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ICL REPORTS Q1 2016 RESULTS

- Sales of $1.27B and adjusted EPS of Approximately 0.07 –

- New organizational structure to better align with strategy: Essential Minerals division will include bulk potash and phosphate businesses and Specialty Solutions division will include specialty businesses –

- Market uncertainty weighed on Essential Minerals businesses –

- Downstream specialty businesses demonstrated better resilience –

- Disciplined capital allocation remains a high priority -

- -

***Tel Aviv, Israel, May 18, 2016* – ICL *(NYSE & TASE: ICL*)**, a leading global specialty minerals and specialty chemicals company, today reported its financial results for the first quarter ended March 31, 2016.

The company's lower sales in the quarter is attributed primarily to a decrease in volumes sold and a drop in selling prices, primarily in ICL's fertilizers' segment (mainly potash), sales of non-core businesses and changes in currency exchange rates (mainly a devaluation of the euro and the pound against the dollar compared to the first quarter of 2015) which were partly offset by the consolidation of the company's YPH joint venture in China. Operating income was impacted by lower sales volumes and prices in the fertilizers segment, partially compensated by reduced operating and labor costs as a result of efficiency measures, higher bromine products prices and lower costs for shipping and energy.

Q1 2016 Financial Highlights:

	2016		2015	
	USD millions	% of sales	USD millions	% of sales
Sales	1,265		1403	
Operating income	107	8	315	22
Adjusted operating income *	115	9	275	-
Net income attributable to the Company's shareholders	66	5	217	15
Adjusted net income attributable to the Company's shareholders	85	7	193	-
Adjusted EBITDA*	223	18	354	-
Cash flows from operations	222		66	
Adjusted EPS on a fully diluted basis - $/share	$0.07		$0.15	

*Adjusted EBITDA calculation and reconciliation between operating profit and adjusted operating profit in the Financial Appendix to this release.

ICL's CEO, Stefan Borgas, stated, "ICL's balanced business model continues to mitigate the impact of the downturn in the commodities fertilizers market. Our Industrial Products business achieved strong results, benefiting from higher bromine prices, strong sales of our next-generation polymeric flame retardants and from efficiency measures previously implemented, while our ICL Food Specialties unit experienced strong sales of dairy proteins and new blended solutions. We are now taking steps to strengthen our YPH phosphates joint venture in China, which was affected by weaker domestic phosphate demand and lower prices, by accelerating efficiency measures that will reduce YPH's labor count as well as its G&A expenditures and by establishing a marketing organization in China to improve the JV's phosphate sales volumes."

"Company-wide, we have begun to implement an alignment of our corporate organization with our '2020-Next Step Forward' strategy to focus our capabilities based on business needs and to improve our execution capabilities and market orientation. The structural alignment will also create additional efficiency opportunities. In addition, our Board has adjusted the company's dividend policy to strengthen ICL's financial position amid the volatile situation we are facing in the agricultural commodities market. I am confident that these changes will strengthen the company and better enable us to meet macro-environment challenges while creating an optimal platform for growth."

Financial Results

Sales: For the first quarter of 2016, sales totaled $1.27 billion, compared with $1.4 billion in the prior-year, a decrease of 9.7%. The decrease resulted from decreased quantities sold and selling prices, primarily in the fertilizers' segment, the sale of non-core businesses in 2015 and the impact of changes in currency exchange rates (mainly the devaluation of the euro and the pound against the dollar compared to the first quarter of 2015). This decrease was partly offset by the consolidation of the YPH joint venture in China.

Operating income and adjusted operating income: Reported operating income for the first quarter of 2016 totaled $107 million, 66% less than $315 million recorded for the first quarter of 2015. Adjusted operating income for the first quarter of 2016 totaled $115 million, 58% less than $275 million for Q1 2015, as lower external costs and efficiency contribution only partially offset the impact of lower fertilizers volumes and prices. Q1 2016 adjusted operating income excludes primarily a provision for early retirement and dismissal of employees. Q1 2015 adjusted operating income excludes mainly the impact of the strike at ICL Dead Sea and ICL Neot Hovav as well as capital gain from the divestitures of non-core businesses (See table, "Adjustments to Reported Operating and Net Income" in the Appendix.).

Financing expenses: Financing expenses amounted to $28 million, compared to $16 million in the corresponding quarter last year. The increase stems mainly from an increase in the total debt and an increase in expenses relating to provisions for employee benefits due to an upward revaluation of the shekel against the dollar. This was partially offset by a change in the fair value of foreign currency, energy and marine transportation hedging transactions, and by a decrease in interest expenses in respect of provisions of employee benefits, mainly due to the retirement of employees.

