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**ICL REPORTS FINANCIAL RESULTS FOR
THE FIRST QUARTER OF 2012**

***-\$1.5B Revenues & \$289M Net Income Reflecting Higher Prices For Key
Products and Consolidation of Acquired Companies –***

Tel – Aviv, Israel, May 23, 2012 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported its financial results for the first quarter ended March 31, 2012.

Financial Results

Revenues: ICL's revenues for the first quarter of 2012 were the Company's highest ever for a first quarter, totaling \$1,552 million compared with \$1,528 million in the first quarter of 2011. The sales reflected increased selling prices for many of the Company's primary products, together with the consolidation of companies acquired during the year, countered partially by reduced quantities sold. On a geographical basis, sales of potash to South America increased significantly, reflecting higher potash sales to Brazil, compared to the first quarter of 2011. In parallel, potash sales to Asia declined, reflecting a slow-down in the rate of potash shipments to India and delays in the signing of new supply contracts with Chinese customers.

Gross profit: Gross profit for the first quarter totaled \$611 million compared with \$638 million in the parallel period of 2011. The decline reflected the reduced quantities sold together with a rise in raw material costs, energy and other expenses, countered partially by rising selling prices and the consolidation of acquisitions. Gross margin for the period was 39.4% compared with 41.8% for the first quarter of 2011.

Operating income: Operating income for the first quarter of 2012 was \$349 million compared with \$360.5 million in the first quarter of 2011, reflecting primarily the decline in gross profit.

Net income: Net income to shareholders for the first quarter of 2012 totaled \$289

million compared with \$280 million in the first quarter of 2011.

Debt: As of March 31, 2011, the Company's net debt totaled \$1,317 million, a \$123 million decrease compared with December 31, 2011.

Operating cash flow: During the first quarter of 2012, operating cash flow totaled \$274 million, an all-time record for a first quarter. This represented a \$132 increase as compared with the first quarter of 2011, which was impacted by a one-time tax payment under an assessment agreement with the IRS.

International Expansion: During the first quarter of 2012, ICL continued to make progress in line with its strategy to expand its operations in targeted geographical markets around the world.

During and immediately after the quarter, the Company made two new acquisitions:

- In March, ICL Specialty Fertilizers' Everris Americas acquired the manufacturing facilities and equipment of **X-Calibur Plant Health Company** located in South Carolina, providing it with capabilities that will help accelerate its launch of innovative new products, including controlled-release coated fertilizers and others.
- In April, ICL Performance Products' BKG Water Solutions acquired **Tiami Vattenkemi AB**, one of Scandinavia's largest water treatment companies. The acquisition was made to strengthen ICL's positioning as a leader in the water treatment industry of northern Europe.

In addition, in January, ICL laid the cornerstone of its potash mine consolidation and expansion project in Catalonia, Spain, representing an investment on 160 million Euros. The Company plans to concentrate its Iberpotash mining activities into a mine and processing plant at a single location while increasing its overall production capacity, leading to significant efficiencies that give Iberpotash cost advantages.

Highlights of Core Business Segments

- **ICL Fertilizers:** The segment's sales for the first quarter of 2012 totaled \$846 million, representing 51.6% of total revenues (before offsets of inter-segment sales). During the quarter, the segment sold 919 thousand tons of potash, a 12% decrease compared to 1,046 million tons in Q1 2011, but at increased prices compared to the previous year. In addition, it sold 329 thousand tons of phosphate fertilizers, a 32% decrease over Q1 2011, but at higher prices. The quarterly results also reflect the consolidation of the results of the Specialty Fertilizers companies acquired during 2011, which contributed \$105 million in revenues and \$16 million in operating profit during the quarter.

ICL Fertilizers' operating income for the first quarter of 2012 totaled \$242 million, virtually unchanged from \$244 million in the first quarter of 2011. This reflected the higher selling prices of potash and phosphate fertilizers, which partially compensated for reduced quantities sold, together with the

contribution of acquired companies consolidated during the year.

During the quarter, ICL Fertilizers Europe began selling Polysulphate, a product based on polyhalite, and began taking steps towards marketing the organic fertilizer in other target markets. Polysulphate is a new product in ICL Fertilizers' portfolio that is produced from the mineral beds of Cleveland Potash in northeastern England, which contain more than a billion tons of polyhalite.

Fertilizer market trends and supply contracts: On a global basis, the first quarter of 2012 was characterized by low demand for both potash and phosphate fertilizers. Industry-wide potash sales were impacted by India's request to delay shipments of contracted quantities, delays in the signing of H1 2012 supply contracts with Chinese customers, high inventories in the U.S., and the lack of early orders being placed by customers in Europe. In addition, the Company's sales during the period were affected by work stoppages and slowdowns at Israel's seaports. However, from the beginning of the second quarter, there has been a reawakening of demand in the fertilizer market.

Towards the end of the first quarter of 2012, a number of potash manufacturers signed contracts with major **Chinese** importers for the supply of potash during the first half of 2012 at a price of \$470 per tonne CFR, unchanged from the prices closed during the second half of 2011. ***ICL Fertilizers signed contracts for the delivery of 670 thousand tonnes (including options for 120 thousand tonnes) for 1H 2012.***

During the first quarter of 2012, ICL Fertilizers sold an increased quantity of potash to Brazil, reflecting the execution of the Company's strategy, which views Brazil as an important target market due to its size and growth potential. ICL's rise in sales to Brazil was achieved despite the fact that Brazil's overall potash imports declined during the period. Since the beginning of the second quarter, Brazil's overall rate of potash imports has increased significantly, and the trend is expected to continue through the third quarter until the peak of the fertilizing season in the beginning of September.

