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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 September 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
September 30, 2010**

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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 September 30, 2010 and for the nine-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 above-mentioned 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.)

November 22, 2010

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

	September 30 2010	September 30 2009	December 31 2009
	(Unaudited)	(Unaudited)	(Audited)
	US\$ thousands	US\$ thousands	US\$ thousands
Current assets			
Cash and cash equivalents	21,765	129,335	52,728
Short-term investments, deposits and loans	17,565	21,500	22,733
Investee companies - current accounts	468,662	217,566	238,842
Other receivables, including derivative instruments	5,106	9,210	2,563
Income taxes refundable	-	85,997	44,786
Total current assets	513,098	463,608	361,652
Non-current assets			
Investments in investee companies	2,943,188	3,521,565	3,314,799
Long-term deposits and receivables	8,074	4,755	8,270
Loans to subsidiaries	440,000	570,224	570,000
Long-term derivative instruments	26,715	16,134	16,739
Deferred taxes, net	8,419	7,701	7,746
Fixed assets	758	1,142	1,052
Total non-current assets	3,427,154	4,121,521	3,918,606
Total assets	3,940,252	4,585,129	4,280,258

Financial Data Related to the Company from the Consolidated Financial Statements

	September 30 2010 <u>(Unaudited)</u> <u>US\$ thousands</u>	September 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	252,280	740,356	810,067
Credit from investee companies	129,272	52,689	* 84,658
Other payables, including derivative instruments	36,609	108,166	* 24,680
Income tax payable	2,157	-	-
Total current liabilities	420,318	901,211	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	429,005	418,784	416,794
Long-term derivative instruments	30,277	15,606	14,228
Employee benefits	14,953	14,269	14,549
Total non-current liabilities	1,007,757	922,377	587,093
Total liabilities	1,428,075	1,823,588	1,506,498
Equity			
Share capital	541,309	540,877	541,028
Share premium	86,853	82,581	84,059
Capital reserves	42,526	59,257	33,903
Retained earnings	2,101,602	2,338,939	2,374,883
Treasury shares	(260,113)	(260,113)	(260,113)
Total equity attributable to the owners of the Company	2,512,177	2,761,541	2,773,760
Total liabilities and equity	3,940,252	4,585,129	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: November 22, 2010.

Financial Data Related to the Company from the Consolidated Financial Statements

Condensed Details of Interim Profit and Loss

	<u>For the nine-month period ended</u>		<u>For the three-month period ended</u>		<u>For the</u>
	<u>September 30</u>	<u>September 30</u>	<u>September 30</u>	<u>September 30</u>	<u>year ended</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>December 31</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>
Financing income	<u>4,129</u>	<u>13,866</u>	<u>101</u>	<u>3,535</u>	<u>15,950</u>
Expenses					
General and administrative	<u>46,162</u>	<u>21,175</u>	<u>14,554</u>	<u>7,146</u>	<u>27,022</u>
Financing	<u>40,642</u>	<u>29,662</u>	<u>11,845</u>	<u>23,533</u>	<u>33,716</u>
	<u>86,804</u>	<u>50,837</u>	<u>26,399</u>	<u>30,679</u>	<u>60,738</u>
Income from investee companies, net	<u>857,448</u>	<u>601,397</u>	<u>271,760</u>	<u>284,191</u>	<u>756,723</u>
Income before taxes on income	<u>774,773</u>	<u>564,426</u>	<u>245,462</u>	<u>257,047</u>	<u>711,935</u>
Taxes on income	<u>(4,538)</u>	<u>(3,250)</u>	<u>2,597</u>	<u>440</u>	<u>(58,485)</u>
Income for the period attributed to the owners of the Company	<u>779,311</u>	<u>567,676</u>	<u>242,865</u>	<u>256,607</u>	<u>770,420</u>

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

	<u>For the nine-month period ended</u>		<u>For the three-month period ended</u>		<u>For the</u>
	<u>September 30</u>	<u>September 30</u>	<u>September 30</u>	<u>September 30</u>	<u>year ended</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>December 31</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>	<u>US\$ thousands</u>
Income for the period	779,311	567,676	242,865	256,607	770,420
Other components of comprehensive income					
Net change in fair value of financial assets available for sale	(5,181)	5,552	1,532	(2,126)	6,816
Net actuarial gains (losses) from defined benefit plan	756	(557)	-	(161)	(555)
Change in fair value of derivatives used to hedge cash flows	(2,426)	(2,328)	(1,293)	(2,328)	(1,230)
Income taxes in respect of revenues and expenses recorded directly to equity	869	(573)	358	1,586	(1,209)
Other comprehensive income in respect of investee companies, net	(60,774)	49,012	51,037	19,182	30,712
Other comprehensive income (loss) for the period, net of tax	(66,756)	51,106	51,634	16,153	34,534
Total comprehensive income for the period attributed to the owners of the Company	712,555	618,782	294,499	272,760	804,954

