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**ICL REPORTS FINANCIAL RESULTS FOR
THE FIRST QUARTER OF 2011**

*-2nd Best-Ever Q1 in ICL's History: \$1.5B Revenues & \$280M Net Income
Reflect Continued Growth in All Segments, Rising Fertilizer Prices & Record
Sales at ICL Industrial Products –*

- Excellent Results Achieved Despite 44-Day Strike at Dead Sea Works –*
- Continued Expansion of International Activities and Mineral Resources -*

Tel – Aviv, Israel, May 16, 2011 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported its financial results for the first quarter ended March 31, 2011.

Financial Results

The first quarter of 2011 was the Company's second best Q1 on record (second only to Q1 2008, an exceptional "spike" year for the fertilizer industry) despite the the Dead Sea Work's 44-day strike during the quarter (see below), which impacted the quantity of potash sold. This reflected the industry's improving price environment together with record sales for ICL IP.

Revenues: ICL's revenues for the first quarter of 2011 totaled \$1,528 million, up 11% compared with \$1,383 million in the first quarter of 2010. The growth reflected an increase in selling prices, countered partially by reduced quantities of potash sold due to the 44-day strike at Dead Sea Works during the period (see below). Revenues from Europe and North America increased, reflecting increased regional demand for fertilizers, bromine and brominated compounds.

Gross Profit: Gross profit for the first quarter totaled \$638 million, up 14% from \$559 million in the parallel period of 2010, reflecting primarily the increased selling prices, countered partially by a rise in raw material costs and reduced quantities of potash sold. Gross margin for the period rose to 41.8% compared with 40.4% in the first quarter of 2010.

Operating income: Operating income for the first quarter of 2011 increased by 19%

to \$361 million from \$304 million in the first quarter of 2010, reflecting the improved gross margin.

Net income: Net income to shareholders for the first quarter of 2011 increased by 16% to \$280 million from \$240 million in the first quarter of 2010.

Debt: As of March 31, 2011, the Company's net debt totaled \$1,049 million, a \$391 million increase compared with December 31, 2010. The increased debt was assumed to finance payment of a special tax of \$165 million, a dividend of \$170 million and acquisitions totaling \$262 million. On March 14, 2011, the Company signed an agreement with a group of 17 banks from Europe, the US and Israel, setting the terms under which they will provide ICL with a \$675 million revolving credit facility for a period of five years. The basic rate for funds drawn up to \$225 million will be 0.8% over LIBOR, while for larger draw-downs the interest rate will increase by 0.15%-0.3%.

Strike at Dead Sea Works: During the first quarter, the Dead Sea Works Workers' Committee carried out a 44-day strike, representing nearly half of the quarter. As a result, Dead Sea Works' first quarter potash production was reduced by approximately 450,000 tons, though production and stockpiling of carnallite was maintained at its normal rate. The Company projects that it will be able to use the carnallite inventory over the next few years, and that it will be able to ship a large portion of the sales that were delayed because of the strike by the end of the year.

Highlights of Core Business Segments

- **ICL Fertilizers:** Despite the 44-day strike at Dead Sea Works which began in January, 2011 (see above), the segment's sales for the first quarter increased by 9% to \$837 million, representing 51.8% of total revenues (before offsets of inter-segment sales). During the quarter, the segment sold 1.05 million tons of potash, a 12% decrease compared to 1.33 million tons in Q1 2010, but at increased prices compared to the previous year. In addition, it sold 486 thousand tons of phosphate fertilizers, a 7% increase over Q1 2010, at higher prices that contributed to a five-fold increase in associated operating income to approximately \$59 million.

ICL Fertilizers' operating income for the first quarter of 2011 totaled \$244 million, a 5% rise compared with \$232 million in the first quarter of 2010. The increase reflected the higher selling prices of potash and phosphate fertilizers, offset partially by reduced quantities sold of potash. Operating margin increased slightly to 30.4% from 30.3% in the first quarter of 2010.