Tax expenses: Tax expenses amounted to $22 million compared to $81 million in the corresponding quarter last year. The tax rate on pre-tax income was 27% in the current period and was impacted mainly by recognition of tax expenses in respect of prior periods, in the amount of approximately $13 million, as a result of a decision of a Belgian court and due to differences in the measurement base of the income reported for tax purposes and the measurement base thereof for financial reporting purposes as a result of the strengthening of the shekel against the dollar. This was partially offset by a deferred tax income in the quarter, in the amount of approximately $9 million, following the decrease in the corporate tax rate in Israel from 26.5% to 25%, beginning in January 2016.

Net income and adjusted net income: Net income for the first quarter of 2016 totaled $66 million compared to $217 million for the comparable period in 2015. Adjusted net income for Q1 2016 was $85 million compared to $193 million for Q1 2015.

Cash flow & debt movement: Cash flow from operating activities in Q1 was $222 million, an increase of about $156 million versus the prior year. The increase stemmed mainly from a decrease in working capital, mainly as a result of a decrease in trade receivables balances due to lower sales, which was offset by an increase in inventory balances. Cash flow used for investment in property, plant and equipment was $187 million, $38 million higher than Q1 2015, mainly because the comparable period was impacted by the strike at ICL Dead Sea and ICL Neot Hovav. However, capital expenditures for the quarter totaled $163 million, in –line with the company's target to not exceed an annual level of $650 million in 2016 and 2017. Investment in shares in the amount of $249 million includes the 15% investment in Yunnan Yuntianhua (600096:CH), ICL's partner in the YPH JV. Proceeds from divestitures of subsidiaries in the amount of $15 million include the sale of Clearon which was a part of ICL Industrial Products. As of March 31, 2016, net financial liabilities amounted to $3.4 billion, an increase of $201 million from December 31, 2015, mainly due to the investment in Yunnan Yuntianhua, offset by free cash flow generation.

Segment Review

ICL Fertilizers

Key Developments:

- ***Global Economic Slowdown:*** The slowdown in the global economy continued to challenge the business environment. Crop commodities prices declined further during the first months of 2016, weighing heavily on farmers' decisions to take positions on fertilizer volumes. The potash market is adversely affected by the delay of 2016 contracts with China, which is usually a trigger for other markets and sets a price benchmark for the year. Weak sales to China and India also hurt the potash business profit margins. By utilizing its ability to accumulate potash inventories in the open air, ICL Dead Sea continued production at full capacity and will be in a position to react quickly when business resumes.

Results of Operations

Below is a percentage breakdown of the segment's sales, reported and adjusted operating income for the quarter by areas of operation:

	1-3/2016		1-3/2015	
	USD millions	% of Sales*	USD millions	% of Sales*
Sales (incl. inter-segment)				
Potash	**260**	**-**	377	-
Fertilizers and Phosphate	**474**	**-**	452	-
Sales (external)				
Potash	**222**	**-**	343	-
Fertilizers and Phosphate	**434**	**-**	410	-
Reported operating income				
Potash	**26**	**10**	92	24
Fertilizers and phosphate	**14**	**3**	43	9
Adjusted operating income				
Potash	**27**	**10**	177	-
Fertilizers and phosphate	**14**	**3**	43	10

*Percentage of total sales

Note: Sales in the ICL Fertilizers segment include sales of potash from Israel, Spain (ICL Iberia) and England (ICL UK), as well as sales of phosphate and specialty fertilizers mainly from Israel, China and Europe.

Potash:

The decrease in potash sales in the first quarter of 2016 compared to the corresponding quarter in 2015 stems primarily from a decrease in quantities sold and a decline in selling prices.

Adjusted operating income in Q1 2016 and in Q1 2015 excludes a provision of approximately $1 million for a legal claim and the impact of the strike at ICL Dead Sea in the amount of $85 million, respectively. The decrease vs. the first quarter of 2015 stems primarily from a decrease in prices as well as a decrease in quantities sold, partly offset by lower operating costs and lower labor costs resulting primarily from lower shipping and energy costs as well as the implementation of efficiency plans.

Potash – Production, Sales and Closing Inventories

Thousands of tonnes	1-3/2016	1-3/2015
Production	**1,348**	834
Sales to external customers	**893**	1,067
Sales to internal customers	**24**	**74**
Total sales (including internal sales)	**917**	1,141
Closing inventory	**983**	607

The quantity of potash sold to external customers in the first quarter of 2016 was approximately 174,000 tonnes lower than in the corresponding period last year mainly due to a delay in signing new contracts with customers in China and lower shipments to India. Nonetheless, production of potash in the first quarter of 2016 was 514 thousand tonnes higher than in the corresponding quarter last year due to the strike that occurred in the corresponding quarter last year at ICL Dead Sea, expansion of the manufacturing capabilities at ICL Dead Sea and an increase in production quantities at ICL Iberia. ICL benefits from its ability to stockpile virtually unlimited potash inventories in the open air at ICL Dead Sea and is preparing logistically to react quickly when business resumes.

