PRESS CONTACT
Gadi Ohana
Debby Communication
+972-3-5683000
gadi@debby.co.il

INVESTOR RELATIONS CONTACT
Limor Gruber
Head of Investor Relations, ICL
+972-3-684-4471
Limor.Gruber@icl-group.com

ICL REPORTS Q3 2016 RESULTS

-Third quarter 2016 sales of $1.38 billion similar to prior year

- Quarterly results demonstrate ICL's unique advantages: the diversified product mix, which includes Specialty Solutions and the competitive position

-Reported operating loss of $331 million related to the termination of certain projects

-Adjusted operating income of $164 million; 29% increase in Specialty Solutions mitigates commodity pressure

- Free cash flow of $96 million, compared to a negative cash flow of $40 million in the comparable quarter

- -

***Tel Aviv, Israel, November 23, 2016* – ICL *(NYSE & TASE: ICL*)**, a leading global specialty minerals and specialty chemicals company, today reported its financial results for the third quarter ended September 30, 2016.

Consolidated sales of $1,383 million were similar to prior-year sales of $1,379 million. Higher quantities sold in the Company's Essential Minerals division, as well as organic growth in the Specialty Solutions division were mostly offset by weaker pricing in the Essential Minerals division.

In the third quarter, the Company reported an operating loss of $331 million, which includes write-offs resulting from the previously disclosed termination of projects totaling $489 million: $282 million related to the discontinuation of a global ERP project ("Harmonization Project"), and a $202 million charge related to the termination of a potash project in Ethiopia. In addition, an asset write-off of $5 million was recorded at ICL UK following the Company's decision to accelerate its transition to producing Polysulphate®. Additional items totaling $6 million include provision for early retirement and prior periods' royalties offset by the cancellation of provisions for retroactive electricity charges and legal claims. Excluding these items, adjusted operating profit totaled $164 million compared to $242 million in the prior-year. The decline derived mostly from lower Essential Mineral margins due to unfavorable pricing.

Third quarter results benefitted from the Company's strategy to grow its specialty business while reducing the impact of commodity pricing. ICL's potash volume increased sequentially and year-over-year following the stabilization of the market as a result of contracts signed with Chinese and Indian customers. An average FOB price of $200/tonne, reflecting the Company's advantageous geographic position, as well as the continued efforts to reduce ICL's potash business cost per tonne, resulted in an operating profit of $81 million in the potash stand-alone business.

The Specialty Solution division's adjusted operating profit grew by 29% on 3% sales growth, driven by increased volumes, improved product mix and lower costs. This partially mitigated a 57% decrease in Essential Minerals' adjusted operating profit, mainly due to lower fertilizers prices.

The Company continues to benefit from measures it has taken to increase efficiency, lower G&A expenses and reduce working capital. These measures, in addition to a disciplined approach to CAPEX, enabled the Company to record another quarter of positive free cash flow which totaled $96 million, compared to negative free cash flow of $40 million in Q3 2015.

Q3 2016 Financial Highlights:

	2016		2015	
	USD millions	% of sales	USD millions	% of sales
Sales	1,383		1,379	
Operating income (loss)	(331)	(24)	197	(14)
Adjusted operating income*	164	12	242	-
Net income (loss) attributable to the Company's shareholders	(340)	(25)	121	9
Adjusted net income attributable to the Company's shareholders *	120	9	155	-
Adjusted EBITDA*	286	21	339	-
Cash flow from operating activities	249		124	
EPS on a fully diluted basis - $/share *	($0.27)		0.10	
Adjusted EPS on a fully diluted basis - $/share *	$0.09		$0.12	

*Adjusted EBITDA calculation and reconciliation to adjusted measures are detailed in the Financial Appendix to this release.

