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**STRONG FERTILIZER VOLUME – ESPECIALLY IN CHINA -
LED TO SOLID GROWTH IN ICL’S Q1 RESULTS**

- Sales Up 26% Compared With Q4 2012, 9% Compared with Q1 2012; Record Q1 Operating Profit, Second Only to Q1 2008 -

Tel – Aviv, Israel, May 13, 2013 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported its financial results for the first quarter ended March 31, 2013.

Financial Highlights*

<i>In USD millions</i>	<i>Q1 2013</i>	<i>Q1 2012</i>	<i>Increase (Year- Over- Year)</i>	<i>Q4 2012</i>	<i>Increase (Sequential)</i>
Sales	1,640	1,499	9%	1,303	26%
Gross margin	40.2%	39.9%		38.5%	
Operating income	363	343	6%	190	91%
Net income to the Company’s shareholders	305	289	6%	208	47%
EBITDA	445	432	3%	323	38%

* Due to the implementation of two new accounting standards (IFRS), the comparative numbers have been restated.

- **ICL Fertilizers:** both potash and phosphate fertilizer businesses deliver strong growth, with increasing volumes compensating for lower prices
- **Specialty chemicals businesses:** continue to be affected by the global economic slowdown
- **ICL Industrial Products:** continued rise in demand for drilling fluids and

other brominated products for the energy market compensated partially for weakness in flame retardant demand and prices from electronics and construction sectors

- **ICL Performance Products:** stable results despite worldwide economic uncertainty

Financial Results

Revenues: For the first quarter of 2013, ICL's sales totaled \$1,640 million, a 9% increase compared with \$1,499 million recorded in the first quarter of 2012 and 26% compared sequentially with \$1,303 million in the fourth quarter of 2012. The increase reflected rising quantities sold of potash, phosphates and some of the Company's other products, countered partially by reductions in selling prices. Approximately 50% of the Company's revenues for the quarter derived from products manufactured outside of Israel.

EBITDA: EBITDA for the reporting period totaled \$445 million, a 3% increase compared with \$432 million for the first quarter of 2012, and a 38% increase compared with \$323 million for the fourth quarter of 2012. The improvement reflected the rise in gross profit, as described below, countered partially by higher energy expenses.

Gross profit: Gross profit for the first quarter of 2013 totaled \$659 million, up 10% compared with \$598 million in the first quarter of 2012 and 32% compared with \$501 million in the fourth quarter of 2012. The increase reflected the higher revenues, countered partially by rising energy costs. Gross margin for the period totaled 40.2% compared with 39.9% for first quarter of 2012, and with 38.5% for the fourth quarter of 2012.

Operating income: Operating income for the first quarter of 2013 totaled \$363 million, a 6% increase compared with \$343 million for the first quarter of 2012 and 91% compared with \$190 million for the fourth quarter of 2012. The increase reflected the rise in gross profit, countered partially by higher operating expenses. Operating margin for the period was 22.1%, a slight decrease as compared with 22.9% in the first quarter of 2012, but up significantly compared with 14.6% in the fourth quarter of 2012, a period characterized by low sales.

Net income: Net income to shareholders for the first quarter of 2013 totaled \$305 million, a 6% increase compared with \$289 million for the first quarter of 2012 and 47% compared with the fourth quarter of 2012.

Highlights of Core Business Segments

- **ICL Fertilizers:** The segment's sales for the first quarter of 2013 totaled \$1,009 million, representing 57.8% of total revenues (before offsets of inter-segment sales). This is a 20% increase compared with the first quarter of 2012, and up 42% compared with the fourth quarter of 2012, reflecting the contribution of renewed potash shipments to China together with increased volumes sold of phosphates and

other products, countered partially by a reduction in the selling price of most of the segment's products.

During the quarter, ICL Fertilizers produced 1.3 million tonnes of potash, a 7.5% increase compared with the first quarter of 2012. It sold 1,309 thousand tonnes of potash during the quarter, an increase of 42% compared with the parallel quarter of 2012 and 62% compared with the fourth quarter of 2012, due primarily to the strong shipments to China. In addition, it sold 465 thousand tonnes of fertilizers, an increase of more than 41% compared with the first quarter of 2012 and 64% compared with the fourth quarter of 2012.