Potash – Average Selling Prices

	1-3/2016	1-3/2015
Average potash selling price - FOB	235	292

Fertilizers and Phosphates:

The increase in sales in the first quarter of 2016 is attributable to the consolidation of the YPH joint venture in China. This increase was partly offset primarily by a decrease in selling prices, mainly of fertilizers and green acid, as well as by a decrease in quantities sold (excluding the contribution of the YPH JV).

The decrease in operating income derives mainly from a decrease in selling prices and a decrease in quantities sold from our European and Israeli facilities, as well as an operating loss recorded in the YPH JV in China as a result of weaker domestic phosphate demand and lower prices. ICL has accelerated its efficiency plan for the JV including through reducing labor & G&A costs. The gradual transformation into specialty products will also support the Company's ability to improve the business performance in light of the weakness in the commodity phosphate market in China. The results of ICL Specialty Fertilizers were unfavorably impacted by the weakening of sales currencies and continued competitive pressure in a number of main markets and products. In addition, decreased crop commodity and commodity fertilizer prices impacted specialty prices, competition increased in China, demand slowed in the Asia Pacific region, and sales to the ornamental horticulture market in the US were impacted by cold weather. This decrease was partly offset by a decrease in the prices of maintenance, raw materials, shipping and energy costs.

Fertilizers and Phosphates – Production and Sales

Thousands of tonnes	1-3/2016	1-3/2015
Phosphate rock		
Production of rock	**1,341**	930
Sales *	**362**	303
Phosphate rock used for internal purposes	**751**	700
Fertilizers		
Production	**573**	390
Sales *	**506**	423

* To external customers

The increase in the quantity of fertilizers produced and sold in Q1 2016 stems from the consolidation of YPH JV in China and from the resumption of operations following a fire in a fertilizer production plant in Israel in the first half of 2015. This increase was partly offset as a result of a decrease in quantities sold in Brazil. The production of phosphate rock in the first quarter of 2016 was higher due to the consolidation of the YPH JV and increased production in Israel.

Fertilizer market trends:

- ***Business Environment:*** The volatility of many currencies against the US dollar led to lower fertilizer imports in many regions. This was especially notable in India and Brazil. The devaluation of the Russian ruble improved the competitiveness of its exports, allowing local producers to increase their market share, in light of the low prices, while maintaining their profit margins.

- ***Agricultural commodities:*** Based on data published by the U.S. Department of Agriculture on May 10, 2016, the grains stock-to-use ratio is expected to be about 24.3% for the 2015/2016 agricultural year, a small increase from the 22.9% level for the 2014/2015 agricultural year. Initial USDA estimates for 2016/2017 agricultural year calls for a slight decrease compared to 2015/2016 to 24.2%.

- ***Chinese Market:*** Potash imports into China in the first quarter of 2016 reached 1.94 million tonnes, a decline of approximately 2% compared with the corresponding period last year. The decline was recorded in March following an increase in January and February due to overflow from orders placed last year. Accumulation of high inventories in the country and the delay in the signing of contracts for 2016 is depressing demand for new imports.

- ***Indian Market:*** Potash imports into India in the first quarter of 2016 amounted to about 605,000 tonnes, a decrease of about 34% compared with the corresponding period last year. The slowdown stems from the high level of inventory in the beginning of the year as a result of slow demand in 2015 due to the weak Monsoon and from the devaluation of the rupee against the dollar. Based on the latest weather forecasts, the coming Monsoon season should provide higher than average rainfalls, which may contribute to improved demand for fertilizers.

- ***Brazilian Market:*** According to ANDA (Brazilian National Fertilizer Association), potash imports into Brazil in the first quarter of 2016 amounted to about 1.38 million tonnes, a slight increase of about 2.4% compared with the corresponding period last year. The increase is attributed primarily to renewed demand in February and March as a result of improved credit availability, following a slow start in January.

- ***2015 Potash Shipments and Market Demand in 2016:*** According to preliminary statistics issued by the International Fertilizer Association (IFA) in March 2016, global deliveries of potash in 2015 reached 38.1 million tonnes of nutrient (K2O), a 4% decrease from 39.6 million tonnes K2O delivered during 2014 (figures refer to potash in the form of potassium chloride, with the exception of Germany and Chile, for which production includes other forms of primary potash). The downward trend in potash prices continued in the first quarter of 2016 forcing producers to take production curtailments.

