Completion of Formation of Phosphate Joint Venture with Yunnan Yuntianhua

Further to Item 4 "Information on the Company" of the Company's 2014 Annual Report and Note 11 of the Company's 2014 Financial Statements, filed on March 20, 2015, and the Company's Immediate Report regarding a strategic alliance with Yunnan Yuntianhua Group, dated December 16, 2014, the Company hereby wishes to report on the completion of formation of a China phosphate joint venture with Yunnan Yuntianhua, as hereinafter set forth.

Name of the authorized signatory on the report and name of authorized electronic reporter:
Lisa Haimovitz
Position: Senior VP General Counsel and Company Secretary
Signature Date: October 12, 2015
ICL Completes Formation of China Phosphate Joint Venture with Yunnan Yuntianhua

- Strategic alliance with Asia’s leading producer of phosphates will nearly double ICL’s phosphate market share and strengthen its position as the leading specialty phosphate player -

- JV will include a mine producing ~2.5 million tonnes of phosphate rock per year and a world-scale downstream phosphate operation, and will invest over $300M to build Asia’s leading specialty phosphates player –

- JV is a key milestone in ICL’s “Next Step Forward” strategy to diversify and upgrade its sources of raw materials, improve its efficiency and expand its specialty business into emerging markets -

Tel Aviv, Israel, October 12, 2015 – ICL (NYSE and TASE: ICL), a global manufacturer of products based on specialty minerals that fulfill essential needs of the world’s growing population in the agriculture, processed food and engineered materials markets, announced that it has completed the formation of a joint venture company (“YPH JV”) with Yunnan Phosphate Chemicals Group Corporation Ltd. (“YPC”), China’s leading phosphate producer.

The YPH JV, which includes a world-scale phosphate rock mine producing approximately 2.5 million tonnes of phosphate annually and a large-scale phosphate operation, is expected to be a leading player in China’s phosphate sector, operating an integrated, world-scale phosphate platform across the value chain. It will include upstream mining, bulk fertilizers and downstream businesses in specialty fertilizers, as well as in specialty phosphates for the food and engineered materials markets.

ICL’s current phosphates business is focused on fulfilling essential needs in agriculture (commodity and specialty fertilizers), food (texture and stabilization of processed foods) and engineered materials (for industrial markets). Beginning from a competitive rock-mineral basis, 75% of the phosphate products of ICL’s phosphate business unit are sold via a fully integrated value chain, from bulk fertilizers downstream into specialty applications.
The YPH JV represents a key milestone in ICL’s “Next Step Forward” strategy by increasing ICL’s phosphate platform by more than 50%, securing its long-term reserves and expanding its phosphate end-to-end business model focusing on Asia. The partnership is expected to transform ICL into the world’s leading specialty phosphate player and to nearly double its global phosphate market share. The YPH JV is also expected to improve the cost competitiveness of ICL’s phosphate operations by providing ICL with access to a low-cost phosphate rock operation with vast reserves, as well as with low-cost phosphoric acid. ICL also sees major potential for phosphates specialties in China, and through the YPH JV it will be well-positioned to capture this opportunity. The YPH JV further adds ammonia-based fertilizers to ICL’s portfolio which will enable ICL to serve its customers with a broader suite of solutions.

The YPH JV partners expect to invest about $340 million, on a 50/50 basis over the next five years, building specialty plants and tripling their white phosphoric acid (WPA) capacity. The parties have also agreed to produce and sell WPA in China exclusively through the JV within five years following closing.

In addition, in August, 2015, the YPH JV partners established a phosphate R&D platform in Kunming (Yunnan province) which will focus on developing phosphate-based technologies and providing strong technical support for the YPH JV’s phosphate business, as well as the parties’ respective businesses. Nearly a dozen projects have been initiated since the R&D unit was launched.

The YPH JV will be controlled by ICL and its results, including assets and liabilities, will be consolidated into ICL’s financial reports. ICL will lead the operations of the business and will merge its existing businesses in China into the YPH JV which will be fully integrated into ICL’s global businesses and corporate governance and will become a fully operating business unit of ICL.

