	1-3/2006	1-3/2005	2005
Production	1,259	1,307	5,263
Sales to external customers	677	1,230	4,721
Sales to internal customers	50	66	252
Total Sales (including internal sales)	727	1,296	4,973

Brine percolation exists at one of the dikes of the evaporation ponds of the ICL Fertilizers segment at the Dead Sea. After consultation with international experts, ICL Fertilizers has taken and is taking various maintenance actions to preserve the stability of the dike.

Fertilizers and Phosphates

Sales revenue for these items derives from sales in Israel and abroad of phosphate rock (as a raw material and for direct fertilization), fertilizers (including phosphate, compound and specialty fertilizers), fertilizer-grade ("green") phosphoric acid used as a raw material for the production of fertilizers, as well as other products.

Fertilizers and Phosphates – Sales Revenue and Income

\$ millions	1-3/2006	1-3/2005	2005
Revenues*	112.2	122.0	548.5
Operating Income (loss)	1.2	6.2	15.4

* Including revenue from inter-segment sales.

Revenue in the quarter was approximately 8% lower than in the corresponding quarter of last year, mainly due to a drop in phosphoric acid and phosphate rock sales to external customers, as part of the Group's policy of prioritizing the use of these products for production of downstream products with higher added value, some in the framework of the ICL Performance Products segment.

The decrease in operating profit in the quarter stemmed mainly from the reduction in revenue and the rise in input costs and energy costs in

particular, and from a drop in production volume. On the other hand, an improvement occurred in the production cost structure following the implementation of the plan for changing the sources of phosphate and due to the drop in bulk marine transportation costs.

Fertilizers and Phosphates – Production and Sales

Thousands of tons	1-3/2006	1-3/2005	2005
Phosphate rock			
Rock production	758	881	3,236
Sales*	55	141	365
Fertilizers			
Production	384	415	1,636
Sales*	354	327	1,671

* To external customers

Phosphate rock is produced according to needs, both for internal uses and for sales to external customers, while maintaining suitable stock levels. The drop in production compared with the corresponding quarter of last year stemmed, among other things, from the strategic change in the use of various types of rock, in which the operation of the calcining facility at the Zin site in the Negev was ceased.

The drop in rock sales in the period stems partly from the segment's policy of transferring most of the rock production for internal use with higher added value, in the production of acids and fertilizers.

The running-in of a plant in Mishor Rotem, for the production of technical grade mono-ammonium phosphate (MAP), mainly for use as a soluble fertilizer, continues. The plant's output during the running-in period is being sold on a regular basis.

3.2 **ICL Industrial Products**

Sales:

Sales in this segment in the report period amounted to \$219.8 million, an increase of about 19.7% compared with last year. The increase in sales derives mainly from a sharp rise in prices in almost all the areas of the segment's operations and, to some extent, from an increase in the quantities sold of some products as well.

The increase in sales revenue from flame retardants was mainly as a result of price rises in most of the products in comparison with the corresponding quarter of last year, as a result of the recovery in the demand for flame retardants.

Sales revenue from inorganic bromine products increased, due to price rises and despite the drop in quantities sold.

Revenues and profitability from sales of agricultural products increased, mainly due to the quantitative growth. The quantitative growth, despite the anticipated drop in annual quantities due to the implementation of the

Montreal Protocol, stems from advancing the purchases by various customers.

A significant increase in sales and profitability occurred in water treatment biocides as a result of a growth in sales quantities and price rises in the main target market (North America).

Revenues for magnesia products were similar to last year, with price rises being offset by a reduction in quantities sold (due to a reduction in magnesium sales for the refractory industry).

Profitability:

Operating profit in this segment in the report period amounted to \$62.22 million, an increase of about 80.0% compared with last year.

The increase stemmed mainly from sales price increases in the segment.

3.3 ICL Performance Products

Sales:

Sales in this segment totaled \$242.2, an increase of approximately 58% in the corresponding period of last year. The growth in turnover compared with the corresponding quarter of last year stems from the inclusion of the activity acquired from Astaris in November 2005, an increase in sales prices, a quantitative growth in some of the segment's product lines and the acquisition of Adicor, which is engaged in the production and marketing of additives for the food industry in Brazil.

On the other hand, the relatively low growth rates in Europe, surplus production for the segment's products in some of its markets and the increasing competition in some of its target markets, which led to a quantitative decrease in some products, is still burdening growth in some of the segment's areas of activity.

