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Israel Chemicals Ltd.

**Separate Information
in accordance with Regulation 38D
of the Securities Regulations
(Periodic and Immediate Reports), 1970**

**Financial Data Related to the Company
from the Consolidated
Financial Statements
As at June 30, 2010
(Unaudited)**

**Separate Information in Accordance with Regulation 38D of the Securities Regulations
(Periodic and Immediate Reports), 1970
Financial Data Related to the Company from the Consolidated Financial Statements as at June
30, 2010**

Contents

	<u>Page</u>
Auditors' Report	2
Condensed Details of Interim Financial Position	3
Condensed Details of Interim Profit and Loss	5
Condensed Details of Interim Comprehensive Income	6
Condensed Details of Interim Cash Flows	7
Additional information	8



Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a Street, PO Box 609
Tel Aviv 61006 Israel

Telephone 972 3 684 8000
Fax 972 3 684 8444
Internet www.kpmg.co.il

To: The Shareholders of Israel Chemicals Ltd.

Subject: Special auditors' report on separate financial information according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 of Israel Chemicals Ltd. (hereinafter - the Company), as at June 30, 2010 and for the six-month and three-month periods then ended. The separate interim financial information is the responsibility of the Company's Board of Directors and of its Management. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 1, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information was not prepared, in all material respects, in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin
Certified Public Accountants (Isr.)

August 23, 2010

Financial Data Related to the Company from the Consolidated Financial Statements**Condensed Details of Interim Financial Position as at**

	June 30 2010	June 30 2009	December 31 2009
	(Unaudited)	(Unaudited)	(Audited)
	US\$ thousands	US\$ thousands	US\$ thousands
Current assets			
Cash and cash equivalents	77,676	19,570	52,728
Short-term investments, deposits and loans	16,029	23,581	22,733
Investee companies - current accounts	418,227	148,839	238,842
Other receivables, including derivative instruments	2,977	8,628	2,563
Income taxes refundable	-	113,085	44,786
Total current assets	514,909	313,703	361,652
Non-current assets			
Investments in investee companies	2,782,800	3,149,732	3,314,799
Long-term deposits and receivables	8,022	4,642	8,270
Loans to subsidiaries	440,000	569,138	570,000
Long-term derivative instruments	17,896	14,961	16,739
Deferred taxes, net	9,559	6,468	7,746
Property, plant and equipment	860	1,223	1,052
Total non-current assets	3,259,137	3,746,164	3,918,606
Total assets	3,774,046	4,059,867	4,280,258

Financial Data Related to the Company from the Consolidated Financial Statements

	June 30 2010 <u>(Unaudited)</u> <u>US\$ thousands</u>	June 30 2009 <u>(Unaudited)</u> <u>US\$ thousands</u>	December 31 2009 <u>(Audited)</u> <u>US\$ thousands</u>
Current liabilities			
Credit from banks and others	252,072	753,470	810,067
Credit from investee companies	66,049	29,102	* 84,658
Other payables, including derivative instruments	77,584	90,885	* 24,680
Income tax payable	8,993	-	-
Total current liabilities	404,698	873,457	919,405
Non-current liabilities			
Loans from banks and others	150,000	30,000	30,000
Loans from investee companies	383,522	443,718	111,522
Debentures	408,010	176,256	416,794
Long-term derivative instruments	28,078	13,453	14,228
Employee benefits	13,981	13,354	14,549
Total non-current liabilities	983,591	676,781	587,093
Total liabilities	1,388,289	1,550,238	1,506,498
Equity			
Share capital	541,195	540,859	541,028
Share premium	85,956	82,432	84,059
Capital reserves	(34,542)	32,496	33,903
Retained earnings	2,053,261	2,113,955	2,374,883
Treasury shares	(260,113)	(260,113)	(260,113)
Total equity attributable to the owners of the Company	2,385,757	2,509,629	2,773,760
Total liabilities and equity	3,774,046	4,059,867	4,280,258

* Reclassified

Nir Gilad
Chairman of the Board of
Directors

Akiva Mozes
Chief Executive
Officer

Avi Doitchman
CFO

Approval date of the financial statements: August 23, 2010.

