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**FOLLOWING AGREEMENT WITH UNION, ICL TO IMPLEMENT
OPERATIONAL EXCELLENCE AND EFFICIENCY PLAN AT ISRAEL PLANTS**

Tel Aviv, Israel, May 29, 2015 – **ICL (NYSE & TASE: ICL)**, a global manufacturer of products based on specialty minerals that fulfill essential needs of the world's growing population in the agriculture, food and engineered materials markets, today announced that ICL Israel signed an agreement with Israel's General Federation of Labor ("Histadrut") and unions representing ICL Israel employees. The agreement provides a framework and procedures for the execution of a restructuring plan and a reduction of the workforce at two of ICL's potash and bromine production facilities in Israel, ICL Dead Sea and ICL Neot Hovav (the bromine compounds plant). Employees of both plants, who were on strike for over three months, will return to work immediately.

The strike, which was launched during the first quarter, was expected by management prior to commencing the execution of the restructuring plan. It followed a year-long planning process and subsequent lengthy negotiations with employees' representatives and the Histadrut as part of ICL's implementation of vital efficiency initiatives and its effort to regain managerial control of operations at these plants. These efficiency measures are a key element in ICL's 'Next Step Forward' strategy to achieve operational excellence, in addition to launching growth initiatives and establishing cross-organization enabling platforms.

While ICL maintained a competitive position at its Dead Sea operations over the past several decades, its production facilities in Israel became increasingly less competitive over the past few years due to several factors: a global business environment that has led to substantially lower prices and increased competition in the company's core markets; growing substantial inefficiencies and high labor costs at the company's facilities in Israel and an unfriendly business environment in Israel dictated by the previous Israeli government which led to sharply higher taxes and royalties on the company.

In expectation of the strike, ICL built up its inventory and engaged in other measures to cushion its effect on ICL's customers. During the strike, management engaged in lengthy negotiations with representatives of the plants' employees and the Histadrut to end the strike as quickly as possible. Throughout this period, management maintained flexibility with regard to the mix of early retirements and dismissals, as well as compensation to be paid to employees being terminated and early retirees. According to the final terms of the agreement, the labor reduction at ICL Dead Sea and ICL Neot Hovav will total 248 employees, 210 of which will be through an early retirement plan.

The parties agreed to the implementation of efficiency plans at ICL Dead Sea and ICL Neot Hovav and to the implementation of the plan to establish a regional Shared Service Center (as part of ICL Israel). For the purpose of implementing the efficiency plans, during the implementation period

management may transfer employees, adjust the number of positions in the companies, perform structural and organizational changes and establish and operate new installations and projects.

The strike decreased ICL revenues by \$164 million in the first quarter and net income was impacted by \$76 million. However, the impact of the strike during the first quarter was offset by a \$154 million after-tax economic gain from divestitures of non-core businesses which management intentionally timed to cushion the effect of the strike, and which more than compensated for its financial impact during the first quarter. The impact of the strike will be higher in Q2 due to depleted inventories of bromine during the quarter and because the strike at ICL Dead Sea only began in the last half of Q1.

However, while the strike was costly, management considers it to be a worthwhile investment in the future of its plants in Israel, and believes that the economic benefits of the strike will significantly exceed its economic costs for several reasons:

- The most important benefit from the conclusion of the strike is that it will transform labor relations and management control at the plants, enabling the company to implement efficiency and operational excellence measures and gain back managerial flexibility, including control over work standards and mobilization of employees
- It will achieve savings from a reduction in labor costs
- The company will also achieve substantial savings from lower welfare payments to unions and lower maintenance costs
- ICL will benefit from improved work standards and raw material production
- The company also expects to benefit from an increase in bromine prices which resulted due to curtailed production by ICL as a result of the strike
- The company also estimates that it will recover most of the delayed potash sales and production due to excess production capacity at the company's potash plants, while evaporation activities at the ponds were not interrupted during the strike.

ICL's management views as critically important the implementation of these efficiency and operational excellence plans which have already delivered a benefit of \$100 million in 2014 and an additional \$30 million during the first quarter of 2015. The agreement will enable the company to increase the stability and competitiveness of its Israeli operations and will provide the economic justification for their continued existence.

After taking into account costs related to loss of sales, early retirement and provisions for layoffs, as well as for costs related to the resumption of operations at the plants, the total economic contribution of the measures that will be implemented following the strike are estimated at \$150-200 million.

ICL deeply appreciates the understanding and support of its loyal customers around the world during the period of the strike, and it pledges to do its utmost to meet its supply commitments and resume its uncompromising level of service and support now that the strike has ended.

Management will continue to exercise its legitimate rights to manage and operate its plants with responsibility, and will also exercise that responsibility with respect to its employees – including those who have left or will be leaving the company in the near future.

The company is grateful that the strike has ended so that its employees can return to work and join ICL's other Israeli employees who are dedicated to increasing the company's competitiveness in world markets in order to maintain the growth of the company and to ensure the livelihoods of thousands of ICL employees - and tens of thousands of families in Israel whose economic well-being is directly or indirectly tied to ICL's operations.

About ICL

ICL is a global manufacturer of products based on specialty minerals that fulfill humanity's essential needs primarily in three markets: agriculture, food and engineered materials. The agricultural products that ICL produces help to feed the world's growing population. The potash and phosphates that it mines and manufactures are used as ingredients in fertilizers and serve as an essential component in the pharmaceutical and food additives industries. The food additives that ICL produces enable people to have greater access to more varied and higher quality food. ICL's water treatment products supply clean water to millions of people, as well as to industry around the world. Other substances, based on bromine and phosphates help to create energy that is more efficient and environmentally friendly, prevent the spread of forest fires and allow the safe and widespread use of a variety of products and materials.

ICL benefits from a broad presence throughout the world and proximity to large markets, including in emerging regions. ICL operates within a strategic framework of sustainability that includes a commitment to the environment, support of communities in which ICL's manufacturing operations are located and where its employees live, and a commitment to all its employees, customers, suppliers and other stakeholders.

ICL is a public company whose shares are dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs approximately 12,500 people worldwide, and its sales in 2014 totaled US\$6.1 billion. For more information, visit the company's website at www.icl-group.com

Forward Looking Statement

This press release contains forward-looking assessments and judgments regarding macro-economic conditions and the Group's markets, and there is no certainty as to whether, when and/or at what rate these projections will materialize. Management's projections are likely to change in light of market fluctuations, especially in ICL's manufacturing locations and target markets. In addition, ICL is likely to be affected by changes in the demand and price environment for its products as well as the cost of shipping and energy, whether caused by actions of governments, manufacturers or consumers. ICL can also be affected by changes in the capital markets, including fluctuations in currency exchange rates, credit availability, interest rates, etc.