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

- *ICL's Leading Market Positions & Balanced Portfolio Continue to Counterbalance External Headwinds –*
- *Q3'12 Revenues Down \$9M Compared with Q3'11 Before Exchange Rate Fluctuations, Which Accounted for \$72M -*
- *In Contrast to Low Demand in World Potash Markets, ICL Fertilizers' Q3 Potash Shipments Were Similar To Their Level in Q3'11 –*
- *Weak Global Economic Environment Impacting ICL-IP & ICL-PP Less Than In Previous Cycles –*

Tel – Aviv, Israel, November 21, 2012 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported its financial results for the third quarter ended September 30, 2012.

Mr. Stefan Borgas, ICL's CEO since September 20, 2012, commented: “Despite the challenging global economic environment, ICL continues to demonstrate resilience due to its numerous leading market positions and a balanced portfolio that counterbalances low economic growth. The products that we manufacture for the agriculture, food, water and materials markets are an answer to the essential, fundamental requirements of the world's growing population. ICL develops products and processes that will enable it to grow and strengthen the contribution that it makes to consumers in these critical areas.”

Financial Results

Revenues: ICL's revenues for the third quarter of 2012 totaled \$1,817.5 million, an \$81 million decline compared with \$1,898.3 million in the third quarter of 2011. The decrease was due primarily to the impact of unfavorable exchange rate fluctuations, which accounted for approximately \$72 million of the difference. The Company's revenues during the quarter were enhanced by the consolidation of companies acquired during the past 12 months.

For the nine-month period, sales totaled \$5,334.2 million compared with \$5,355.5 million in the first nine months of 2011, a decline of approximately \$21 million.

Excluding the impact of unfavorable exchange rate fluctuations (primarily the Euro/dollar exchange rate), which reduced revenues by approximately \$155 million, the Company's sales for the quarter would have risen by \$134 million for the nine-month period. This reflected the rise of prices, on average, and the stable quantities sold, coupled with the contribution of newly-consolidated companies acquired during the past 12 months.

Gross profit: Gross profit for the third quarter totaled \$786.0 million compared with \$871.4 million in the third quarter of 2011. The decline reflected the period's lower sales, coupled with the impact of increased raw material, energy and other costs. Gross margin for the period was 43.2% compared with 45.9% for the third quarter of 2011.

For the nine-month period, gross profit totaled \$2,250.1 million, a 5% decline compared with \$2,380.2 million in the first nine months of 2011. Gross margin for the period was 42.2% compared with 44.4% for the first nine months of 2011.

Operating income: Operating income for the third quarter of 2012 was \$487.9 million compared with \$556.2 million for the third quarter of 2011. For the nine-month period, operating income totaled \$1,382.5 million, a 5% decline compared with \$1,459.5 million in the first nine months of 2011. The decrease derived from the reduction in the gross margin, countered partially by reduced sales, marketing and administrative expenses.

Net income: Net income to shareholders for the third quarter of 2012 totaled \$394.8 million compared with \$436.3 million in the parallel period of 2011. For the nine-month period, net income to shareholders totaled \$1,091.0 million compared with \$1,142.2 million in the first nine months of 2011.

Cash flow: During the third quarter of 2012, operating cash flow totaled \$680.1 million, a 36% increase compared with \$498.8 million in the third quarter of 2011. For the nine-month period, cash flow totaled \$1,317.7 million, an increase of 42% compared with \$925.0 million for the first nine months of 2011.

Outlook:

- The continued decline of global grain stock-to-use ratios to historically low levels, as predicted by the U.S. Department of Agriculture, and other indicators point to a market environment that will support strong sales of fertilizers in the 2013 planting season.
- The completion of potash deliveries under the framework of existing contracts signed with customers in India and China, coupled with the delay of new contract renewals with these customers, is expected to reduce potash shipments during the fourth quarter as compared with the fourth quarter of 2011.
- ICL continues manufacturing potash at its normal rate, benefiting from its strategic ability to store very large quantities of potash outdoors.
- Due to the decrease in demand for flame retardants during the third quarter,

production was halted at one of ICL Industrial Products' production units. This shutdown is expected to continue into the fourth quarter.

- Due to the seasonality of ICL Performance Products' sales of some of its products, especially its fire safety products, and the general holiday-related slowdown of sales in December, the fourth quarter is generally characterized by lower profit margins.