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

	For the nine-month period ended		For the three-month period ended		For the
	September 30 2010	September 30 2009	September 30 2010	September 30 2009	year ended December 31 2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands
Cash flows from operating activities					
Income for the period attributable to the owners of the Company	779,311	567,676	242,865	256,607	770,420
Adjustments for:					
Depreciation and amortization	317	369	104	121	479
Interest expenses, net	18,703	7,804	9,003	4,855	6,748
Gain on sale of securities classified as available-for-sale	-	(150)	-	-	(150)
Capital gains from sale of fixed assets	-	(10)	-	-	*(10)
Income from investee companies, net	(857,448)	(601,397)	(271,760)	(284,191)	(756,723)
Share-based payment transactions	24,243	1,961	8,274	500	2,462
Revaluation of assets and liabilities denominated in foreign currency	16,041	8,792	13,008	5,395	5,763
Taxes on income	(4,538)	(3,250)	2,597	440	(58,485)
	23,371	(18,205)	4,091	(16,273)	(29,496)
Change in trade and other receivables	(2,534)	(7,012)	(2,106)	(600)	(326)
Change in trade and other payables	(8,722)	(10,482)	(8,653)	8,887	*(11,167)
Change in provisions and employee benefits	1,160	488	972	754	770
	(33,467)	(35,211)	(5,696)	(7,232)	(40,219)
Income tax paid	(113,327)	(65,013)	(41,868)	(20,011)	*(6,178)
Interest received	367	862	33	826	1,058
Interest paid	(14,096)	(1,579)	(5,149)	(93)	(6,524)
Net cash used in operating activities related to the Company	(160,523)	(100,941)	(52,680)	(26,510)	(51,863)
Net cash provided by operating activities related to investee companies	1,337,604	288,100	196,826	58,463	675,748
Net cash provided by operating activities	1,177,081	187,159	144,146	31,953	623,885

* Reclassified

Financial Data Related to the Company from the Consolidated Financial Statements**Condensed Details of Interim Cash Flows (cont'd)**

	For the nine-month period ended		For the three-month period ended		For the
	September 30	September 30	September 30	September 30	year ended
	2010	2009	2010	2009	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	US\$ thousands	
Cash flows from investing activities					
Investment in long-term deposits	-	(1,828)	-	-	(5,387)
Proceeds from sale of fixed assets	-	14	-	-	* 14
Receipt from sale of investment in securities available-for-sale	-	2,261	-	-	2,261
Acquisition of fixed assets	(23)	(120)	(2)	(40)	*(140)
Net cash used in investing activities related to the Company	(23)	327	(2)	(40)	(3,252)
Net cash used in investing activities related to investee companies	(99,820)	(145,881)	(50,435)	(68,461)	(250,558)
Net cash used in investing activities	(99,843)	(145,554)	(50,437)	(68,501)	(253,810)
Cash flows from financing activities					
Issue of debentures	-	402,629	-	235,645	402,629
Dividend paid	(985,002)	(374,323)	(213,871)	(99,805)	(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	-	-	-	-
Short-term credit from banks and others	(557,787)	43,300	208	(13,114)	143,164
Net cash provided by (used in) financing activities related to the Company	(1,422,455)	65,062	(213,663)	122,726	(39,778)
Net cash provided by (used in) financing activities related to investee companies	314,254	22,473	64,043	23,587	*(277,754)
Net cash provided by (used in) financing activities	(1,108,201)	87,535	(149,620)	146,313	(317,542)
Net increase (decrease) in cash and cash equivalents	(30,963)	129,140	(55,911)	109,765	52,533
Cash and cash equivalents as at the beginning of the period	52,728	195	77,676	19,570	195
Cash and cash equivalents as at the end of the period	21,765	129,335	21,765	129,335	52,728

* Reclassified

Financial Data Related to the Company from the Consolidated Financial Statements as at September 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 at and for the year ended December 31, 2009 and in conjunction with the consolidated interim financial statements as at September 30, 2010 (hereinafter: "the consolidated financial statements").

In this interim financial information:

- | | | |
|-----|---------------------------|---|
| (A) | <u>The Company</u> | - Israel Chemicals Ltd. |
| (B) | <u>Subsidiaries</u> | - Companies, including partnerships, whose financial statements are fully consolidated, directly or indirectly, with the financial statements of the Company. |
| (C) | <u>Investee companies</u> | - 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) On August 31, 2010 a dividend in the amount of \$17 million was received from the subsidiary Dead Sea Bromine.
- (f) On September 20, 2010 dividends in the amount of \$130 million and \$10 million were received from the subsidiaries Dead Sea Works and Rotem Amfert Negev, respectively.
- (g) Subsequent to the date of the report, on November 21, 2010, the subsidiaries Dead Sea Works, Dead Sea Bromine and Rotem Amfert Negev declared distribution of a dividend in the amount of \$150 million, \$20 million and \$45 million, respectively.