PRESS CONTACT
Fleisher Communications and Public Relations
Amiram Fleisher
+972-3-6241241
amiram@fleisher-pr.com

ICL REPORTS Q1 2015 RESULTS

- Sales of $1.4B, similar to Q4'14, and down 13% from Q1'14, primarily due to the strike at Israeli plants -

- Operating income of $315M in Q1'15 compared to $243M in Q1'14 -

- Adjusted operating income of $275M in Q1'15 compared to $251M in Q1'14 -

- $154M after-tax gain from divestitures more than compensated for the strike's $76M impact on net income –

- ICL continues to deliver on its growth and operational excellence initiatives -

Tel Aviv, Israel, May 13, 2015 **– ICL** ***(NYSE & TASE:ICL***), a global manufacturer of products based on specialty minerals that fulfills essential needs of the world's growing population in the agriculture, processed food and engineered materials markets, today reported its financial results for the first quarter ended March 31, 2015.

Financial Highlights (see full tables at the end of the release):

In US$ millions	*Q1 2015*	*Q1 2014*
Sales	**1,403**	1,613
Gross margin	**32%**	35%
Operating income	**315**	243
Adjusted operating income	**275**	251
Net income	**217**	131
Adjusted net income	**193**	189
Adjusted EBITDA	**353**	339
Reported EPS ($/share)	**0.171**	0.103
Adjusted EPS ($/share)	**0.152**	0.149

Financial Results

Sales: For the first quarter of 2015, ICL's sales totaled $1.4 billion, a 13% decrease compared with $1.6 billion recorded in the first quarter of 2014. The decrease derived mainly from a decrease in quantities sold as a result of the strike at ICL Dead Sea and ICL Neot Hovav (the bromine compounds plant), which had a negative impact of $164 million, the sale of non-core businesses which lowered sales by $64 million, lower volumes at ICL Industrial Products and ICL Performance Products which had a negative impact of $22 million and exchange rate fluctuations (primarily the devaluation of the euro against the dollar), which had a negative impact of $110 million. These were partially offset by improved sales volumes at ICL Rotem and ICL UK, by the first-time consolidation of companies acquired which contributed an increase in sales of $70 million and an increase in ICL Fertilizers' selling prices.

Operating income and adjusted operating income: Operating income for the first quarter of 2015 totaled $315 million, $72 million above the first quarter of 2014. Operating margin for the period was 22%, compared with 15% in the first quarter of 2014. Adjusted operating income for the first quarter of 2015 totaled $275 million compared to $251 million for the comparable period in 2014. The adjusted operating income excludes the impact of the after-tax gain of $209 million from the divestitures of non-core businesses, the impact of employee strike at the amount of $99 million, impairment of assets in Europe in the amount of $34 million and a provision for early retirement of $36 million. The company estimates that following the conclusion of the strike it will recover most of the delayed potash sales and production in the future due to excess production capacity at its potash plants while evaporation activities at the ponds were not interrupted during the strike.

Net income: Net income for the first quarter of 2015 totaled $217 million compared to $131 million for the comparable period in 2014. On an adjusted basis, net income for the period was $193 million compared to $189 million for the comparable period in 2014 after elimination of a net, after-tax gain of $154 million from the divestiture of non-core businesses, a $76 million loss in respect of the strike, $28 million in respect of impairment of assets in Europe and $26 million for early retirement.

ICL's President & CEO, Stefan Borgas, stated, "The employee strike that was launched during the first quarter was expected and followed a long process of negotiations as part of the implementation of vital efficiency initiatives. However, gains from divestitures of non-core businesses during the quarter more than offset the financial impact of the strike, and we expect to recover most of our delayed potash production and sales in future periods following the conclusion of the strike. Despite the longer than expected duration of the strike, we expect a significant net benefit from efficiency measures implemented at these operations."