ICL's Acting CEO, Asher Grinbaum, stated, "Good performance in Specialty Solutions division highlighted third quarter performance with a 30% year-over-year increase in the division's profit. This result underscores the importance of investments we have made to leverage our unique mineral assets to develop proprietary solutions for our customers which provide a balancing effect and limit our sensitivity to commodity price. This was evident in the quarter as it helped to mitigate price decreases in commodity fertilizers which, as a result, lowered profitability in our Essential Minerals division. Other contributions were cost reduction initiatives and the improved competitiveness of our mineral assets, particularly at ICL Dead Sea. "

Mr. Grinbaum continued, "Our executive management team views the deployment of investments as one of our top responsibilities, and it is critical that the company will adjust its plans as market conditions evolve. Following a thorough analysis, some decisions were made during the past few months, including the discontinuation of the Company's global "Harmonization" project, as substantial risks related to the project's readiness were identified, which significantly impacted its future cost and timeline. It was also decided to terminate the Ethiopian potash project following the Ethiopian government's failure to provide the necessary infrastructure and regulatory framework. The return on these projects simply did not justify their continuation and their termination is expected to save hundreds of millions of dollars in future CapEx."

Mr. Grinbaum concluded, "We will continue to focus on our cash generation by improving the diversification and product mix in the Specialty Solutions and the competitiveness of our core assets, and by optimizing working capital and capital expenditures."

FINANCIAL RESULTS

Sales: Sales for the third quarter of 2016 totaled $1.38 billion, similar to their level in the third quarter of 2015. Increased quantities of commodities and specialty products sold offset the negative impact of pricing, mainly on the commodity side of the business.

Operating income and adjusted operating income: Reported operating loss for the third quarter of 2016 totaled $331 million compared with income of $197 million in the third quarter of 2015. Adjusted operating income for the quarter totaled $164 million compared to $242 million in the comparison quarter of 2015. The decrease stems mainly from lower fertilizer prices, partially offset by higher volumes, lower raw materials costs and efficiency contribution. Adjusted operating income excludes the write off and impairment of assets in the amount of $489 million, a $20 million provision for early retirement and dismissal of employees, a $10 million provision in respect of prior periods' royalties and a reduction of previous provisions related to electricity system services and legal claims in the amount of $16 million and $8 million, respectively.

As previously reported, during the quarter, the Board of Directors decided to discontinue the company's "Harmonization" project for developing and establishing a central global ERP system. As a result, the Company recorded a write down in the amount of $282 million ($239 million net of taxes).

Following the quarter, the Board terminated the Ethiopian potash project and the Company recorded a write-down in the amount of $202 million for the third quarter, including a provision for estimated shutdown costs in the amount of $10 million. The total impact on the Company's net income is $198 million.

Impairment of assets also includes a write-off of $5 million at ICL UK following the Company's decision to accelerate its transition to the production of Polysulphate® from potash.

Financing expenses, net: Net financing expenses in the third quarter of 2016 totaled $45 million compared with $49 million in the third quarter of 2015. The decrease reflects income from changes in the fair value of the company's foreign currency, interest, energy and marine transportation hedging transactions, and revaluation of net liabilities compared with expenses recorded in the corresponding quarter last year and a decrease in interest expenses related to provisions for employee benefits. This was offset by an increase in interest expenses, expenses from exchange rate differences relating to provisions for employee benefits and an unusual expense in the amount of $26 million related to interest on past royalties as a result of a decision stemming from arbitration between the State of Israel and the Company.

Tax expenses: Tax income in the third quarter of 2016 totaled $22 million compared with $34 million in tax expenses for the third quarter of 2015. The decrease in the tax expenses stems mainly from unusual events that occurred in the current quarter. The effective tax rate on the adjusted income before tax is 26.5%, compared with 22.7% in the previous quarter. The increase in the effective tax rate stems mainly from the implementation of the Natural Resource Tax on the bromine operations in Israel.

Net income (loss): Net loss for the third quarter of 2016 totaled $340 million compared to net income of $121 million for the comparable period in 2015. Adjusted net income for Q3 2016 totaled $120 million compared with $155 million for Q3 2015.

Cash flow & debt movement: ***Net cash provided by operating activities*** during the third quarter of 2016 totaled $249 million, up $125 million compared with $124 million in the third quarter of 2015. The increase reflects a decrease in working capital and a decrease in other provision and employee benefits recorded last year. Cash flow used for investment in property, plant and equipment and intangible assets totaled $153 million, an annual run rate of $650 million.