Commenting on the news, Mr. Ta Shenghua, Chairman of YTH Group (the controlling shareholder of Yunnan Yuntianhua), stated, “We are very pleased to finalize our strategic relationship with ICL, a global phosphates industry leader. We look forward now to fully integrating Yunnan Yuntianhua’s large-scale raw material reserves and infrastructure with ICL’s expertise and technologies to create a powerful phosphates player that will conduct activities along the entire value chain - from mining to manufacturing downstream products. Together, Yunnan Yuntianhua and ICL will work to transform the phosphates industry in China and other Asian markets, as well as contribute to Chinese society and industry.”

Stefan Borgas, CEO of ICL, added, “We are very pleased to finalize our strategic alliance with Yunnan Yuntianhua ahead of schedule, thanks to the close cooperative effort of our respective teams, as well as the Chinese regulatory authorities who appreciate the potential value of this joint venture between two leaders of the global phosphate industry. Our YPH JV with Yunnan Yuntianhua provides ICL with access to major phosphate reserves and a strong platform from which to build the leading specialty phosphate business in fast-growing Chinese and Asian markets. It also strongly expresses ICL’s dedication to meeting the essential needs of China’s growing population because the JV will provide specialty fertilizers to China’s large agricultural market, specialty phosphate products to many
engineered materials markets as well as food additives for Asia’s fast growing processed food industry. We look forward to continuing our great relationship with Yunnan Yuntianhua to serve these and other burgeoning Asian markets and to improve the profitability of both parent companies”.

Closing Details

The closing occurred following the parties' satisfaction of the closing conditions, including all necessary approvals and ICL’s payment of approximately $180 million in consideration of its share of the YPH JV. ICL’s 15% investment in YTH (which was also a closing condition) has been preliminarily approved by the PRC Ministry of Commerce and is pending final approval by the China Securities Regulatory Commission (CSRC).

Following the closing of the YPH JV agreement, All of ICL’s existing Specialty Phosphates business in China prior to March 25, 2015, will be folded into, and managed by, the YPH JV after a transition period.

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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. 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 11,000 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 statements that constitute “forward-looking statements”, many of which can be identified by the use of forward-looking words such as “anticipate”, “believe”, “could”, “expect”, “should”, “plan”, “intend”, “estimate” and “potential” among others. Forward-looking statements include, but are not limited to, statements regarding our intent, belief or current expectations as to the anticipated closing of ICL’s investment in 15% of YTH; the YPH JV’s expectation to invest in specialty plants; the production capacity projections of the JV as well as the YPH JV’s plan to triple its capacity of White Phosphoric Acid and ICL’s expectations to transform into the world’s leading specialty phosphate player and to nearly double its global phosphate market share. Forward-looking statements are based on our management’s current beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, our inability to obtain regulatory approval for the closing of the YTH investment, market fluctuations, especially in the YPH JV’s manufacturing locations and target markets, changes in the demand and price environment for the YPH JV’s products as well as shipping and energy costs, changes in the capital markets, including fluctuations in currency exchange rates, credit availability, interest rates, changes in the competition structure in the market, shortage with respect to our principal raw materials, the difference between actual reserves and our reserve estimates, accidents or disruptions in the YPH JV’s manufacturing facilities and those in “Item 3. Key Information—D. Risk Factors” in the Company's annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on March 20, 2015. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update or revise them or any other information contained in this press release, whether as a result of new information, future developments or otherwise.
Yunnan Phosphate Chemicals

- The mandatory form is the reporting form in English.
- The project includes a producer of phosphate rock worth more than 2.5 million tons of phosphate rock in a single year, and a joint production platform that has global scale, including activities across the entire value chain, making it a key player in the phosphate market.

- The joint project is a significant milestone in the company's strategy, "the next step forward" to diversify and upgrade raw materials, improve efficiency, and strengthen its presence in growing markets.