Borgas continued, "Otherwise, I am pleased to report that our ongoing efforts to achieve operational excellence throughout our global operation continues to progress at, or above target. In addition, most of our growth initiatives are progressing ahead of schedule. These include our efforts to achieve organic growth through increased production and sales, especially at our potash units in the UK and Spain, as well our activities to achieve external growth through synergistic acquisitions, such as our recent purchase of Prolactal by our Food Specialties unit, and other initiatives aimed at broadening our access to natural resources worldwide, including our strategic alliance with China's Yunnan

Yuntianhua, which will almost double our phosphates business and provide us with a strong operating platform in Asia. All of these measures are laying the ground for greater growth and profitability in the future."

ICL's Chairman, Nir Gilad, stated, "ICL's Board of Directors view as critically important the efficiency and operational excellence plans that are being implemented by management which have already delivered a significant contribution totaling approximately $100 million in 2014 and an additional $30 million during the first quarter of 2015. The business environment in global markets in which the company operates, together with the business environment in Israel as dictated by the Israeli government, are leading to an essential need, and, in certain cases, even an existential need, to implement efficiency plans at the company's plants in Israel. The Board views positively and with satisfaction ICL management's determination and commitment to implement the efficiency and operational excellence plans that were approved by the Board notwithstanding numerous difficulties pertaining to them. We are convinced that these efforts will increase the Israeli plants competitiveness and will provide the economic justification for their continued existence for many years to come."

Segment Review

ICL Fertilizers

Key Developments:

- ***China potash supply contracts:*** As part of three-year framework agreements between the Company and its customers in China, in the middle of April ICL Fertilizers signed agreements to supply 1.1 million metric tonnes of potash during 2015, with an option for an additional 100,000 metric tonnes, on terms roughly the same as those in the agreements signed by other potash producers. The contracts with the Chinese customers are at last year's quantities with higher prices. According to the contracts, most of the quantities that are undeliverable during the first half of 2015 as a result of the strike at ICL Dead Sea will be delivered during the second half of the year. The new contracts demonstrate the strong relationships that ICL has developed with its customers in China and reinforce ICL's standing as one of the world's main suppliers to this rapidly growing potash market.
- ***Phosphate Fertilizers:*** Record sales of phosphate rock, elevated phosphoric acid production and lower costs as a result of Operational Excellence initiatives, offset higher sulfur costs.
- ***Continued improvement at ICL UK:*** Continued improvement with the highest production and operating margins since Q1 2013.

Potash:

Revenues in the ICL Fertilizers segment include sales of potash from Israel, Spain (ICL Iberia) and the England (ICL UK).

Potash – Revenues and Profit

	1-3/2015		1-3/2014	
	$ millions	**%**	**$ millions**	**%**
Sales*	**377**	**27****	491	30**
Operating income	**92**	**24*****	146	30***
Adjusted operating income	**177**	**-**	146	-

*Including revenues from inter-segment sales

** Percentage of total revenues

*** Percentage of total segment sales

Potash – Production, Sales and Closing Inventories

Thousands of tonnes	1-3/2015	1-3/2014
Production	**834**	1,270
Sales to external customers	**1,067**	1,401
Sales to internal customers	**74**	66
Total sales (including internal sales)	**1,141**	1,467
Closing inventory	**607**	929

The decrease in revenues for the first quarter of 2015 stems from the impact of the strike at ICL Dead Sea, which led to a decrease in sales in the amount of about $136 million, as well as from the impact of changes in currency exchange rates, of around $30 million. However, the increase in potash quantities sold by ICL increased sales by about $43 million, along with an increase in selling prices.

The decrease in operating income during Q1 derives from the impact of the strike at ICL Dead Sea, which led to a decrease in operating income in the amount of about $85 million. This decrease was partly offset by an increase in quantities sold, mainly by the potash plant in the UK, which contributed about $13 million, a decline in shipping prices, an increase in selling prices of potash and a decrease in energy costs.

