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**ICL REPORTS CONTINUED FINANCIAL GROWTH &  
STRATEGIC PROGRESS IN Q3 2011**

***- Q3 Revenues Reach \$1.9B with \$556M Operating Income & \$436M Net Income,  
Reflecting Strong Markets, Ability to Sell Stockpiled Inventory at High Prices &  
Consolidation of Acquisitions –***

**Tel – Aviv, Israel, November 21, 2011 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported its financial results for the third quarter ended September 30, 2011.**

**Financial Results**

	<i>Q3 2011</i>	<i>Q3 2010</i>	<i>Change</i>	<i>Jan-Sep 2011</i>	<i>Jan-Sep 2010</i>	<i>Change</i>
<i>Net Sales</i>	\$1,898M	\$1,394M	36%	\$5,355M	\$4,271M	25%
<i>Operating income</i>	\$556M	\$319M	74%	\$1,460M	\$1,007M	45%
<i>Operating margin</i>	29.3%	22.9%		27.3%	23.6%	
<i>Net income to the Company's shareholders</i>	\$436M	\$243M	79%	\$1,142M	\$779M	47%

**Overview: The third quarter of 2011 was the Company's second best Q3 on record (second only to Q3 2008). This reflected:**

- **Favorable macro-markets** with strong demand and near-record prices, as described below, leading to the signing of new potash contracts with Chinese and Indian customers and higher prices for potash and phosphate fertilizers
- **Stockpiling of potash in 2009-2010**, a strategic decision which enabled the Company to sell 1 million tons more potash into current strong markets
- **Strategic acquisitions** completed and consolidated during the first nine months of 2011, which contributed \$280 million revenues during the first nine months of the year.

- **Increase of production capacity for flame retardants and bromine derivatives**, a strategic decision which enabled ICL Industrial Products to increase its operating income by 68% to \$234 million during the first nine months of 2011

**Revenues:** Revenues for the third quarter totaled \$1,898 million, an increase of 36% compared with \$1,394 million for the third quarter of 2010. The improvement reflected:

- The sale of significant quantities of potash that had been stockpiled previously during periods of low demand, as described above;
- Rising prices and sales quantities of the Company's key products, including potash and phosphate fertilizers;
- The Company's consolidation of the Everris and Fuentes Special Fertilizers businesses acquired during the first half of 2011 and Cosmolcel & Halox, acquired during the third quarter of 2011.. *Following these acquisitions, approximately 50% of ICL's manufacturing output is now produced outside of Israel; and*
- The positive effect of changes in the dollar-Euro exchange rate.

For the first nine months of 2011, ICL's sales increased by 25% to \$5,355 million compared with \$4,271 million for the parallel period of 2010. This reflected the factors described above, countered partially by reduced potash sales quantities due to the first-quarter workers' strike and the delayed closing of supply contracts to Indian customers.

**Gross profit:** Gross profit for the third quarter of 2011 was \$871 million, an increase of 49% compared with \$584 million for the third quarter of 2010. This reflected higher selling prices and sales quantities for most of the Company's products, offset partially by rising prices for raw materials. Gross margin for the quarter was 45.9%, compared with 41.9% for the third quarter of 2010.

For the first nine months of 2011, gross profit rose by 32% to \$2,380 million compared with \$1,805.1 million for the parallel period of 2010, reflecting the factors described above. Gross margin for the period was 44.4%, compared with 42.3% for the first nine months of 2010.

**Operating income:** Operating income for the third quarter of 2011 totaled \$556 million, an increase of 74% compared with \$319 million for the third quarter of 2010. This reflected the significant increase in gross profit, countered partially by increased sales and marketing expenses. Operating margin for the third quarter of 2011 increased to 29.3% from 22.9% in the third quarter of 2010.

For the first nine months of 2011, operating income increased by 45% to \$1,460 million from \$1,007 million in the parallel period of 2010, reflecting the factors explained above. Operating margin for the period was 27.3%, compared with 23.6% for the first nine months of 2010, reflecting primarily the increase in selling prices.

**Net income:** Net income to the Company's shareholders for the third quarter of 2011 was \$436 million, an increase of 80% compared with \$243 million for the third quarter

of 2010.

For the first nine months of 2011, net income to the Company's shareholders increased by 47% to \$1,142 million from \$779 million in the first nine months of 2010.

### **Highlights of Core Business Segments for the First Nine Months of 2011**

- **ICL Fertilizers:** sales for the first nine months of 2011 increased by 31% to \$3,063 million compared with their level in the first nine months of 2010, representing 54.3% of total revenues (before offsets of inter-segment sales). The increase reflected rising selling prices for potash, phosphate fertilizers, phosphate rock and phosphoric acid, together with the segment's consolidation of the revenues of the Specialty Fertilizers businesses acquired during the first half of 2011. This was countered partially by a reduction in the quantities sold of potash and phosphate fertilizers.