The joint project with Yunnan Phosphate Chemicals, the leading phosphate producer in China, is expected to become a key player in the Chinese phosphate market. The joint production platform includes a global scale producer of phosphate rock, and activities across the entire value chain, including the distribution of special products through integrated channels, as well as products for specific applications in the food and chemical industries. It is expected to increase the company's market share in phosphate activities, by growing its phosphate output by 50% and ensuring the long-term sustainability of its activities.

The joint project is expected to strengthen its position in the global phosphate market, as well as its presence in growing markets, through the production of high-quality phosphate rock, with the ability to serve specialized markets.

The company has set its strategy on diversification and upgrading raw materials, improving efficiency, and strengthening its presence in growing markets, with a focus on Asia. The phosphate industry is expected to grow in Asia, with the company's phosphate activities expected to grow by 50% in the long term, ensuring the sustainability of its activities.
AICL

Where needs take us

Activity at the Phosphate Deposits of CIL

Due to the easy accessibility of low-cost phosphate reserves with a wide range of applications, such as citric acid with low cost, CIL sees a lot of potential in the Chinese market for phosphate targeted for special purposes, an opportunity that is expected to materialize through the joint project.

In addition, CIL can expand through the joint project its line of phosphate-based detergents, in order to offer its customers a wide range of solutions.

In the next five years, CIL and the Yunnan Phosphate Chemicals are expected to invest $340 million to build factories and triple their white citric acid production capacity. The two will market white citric acid in China through their joint venture during the next five years.

In August 2015, CIL and the Yunnan Phosphate Chemicals set up a platform in Kunming, Yunnan province, for developing phosphate-based technology and providing technical support for the joint project and their activities in China.

CIL will have full control of the joint project, including its properties, while the financial results will be transferred to CIL. CIL will lead the joint project as an active unit of CIL, integrating its activities in China, with a full integration of its global activities and the corporation’s policies.

YTH, the controlling stakeholder of Yunnan Yuntianhua, said: “We are pleased with our strategic partnership with CIL, which leads the global phosphate industry. We look forward to a full integration, in order to lead the phosphate market along its entire value chain, from mining to industrial products. Together, we will change the market map in China and other Asian markets, and contribute to the industry and society in China.”

CIL’s managing director, Stephen Burgess: “We are pleased with the completion of our strategic alliance, through the promotion of timetables, thanks to the joint efforts of both sides, as well as the authorities in China, who recognize the potential of our joint venture between two of the leading players in the global phosphate industry. The joint project with Yunnan Yuntianhua provides CIL with access to rich phosphate reserves and a strong platform, enabling us to establish the unique phosphate activity in the growing Chinese and Asian markets. The partnership reflects our commitment to meeting the critical needs of the growing Chinese population, through our unique phosphate products, fortunately through the joint venture Yunnan Yuntianhua.”

Yunnan Phosphate Chemicals

With headquarters in Kunming, Yunnan province, Yunnan Phosphate Chemicals is one of the leading phosphate companies in China. It produces phosphate-based products and is expanding its activities in the field of phosphate-based technology.

The company was established in 2005 and was listed on the Shanghai Stock Exchange in 2010. It is controlled by Yunnan Yuntianhua, which in turn is controlled by YTH.

YTH’s chairman, Teng Nang: “We are pleased with our strategic partnership with CIL, which leads the global phosphate industry. We look forward to a full integration, in order to lead the phosphate market along its entire value chain, from mining to industrial products. Together, we will change the market map in China and other Asian markets, and contribute to the industry and society in China.”

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פרט השלמה teşekkür:

העסקה הושלמה לאחר ומעטה התנאים המתלים לשביעות רצון הצדדים, ובכלל זאת, קבלת אישורים הנדרשים ותשלום של כ-180 מיליון דולר על ידי יונאן ינטיין ח'ואה (Yunnan Yuntianhua) ובו הוספת התנאים להשלמת העסקה.

