

## **IMMEDIATE REPORT**

On December 7, 2010, ICL made a binding offer to The Scotts Miracle-Gro Company, an American corporation (the "Seller"), to acquire the associated shares, assets and activities of the Seller's Global Professional specialty fertilizers/horticultural inputs business ("Scotts' Global Pro business").

The purchase price reflects the equivalent of US\$270 million for the associated shares, assets and activities of Scotts' Global Pro business, subject to adjustments for working capital and other obligations. The purchase is to be paid in cash upon the proposed transaction closing date, and will be financed from the Company's own internal sources. The price was determined through a process of negotiation. For the fiscal year ended September 30, 2010, Scotts' Global Pro business had sales of \$242 million and pro forma EBITDA of \$31.4 million (Revenues and pro forma EBITDA were provided to illustrate the revenues and profitability of Scotts' Global Pro business that ICL has offered to acquire as an independent business unit.)

Scotts' Global Pro business markets and manufactures specialty fertilizers, growing media, plant protection products and grass seeds for commercial nurseries, public parks, sports fields and intensive agriculture. It employs approximately 340 people and operates three manufacturing plants located in Holland, the U.K. and the U.S., and various growing media facilities in the U.K. Scotts' Global Pro business's primary geographical markets include Europe, North America, Asia/Pacific, and Africa.

ICL intends to integrate Scotts' Global Pro business's activities into the ICL Fertilizers segment with the goal of capitalizing on operational and other marketing synergies with the activities of ICL Specialty Fertilizers. The integration of Scotts' Global Pro business will extend ICL Fertilizers' portfolio of specialty fertilizers.

Closure of the deal is contingent upon the fulfillment of a number of conditions customary for a transaction of this kind. The Company estimates that the transaction will close during the first quarter of 2011.

Accompanying this Immediate Report is a presentation with further details of Scotts' Global Pro business and its proposed integration with ICL's Specialty Fertilizers business unit.