Profitability:

Operating profit in the report period totaled \$24.7, 39.8% higher than in the corresponding period of last year. The operating margin on sales was 10.2%, compared with 11.5% last year. The drop in the profitability rate, despite the rise in profit, stems from the consolidation of the activity of ICL Performance Products America (Astaris) with the relatively lower profitability rates than those of ICL Performance Products Europe.

The growth in revenues, as stated, coupled with an operational improvement in most activities, the unification of the results of the operations acquired in America and further streamlining and economizing activities contributed to the increase in profit. The increase was partly offset by a growth in the main production input costs, and from a rise in raw material and energy prices in particular.

3.4 **ICL Metallurgy**

Sales:

Sales in this segment amounted to \$19.2 million, a decrease of about 37.5% compared with last year.

The drop in sales stemmed mainly from a quantitative decrease and drop in sales prices of various types of magnesium, a trend that began in the third quarter of last year, mainly under the effect of the slowdown in the automotive industry in North America.

Profitability:

The operating loss in the segment totaled approximately \$5.5 million compared with an operating profit of \$1.2 million in the corresponding quarter of last year. The loss stems from a reduction in revenues as stated, a reduction in production and price increases in some of the production inputs, and energy expenses in particular.

4. **The financial position and financial resources of the Group**

ICL's policy is to reduce its financial leverage while diversifying sources of financing among various financial instruments and between local and foreign sources.

In Q1 of this year, a \$26 million drop was recorded in the net financial liabilities of the Group in comparison with the balance at the end of 2005. At the end of the period those liabilities amounted to \$574 million.

The Group's principal source of financing is short-term and long-term bank loans, from banks in Israel and from international banks.

Cash Flow:

ICL's cash flow from current operations in the Q1 2006 amounted to approximately \$44.7 million, compared with \$124.1 million in the same period last year, an decrease of about \$79.4 million. The drop in cash flow was affected considerably by the growth in inventory, due to the reduction in sales in the fertilizer segment, which led to a growth, mainly in the potash inventory. Cash flow from operating activity was the main source of financing for investments in fixed assets, and for reducing financial liabilities.

Insurance:

During Q1 the ICL Group increased its property insurance for physical damage and loss of profit due to earthquakes from \$500 million to \$575 million, at market terms for this type of cover. As aforesaid, during the period the ICL Group recorded income in the sum of approximately \$16 million as includes insurance receipts received in the wake of flood damage in Sdom, which took place in late 2004.

5. **Investments**

In the report period, investments in property, plant and equipment net of investment grants amounted to approximately \$32.2 million, compared with investments in property, plant and equipment net of grants amounting to \$40.5 million in the same period last year.

6. **Manpower**

The total number of employees at ICL Group as at March 31, 2006 is 9,253, compared with 8,535 on March 31, 2005. The increase is mainly in the ICL Performance Products segment, due to the acquisition of the activity of Astaris in the United States and Brazil and the acquisition of additional food additive operations in Brazil.

7. **Exposure to Market Risks and their Management**

No material change occurred during the report period, compared with the Directors' Report for 2005.

8. **Update of the description of the corporation's business**

No material change occurred during the report period, compared with the Directors' Report for 2005.

9. **Events during and after the period**

- 9.1 At the Annual General Meeting of Shareholders of the Company, which took place on April 23, 2006, it was decided, inter alia, to reappoint Messrs. Yossi Rosen, Irit Izakson, Gilad Shavit, Chaim Erez, Adv. Muhammad Dahleh, Moshe Vidman, Adv. Noga Yatziv, Avisar Paz, CPA, Amnon Sadeh and Avraham (Beige) Shochat. as Company Directors. The appointment of Messrs. Ben Rabinovitz and Yaacov Dior) as outside directors remains in effect. On May 9, 2006, Mr. Gilad Shavit ceased to serve as Company Director.
- 9.2 On March 27, 2006 the Company Directorate approved a incentive plan in the framework whereof 700,000 ordinary Company shares were allocated to senior executives at the Company and at the companies under its control. The shares were allocated gratis to the trustee and are blocked for one year from the date of allocation.
- 9.3 On May 9, 2006, the Company distributed a dividend in the sum of approximately \$89.8 million.

The Board of Directors of ICL wishes to thank ICL's management, as well as the employees and managers of the various companies, for their dedicated and skilled contribution to the development of ICL and the achievement of its business results.

Date: May 28, 2006

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Akiva Mozes, CEO

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Yossi Rosen, Chairman of
the Board