- ***Phosphate Fertilizers:*** Global demand for phosphate fertilizers was subdued during the first quarter of 2016 mainly due to lower demand in India, the world's largest phosphate importer. Lower than average monsoon rains in 2015 and the devaluation of the rupee against the dollar led to higher than average inventory levels. Low demand for phosphates was recorded in Brazil as well, where combined imports of DAP/MAP/TSP and SSP declined 23% compared to Q1 2015 to 588,000 tonnes P2O5. On average, DAP/MAP prices (FOB Morocco) were down by 20% in the first quarter of 2016 compared to the same period in 2015, while TSP prices (CFR Brazil) were down by 18% and SSP prices (CPT Brazil) were down by 22% in the same period. The decline is attributed to the weakening of demand and as a result of increased supply capability from China, Morocco and Saudi Arabia. Chinese DAP and MAP exports lagged considerably behind the first quarter of 2015 levels as domestic producers have concentrated on local supply, due to falling international prices.

- ***New European Fertilizer Legislation:*** Controlled release fertilizers, which are produced by ICL's Specialty Fertilizers business unit in the Netherlands and the US, contain, among others things, polymer coating which are not readily biodegradable. On March 18, 2016, an initial proposal of the new European fertilizer legislation regarding fertilizer products containing bio-degradable polymers was published by the European Commission. Final implementation of the legislation is subject to comments from member states in the European Union. The company estimates that final implementation of the legislation will take several years. The proposal establishes a certain threshold for bio-degradation of polymer coating used in fertilizers (90% of the polymer should degrade within two years). The company is examining the impact of this initial proposal on its operations.

ICL Industrial Products

Key Developments:

- ***Balanced Business:*** Sales of next-generation polymeric flame retardants which contributed to improved sales mix, higher bromine prices in China, the company's value-oriented pricing strategy and contributions from efficiency measures more than offset an expected drop in sales of clear brine fluids and industrial potash to the oil & gas industry. Contributions from efficiency measures are also expected to continue throughout 2016 and beyond as the segment's efficiency plan is expanded globally.

- ***Bromine and Bromine Derivatives Prices:*** Elemental bromine prices in China were stable during the first quarter of 2016 (despite the weakened RMB) following a significant increase during the second half of 2015. In the past several weeks, a renewed moderate upward trend in bromine prices in China was recorded. Prices are now more than 50% higher than their trough level in Q3 2014 when price increases were initially announced. In addition, bromine prices are increasing globally, as are bromine derivatives depending on their bromine content. Price increases are expected to further contribute to the segment's results during 2016 based on contract renewals.

- ***Next Generation Polymeric Flame Retardants:*** The segment recorded significant sales growth of FR122P, its new polymeric flame retardant used in insulation materials in the construction sector as European and Japanese markets phased out the use of HBCD. In addition, there is a growing interest for this product in Asia Pacific and North America and prices are increasing gradually. In February 2016, a long-term agreement was signed with Albemarle for the supply of FR-122P from ICL's plants located in Israel and the Netherlands.

- ***Sale of Clearon:*** The company finalized the sale of Clearon, its chlorine based biocides business, in line with its strategy to focus on the company's core markets of Agriculture, Food and Engineered Materials.

Results of Operations:

	1-3/2016		1-3/2015	
	USD millions	% of sales	USD millions	% of sales
Sales (incl. inter-segment)	**286**	**23***	283	20**
Sales (external)	**282**	**22***	280	20
Reported operating income (loss)	**40**	**14****	(16)	-
Adjusted operating income	**47**	**16****	32	-

* Percentage of the company's total sales

** Percentage of the segment's total sales.

Sales in the first quarter increased by $3 million over the corresponding quarter in 2015 which was impacted by the strike at ICL Dead Sea and ICL Neot Hovav. Contribution of prices and of new products' sales was partially offset by lower sales quantities of bromine and potash-based clear brine solutions for the oil drilling market, phosphorous flame retardants and specialty minerals as a result of lower oil prices, increased competition from China and low demand for de-icing materials due to a relatively mild winter.

The adjusted operating income in the first quarter of 2016 excludes a provision for early retirement and a capital loss from the divestment of Clearon. The increase in adjusted operating income stems mainly from an increase in selling prices of bromine-based products, a decline in the prices of raw materials used in bromine-based and phosphorous-based products, as well as in energy and shipping prices, and lower labor costs resulting from the implementation of an efficiency plan.

Market trends:

- ***Bromine and bromine derivatives demand:*** First quarter demand for flame retardants in the printed circuit boards market remained stable compared to Q1 2015. Demand for flame retardants for the electrical appliances, electronics and automotive markets was slightly higher compared to Q1 2015. Demand for bromine in the Butyl rubber industry also remained stable.