ICL Fertilizers' operating income for the first quarter of 2013 totaled \$293 million, a 21% increase compared with the first quarter of 2012, and more than double its level in the fourth quarter of 2012. Operating margin for the period was 29.0%, compared with 28.7% for the first quarter of 2012.

Fertilizer market trends and ICL Fertilizer's strategic developments:

- ***Grain prices:*** During the first quarter of 2013, the price of grains declined moderately, but remained relatively high as compared with agricultural costs. The high profits made possible by these price levels incentivize farmers to purchase more complex fertilizers (those not based solely on nitrogen).
- ***Potash supply agreements:*** In the first quarter of 2013, a number of potash manufacturers signed supply agreements with **Chinese customers** for the first half of the year, and shipments to the country have renewed at an accelerated pace. The new contracts representing a decrease of \$70 per tonne compared with contracts for the first half of 2012. ***ICL Fertilizers has signed contracts with its Chinese customers to ship 660 thousand tonnes of potash during the first half of 2013 at similar terms.***

During February and March 2013, potash supply contracts were closed with **Indian customers** for April 2013 – January 2014. The price agreed upon was \$63 lower than that set out in the previous agreements signed in August 2011. ***Under this framework, ICL Fertilizers will supply its Indian customers with 920,000 tonnes of potash (including options to supply 50,000 tonnes) at a price similar to the prices announced recently by the potash manufacturers and others that supply potash to the Indian market.***

- ***Fertilizer demand in Brazil:*** Brazil opened 2013 with strong demand for fertilizers. The quantity of its fertilizer imports is expected to continue rising during the second and third quarters as the Brazilian market prepares for the peak of its fertilizing season, which begins in September.
- ***ICL's phosphate sales:*** During the quarter, Brazil's strong demand for phosphates, combined with Europe's stable level of phosphate demand, moderated the effect of the decline in demand in India.

- ***ICL's phosphate reserves:*** ICL Fertilizers' plan for mining phosphates in Israel's Barir Field (South Zohar) has reached the planning approval stages, however no decision has yet been made regarding its actualization. If a decision is made to not allow the mining, it is likely that the Company's phosphate reserves will be reduced significantly in the mid-term and long term, leading inevitably to the gradual phase-out of its phosphate operations in Israel. While continuing to advocate for the initiation of mining at the Barir Field, in light of this possibility, the Company has begun investigating alternative phosphate mining sites outside of Israel.
- **ICL Industrial Products:** ICL IP's sales for the first quarter of 2013 totaled \$338 million, a 6% decrease compared with the first quarter of 2012, representing 19.4% of total revenues (before offsets of inter-segment sales). The decrease reflected lower quantities sold, primarily of flame retardants, together with lower prices of most of the segment's products, due to declines in the electronics and computer markets. This was countered somewhat by increased sales of the segment's products for energy-related applications, including its clear brines for deep-water oil wells, biocides for the treatment of water used in "fracking" natural gas production operations, and Merquel™ mercury removal products.

The segment's operating income for the first quarter of 2013 totaled \$48 million compared with \$61 million for the first quarter of 2012. The decrease reflected rising operating expenses compounded by the lower sales prices, offset partially by exchange rate fluctuations and an increase in quantities manufactured.

Market trends and ICL IP's strategic developments:

- ***Favorable regulatory environment:*** During the quarter, increasingly stringent environmental regulations related to oil and gas exploration and refining increased general usage of bromine and brominated products, such as the Company's Merquel™, clear brines and biocides.
- ***Increase of worldwide oil and gas exploration activities:*** The resumption of the American government's granting of licenses for deep-water oil and gas exploration activities in the Gulf of Mexico led to an increase in sales of the Company's clear brines during 2012 and the first quarter of 2013. In general, there has been an increase in the drilling activities throughout the world, including deep-water drilling and hydrofracking activities.
- ***Economic environment's effect on FR sales:*** The global economic slowdown that characterized most of 2012 and the first quarter of 2013 has reduced demand for the full range of electronic products, resulting in decreased demand for all flame retardants, especially brominated flame retardants designed for the electronics industry. During the reporting period, the price of flame retardants stabilized to their current level.