The decrease in potash production and sales stems from the strike at ICL Dead Sea, partially offset by an increase in production and sales at ICL UK.

Fertilizers and Phosphates:

(continued on following page)

Fertilizers and Phosphates – Revenues and Profit

	1-3/2015		1-3/2014	
	$ millions	%	$ millions	%
Sales*	**452**	**32****	465	29**
Operating income	**43**	**9*****	30	6***
Adjusted operating income	**43**	**-**	37	-

* Including revenues from inter-segment sales

** Percentage of total revenues

*** Percentage of total sales by areas of operation

Fertilizers and Phosphates – Production and Sales

Thousands of tones	1-3/2015	1-3/2014
Phosphate rock		
Production of rock	**930**	743
Sales *	**303**	228
Phosphate rock used for internal purposes	**700**	526
Fertilizers		
Production	**390**	335
Sales *	**423**	525

* To external customers

The decrease in sales during the quarter resulted from a change in currency exchange rates in the amount of $46 million (mainly as a result of devaluation of the exchange rate of the euro against the dollar) partly offset by the contribution of higher prices of phosphate fertilizers compared to Q1 2014 of about $21 million, and an increase in quantities sold, including the first time consolidation of companies acquired in 2014 which led to an increase in sales of around $12 million. ICL Rotem recorded record sales of phosphate rock and phosphoric acid and lower costs due to recently implemented operational excellence and efficiency measures.

The increase in operating income during Q1 derives mainly from an increase in selling prices in the amount of about $21 million, an increase in quantities sold, including due to first-time consolidation of companies acquired during 2014, net of the increase in cost of goods sold, in the amount of $12 million, and a decrease in energy costs and shipping expenses. This increase was partly offset by an increase in raw material prices, other operating expenses and depreciation expenses. Operating income in Q1 2014 was impacted by the strike at ICL Rotem.

The increase in phosphate fertilizers and phosphate rock production stems from the strike at ICL Rotem which impacted production and sales in Q1 2014.

Fertilizer market trends:

- ***Grain prices:*** In April 2015, grain prices fell to their lowest levels since 2010. Based on a report published by the US Department of Agriculture (USDA) in April 2015, an increase is expected in grains' stock-to-use ratio, to a level of 21.05% at the end of the 2014/2015 agricultural year, compared with 20.68% in the prior agricultural year. After a modest recovery in prices for agricultural crops in the final quarter of 2014, since the beginning of 2015, the downward trend in prices returned. The decline stems from estimations by the US Department of Agriculture (USDA) of a record harvest in 2014/2015, as a result of an increase in the planted areas, along with favorable weather conditions in the primary growing areas.

- ***Chinese market:*** The trend of increasing demand, including imports, continued this year. In the first quarter of 2015, imports of potash into China reached a level of 1.99 million tons – an increase of 22% compared with the corresponding period last year. In March, several large potash producers signed contracts for the sale of potash to China. The contracts were signed with an increase of $10 per tonne, which constitutes the first increase after two years of falling prices in China.

- ***Indian market:*** Following several years of low demand for potash in India, which stemmed from, among other things, the government's subsidy policy giving preference to nitrogen fertilizers, there was a significant improvement in imports of potash into India in 2014. This increase continued in the first quarter of 2015, and potash imports into India in Q1 amounted to about 920,000 metric tonnes, compared with 653,000 metric tons imported in the corresponding period of 2014, an increase of about 41%. The company believes that demand for potash in India will increase in 2015 as farmers have adapted to higher prices. In the beginning of May, Uralkali and Canpotex announced the signing of supply contracts with IPL, India's biggest fertilizer importer, to supply 800,000 and 1.3 million tonnes, respectively, in 2015/2016 year (ending on March 31, 2016) for $332 per tonne (an increase of $10 compared to the previous contract), Other suppliers and importers are expected to follow suit in the coming weeks.