- ***Elemental bromine:*** The relatively high level of elemental bromine prices in China is attributed to, among other things, stricter hazardous materials production, handling and transportation regulations by the Chinese authorities following the Tianjin explosion in 2015. China compound producers are facing production difficulties due to the price increase of their major raw material – elemental bromine.

- ***Phosphorus-based flame retardants:*** Sales of phosphorous-based flame retardants were unfavorably impacted by increased competition from Chinese manufacturers which resulted in lower volume and pressure on prices.

- ***Mercury emission control:*** Demand for the company's Merquel products for mercury emission control at coal-powered stations increased due to the continued implementation of the Mercury Emission Control Regulation in the U.S.

- ***De-icing market:*** The de-icing market in the US experienced soft demand during the first quarter of 2016 due to a relatively mild winter.

ICL Performance Products

Key Developments:

- ***Food Specialties:*** new Food Specialties products and customers are supporting growth in whey protein and blended solutions. Food Specialties' base business was negatively impacted by economic situation, destocking and competition.

- ***Advanced Additives:*** the YPH JV consolidation contributed to P2O5 chain sales. However, low commodity prices partially impacted prices of the specialty products.

Results of Operations:

	1-3/2016		1-3/2015	
	USD millions	% of sales	USD millions	% of sales
Sales (incl. inter-segment)	**321**	**25***	364	26*
Sales (external)	**298**	**24***	344	25*
Operating income	**25**	**8****	205	56**
Adjusted operating income	**25**	**8****	30	8**

* Percentage of the company's total sales

** Percentage of the segment's total sales

The decrease in sales is attributed primarily to the sale of non-core businesses and devaluation of the euro against the dollar (compared to the first quarter of 2015), offset by an increase in quantities sold, including the consolidation of the YPH JV.

The decline in the adjusted operating income in the first quarter stems mainly from the sale of non-core businesses and the impact of the mix of products manufactured and sold, offset by a decrease in energy and raw-material prices, mainly a decline in the price of white phosphorous acid (WPA). The adjusted operating income in the first quarter of 2015, excludes the income from the divestment of non-core activities in the amount of approximately $209 million and the impairment of the value of assets in Germany in the amount of approximately $34 million.

Market trends and other developments:

- ***Food Specialties:*** Strong sales of dairy proteins and new blended solutions, contributed to Food Specialties in the first quarter of 2016 driven mainly by increased demand from new customers. During the first quarter, Food Specialties business unit increased its manufacturing capacity in North America and Europe to service its expanding customer and specialty product portfolio. In Food Specialties' base business, the European market is exhibiting flat demand and customer inventory levels remain elevated resulting in weak order levels. In North America sales volume was unexpectedly soft as some customers began the quarter de-stocking inventory levels from the previous quarter. In North America and Europe competitors are tending to emphasize market share over price which is putting downward pressure on current price levels.

- ***Advanced Additives:*** the company's new YPH JV contributed to both Industrial Specialties and Acids business lines' revenues. In North America, Industrial Specialties outperformed the prior year on higher volume in the paints and coatings market. European Industrial Specialties volumes fell short of prior year levels as industry competitors responded to excess capacity resulting from the ADW (Automatic Dish Washer) ban. Phosphoric acid sales exceeded prior year levels due to sales from the YPH JV which offset unfavorable impacts from the weak Brazilian economy which is expected to continue during the year due to the ongoing recession and political situation in the country.

- ***P2S5:*** The P2S5 business experienced significant inventory control actions by customers early in the first quarter as the oil lubricant industry experienced a drop in global demand for Zinc-Dithio-Phosphate, an organic phosphate produced by ICL customers using ICL's P2S5. Because of the decline in demand, some customers implemented plant shutdowns. Order levels are expected to return to normal levels in Q2 in the US. However, in Europe, Q2 is expected to be soft as a result of an extended plant outage at a major customer.

Main Developments During and After the Quarter:

Adaptation of Organizational Structure:
In line with ICL's '2020 - Next Step Forward' strategy, and as a natural progression towards fulfilling its growth and efficiency targets, following the quarter the company introduced changes to its organization to improve the alignment between its strategy and its structure. The changes create a clear organizational distinction between the company's bulk businesses and specialties businesses to ensure more client-centered and market-focused activities. Six business units will be grouped into two divisions: Essential Minerals, which will include the bulk potash and phosphate business units as well as magnesium, and Specialty Solutions, which will include the following business units:

- Advanced Additives, including the white phosphoric acid, industrial phosphates, P2S5 and Dead Sea salts businesses
- Industrial Products, including the bromine and P-4 value chains
- ICL Specialty Fertilizers
- ICL Food Specialties

The Essential Minerals division will focus on efficiency, process innovation and operational excellence. The Specialty Solutions division will focus on achieving growth through a superior customer focus, product innovation and commercial excellence.