- **ICL Performance Products:** ICL PP's sales for the first quarter of 2013 totaled \$357 million, representing 20.4% of total revenues (before offsets of inter-segment sales), a 4% increase compared with \$343 million for the first quarter of 2012. The increase reflects higher quantities sold offset partially by a decline in prices.

The segment's operating income for the quarter totaled \$35 million, a 13% decrease compared with \$40 million in the first quarter of 2012. This reflected primarily an increase in operating expenses and the decreased selling prices, offset partially by a decline in the price of raw materials and energy.

ICL PP's strategic developments: In February, ICL Performance Products acquired the phosphorus pentasulfide (P₂S₅) business aspects and operations of Thermphos International B.V. (NL) located in Knapsack, Germany. P₂S₅ is a central ingredient in the manufacture of fuel additives, lubricants, pesticides, special mining compounds and other products. The acquisition establishes ICL Performance Products as one of the leading manufacturers of P₂S₅ in Europe as well as its leading manufacturer in the U.S.

Dividends:

The Company's Board of Directors today declared that a dividend totaling \$213 million will be paid on June 20, 2013 in respect of its first quarter 2013 results.

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About ICL

ICL is one of the world's leading fertilizer and specialty chemicals companies. For a world challenged by the rapid growth rate of its population and the deterioration of its scarce resources, ICL makes products that increase global food supplies, improve industrial materials and processes, and making energy exploration activities more efficient and eco-friendly.

ICL produces approximately a third of the world's bromine and is the 6th largest potash producer in the world. ICL is a leading supplier of fertilizers in Europe and a major player in specialty fertilizer market segments. One of the world's most integrated manufacturers and suppliers of phosphate products, ICL has become the world's leading provider of pure phosphoric acid and a major specialty phosphate player.

ICL is comprised of three core segments: ICL Fertilizers, ICL Industrial Products and ICL Performance Products. Its major production activities are located in Israel, Europe, the US, South America and China, and are supported by major global marketing and logistics networks. ICL extracts potash, bromine, magnesium chloride and sodium chloride from Israel's Dead Sea, mines phosphate rock from Israel's Negev Desert, and mines potash and salt in Spain and the UK.

ICL's shares are traded on the Tel Aviv Stock Exchange (TASE: ICL).

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.

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(financial tables follow)

ICL
PRINCIPAL FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2013

	3 months ended March 31,			
	2013		2012	
	\$ millions	% of sales	\$ millions	% of sales
Net sales	1,640	100.0	1,499	100.0
Gross profit	659	40.2	598	39.9
Operating income	363	22.1	343	22.9
Pre-tax income	360	22.0	333	22.2
Net income to the Company's shareholders	305	18.6	289	19.3
EBITDA*	445	27.1	432	28.8
Operating cash flow	192		321	
Investment in property, plant and equipment less grants received	183		143	

* EBITDA is calculated as follows:

	3 months ended March 31,	
	2013	2012
	_____	_____
Net income	305	289
Amortization & depreciation	83	83
Financing expenses, net	2	17
Taxes on income	55	43
EBITDA	_____ 445 _____	_____ 432 _____

* Due to the implementation of two new accounting standards (IFRS), the comparative numbers have been restated.

ICL
PRINCIPAL RESULTS FROM CORE
MANAGERIAL SEGMENTS
THREE MONTHS ENDED MARCH 31, 2013

	3 months ended March 31,			
	2013		2012	
Sales CIF by segment	\$ millions	% of gross sales	\$ millions	% of gross sales
ICL Fertilizers	1,009	57.8	844	56.3
ICL Industrial Products	338	19.4	359	22.6
ICL Performance Products	357	20.4	343	21.6
Other and offsets	(64)		(47)	
Total	1,640		1,499	

Note: Segment sales data and their percentage of total sales are before offsets of inter-segment sales.

	3 months ended March 31,			
	2013		2012	
Operating income by segment	\$ millions	% of segment sales	\$ millions	% of segment sales
ICL Fertilizers	293	29.0	242	28.7
ICL Industrial Products	48	14.2	61	17.0
ICL Performance Products	35	9.9	40	11.6
Other and offsets	(13)		(0)	
Total	363		343	

* Due to the implementation of two new accounting standards (IFRS), the comparative numbers have been restated.