As of September 30, 2016, the Company's ***net financial liabilities*** totaled $3.4 billion, a reduction of $17 million compared to its level as of June 30, 2016, as cash flow from operations more than covered capital expenditure and dividend payout.

ICL remains sharply focused on generating cash flow and reducing its net debt level. The Company's actions have not gone unnoticed by rating agencies who appreciate ICL's robust financial position and who remain confident that ICL will improve its financial position despite challenging commodity markets. Recently, S&P downgraded ICL's international rating by one notch to BBB- with stable outlook, maintaining the Company's investment grade rating. ICL's local rating remained at ilAA with a stable outlook.

REVIEW OF OPERATING DIVISIONS

Essential Minerals Division

Business highlights:

- Higher potash volume supported by market stabilization following the signing of contracts with customers in China and India.
- ICL's competitiveness in the potash market continued to improve with a year-over-year and a sequential decline in cost per tonne despite lower production at ICL UK.
- Market prices remained under pressure in the commodity phosphate market.

Weakness in the commodities and minerals markets continued during the third quarter. Leading mining companies have encountered challenging financial conditions forcing them to reduce investments and, in some cases, to sell assets to generate cash flow. A short-lived recovery in crop commodities' prices reversed in July, followed by a sharp fall in prices, reaching their lowest level in the last decade. Exceptionally high yields per acre and increased planted areas in the US have more than offset lower projected production in Latin America. As future prices for 2017 quoted on the CBOT are similar to current levels, recovery in the short term appears unlikely. Based on the WASDE report published by the USDA on November 10, 2016, the stock to use ratio for grains is expected to be approximately 24.6% for the 2016/2017 agricultural year, a minor decrease from the level of 24.8% in the 2015/2016 agricultural year.

Potash:

The signing of contracts for potash imports into China and India contributed to recovery of the nutrient trade during the third quarter. Contracts signed between ICL and its Indian customers include the supply of 660,000 tonnes of potash (including optional quantities totaling 60,000 tonnes) at a price of $227 per tonne CFR for delivery from July 2016 to June 2017. Contracts with Chinese customers include the supply of 700,000 tonnes of potash (with additional undisclosed optional quantities) at a price of $219 per tonne CFR for delivery through the end of 2016.

According to customs data, China imported about 4.3 million tonnes of potash during the first nine months of 2016, 29.6% less than in the corresponding period last year. The decrease resulted from the delay in signing contracts due to high inventory levels following record imports of 9.4 million tonnes in 2015. A significant portion of these volumes is attributable to cross-border imports from Russia, which increased by 40% compared to the corresponding period last year.

Potash imports into India during the first nine months of 2016 amounted to approximately 2.6 million tonnes, 19% below imports of 3.3 million tonnes in the corresponding period last year. The slowdown stems from the high inventory levels at the beginning of the year, as a result of low demand in 2015, and, as a result, the delay in signing of contracts for the 2016/17 fiscal year.

Recovery of demand continues in Brazil. According to ANDA (Brazilian National Fertilizer Association), potash imports into Brazil during the first nine months of 2016 amounted to approximately 6.6 million tonnes, an increase of 2% compared to the corresponding period last year. The increase is attributable mainly to higher planted areas of soybean.

Given current market conditions, the company has decided to accelerate its transition at its ICL UK mine to Polysulphate® from potash. As part of the plan, ICL will reduce an additional 150 positions by the end of 2016. ICL will expand the Polysulphate® market by, among other things, developing a range of innovative products, including a compacted potash and Polysulphate® product marketed as PotashpluS. The Company will also seek approval from the North York Moors Park Authority to extend its planning permission for 40 years. During the Polysulphate® production acceleration period, the mining of limited remaining economically viable potash reserves in the UK will continue until completed, albeit at a lower rate.