Special events: During and immediately after the first quarter, ICL carried out a number of activities aimed at increasing its ongoing business, reducing the segment's production expenses outside of Israel, expanding its product portfolio and transforming it into one of the world's leading Specialty Fertilizers players. These transactions included:

- **Potash contracts signed with Chinese customers:** In February 2011, ICL signed new contracts under which it will supply 500 thousand tons of potash to Chinese customers during the second half of 2011 at prices similar to those signed recently with other market players.
- **Announcement of significant polyhalite reserves in the UK:** On April 12, 2011, the Company announced that its Cleveland Potash subsidiary in the U.K. possesses reserves of more than a billion tons of polyhalite, and that the UK government will give it a grant of 15 million pounds to initiate polyhalite mining and production activities. CPL's existing infrastructure and equipment, together with the polyhalite's location beneath CPL's existing potash mines, will make it easier and more efficient to extract the mineral, making it possible to produce hundreds of thousands of tons during the earliest stages at relatively low prices. Polyhalite can be used in its natural state as an organic fertilizer and as an input into the production of specialty fertilizers.
- **Acquisitions to build ICL's Specialty Fertilizers business:** As part of the Company's strategy for expanding its activities in Specialty Fertilizers, a market segment that it believes offers exceptional potential for growth, ICL has recently acquired the Scotts Global Pro business and Spain's A. Fuentes Mendez (see below). The acquisitions have built ICL Specialty Fertilizers into a global rapidly-growing Specialty Fertilizers player with annual sales of \$650 million (based on 2010 performance).
 - **Scotts Global Pro Business:** On February 28, 2011, ICL acquired the Global Professional business of The Scotts Miracle-Fro Company for \$270 million. Global Pro's 2010 sales totaled \$240 million. It has production facilities in Holland, the U.S. and the U.K., and three peat mines in the U.K. In addition, it has industry-leading R&D teams, a strong patent portfolio and unique products.
 - **A. Fuentes Mendez, S.A.:** On April 11, 2011, the Company acquired A. Fuentes Mendez, S.A., Spain's largest Specialty Fertilizers company. The acquisition included Fuentes' four subsidiaries, production lines in Totana and Cartagena, and also Fuentes' warehouses, logistical centers and distribution facilities in Cartagena, Sagunt and Albacete. Fuentes' 2010 sales totaled approximately \$163 million.
- **Rationalization and expansion of potash production in Spain:** As part of its "green revolution," on April 13, 2011, ICL announced that it would invest 160 million Euros to rationalize its Spanish potash mining operations, significantly expanding the mining and production capacity of one of its mines while closing its other locations.

Market developments:

- ***Further decreases in grain stock-to-use ratio:*** In a report published in April, the U.S. Department of Agriculture (USDA) forecast a decrease in the world grain stock-to-use ratio to 19.5% by the end of the 2010/2011 agricultural season, a level that is significantly lower than its historical average.
- ***Effect of disruptions in Tunisia:*** The political disruptions and power changes in Tunisia resulted in the temporary closing of the country's phosphate mines and production plants, a fact that has increased the global scarcity of fertilizer. Although the Tunisians have renewed operations in these factories, the supply of phosphate rock remains constrained, a factor that is limiting the fertilizer production rate.

- **ICL Industrial Products:** the segment's sales for first quarter of 2011 reached an all time record of \$373 million, up 28% compared with the first quarter of 2010, representing 23.1% of total revenues (before offsets of inter-segment sales). The increase reflects the success of the segment's strategies, including the expansion of its manufacturing capacity, which have enabled it to benefit from higher demand for some of its products and higher selling prices for its flame retardants and other products.

The segment's operating income for the first quarter of 2011 totaled a record \$71 million, a 112% increase compared with \$34 million for the first quarter of 2010. This reflected the market's ongoing rise in demand for most of the segment's products coupled with the reduced production of bromine in China, which has led to an increase in the prices elementary bromine and brominated compounds compared with their levels in 2010. Operating margin for the period rose to 19.1% from 11.5% in the first quarter of 2010, reflecting the rising prices and an increase in quantities sold and produced, countered partially by higher raw material and energy prices.