Highlights of Core Business Segments

- **ICL Fertilizers:** The segment's sales for the third quarter of 2012 totaled \$1.1 billion, representing 55.7% of total revenues (before offsets of inter-segment sales), a decline of approximately 5% compared with Q3 2011. This moderate decline during a period of low overall potash demand reflected primarily the impact of unfavorable exchange rate fluctuations, as explained above, and the segment's strong potash sales to Indian and Brazilian customers during the quarter, which compensated for weak sales to customers in China and other markets. During the third quarter and also in October 2012, the Company's potash deliveries to India that had been called for under the framework of supply agreements signed during the second half of 2011 (but that had been delayed beyond the original agreed-upon dates) were completed.

Despite declining world sales of potash during the quarter, the segment sold 1,390 thousand tons of potash (including internal sales) during the third quarter of 2012, a quantity that was almost unchanged from that sold during the third quarter of 2011. *However, the completion of existing contracts coupled with delayed renewals of contracts in India and China is expected to reduce the Company's Q4 2012 potash shipments as compared with Q4 2011.* The quantity of phosphate fertilizers sold during Q3 2012 totaled 458 thousand tons compared with 456 tons in Q3 2011.

For the nine-month period, sales totaled \$3.1 billion, representing 55.1% of total revenues (before offsets of inter-segment sales), a 1% increase compared with the first nine months of 2011. The increase derived from a rise in the segment's prices, on average, during the year, together with the consolidation, for the first time, of companies acquired during the past 12 months. This was countered partially by unfavorable fluctuations of key exchange rates, as explained above, and reduced quantities sold during the period. During the period, the Company sold 3,821 thousand tons of potash (including internal sales) and 1,298 thousand tons of phosphate fertilizers.

ICL Fertilizers' operating income for the third quarter of 2012 totaled \$367 million, representing an operating margin of 34%. For the nine-month period, operating income totaled \$1,019 million, representing an operating margin of 33%.

Fertilizer market trends: World potash markets during Q3 2012 exhibited low demand as compared with Q3 2011. This decline derived primarily from

delays in the renewal of potash supply agreements with China and India, Europe's ongoing financial crisis and droughts in North America. In contrast, Brazil exhibited strong demand for potash, with the total quantities imported during the first nine months of 2012 nearly reaching the record levels recorded in 2011.

In India, demand for phosphate fertilizers has begun to decline due to reduced government subsidies, which result in increased fertilizer prices to the end-user, together with the devaluation of the Indian rupee as compared with the U.S. dollar, and the delay of the monsoon season. During the last several weeks, the rainy season has begun, resulting in an increase in fertilizer demand and a stabilization of the market.

In October 2012, the US Department of Agriculture published its 2012/13 Agricultural Outlook, and once again reduced its forecast regarding the quantity of crops expected to be harvested due to the year's hot and dry weather, the severe draught in U.S. growing regions and dryer-than-normal weather in Russia, the Ukraine and Kazhakstan. These developments have led to continued rises in the prices of corn, wheat and soy and a further decline in grain stock-to-use ratios, developments that are expected to improve demand for fertilizer in the next agricultural season. According to the report, the global grain stock-to-use ratio is forecast to decline to 18.5% at the end of the 2012/2013 agricultural season, compared with 20.48% at the end of the 2011/12 season and 20.7% at the end of the 2010/11 season.

- **ICL Industrial Products:** The segment's sales for the third quarter of 2012 totaled \$347 million, representing 18.1% of total revenues (before offsets of inter-segment sales), compared with \$381 million for the third quarter of 2011. The decline reflected lower quantities sold coupled with unfavorable fluctuations in exchange rates, countered partially by increased selling prices. For the nine-month period, sales totaled \$1,110 million, a 6% decrease compared with the first nine months of 2011.

The segment's operating income for the third quarter of 2012 totaled \$59 million compared with \$76 million for the third quarter of 2011. The decrease in operating income derived from the reduced quantities sold, coupled with higher raw material and energy costs and unfavorable exchange rate fluctuations. For the first nine months of 2012, operating income totaled \$204 million compared with \$234 million in the parallel period of 2011.

Market developments: During the past year, the economic slowdown throughout the world and especially in China has led to reduced demand for the brominated flame retardants that are used in electronics and products for the building industry. In parallel, China's demand for elemental bromine has declined, leading to reduced selling prices there.

In contrast, demand for drilling fluids has been rising throughout 2012 due to

an increase in the deep-water gas and oil exploration activities in the Gulf of Mexico.