The market for **phosphate fertilizers** has begun to improve due to the return of Indian buyers to the marketplace as well as to strong demand from Brazil, Asia and the U.S. As a result, the price of phosphate fertilizers has begun to increase moderately.

After peaking in September 2011, **grain prices** declined throughout the fourth quarter, but then reversed in early 2012. From a historical perspective, grain prices remain relatively high as compared with input costs. A number of extreme weather events, including droughts in China, Europe and the Americas, floods in Australia and Thailand and cold weather in Europe, negatively impacted crop yields, resulting in high prices for grains. In its Outlook published in May 2012, the US Department of Agriculture forecast

that world grain stock-to-use ratio would decrease to 20.1% at the end of the 2011/2012 agricultural year compared with 20.5% at the end of the previous agricultural year and 22.3% at the end of 2009/2010. However, an initial estimation for the 2012/2013 agricultural year indicates a slight increase in the world grain stock-to-use ratio to 20.3% as a result of expectations for higher corn stocks

- **ICL Industrial Products:** the segment's sales for the first quarter of 2012 reached \$362.5 million, representing 22.1% of total revenues (before offsets of inter-segment sales). The quarter was characterized by higher average prices but lower quantities sold.

The segment's operating income for the first quarter of 2012 totaled \$63 million reflecting the reduction in quantities sold coupled with higher raw material, energy and selling costs, countered partially by higher selling prices and favorable exchange rates.

Market developments:

During the first quarter of 2012, selling prices of bromine manufactured in China remained unchanged from their level during the fourth quarter of 2011. However, Chinese demand for bromine has been in decline, accompanied by a reduction in bromine prices since the beginning of the second quarter. The strong demand for most of the segment's products that characterized most of 2011, and especially for flame retardants designed for the electronics industry, moderated towards the end of the year, but began a gradual recovery in the beginning of 2012.

Although overall flame retardant demand remains weak as compared with early 2011, the fact that the book-to-bill ratio for printed circuit boards rose to 1.05 in March 2012 can be interpreted as an indicator that flame retardant demand is likely to improve in the future.

- **ICL Performance Products:** the segment's sales for the first quarter of 2012 totaled \$345 million, representing 21.0% of total revenues (before offsets of inter-segment sales), reflecting reduced selling quantities and unfavorable exchange rates, countered partially by increased prices for some of the segment's products. The segment's operating income for the quarter totaled \$40 million.

Market developments:

The segment's sales during the quarter were impacted by a reduction in demand driven by the continued uncertainty in world markets created by the continued credit crisis in Europe and instability in northern Africa and the Middle East. This was moderated partially by the gradual recovery of markets in the U.S.

Dividends:

- On April 30, 2012, the Company paid a dividend totaling \$260 million in respect of its fourth quarter 2011 results. This brought the total dividend paid in respect of 2011 results to \$1,053 million.
- **The Company's Board of Directors today declared that a dividend totaling \$200 million will be paid on June 26, 2012 in respect of its first quarter 2012 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, 2012

	3 months ended March 31,				12 months ended December 31,	
	2012		2011		2011	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Net sales	1,552.1		1,528.3		7,067.8	
Gross profit	611.4	39.4	638.1	41.8	3,155.7	44.6
Operating income	349.4	22.5	360.5	23.6	1,926.0	27.2
Income before taxes	333.8	20.9	341.8	22.4	1,871.7	26.5
Net income to the Company's shareholders	288.9	18.2	279.7	18.3	1,511.8	21.4
EBITDA*	423.2	27.3	418.8	27.4	2,190.2	31.0
Operating cash flow	274.4		142.0		1,269.4	
Investment in property, plant and equipment less grants received	127.7		82.9		494.9	

* EBITDA is calculated as follows:

	3 months ended March 31,		12 months ended December 31,
	2012	2011	2011
Net income to Company's shareholders	288.9	279.7	1,511.8
Amortization & depreciation	72.6	54.9	267.4
Financing expenses, net	17.4	23.0	62.3
Taxes on income	44.3	61.2	348.7
EBITDA	<u>423.2</u>	<u>418.8</u>	<u>2,190.2</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, 2012

	3 months ended March 31,				12 months ended December 31,	
	2012		2011		2011	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Sales CIF by segment						
ICL Fertilizers	846.3	51.6	836.7	51.8	4,097.6	55.0
ICL Industrial Products	362.5	22.1	372.9	23.1	1,513.0	20.3
ICL Performance Products	344.6	21.0	350.1	21.7	1,494.8	20.1
Other and offsets	(1.3)		(31.4)		(37.6)	
Total	1,552.1		1,528.3		7,067.8	

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,	
	2012		2011		2011	
	\$ millions	% of segment sales	\$ millions	% of segment sales	\$ millions	% of segment sales
Operating income by segment						
ICL Fertilizers	242.2	28.6	243.5	29.1	1,403.4	34.2
ICL Industrial Products	62.8	17.3	71.3	19.1	297.7	19.7
ICL Performance Products	40.0	11.6	47.4	13.5	192.9	12.9
Other and offsets	4.5		(1.8)		32.0	
Total	349.5		360.5		1,926.0	