The structural alignment is intended to serve as a more optimal platform for ICL's growth as it will further encourage scalability by better enabling the business units to add new product lines, technologies and market segments. It will also provide greater flexibility to engage in profitable growth initiatives in Specialty Fertilizers and Food Specialties. The structure will further streamline our operations and facilitate enhanced efficiency delivery above $400 million by the end of 2016 (compared to 2013). The structure is also intended to provide greater clarity for the capital markets, as well as other company stakeholders, by making ICL's strategic businesses more distinct and understandable. ICL is examining the impact of this decision on its financial reporting.

Capital Allocation
To maintain its financial stability, the company is actively executing the previously announced plan targeted to improve working capital by an additional $50 million in cash flow and to limit capital expenditures (excluding acquisitions) so as not to exceed $650 million a year in 2016 and 2017.

As indicated previously in the company's Immediate Report dated March 16, 2016 regarding measures the company is taking to strengthen its financial position, and due to the continuing volatile and uncertain situation in the agricultural commodities market, ICL's Board of Directors has decided to adjust the company's dividend policy. This adjustment will serve to increase certainty for the company's shareholders regarding ICL's distribution of dividends while maintaining ICL's financial strength. For 2016 and 2017, ICL's dividend payout ratio will comprise up to 50% of its adjusted annual net income. The Board will review this policy once market conditions stabilize.

As a result of this revised dividend policy, the Board of Directors declared that a dividend totaling $35 million, or approx. $0.03 per share, will be paid on June 22, 2016, in respect of ICL's first quarter 2016 results.

Series E Debt Placement

Immediately following the quarter, the company completed a NIS 1.57 billion (~$420 million) placement of its Series E debentures in Israel. The notes mature within a period of five to eight years (from 2021 to 2024) and bear interest at 2.45% per annum. The placement will improve ICL's financial position and extend the average term of maturity of its outstanding debt. The success of the bond offering, which was increased to meet strong demand, illustrates the continuing confidence of Israel's capital markets in ICL's financial strength, as well as the company's strategic focus and direction. The debentures are listed for trading on the Tel Aviv Stock Exchange.

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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.

ICL produces approximately a third of the world's bromine, and is the sixth largest potash producer, as well as the leading provider of pure phosphoric acid. It is a major manufacturer of specialty fertilizers, specialty phosphates and flame retardants. ICL's mining and manufacturing activities are located in Israel, Europe, the Americas and China, and are supported by global distribution and supply networks.

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 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 number of unique advantages, including its vertically integrated activities and complementary and synergistic downstream operations for the production of unique end products; its balanced and varied product portfolio in growing markets; 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 13,000 people worldwide, and its sales in 2015 totaled US $5.4 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 assessments and judgments regarding macro-economic conditions and the Group’s markets, operations and financial results. Forward-looking assessments and judgments 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, market fluctuations, especially in ICL’s manufacturing locations and target markets; the difference between actual resources and our resources estimates; changes in the demand and price environment for ICL's products as well as the cost of shipping and energy, whether caused by actions of governments, manufacturers or consumers ;changes in the capital markets, including fluctuations in currency exchange rates, credit availability, interest rates ;changes in the competition structure in the market; and the factors 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 16, 2016. 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.

##

(Financial tables follow)

Where needs take us

Adjustments to Reported Operating and Net Income

	1-3/2016	1-3/2015	2015
Operating income	107	315	765
Impact of employee strike	-	99	248
Capital loss (gain) from divestitures of non-core businesses and transaction expenses in connection with acquisition and divestitures of businesses	1	(209)	(208)
Impairment of assets	-	34	90
Provision for early retirement and dismissal of employees	6	36	48
Income from consolidation of previous equity method investee	-	-	(7)
Provision in respect of prior periods resulting from an arbitration decision	-	-	10
Retroactive electricity charges	-	-	20
Provision for legal claims	1	-	8
Provision for historical waste removal	-	-	20
Total adjustments to operating income	8	(40)	229
Total adjusted operating income	115	275	994
Total tax impact on the above adjustments and deferred tax adjustments (1)	(11)	**(16)**	**39**
Total net income attributable to the shareholders of the Company	66	**217**	**509**
Total adjusted net income attributable to the shareholders of the Company	85	**193**	**699**

(1) Non-recurring deferred tax adjustments at DSM in 2015 and at ICL Belgium in 2016.