- ***Fertilizer demand in Brazil:*** Demand for fertilizers in Brazil, particularly for potash, reached record highs in 2014. However, this trend came to a halt toward the end of the year following a decline in demand for fertilizers as a result of a decline in agricultural commodity prices and a devaluation of the value of the Brazilian currency, which increases the price of fertilizer imports for local farmers. In the first quarter of 2015, Brazil imported 1.29 million metric tonnes of potash, a decline of 1.5% compared to the first quarter of 2014.

- ***Phosphate fertilizers:*** Phosphate fertilizer prices continued a downward trend that was recorded in the fourth quarter of 2014 due to a combination of supply and demand factors. On the demand side, the fertilizing season in Brazil has not yet begun, and farmers are holding off on fertilizer purchases assuming prices will continue to fall, and likewise fear additional fluctuations in currency exchange rates. In the U.S., the fertilizing season is delayed due to turbulent weather conditions and heavy rains in growing areas that made access to the fields difficult. On the supply side, there was a significant increase in exports of phosphate fertilizers from China which even reached new markets such as the U.S, following a change in export tax policies in China. It is anticipated that exports from China will grow in 2015, as well. Furthermore, a new Saudi producer (Ma'aden) increased its exports, and Saudi products reached Brazil for the first time. In contrast to these trends, demand in India for phosphate fertilizers increased, however due to low global demand, demand there was subject to price pressure, and resulting in price declines.

ICL Industrial Products

Key Developments:

- ***Inventory position*** helped to moderate the impact of the strike during the first quarter
- ***Tight supply*** led to higher than expected increase in bromine and derivatives prices which will support recovery in the second half of 2015
- ***SAFR™*** (Systematic Assessment of Flame Retardant) developed by ICL will be launched at CHINAPLAS this month as the industry's tool to upgrade bromine safety and increase innovation.

Results of Operations:

	1-3/2015		1-3/2014	
	$ millions	%	$ millions	%
Sales*	**283**	**20****	337	21**
Operating income (loss)	**(16)**	**-**	34	10***
Adjusted operating income	**32**	**-**	34	-

* Including revenues from inter-segment sales

** Percentage of total revenues

*** Percentage of total sales by areas of operation

The decrease in sales stems from the impact of the strike at ICL Neot Hovav (the bromine compounds plant) and ICL Dead Sea, which gave rise to a decrease in sales in the amount of $28 million, a decrease in quantities sold, in the amount of about $16 million, mainly of flame retardants and elemental bromine, as well as the impact of currency exchange rates in the amount of about $12 million. This decrease was partly offset by an increase in selling prices of elemental bromine.

The decrease in operating income stems primarily from a provision for early retirement, in the amount of about $36 million, the impact of the strike at Bromine Compounds in the amount of about $12 million, as well as lower sales volumes and higher royalties, offset by higher prices and lower energy costs.

Market trends:

- ***Flame Retardants:*** Following improvement in demand for flame retardants in 2014, demand for bromine-based flame retardants stabilized in Q1 2015 for some of the uses in the electronics' sector. Prices for most bromine-based flame retardants remained subject to a mild pressure.

- ***Elemental Bromine:*** During the first quarter of 2015 prices of elemental bromine remained relatively stable in the US and Europe, whereas in China a trend of increasing prices was visible.
- ***Trends in the energy market which impact our businesses:*** Despite the decline in fuel prices in the fourth quarter of 2014 and at the beginning of 2015, demand for clear brine fluids for oil and gas drilling continued to be strong at the beginning due to the relatively high number of drillings in the US, although there is a high level of uncertainty in the market due to the decrease in oil prices. Increased production of shale gas in the US is likely to increase demand for the Company's bromine-based biocides. Nonetheless, the recent trend of declining energy prices is acting to moderate these business opportunities.