Phosphates:

The global phosphate market can be divided into eastern and western markets – which periodically show conflicting trends. In the east, weak imports into India stem from low demand, high unsold inventories, an erratic monsoon season and a significant increase in domestic production. From January through September, DAP imports were 25% lower than in the corresponding period last year, totaling 3.6 million tonnes. As a result of increased availability from OCP and Ma'aden, as well as lower demand in the Indian market, competitiveness has increased, thereby creating price pressure. In addition, low prices offered by low-cost producers, OCP and Ma'aden, have eroded the margins of many Chinese producers, forcing them to curtail production. As a result, DAP exports from China, which increased by 52% and 42% in 2014 and 2015, respectively, decreased significantly, and in the first nine months of 2016 were 27% lower than in the corresponding period last year. Market observers report that current Chinese phosphate production is running at an average utilization rate of 50%.

In the western hemisphere, Brazil is showing strong demand for phosphates. According to the latest ANDA data for January–September, the total imports of phosphate fertilizers (MAP, DAP, TSP & SSP) in the first nine months of 2016 reached about 3.75 million tonnes, an increase of 165,000 tonnes (4.6%) over the corresponding period last year.

In the third quarter of 2016, demand in Europe was lower than usual as purchases for application in the next growing season have not yet begun. Demand in the US picked up towards the end of the quarter. The US is the sole market where prices have shown signs of hitting bottom and minor increases were even reported in certain inland destinations.

During the quarter, prices of phosphate fertilizers continued their downward trend. Prices of DAP, MAP, MGA, TSP and Rock decreased by about 30% compared to the third quarter of 2015.

Weaker domestic phosphate demand in China along with lower prices are continuing to negatively affect the results of YPH JV in China, which recorded negative operating income of $14.6 million (excluding G&A expenses) in the third quarter of 2016 (of which $13.7 million relates to the Phosphate business unit), similar to the second quarter of 2016, as efficiency measures caught up with the impact of price decreases. ICL is continuing its efforts to increase efficiency and reduce costs in a challenging market environment.

Metal magnesium

Global demand for magnesium continues to be constrained by lower economic activity in China, Brazil and Europe. In the US, supply dynamics are being impacted by resurgent and new imports of Russian, Kazakh and Turkish pure magnesium. In addition, consumption is falling as key industries, such as primary aluminum and titanium production, are shifting to other markets, including Asia and Canada. Chinese price indicators increased steadily during the third quarter to $2,340 per ton, a 20% increase above January 2016 levels, due primarily to increased consumption. Pure magnesium prices in the US market remain under pressure as a consequence of the aforementioned changes in supply dynamics.

Results of operations:

	7-9/2016	7-9/2015
	$ millions	$ millions
Potash & Magnesium	**351**	**401**
Sales to external customers	323	364
Sales to internal customers	28	37
Phosphate	**282**	**239**
Sales to external customers	229	188
Sales to internal customers	53	51
Setoffs	(12)	**(20)**
Total division sales	621	**620**

	7-9/2016	7-9/2015
	$ millions	$ millions
Operating income (loss) *	**(100)**	**156**
Adjusted operating income *	82	**191**

* Excluding G&A expenses

** Percentage of the division's total sales

*** Adjusted operating income in Q3 2016 excludes $207 million for write offs and impairment of assets due to the termination of the Ethiopian project and asset write-off at ICL UK, a cancellation of $8, $16, and $1 million provisions taken in prior perids for legal claim , retroactive electricity charges, and prior periods' royalties, repectively. Adjusted operating income in Q3 2015 excludes the impact of the strike at ICL Dead Sea in the amount of $11 million, a $3 million provision for a legal claim, $4 million related to transaction expenses in connection with acquisition and divestitures of businesses, $5 million in respect of prior periods' royalties and $12 million in retroactive electricity charges.

Sales:

The decrease in sales of Potash & Magnesium stems mainly from the decline in potash selling prices, as well as a decline in pure magnesium prices offset somewhat by higher potash sales volume in Asia.

The increase in Phosphate sales is due primarily to the consolidation of the YPH joint venture in China and low sales in the corresponding quarter of 2015 due to a fire in the SSP production facility in Israel, partially offset by a decrease in selling prices of phosphate fertilizers.