Calculation of adjusted EBITDA:

	1-3/2016	1-3/2015	2015
Net income attributable to the Company's shareholders	66	217	509
Depreciation and amortization	99	80	353
Financing expenses, net	28	16	108
Taxes on income	22	81	162
Adjustments *	8	(40)	229
Total adjusted EBITDA	223	354	1,361

Condensed Consolidated Statements of Income

(In millions except per share data)

	For the three-month period ended		For the year ended
	March 31, 2016	March 31, 2015	December 31, 2015
	$ millions	$ millions	$ millions
Sales	1,265	1,403	5,405
Cost of sales	899	957	3,602
Gross profit	366	446	1,803
Selling, transport and marketing expenses	155	170	653
General and administrative expenses	80	76	350
Research and development expenses	17	19	74
Other expenses (income), net	7	(134)	(39)
Operating income	107	315	765
Finance expenses, net	28	16	108
Share in earnings (losses) of equity-accounted investees	2	(1)	11
Income before income taxes	81	298	668
Income taxes	22	81	162
Net income	59	217	506
Net loss attributable to the non-controlling interests	(7)	-	(3)
Net income attributable to the shareholders of the Company	66	217	509
Diluted earnings per share ($)	0.05	0.17	0.40

Condensed Consolidated Statements of Financial Position:

	March 31, 2016	March 31, 2015	December 31, 2015
	$ millions	$ millions	$ millions
Current assets			
Cash and short term investments	212	286	248
Trade receivables	969	1,110	1,082
Derivatives and other receivables	241	180	246
Current tax assets	65	148	45
Inventories	1,444	1,236	1,364
Total current assets	2,931	2,960	2,985
Non-current assets			
Investments in equity-accounted investees	148	168	159
Long-term investments and receivables	125	15	126
Financial Assets available for sale	268	-	-
Property, plant and equipment	4,288	3,885	4,212
Intangible assets	1,219	806	1,185
Other assets	324	306	410
Total non-current assets	6,372	5,180	6,092
Total assets	9,303	8,140	9,077
Current liabilities			
Short-term credit	683	798	673
Trade payables	717	559	716
Provisions	50	33	42
Dividend payable	67	60	-
Other current liabilities	528	661	553
Current tax liabilities	60	85	62
Total current liabilities	2,105	2,196	2,046
Non-current liabilities			
Long-term debt and debentures	2,960	1,954	2,085
Long-term derivative instruments and other liabilities	23	21	13
Deferred tax liabilities	296	273	351
Employee benefits	576	682	547
Provisions	129	100	127
Total non-current liabilities	3,984	3,030	3,843
Total liabilities	6,089	5,226	5,889
Total shareholders' equity	3,061	2,888	3,028
Non-controlling interests	153	26	160
Total equity	3,214	2,914	3,188
Total liabilities and equity	9,303	8,140	9,077

Condensed Consolidated Statements of Cash Flows:

	For the three-month period ended		For the year ended
	March 31, 2016	March 31, 2015	December 31, 2015
	$ millions	$ millions	$ millions
Cash flows from operating activities			
Net income	59	217	506
Adjustments for:			
Depreciation and amortization	99	114	430
Revaluation of balances from financial institutes and interest expenses, net	29	(22)	44
Share in losses (earnings) of equity-accounted investees, net	(2)	1	(11)
Other capital losses, net	-	-	5
Share-based compensation	5	2	15
Loss (gain) from divestiture of subsidiaries	1	(209)	(215)
Income tax expenses	22	81	162
	213	184	936
Change in inventories	(57)	82	25
Change in trade and other receivables	114	(105)	(86)
Change in trade and other payables	(11)	30	(106)
Change in provisions and employee benefits	15	(80)	(90)
	274	111	679
Income taxes paid, net of refund	(36)	(32)	(20)
Interest received	-	1	1
Interest paid	(16)	(14)	(87)
Net cash provided by operating activities	222	66	573
Cash flows from investing activities			
Investments in shares and Proceeds from deposits, net	(249)	(7)	34
Purchases of property, plant and equipment and intangible assets	(187)	(150)	(619)
Business combinations, net of cash acquired	-	(92)	(351)
Proceeds from divestiture of subsidiaries	17	341	364
Other	(1)	13	25
Net cash provided by (used in) investing activities	(420)	105	(547)
Cash flows from financing activities			
Dividend paid	-	-	(348)
Receipt of long-term debt	400	296	1,201
Repayment of long-term debt	(250)	(468)	(846)
Short-term credit from banks and others, net	7	39	8
Net cash provided by (used in) financing activities	157	(133)	15
Net change in cash and cash equivalents	(41)	38	41
Cash and cash equivalents as at beginning of the year	161	138	138
Net effect of currency translation on cash and cash equivalents	3	(10)	(18)
Cash and cash equivalents included as part of assets held for sale	-	(1)	-
Cash and cash equivalents as at the end of the period	123	165	161

Sales by Main Business Lines*:

	1-3/2016		1-3/2015		2015	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
Phosphate	305	24	272	19	1,079	20
Potash & Magnesium	273	22	397	28	1,516	28
Industrial Products	228	18	221	16	874	16
Advanced Additives	207	16	216	15	943	18
Specialty Fertilizers	190	15	195	14	693	13
Food Specialties	162	13	153	11	614	11
All other and setoffs	(100)	(8)	(51)	(3)	(314)	(6)
Total	1,265	100	1,403	100	5,405	100

*Following the company's examination of re-defining its main business lines, as described above, apportionment of part of the Company's product lines to its main business lines may change.