ICL Performance Products

Key Developments:

- ***Business negatively impacted by soft demand, competitive environment, currency fluctuations and lower fire safety sales***
- ***Major divestitures of non-core businesses near completion***
- ***Food Specialty business ahead of plan due to the successful integration of Prolactal***

Results of Operations:

	1-3/2015		1-3/2014	
	$ millions	%	$ millions	%
Sales*	**364**	**26****	391	24**
Operating income	**205**	**56*****	40	3***
Adjusted operating income	**30**		40	-

* Including inter-segment sales

** Percentage of total revenues

*** Percentage of total segment sales

The decrease in the segment's sales stems from the impact of changes in currency exchange rates, mainly due to the devaluation of the euro against the dollar, in the amount of about $23 million, a decline in quantities sold, in the amount of about $6 million, and lower volumes due to the sale of non-core businesses. This was partially offset by the first time consolidation of companies acquired during 2014 and in the period of the report, in the amount of about $64 million and by higher prices.

As a percentage of sales, adjusted operating income was 8.3%, compared with 10.3% in the corresponding period last year. The increase in operating income stems primarily from the sale of non-core businesses which contributed $209 million, first-time consolidation of companies acquired during 2014 and in the period of the report, as well as an increase in selling prices and a decline in raw material costs. This increase was partially offset by a decline in the value of assets located in Germany, in the amount of $34 million, decreased quantities sold mainly due to sales of non-core businesses, as well as changes in currency exchange rates and an increase in other operating expenses.

Market trends and other developments:

- ***Portfolio enhancement:*** ICL PP's increase in quantities sold during Q1 stems primarily from its acquisition of Prolactal, Fosbrasil, and, to a lesser extent, Auxquimia, in furtherance of the Company's growth strategy to expand the areas of specialty products and high added-value products through internal development and acquisitions. These acquisitions offset the decline in sales stemming from the divestment of non-core businesses in the segment.

- ***Phosphate-based downstream products:*** The first quarter was marked by increased demand for the Company's downstream phosphate-based products in European and US markets compared with the corresponding period last year, primarily due to a recovery in the Food Specialties business and specialty additives for industry, offset by a decline in demand in the US for phosphoric acid which remains subject to pressure due to competition with importers of phosphoric acid into the US

- ***Acids and P2S5:*** ICL PP faced increased competition from competitors who have implemented a sales strategy that gives preference to market share over price. The segment's P2S5 business was impacted by a temporary decline in orders of a North American customer who was forced to deal with operational problems.

- ***Fire Safety products:*** Low demand for fire prevention products in North America was offset by an increase in the scope of activities of Auxquimia which was acquired in the second quarter of 2014.

- ***Currencies:*** The financial crisis in Russia, which has weakened the ruble, moderated ICL PP's growth opportunities in Food Specialties. Prior price reductions were insufficient to halt the fall in demand. The weakening euro also impacted the decline in revenues in Q1 which was mostly offset by a decline in costs in dollar terms in the European companies.

Implementation of Strategy

During the quarter, ICL continued to implement its 'Next Step Forward' strategy by pursuing a number of strategic growth initiatives, as well by continuing to divest several non-core businesses and strengthening its global operations and efficiency.

Acquisition of Prolactal: ICL's Food Specialties unit acquired Prolactal GmbH, a leading European producer of dairy proteins for the food and beverage industries. Prolactal, with revenues of ~€100 million (2014), produces a range of functional dairy proteins used by the beverage, dairy and meat industries to stabilize and improve the nutritional value of beverages and foods. Prolactal's protein capabilities and both companies' advanced know-how will enable ICL Food Specialties to provide a broader selection of innovative, value-added food additives for improvement of texture and stability to meet the growing demand for healthy foods and beverages containing higher protein levels. ICL expects the acquisition to contribute substantial sales and marketing synergies in several regions worldwide and to be EPS accretive from the first year of consolidation. Prolactal demonstrated strong performance in the first quarter of 2015 with results surpassing acquisition estimates.