During the first nine months of 2011, the segment sold 3.8 million tons of potash, an 8% decrease compared to 4.1 million tons in the first nine months of 2010, but at increased prices compared to the previous year. In addition, it sold 1,378 thousand tons of phosphate fertilizers, a 2.5% decrease over the first nine months of 2010, but at higher prices.

The segment's operating income for the first nine months of 2011 was \$1,039 million, a 44% increase compared with the first nine months of 2010. The rise in operating margin derived from the increased selling prices of fertilizers, countered partially by the rising prices of sulfur and other raw materials, reduced quantities sold of potash and phosphate fertilizers, and changes in the dollar-shekel exchange rate. The segment's operating margin increased to 33.9% from 30.8% in the parallel period of 2010.

#### ***New contracts signed:***

- ***Potash contracts signed with Chinese customers:*** During the third quarter of 2011, ICL signed new contracts under which it will supply 750 thousand tons of potash to Chinese customers during the second half of 2011 at prices similar to those signed recently with other market players, representing an increase of \$70 per ton compared to prices prevailing during the first half of 2011. This quantity is in addition to the contracts signed for the supply of 500 thousand tons during the first half of 2011. *The larger contracts are a result of the Company's strategic decision to sell directly to a variety of distributors and manufacturers, rather than to a single importer, as is the generally accepted process in China.*
- ***Potash contracts signed with Indian customers:*** After several months' delay, in August 2011 the potash suppliers signed new contracts under which they will supply approximately 6.2 million tons of potash (including an optional quantity of 380 thousand tons) to Indian customers from August 2011 until March 31,

2012 at an average price of \$490 per ton CFR. During the third quarter of 2011, ICL signed an additional contract with Indian customers for the supply of approximately 1.4 tons of potash (including an optional quantity of 125 thousand tons) during the same 8-month period, also at \$490 per ton CFR.

***Fertilizer market trends:***

- ***Rising fertilizer demand in Brazil:*** Demand in Brazil for fertilizers (especially potash) has been high throughout 2011. During the first nine months of the year, Brazil's imports of potash increased by 32% to 5.9 million tons.
- ***High grain prices:*** After falling throughout 2009 due to the worldwide economic crisis, the prices of grains began to rise during 2010, and have subsequently reached near-record levels. The primary cause is the growth in the rate of grain demand, which is rising faster than grain production, leading analysts to expect a draw-down of grain stores. Grain prices rose throughout 2011, but began to decline towards the end of the third quarter, apparently in reaction to economic uncertainty currently prevailing in world markets. Nevertheless, despite these decreases, world grain prices remain near historic highs.
- ***Low grain inventories:*** In its Outlook published on October 12, 2011, the US Department of Agriculture forecast that world grain inventory-to-demand ratio would be 20% at the end of the 2011/2012 agricultural year, up slightly compared with 19.9% at the end of the previous agricultural year. This level is low in historical terms, and therefore supports a forecast of continued high grain prices.
- ***Rising demand and reduced supply of phosphate fertilizers:*** Demand for phosphate fertilizers continued to rise during the third quarter of 2011. In parallel, global supplies of phosphate fertilizers have been decreasing, due to: 1) environmental limitations that restrict U.S. production; 2) the Chinese Government's initiation of manufacturers' tax on phosphate fertilizers, resulting in a reduced production capacity for Chinese manufacturers; and 3) the impact of the volatile political climate on the production capability of GCT, a Tunisian manufacturer.
- ***ICL Industrial Products:*** sales for the first nine months of 2011 reached \$1,178 million, an increase of 22% compared with the first nine months of 2010, representing 20.9% of total revenues (before offsets of inter-segment sales). The increase derives primarily an increase in selling prices of the segment's flame retardants and other brominated products, and an increase in quantities sold.

Operating income for the first nine months of 2011 reached a record \$234 million, a 68% increase compared with the first nine months of 2010. This reflected the significant increase in sales prices and quantities sold, countered partially by increases in raw material and energy cost, and by the weakening of the dollar as compared to the shekel and the Euro. Operating margin for the nine-month period

rose to 19.9% from 14.5% in the first nine months of 2010.

***Market developments:***

- Demand for the segment's flame retardants moderated toward the end of the quarter due to a slowing of demand, particularly for consumer electronics, in worldwide markets. However, the fact that China has decreased its bromine production has reduced global bromine supply, leading to increased selling prices for elementary bromine and most of the segment's products.

- The third quarter saw a rise in the number of deep water drilling permits issued by the US government in the Gulf of Mexico, following its cancellation of a moratorium on deep water drilling earlier in the year. This increased activity positively impacted the segment's drilling fluid sales as did expanded drilling activities in other regions which fueled demand for drilling fluids worldwide. This demand, together with reduced supplies of clear brine solutions by the Chinese, resulted in higher prices and higher sales of drilling fluids by the segment.