Sales by Main Countries:

	1-3/2016		1-3/2015		2015	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
USA	253	20	310	22	1,176	22
Germany	147	12	137	10	487	9
China	108	9	81	6	550	10
United Kingdom	98	8	106	8	303	6
Brazil	77	6	96	7	506	9
Spain	75	6	87	6	285	5
France	71	5	97	7	295	6
Israel	53	4	58	4	240	4
Italy	40	3	42	3	116	2
All other	343	27	389	27	1447	27
Total	1,265	100	1,403	100	5,405	100

Sales by Geographical Regions Based on Location of the Customer:

	1-3/2016		1-3/2015		2015	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
Europe	586	46	639	46	2,068	38
North America	267	21	323	23	1,253	23
Asia	239	19	221	16	1,118	21
South America	92	7	118	8	585	11
Rest of the world	81	6	102	7	381	7
Total	1,265	100	1,403	100	5,405	100

The breakdown of sales in the first quarter of 2016 indicates a decrease in the sales in Europe, deriving mainly from to the non-core divestitures in the Performance Products segment and due to a decline in the quantities sold and the selling prices of potash and phosphate fertilizers. The decline in sales in North America stemmed mainly from a decrease in the quantities sold of clear brine solutions for the oil drilling industry and from of a decline in the quantities sold and the selling prices of potash. The sales in Asia increased, mainly due to consolidation of the joint venture in China, an increase in the quantities sold and the selling prices of elemental bromine and bromine-based flame retardants, while such increase was partially offset by a decrease in the quantities sold and the selling prices of potash. The sales in South America decreased mainly due to a decrease in the quantities and selling prices of the phosphate fertilizers and the fall in the prices of the potash sold in Brazil.

The following table reconciles adjusted operating income for each of our operating segments to operating income, which is the most similar IFRS measure:

	For the Period Ended March 31, 2016					
	Fertilizers					
	Potash	Phosphate	Industrial Products	Performance Products	Other activities and Eliminations	Consolidated
	$ millions					
Operating income	26	14	40	25	2	107
Capital gain from divestitures of non-core businesses	-	-	1	-	-	1
Provision for early retirement	-	-	6	-	-	6
Provision for legal claims	1	-	-	-	-	1
Total adjustments to operating income	1	-	7	-	-	8
Total adjusted operating income	27	14	47	25	2	115

Operating Segment Data

	Fertilizers				Industrial	Performance	Other		
	Potash	Phosphate	Eliminations	Total	products	products	activities	Eliminations	Consolidated
					$ millions				
For the three-month period ended March 31, 2016									
	222	434	-	656	282	298	29	-	1,265
Inter-segment sales	38	40	(17)	61	4	23	6	(94)	-
Total sales	260	474	(17)	717	286	321	35	(94)	1,265
Operating income (loss) attributed to segment	26	14	1	41	40	25	(2)		104
Income not allocated to segments and intercompany eliminations									3
Operating income									107
Financing expenses, net									(28)
Share in earnings of equity-accounted investee									2
Income before income taxes									81
Capital expenditures	80	41	-	121	11	15	2	-	149
Capital expenditures not allocated									14
Total capital expenditures									163

Where needs take us

Operating Segment Data (cont'd)

	Fertilizers				Industrial	Performance	Other		
	Potash	Phosphate	Eliminations	Total	products	products	activities	Eliminations	Consolidated
					$ millions				
For the three-month period ended March 31, 2015									
Sales to external parties	343	410	-	753	280	344	26	-	1,403
Inter-segment sales	34	42	(17)	59	3	20	6	(88)	-
Total sales	377	452	(17)	812	283	364	32	(88)	1,403
Operating income (loss) attributed to segment	92	43	1	136	(16)	205	(3)		322
Expenses not allocated to segments and intercompany eliminations									(7)
Operating income									315
Financing expenses, net									(16)
Share in earning of equity-accounted investee									(1)
Income before income taxes									298
Capital expenditures	58	32	-	90	8	105	2	-	205
Capital expenditures not allocated									17
Total capital expenditures									222