- **ICL Performance Products:** The segment's sales for the third quarter of 2012 totaled \$416 million, representing 21.7% of total revenues (before offsets of inter-segment sales), a 3% increase compared with \$403 million for the third quarter of 2011. The increase reflects higher quantities sold, coupled with the consolidation, for the first time, of companies that were acquired during the past 12 months. The increase was countered partially by the negative impact of exchange rate fluctuations, especially the Euro vs. the U.S. dollar. For the nine-month period, sales totaled \$1,137 million, a 2% decrease compared with the first nine months of 2011.

The segment's operating income for the quarter totaled \$60 million, a 13% increase compared with \$53 million in the third quarter of 2011. The increase derived from the increased sales, countered partially by the increased costs of raw materials and energy. For the first nine months of 2012, operating income totaled \$148 million compared with \$166 million in the parallel period of 2011.

Market developments: During the third quarter, the trends that characterized the global market throughout the year, including the lack of certainty regarding global economic stability, political instability in the Middle East, the slow recovery of markets in the U.S., continued to affect markets for the majority of products that use the segment's offerings. In addition, the slowdown of fertilizer markets, whose by-products are raw materials for the segment's products, increased the price of the segment's inputs, primarily in Europe. However, prices of these components in the U.S. remained stable.

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.
- On June 26, 2012, the Company paid a dividend totaling \$200 million in respect of its first quarter 2011 results.
- On September 12, 2012, the Company paid a dividend totaling \$285 million in respect of its second quarter 2012 results.
- **The Company's Board of Directors today declared that a dividend totaling \$276 million will be paid on December 19, 2012 in respect of its third 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 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2012

	3 months ended September 30,				9 months ended September 30,			
	2012		2011		2012		2011	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Net Sales	1,817.5	100.0	1,898.3	100.0	5,334.2	100.0	5,355.5	100.0
Gross profit	786.0	43.2	871.4	45.9	2,250.1	42.2	2,380.2	44.4
Operating income	487.9	26.8	556.2	29.3	1,382.5	25.9	1,459.5	27.3
Pre-tax income	477.1	26.3	542.6	28.6	1,330.2	24.9	1,410.2	26.3
Net income to the Company's shareholders	394.8	21.7	436.3	23.0	1,091.0	20.5	1,142.2	21.3
EBITDA*	561.7	30.9	631.8	33.3	1,595.5	29.9	1,661.6	31.0
Operating cash flow	680.1		498.8		1,317.7		925.0	
Investment in property, plant and equipment less grants received	192.2		156.4		522.0		360.8	

* EBITDA is calculated as follows:

	3 months ended Sept. 30,		9 months ended Sept. 30,	
	2012	2011	2012	2011
Net income	394.8	436.3	1,091.0	1,142.2
Amortization & depreciation	72.4	75.1	210.3	197.7
Financing expenses, net	13.4	16.3	59.4	60.5
Taxes on income	81.0	104.1	234.8	261.2
Unusual or one-time expenses				
EBITDA	<u>561.7</u>	<u>631.7</u>	<u>1,595.5</u>	<u>1,661.6</u>

ICL
PRINCIPAL RESULTS FROM CORE
MANAGERIAL SEGMENTS
THREE MONTHS AND NINE MONTHS ENDED
SEPTEMBER 30, 2012

	3 months ended September 30,				9 months ended September 30,			
	2012		2011		2012		2011	
Sales CIF by segment	\$ millions	% of gross sales	\$ millions	% of gross sales	\$ millions	% of gross sales	\$ millions	% of gross sales
ICL Fertilizers	1,066.3	55.7	1,126.0	56.1	3,102.4	55.1	3,063.5	54.3
ICL Industrial Products	346.6	18.1	380.7	19.0	1,110.2	19.7	1,178.0	20.9
ICL Performance Products	415.7	21.7	403.1	20.1	1,137.3	20.2	1,161.5	20.6
Other and offsets	(11.1)		(11.5)		(15.7)		(47.5)	
Total	1,817.5		1,898.3		5,334.2		5,355.5	

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

	3 months ended September 30,				9 months ended September 30,			
	2012		2011		2012		2011	
Operating income by segment	\$ millions	% of segment sales	\$ millions	% of segment sales	\$ millions	% of segment sales	\$ millions	% of segment sales
ICL Fertilizers	366.9	37.0	416.3	37.0	1,018.9	33.9	1,038.8	33.9
ICL Industrial Products	58.6	19.9	75.9	19.9	203.6	19.9	234.2	19.9
ICL Performance Products	59.9	13.1	52.9	13.1	147.9	14.3	166.0	14.3
Other and offsets	2.5		11.1		12.1		20.5	
Total	487.9		556.2		1,382.5		1,459.5	