Financial Data Related to the Company from the Consolidated Financial Statements**Condensed Details of Interim Profit and Loss**

	For the six-month period ended		For the three-month period ended		For the
	June 30	June 30	June 30	June 30	year ended
	2010	2009	2010	2009	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2009
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	(Audited)
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands
Financing income	4,028	10,331	3,864	1,333	15,950
Expenses					
General and administrative	31,608	14,029	15,174	5,998	27,022
Financing	28,797	6,129	21,958	4,742	33,716
	60,405	20,158	37,132	10,740	60,738
Income from investee companies, net	585,688	317,206	319,410	171,055	756,723
Income before taxes on income	529,311	307,379	286,142	161,648	711,935
Taxes on income	(7,135)	(3,690)	(9,772)	9,332	(58,485)
Income for the period attributed to the owners of the Company	536,446	311,069	295,914	152,316	770,420

Financial Data Related to the Company from the Consolidated Financial Statements
Condensed Details of Interim Comprehensive Income

	For the six-month period ended		For the three-month period ended		For the
	June 30	June 30	June 30	June 30	year ended
	2010	2009	2010	2009	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2009
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	(Audited)
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands
Income for the period	536,446	311,069	295,914	152,316	770,420
Other components of comprehensive income					
Net change in fair value of financial assets available for sale	(6,713)	7,678	(5,328)	3,365	6,816
Net actuarial gains (losses) from defined benefit plan	756	(396)	-	(396)	(555)
Change in fair value of derivatives used to hedge cash flows	(1,133)	-	108	-	(1,230)
Income taxes in respect of revenues and expenses recorded directly to equity	511	(2,159)	696	(408)	(1,209)
Other comprehensive income in respect of investee companies, net	(111,811)	29,830	(61,684)	59,218	30,712
Other comprehensive income (loss) for the period, net of tax	(118,390)	34,953	(66,208)	61,779	34,534
Total comprehensive income for the period attributed to the owners of the Company	418,056	346,022	229,706	214,095	804,954

Financial Data Related to the Company from the Consolidated Financial Statements**Condensed Details of Interim Cash Flows**

	For the six-month period ended		For the three-month period ended		For the
	June 30	June 30	June 30	June 30	year ended
	2010	2009	2010	2009	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2009
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	(Audited)
					US\$ thousands
Cash flows from operating activities					
Income for the period attributable to the owners of the Company	536,446	311,069	295,914	152,316	770,420
Adjustments for:					
Depreciation and amortization	213	248	105	120	479
Interest expenses, net	9,700	2,949	3,751	2,182	6,748
Gain on sale of securities classified as available-for-sale	-	(150)	-	-	(150)
Capital gains from sale of property, plant and equipment	-	(10)	-	(10)	*(10)
Less gain from consolidated companies	(585,688)	(317,206)	(319,410)	(171,055)	(756,723)
Share based payment transactions	15,969	1,461	8,185	496	2,462
Revaluation of assets and liabilities denominated in foreign currency	3,033	3,397	3,715	(1,364)	5,763
Taxes on income	(7,135)	(3,690)	(9,772)	9,332	(58,485)
	(27,462)	(1,932)	(17,512)	(7,983)	(29,496)
Change in trade and other receivables	(428)	(6,412)	(1,602)	(4,963)	(326)
Change in trade and other payables	(69)	(19,369)	(3,538)	(4,401)	*(11,167)
Change in provisions and employee benefits	188	(266)	(324)	1,051	770
	(27,771)	(27,979)	(22,976)	(16,296)	(40,219)
Income tax paid	(71,459)	(45,002)	(21,475)	(24,178)	*(6,178)
Interest received	334	36	287	(151)	1,058
Interest paid	(8,947)	(1,486)	(7,938)	(562)	(6,524)
Net cash used in operating activities related to the Company	(107,843)	(74,431)	(52,102)	(41,187)	(51,863)
Net cash provided by operating activities related to investee companies	1,140,778	229,637	630,668	141,536	675,537
Net cash provided by operating activities	1,032,935	155,206	578,566	100,349	623,674