Potash: Production, Sales & Closing Inventories **Thousands of Tonnes**	7-9/2016	7-9/2015
Production	**1,265**	1,318
Sales to external customers	**1,293**	1,091
Sales to internal customers	**107**	110
Total sales (including internal sales)	**1,400**	1,201
Closing inventory	**1,087**	587

The increase in the quantity of potash sold to external customers in the third quarter over the corresponding period last year is due mainly to an increase in sales to India, Brazil and China. The decrease in the production of potash in the third quarter is due to a decrease in production at ICL UK.

Phosphate: Production & Sales **Thousands of Tonnes**	7-9/2016	7-9/2015
Phosphate rock		
Production of rock	**1,549**	964
Sales *	**318**	301
Phosphate rock used for internal purposes	**1,178**	813
Fertilizers		
Production	**876**	352
Sales *	**677**	366

* To external customers.

The increase in the quantity of fertilizers sold in Q3 2016 stems mainly from the consolidation of the joint venture in China and an increase in quantities sold to South America and Europe. In the third quarter of 2016, manufacture of phosphate fertilizers and production of phosphate rock were higher mainly due to the consolidation of the joint venture in China and increased production at ICL Rotem in Israel

Operating Income:

The adjusted operating income of the Essential Minerals Division declined primarily due to a decrease in potash and phosphate fertilizers selling prices, higher transportation costs resulting from increased quantities of potash sold and due to the consolidation of the YPH joint venture. This decrease was partially offset by increased quantities sold during the quarter compared to Q3 2015 mainly from potash sales in Asia, from low sales in the corresponding quarter last year resulting from a fire in the SSP fertilizer production facility in Israel, as well as from lower raw materials costs due to the decline is sulfur prices.

Potash Stand Alone Activities – Key Results and Analysis:

Millions of dollars	*7-9 2016*	*7-9/2015*
Average potash selling price ($ FOB)	**199**	283
Sales to external customers	**302**	344
Sales to internal customers*	**34**	42
Total sales	**336**	386
Operating income (loss)**	**(105)**	126
Adjusted operating income**	**81**	150

*Excluding G&A

** Adjusted operating income in Q3 2016 excludes a provision of $207 million for a write-off and impairment of assets, and cancellations of provisions for retroactive electricity charges, legal claims and prior periods' royaties taken in prior periods in the amount of $12, $8 and $1 million, respectively. Adjusted operating income in Q3 2015 excludes the impact of the strike at ICL Dead Sea in the amount of $8 million, a $5 million provision in respect of prior periods resulting from an arbitration provision, a $8 million provision for retroactive electricity charges and a $3 million provision for a legal claim.

*** Potash Stand-Alone Activities include, among other, Polysulphate produced at ICL UK and salt produced at ICL UK and ICL Iberia.

Sales

The decrease in sales stems mainly from lower selling prices, offset somewhat by an increase in quantities sold.

Operating Income

The decrease in adjusted operating income in the third quarter of 2016 stems mainly from a decline in selling prices, offset by increased quantities of potash sold, primarily in Asia, a decline in salary costs due to implementation of efficiency plans and a decline in royalties expenses.

Specialty Solutions Division

Business highlights:

- High operating margins in ICL Industrial Products supported by new products and cost efficiency
- Improved performance trend in ICL Advanced Additives continued, supported by seasonal driven mix and lower costs.
- ICL Food Specialties benefitted from our solutions offerings in dairy proteins and growth in new product sales, which more than mitigated the continued competitiveness in the phosphate base business.
- Growth in Specialty Agriculture sales quantities partially mitigated the commodity driven price pressure in the market

ICL Industrial Products

- Following a short period of decline in elemental bromine prices in China during the second quarter of 2016, the positive price trend which began at the end of Q3 2014 returned. Prices are currently around 65% higher than their level in Q3 2014.