- **ICL Performance Products:** sales for the first nine months of 2010 totaled \$1,162 million, a 15% increase compared to the first nine months of 2010, representing 20.6% of total revenues (before offsets of inter-segment sales). The increase reflects higher selling prices for the segment's products, especially of fire safety products, as well as an increase in quantities sold.

Operating income for the nine-month period totaled \$166 million, an increase of 9% compared with the first nine months of 2010. This reflected an increase in average selling prices and quantities sold, countered partially by increases in raw material costs and an increase in other cost, mainly transportation.

***Market developments:*** The period's rising fertilizer prices of fertilizers led to a rise in the prices of phosphoric acid, the segment's primary raw material, and therefore impacted the segment's profitability. In addition, the political instability of regions of North Africa and the Middle East resulted in a decrease in demand for the sector's products in some of these countries.

**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.
- On June 28, 2011, the Company paid a dividend totaling \$195 million in respect of its first quarter 2011 results.
- On September 26, 2011, the Company paid a dividend totaling \$298 million in respect of its second quarter 2011 results.

- **The Company's Board of Directors today declared that a dividend totaling \$300 million will be paid on December 22, 2011 in respect of its third quarter 2011 results.**

### **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 6<sup>th</sup> 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 AND NINE ENDED SEPTEMBER 30, 2011**

	3 months ended September 30,				9 months ended September 30,			
	2011		2010		2011		2010	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Net Sales	1,898.3	100.0	1,393.7	100.0	5,355.5	100.0	4,270.9	100.0
Gross profit	871.4	45.9	584.1	41.9	2,380.2	44.4	1,805.1	42.3
Operating income	556.2	29.3	319.1	22.9	1,459.5	27.3	1,007.0	23.6
Pre-tax income	542.6	28.6	290.7	20.9	1,410.2	26.3	963.2	22.6
Net income to the Company's shareholders	436.3	23.0	242.9	17.4	1,142.2	21.3	779.3	18.2
EBITDA*	631.8	33.3	374.0	26.8	1,661.6	31.0	1,164.2	27.3
Operating cash flow	498.8		369.6		925.0		1,110.2	
Investment in property, plant and equipment less grants received	156.4		(76.6)		360.8		237.1	

\* EBITDA is calculated as follows:

	3 months ended Sept. 30,		9 months ended Sept. 30,	
	2011	2010	2011	2010
Net income	436.3	242.9	1,142.2	779.3
Amortization & depreciation	75.1	53.9	197.7	158.3
Financing expenses, net	16.3	30.3	60.5	45.8
Taxes on income	104.1	46.9	261.2	180.8
Unusual or one-time expenses		-		-
EBITDA	<u>631.8</u>	<u>374.0</u>	<u>1,661.6</u>	<u>1,164.2</u>

**ICL**  
**PRINCIPAL RESULTS FROM CORE**  
**MANAGERIAL SEGMENTS**  
**THREE MONTHS AND NINE MONTHS ENDED**  
**SEPTEMBER 30, 2011**

	3 months ended September 30,				9 months ended September 30,			
	2011		2010		2011		2010	
<b>Sales CIF by segment</b>	<b>\$ millions</b>	<b>% of gross sales</b>	<b>\$ millions</b>	<b>% of gross sales</b>	<b>\$ millions</b>	<b>% of gross sales</b>	<b>\$ millions</b>	<b>% of gross sales</b>
ICL Fertilizers	1,126.0	56.1	753.3	51.1	3,063.4	54.3	2,340.9	52.0
ICL Industrial Products	380.7	19.0	315.5	21.4	1,178.0	20.9	966.6	21.5
ICL Performance Products	403.1	20.1	351.9	23.9	1,165.5	20.6	1,013.0	22.5
Other and offsets	(11.5)		(27.0)		(47.5)		(49.6)	
<b>Total</b>	<b>1,898.3</b>		<b>1,393.7</b>		<b>5,355.5</b>		<b>4,270.9</b>	

**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,			
	2011		2010		2011		2010	
<b>Operating income by segment</b>	<b>\$ millions</b>	<b>% of segment sales</b>	<b>\$ millions</b>	<b>% of segment sales</b>	<b>\$ millions</b>	<b>% of segment sales</b>	<b>\$ millions</b>	<b>% of segment sales</b>
ICL Fertilizers	416.3	37.0	212.5	28.2	1,038.8	33.9	720.7	30.8
ICL Industrial Products	75.9	19.9	52.6	16.7	234.2	19.9	139.8	14.5
ICL Performance Products	52.9	13.1	53.3	15.1	166.0	14.3	152.3	15.0
Other and offsets	11.1		0.7		20.5		(5.8)	
<b>Total</b>	<b>556.2</b>		<b>319.1</b>		<b>1,459.5</b>		<b>1,007.0</b>	