Tender Offer for Allana Potash: During the quarter, ICL entered into an arrangement agreement with Allana Potash Corp. to acquire the remaining 83.64% of the company that it does not hold for approximately C$137 million, to be paid by ICL in cash and shares of ICL's common stock. The transaction, which is subject to regulatory approvals, is supported by Allana's Board of Directors. ICL's original purchase of common shares in Allana derived from a strategic alliance agreement between ICL and Allana in 2014 that included an off-take agreement for potash mined from the Danakhil mine in the Afar region of northeast Ethiopia once production commences. Acquiring ownership of Allana will enable ICL to control the development of the Danakhil project, accelerate pre-construction engineering design work, as well as secure project financing and reduce the company's risks associated with the project. Acquiring Allana will further contribute to ICL's control over the development of the project, thereby increasing the potential of its successful development.

Alliance with Yunnan Yuntianhua: As part of its strategic alliance with China's largest producer of phosphate rock and fertilizers, during the quarter the parties signed a Memorandum of Understanding to jointly develop a phosphate R&D center in the Yunnan province. As reported earlier, the alliance will provide ICL with competitive phosphate rock resources for several decades and enable the company to build an integrated phosphate business in Asia for fertilizers, specialty fertilizers, food ingredients and engineered materials.

Investment in the Development and Growth of Potash Mine in Spain: Following the quarter, ICL Iberia signed an agreement with AkzoNobel whereby ICL will produce, and AkzoNobel will market, 1.5 million tonnes of high-quality vacuum salt annually. In addition, 50 thousand tonnes per year of white potash will be produced and marketed by ICL. High purity vacuum salt is used in a variety of applications by the chemicals industry, as well as the food and feed industries, and also for water treatment applications. ICL will finance and construct two production plants, each with a production capacity of 750,000 tonnes, at its mining facility located in Suria in Catalonia, Spain, as part of ICL's previously announced "Phoenix" project, for developing and increasing ICL's mining and production capacity at ICL Iberia, while reducing production costs.

NOP Plant: ICL's Specialty Fertilizer business announced a plan to construct a large scale potassium nitrate plant. The plant will enable the company to increase its production and strengthen its line of soluble fertilizers, including ICL's food-grade phosphoric acid based products.

European Regional Headquarters: During the quarter, ICL inaugurated its new European region headquarters in Amsterdam which will provide services to ICL's European subsidiaries. The facility will house one of ICL's four regional Shared Services Centers (together with an existing center in the US and a planned center in Israel), as well as ICL's Global Procurement organization. The headquarters will employ, over time, approximately 300 employees. The new regional headquarters will help to advance the company's strategy to create 'ONE ICL' - one united company, contribute to improved efficiency and operational excellence, and will strengthen ICL's European business activities and the company's long-standing relationships with its European customers and suppliers.

Excellence in Environmental Responsibility: ICL Rotem won a Green Leaf Award from the International Fertilizer Association's ("IFA") for excellence in safety, health and environment. An independent panel awarded ICL Rotem second place from among 25 leading fertilizer companies worldwide in recognition of its comprehensive and innovative activities in sustainability, specifically in reclaiming its phosphate mining areas.

Dividends

The Company's Board of Directors today declared that a dividend totaling $151 million will be paid on June 23, 2015, in respect of its first quarter 2015 results.

##

About ICL

ICL is a global manufacturer of products based on specialty minerals that fulfill humanity's essential needs primarily in three markets: agriculture, food and engineered materials. The agricultural products that ICL produces help to feed the world's growing population. The potash and phosphates that it mines and manufactures are used as ingredients in fertilizers and serve as an essential component in the pharmaceutical and food additives industries. The food additives that ICL produces enable people to have greater access to more varied and higher quality food. ICL's water treatment products supply clean water to millions of people, as well as to industry around the world. Other substances, based on bromine and phosphates help to create energy that is more efficient and environmentally friendly, prevent the spread of forest fires and allow the safe and widespread use of a variety of products and materials.