Market developments:

- Demand for flame retardants and most of the segment's other products continues to grow throughout the world, and especially in the Far East, due to a resurgence in demand for consumer electronics, automobiles and building supplies. The increased demand, together with the decreased quantity of bromine produced by China, has led to increased selling prices for elementary bromine compared with the fourth quarter of 2010, resulting in a rise in the selling prices for most of the segment's products.
- In April 2010, the explosion in the deep-water oil well in the Gulf of Mexico, a key region for the Company's sales of drilling fluids, led the US government to enforce a temporary moratorium in the area's deep water drilling activities. Although the slowdown has been cancelled, the US government continues to issue oil drilling licenses at a very slow pace, a development which has impacted the segment's drilling fluid sales. Nonetheless, the segment's overall sales of drilling fluids rose during the

first quarter, due both to the year-over-year rise in the price of drilling fluids and to the segment's rising levels of sales to other regions of the world. This reflects the world's growing demand for oil and the rising price of bromine in China.

- **ICL Performance Products:** the segment's sales for the first quarter of 2011 totaled \$350 million, up 10% compared with the first quarter of 2010, and representing 21.7% of total revenues (before offsets of inter-segment sales). The increase reflected rising selling quantities and prices for some of the segment's products. The segment's operating income for the quarter increased by 7% to \$47 million, reflecting the higher sales countered partially by a rise in raw material costs.

Market developments:

The segment's sales during the quarter were impacted positively by rising demand in Europe compared with their levels in 2010.

Dividends:

- On May 12, 2011, the Company paid a dividend totaling \$170 million in respect of its fourth quarter 2010 results. This brought the total dividend paid in respect of 2010 results to \$1,185 million.
- **The Company's Board of Directors today declared that a dividend totaling \$195 million will be paid on June 28, 2011 in respect of its first quarter 2011 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 population growth and scarce resources, ICL makes products that increase global food and water supplies and improve industrial materials and processes.

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 benefits from exclusive concessions to extract minerals from Israel's Dead Sea, a vast source of high-quality and low-cost potash, bromine, magnesium chloride and sodium chloride. ICL also mines phosphate rock from Israel's Negev Desert and potash and salt from its mines 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, 2011

	3 months ended March 31,				12 months ended December 31,	
	2011		2010		2010	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Net sales	1,528.3	100.0	1,382.5	100.0	5,691.5	100.0
Gross profit	638.1	41.8	559.1	40.4	2,432.1	42.7
Operating income	360.5	23.6	303.5	22.0	1,346.1	23.7
Income before taxes	341.8	22.4	302.1	21.9	1,295.4	22.8
Net income to the Company's shareholders	279.7	18.3	240.5	17.4	1,024.7	18.0
EBITDA*	418.8	27.4	353.1	25.5	1,572.1	27.4
Operating cash flow	142.0		219.7		1,537.0	
Investment in property, plant and equipment less grants received	82.9		84.7		333.4	

* EBITDA is calculated as follows:

	3 months ended March 31,		12 months ended December 31,
	2011	2010	2010
Net income to Company's shareholders	279.7	240.5	1,024.7
Amortization & depreciation	54.9	52.1	217.4
Financing expenses, net	23.0	(0.1)	53.2
Taxes on income	61.2	60.6	266.8
Unusual or one-time expenses	-	-	10.0
EBITDA	<u>418.8</u>	<u>353.1</u>	<u>1,572.1</u>

** For further details regarding adjusted metrics, please refer to the Company's financial reports.

ICL
PRINCIPAL RESULTS FROM CORE MANAGERIAL SEGMENTS
THREE MONTHS ENDED MARCH 31, 2011

	3 months ended March 31,				12 months ended December 31,	
	2011		2010		2010	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Sales CIF by segment						
ICL Fertilizers	836.7	51.8	766.0	52.7	3,107.3	51.7
ICL Industrial Products	372.9	23.1	292.2	20.1	1,313.2	21.9
ICL Performance Products	350.1	21.7	319.3	22.0	1,340.0	22.3
Other and offsets	(31.4)		5.0		(69.0)	
Total	1,528.3		1,382.5		5,691.5	

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

	3 months ended March 31,				12 months ended December 31,	
	2011		2010		2010	
	\$ millions	% of segment sales	\$ millions	% of segment sales	\$ millions	% of segment sales
Operating income by segment						
ICL Fertilizers	243.5	29.1	232.4	30.3	965.1	31.1
ICL Industrial Products	71.3	19.1	33.7	11.5	206.6	15.7
ICL Performance Products	47.4	13.5	44.2	13.8	185.1	13.8
Other and offsets	(1.8)		(6.8)		(10.7)	
Total	360.5	24.2	303.5	22.0	1,346.1	23.7