* Reclassified

Financial Data Related to the Company from the Consolidated Financial Statements**Condensed Details of Interim Cash Flows**

	For the six-month period ended		For the three-month period ended		For the
	June 30	June 30	June 30	June 30	year ended
	2010	2009	2010	2009	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2009
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	(Audited)
					US\$ thousands
Cash flows from investing activities					
Investment in long-term deposits	-	(1,828)	-	(1,828)	(5,387)
Proceeds from sale of property, plant and equipment	-	14	-	14	* 14
Receipt from sale of investment in securities available-for-sale	-	2,261	-	-	2,261
Acquisition of property, plant and equipment	(21)	(80)	-	-	*(140)
Net cash provided by (used in) investing activities related to the Company	(21)	367	-	(1,814)	(3,252)
Net cash provided by (used in) investing activities related to investee companies	(49,385)	(77,420)	75,831	(55,349)	(250,558)
Net cash provided by (used in) investing activities	(49,406)	(77,053)	75,831	(57,163)	(253,810)
Cash flows from financing activities					
Issue of debentures	-	166,984	-	166,984	402,840
Dividend paid	(771,131)	(274,518)	(771,131)	(274,518)	(549,037)
Long-term loans received	120,000	-	-	-	-
Repayment of long-term loans	-	-	-	-	(30,000)
Acquisition by the Company of its own shares	-	(6,544)	-	-	(6,544)
Proceeds from exercise of options allocated to employees	334	-	334	-	-
Short-term credit from banks and others	(557,995)	56,414	(279,932)	65,566	143,164
Net cash used in financing activities related to the Company	(1,208,792)	(57,664)	(1,050,729)	(41,968)	(39,577)
Net cash provided by (used in) financing activities related to investee companies	250,211	(1,114)	327,432	3,815	*(277,754)
Net cash used in financing activities	(958,581)	(58,778)	(723,297)	(38,153)	(317,331)
Net increase (decrease) in cash and cash equivalents	24,948	19,375	(68,900)	5,033	52,533
Cash and cash equivalents as at the beginning of the period	52,728	195	146,576	14,537	195
Cash and cash equivalents as at the end of the period	77,676	19,570	77,676	19,570	52,728

* Reclassified

Financial Data Related to the Company from the Consolidated Financial Statements as at June 30, 2010

Additional Information**Note 1 - General**

The separate interim financial information is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required by Regulation 9C and the 10th Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970, regarding the separate financial information of a corporation. The separate interim financial information should be read in conjunction with the separate financial information as of and for the year ended December 31, 2009 and in conjunction with the consolidated interim financial statements as at June 30, 2010 (hereinafter: "the consolidated financial statements").

In this interim financial information:

- (A) The Company - Israel Chemicals Ltd.
- (B) Subsidiaries - Companies, including partnerships, whose financial statements are fully consolidated, directly or indirectly, with the financial statements of the Company.
- (C) Investee companies - Subsidiaries and companies, including partnerships or joint ventures, the Company's investment in which is included in the financial statements, directly or indirectly, on the equity basis.

Note 2 - Material Commitments and Transactions with Investee Companies

- (a) On April 15, 2010, a dividend in the amount of \$400 million was received from the subsidiary Dead Sea Works.
- (b) On April 29, 2010, dividends in the amount of \$5.3 million and \$9 million were received from the subsidiaries IDE and Hy-Yield, respectively.
- (c) On May 30, 2010, a dividend in the amount of \$56 million was received from the subsidiary Dead Sea Bromine.
- (d) On June 28, 2010, dividends in the amounts of \$500 million and \$10 million were received from the subsidiaries Dead Sea Works and Rotem Amfert Negev, respectively.
- (e) Subsequent to the date of the report, on August 22, 2010, the subsidiaries Dead Sea Works, Dead Sea Bromine and Rotem Amfert Negev declared distribution of a dividend in the amount of \$130 million, \$17 Million and \$10 million, respectively.