ICL benefits from a broad presence throughout the world and proximity to large markets, including in emerging regions. ICL operates within a strategic framework of sustainability that includes a commitment to the environment, support of communities in which ICL's manufacturing operations are located and where its employees live, and a commitment to all its employees, customers, suppliers and other stakeholders.

ICL is a public company whose shares are dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs approximately 12,500 people worldwide, and its sales in 2014 totaled US$6.1 billion. For more information, visit the company's website at www.icl-group.com

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.

##

(financial tables follow)

PRINCIPAL FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2015

	1-3/2015		1-3/2014		2014	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
Sales	**1,403**		1,613		6,111	
Gross profit	**446**	**32**	563	35	2,196	36
Operating income	**315**	**22**	243	15	758	12
Adjusted operating income *	**275**	**-**	251	-	960	-
Profit before tax	**298**	**21**	227	14	632	10
Net income attributable to the Company's shareholders	**217**	**15**	131	8	464	8
Adjusted net income attributable to the Company's shareholders *	**193**	**-**	189	-	695	-
Adjusted EBITDA*	**353**	**-**	339	-	1,344	-
Cash flows from current operations	**66**		167		895	
Investment in property, plant and equipment	**131**		219		752	

Adjusted EBITDA for the periods of activity*

Adjusted EBITDA for the first quarter of 2015 and for the first quarter of and for 2014 was about USD 353 million and USD 339 million, respectively. Calculation of Adjusted EBITDA was made in millions of dollars, as follows:

	1-3/2015	1-3/2014	2014
Net income attributable to the Company's shareholders	217	131	464
Depreciation	80	86	356
Finance expenses, net	15	19	156
Taxes on income	81	95	166
Unusual items**	(40)	8	202
Total adjusted EBITDA	**353**	**339**	**1,344**

(*) *We disclose in this report financial measures entitled Adjusted EBITDA, Adjusted operating income and Adjusted net income attributable to the Company's shareholders. We use Adjusted EBITDA, Adjusted operating income and Adjusted net income attributable to the Company's shareholders to facilitate operating performance comparisons from period to period. Adjusted EBITDA is defined as the net income to Company shareholders plus depreciation and amortization plus financing expenses, net and taxes on income and plus certain items as presented in the reconciliation table on page 6 of the company's* *financial reports, which were adjusted for the operating income and net income attributable to the Company's shareholders.*

We believe Adjusted EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations such as capital structures (affecting financing expenses, net), taxation (affecting taxes on income) and the age and book depreciation of facilities, equipment and intangible assets (affecting relative depreciation and amortization), which may vary for different companies for reasons unrelated to operating performance. Adjusted EBITDA is a non-IFRS measure for reporting our total Company performance. Our management believes, however, that disclosure of Adjusted EBITDA provides useful information to investors, financial analysts and the public in their evaluation of our operating performance. Adjusted EBITDA should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, operating income or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of our profitability or liquidity. Adjusted EBITDA does not take into account our debt service requirements and other commitments, including capital expenditures, and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. In addition, Adjusted EBITDA, as presented in this report, may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated.

	1-3/2015	**1-3/2014**	**2014**
Operating income reported GAAP figures	**315**	**243**	**758**
Employees strike impact	99	8	17
Capital gain from divestitures of non-core businesses	(209)	-	-
Impairment of assets in U.S and Europe	34	-	71
Early retirement provision	36	-	-
Income from entry into consolidation	-	-	(36)
Provision in respect of prior periods resulting from an arbitration decision	-	-	149
Other	-	-	1
Total adjusted operating income	**275**	**251**	**960**
Financing expenses, equity in results of investees and taxes, including the tax impact of the adjustments	82	62	265*
Total adjusted net income	**193**	189	695

* Includes financing expenses in respect of a provision for arbitration in respect of prior periods that were recorded in 2014.

