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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.

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.