רכישת 15% מהוולה של יונאן ינטיין ח'ואה על ידי יכיל (אחד התנאים להשלמת העסקה) אושרה על ידי משרד המסחר של סין ובו אישור סופי של רשות aún ה-9."}

לאחר השלמה ההקמת של המיזם המשותף, כל עדכון תכונות הקימת של הכיל, תשבור לפייס לתחתי, הבאתם לזה גמינה שיפועים בין האידם.

אודות כיל:

כל היא צורת גלובלית של מפעלי מינרלים ייחודיים שמספקת את צרכיה החיוניים של האנושות בעיקר בשוקי המזון, החקלאות, והחומרים המורכבים.

כיל מייצרת כשליש מהברום בעולם, היא יצרנית האשלג השישית בגודלה והיא הספקית המובילה של חומצה זרחתית נקייה. כיל היא יצרנית מובילה של דשנים מיוחדים ופוספטים מיוחדים, מעכבי בעירה ומפעלים לטיפול במים. פעילות הייצור והכרייה של כיל המוקמת בישראל, אירופה, אמריקה וסין, נתמכת על ידי הפצה ואספקה גלובית.

המוצרים שכיל מייצרת בתחום החקלאות מסייעים להאכיל את אוכלוסיית העולם הגדולה; האשלג והפוספט שכיל מבו כרכיבים בדשנים וכמרכיב חיוני בתעשיות התרופות ותוספי המזון. תוספי המזון שאנו מיצרו מאפשרים לאדם זמינות גבוהה יותר למזון מגוון ואיכותי יותר; המוצרים לטיפול במים מספקים מים נקיים למליוני אנשים ולתעשייה ברחבי העולם; וחומרים אחרים מבו כוססי ברום ופוספטים מסייעים לייצור אנרגיה ייעילה וידידותית לסביבה, לחיסול התפשטות של שריפות יער, ומאפשרים שימוש נרחב ובטוח במגוון מוצרים וחומרים.

כיל נהנית ממספר יתרונות ייחודיים, כולל פעילויות ייצור אנכית החל מחומרי הגלם ועד למוצרים מורכבים, כמו גם סינרגיות תפעוליות לייצור מוצריה הייחודיים; סל מוצרים מאוזן ומגוון לשווקים המתפתחים; נוכחות רחבה בעולם וקרבה לשווקים גדולים אזוריים מתפתחים.

כיל פועלת במסגרת אסטרטגיית קיימות הכוללת מחויבות לשמירה על הסביבה, תמיכה בקהילות שמפעלינו פועלים בקרובן ובהן מגיעים עובדינו, ומחויבות לכלל העובדים, ללקוחות, לספקים ולכולל מחזיקי העניין של החברה.

כיל הינה חברה ציבורית הנסחרת בבורסה בתל אביב ובניו יורק (TASE and NYSE:ICL). 45% מניות כיל מוחזקות בידי החברה לישראל, 13.9% (מניות מוחזקות בידי פוטאש (PCS) וייתר המניות מוחזקות בידי הציבור. הנרכה המעשית של כילizada בכ-12,500 עדכון ב하면서 עולים מגה-ככ-5,000 בישה, רמב'ב. במפרץ 2014 מכריזה על 6.1% מאייר צ'ול דז-54% מני עבורה במגמה תמודפת.

למידע נוסף בקרו באתר האינטרנט של החברה בכתובת group.com/where-needs-take-us.
החברה נזכרת לעתיד. אימירות אלה ניתנות להסכמה ולחוזה המשותפת במאורעות ומפיצות פופולריות, כגון ערוצי сновים, ולא ב’yth וחברית חוסר היכולת לקבל אישורים רגולטורים להסמכה ב…”

אמירות צופות לעתידaval yazılıות ולא ב’yth וחברית חוסר היכולת לקבל אישורים רגולטורים להסמכה ב’yth וחברית חוסר היכולת לקבל אישורים רגולטורים להסמכה ב’yth וב…”

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