ICL
PRINCIPAL RESULTS FROM
CORE MANAGERIAL SEGMENTS
THREE MONTHS ENDED MARCH 31, 2015

	1-3/2015		1-3/2014		2014	
	$ millions	%	$ millions	%	$ millions	%
ICL Fertilizers	**752**	**54**	875	54	3,142	51
ICL Industrial Products	**280**	**20**	333	21	1,317	22
ICL Performance Products	**344**	**24**	372	23	1,533	25
Others	**27**	**2**	33	2	119	2
Total	**1,403**	**100**	**1,613**	100	**6,111**	100

Note: Segment sales data and their percentage by segment to external customers.

(financial statements continue on following page)

ICL CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31 2015 $ millions	March 31 2014 $ millions	December 31 2014 $ millions
Current assets			
Cash and short-term investments	286	328	247
Trade receivables	1,110	1,262	1,039
Inventories	1,235	1,334	1,335
Assets held for sale	22	0	224
Other	305	307	293
Total current assets	**2,960**	**3,232**	**3,140**
Non-current assets			
Property, plant and equipment	3,885	3,823	3,927
Intangible assets	806	820	803
Investments in equity	168	192	185
Deferred tax assets	176	109	158
Other	145	169	135
Total non-current assets	**5,180**	**5,113**	**5,208**
Total assets	**8,140**	**8,344**	**8,348**
Current liabilities			
Short-term credit	798	881	603
Trade payables	559	660	585
Liabilities held for sale	6	0	51
Other	832	752	764
Total current liabilities	**2,196**	**2,293**	**2,003**
Non-current liabilities			
Long-term debt & Debentures	1,955	1,824	2,304
Employee benefits	682	694	659
[illegible]	[illegible]	[illegible]	[illegible]
Other	121	99	122
Total non-current liabilities	**3,030**	2,844	3,345
Equity			
Total shareholders' equity	**2,888**	3,182	2,974
Non-controlling interests	**27**	25	27
Total liabilities and Equity	**8,140**	**8,344**	**8,348**

ICL CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three-month period ended		For the year ended
	March 31, 2015	**March 31, 2014**	**December 31, 2014**
	$ millions	$ millions	$ millions
Cash flows from operating activities			
Net income	**217**	132	466
Adjustments for:			
Depreciation and amortization	114	86	427
Revaluation of assets and liabilities denominated in foreign currencies	(36)	(3)	(36)
Gain on achievement of control of an associated company	-	-	(36)
Gain from divestiture of subsidiaries	(209)	-	-
Income tax expenses	81	95	166
Other	17	12	50
	184	323	1,038
Change in inventories	82	83	(33)
Change in trade and other receivables	(105)	(219)	(25)
Change in trade and other payables	30	48	55
Change in provisions and employee benefits	(80)	(36)	66
	111	198	1,100
Income taxes paid	(32)	(24)	(159)
Interest paid and received, net	(13)	(7)	(47)
Net cash provided by operating activities	**66**	167	895
Cash flows from investing activities			
Business acquisitions, net of cash acquired	(92)	(54)	(143)
Purchases of property, plant and equipment, net	(131)	(219)	(752)
Purchases of intangible assets	(19)	(20)	(83)
Proceeds from divestiture of subsidiaries	341	-	-
Other	5	6	(18)
Net cash provided by (used in) investing activities	**104**	(288)	(996)
Cash flows from financing activities			
Dividend paid to the shareholders	**-**	(499)	(845)
Dividend paid to non-controlling interests		-	(1)
Receipt (Repayment) of long-term debt, net	(173)	579	1,056
Short-term credit from banks and others, net	40	100	(142)
Net cash provided by (used in) financing activities	**(133)**	180	68
Net change in cash and cash equivalents	**38**	59	(33)
Cash and cash equivalents as at beginning of the period	**138**	188	188
Net effect of currency translation on cash and cash equivalents	(10)		(16)
Cash and cash equivalents included as part of assets held for sale	(1)	-	(8)
Cash and cash equivalents as at end of the period	**165**	248	131