- The business unit recorded strong sales of its FR-122P polymeric flame retardant for insulation materials, supported by continued transition from HBCD in Europe and higher prices. In addition, there is growing interest in FR-122P in North America and the Asia Pacific region, and the company is continuing its efforts to sign additional long-term supply agreements.

- ICL Industrial Products recorded higher sales of its Merquel® mercury emission control products, supported by the implementation of the regulation in mid-2016 and higher demand for electricity in the US during Q3 2016 compared to Q3 2015.

- The unit continued to experience strong sales of its FR-245 product due to high demand in the television and audio markets.

- FR demand from the printed circuit and automotive markets remained stable compared to the third quarter of 2015, as did demand for bromine from the butyl rubber industry.

- Sales of phosphorous-based flame retardants were unfavorably impacted by competition from Chinese manufacturers. This trend was offset by an increase in raw materials prices in China and supply interruptions experienced by several Chinese producers due to stricter environmental regulations being implemented by the government.

ICL Specialty Fertilizers

- The business unit was able to maintain its previous year's profitability ratios, as raw-material prices declined.

- Headwinds from the commodity markets and lower demand in Asia Pacific stemming from lower crop prices were offset by geographical expansion as well as by a positive contribution from consolidation of the YPH joint venture in China.

- Low global crop commodity prices led to lower demand for specialty fertilizers in specialty agriculture markets, as growers attempt to save on inputs. The recent recovery in prices of several cash crops, like palm oil, may support future demand.

- The environment described above impacted the sales prices of specialty fertilizers and, as a result, sales revenues of the business unit decreased.

- Relatively good spring-summer weather and a somewhat improved economic situation in key regions such as Europe and the Americas led to good demand for specialty products in the

Turf and Ornamental markets.

ICL Advanced Additives

- The unit's performance was favorably impacted by several factors: higher demand for its fire safety business line due to a record season of wildfire activity in North America, as well as opportunities for additional volume originating from a phased program of the US military to replace products with Advanced Additives' foams. In addition, the consolidation of the YPH JV in China contributed 3% to revenues, mainly in our Industrial Specialties and Acids business lines.

- This contribution was partially offset by slightly lower sales in the P2S5 business line due to customer production outages. In addition, sales of acids and salts decreased due to competitive markets in the EU as a result of the ban on the use of phosphate-based products in ADW (automatic dishwashers) and weakness in the Brazilian economy.

- Furthermore, demand for Specialty Minerals products decreased, especially MgCl – due to weak pre-season sales of de-icing products in the US market compared to last year, as a result of an exceptionally warm winter, and KCL – due to very low demand in the oil drilling industry.

ICL Food Specialties

- ICL Food Specialties' performance has been favorably impacted by growing demand for protein-enriched, unprocessed ("clean label") and non-allergenic ("free-from") food as well as increased manufacturing capacity in Europe and North America.

- Sales volumes of dairy proteins improved significantly due to increasing utilization of newly created production capacities.

- Sales to emerging markets are showing steady growth.

- Sales of new products, especially those specifically tailored to customer needs, more than doubled compared to Q3 2015.

- There was a partial offset due to extension of cross sanctions between the West and Russia through the end of 2017, an increasingly competitive environment in North America and devaluation of the British pound against the Euro resulting in lower purchasing power by UK customers.

Results of Operations:

	7-9/2016	7-9/2015
	$ millions	$ millions
Industrial Products	235	225
Sales to external customers	233	221
Sales to internal customers	2	4
Specialty Fertilizers	147	155
Sales to external customers	139	147
Sales to internal customers	8	8
Advanced Additives	297	290
Sales to external customers	278	275
Sales to internal customers	19	15
Food Specialties	172	157
Sales to external customers	171	153
Sales to internal customers	1	4
Setoffs	(20)	(24)
Total division sales	831	803

	7-9/2016	7-9/2015
	$ millions	$ millions
Operating income *	147	130
Adjusted operating income *	178	138

*Excluding G&A expenses

** Adjusted operating income in Q3 2016 excludes a provision for early retirement in the amount of $20 million and in respect of prior periods' royalties resulting from an arbitration decision in the amount of $11 million, both at ICL Industrial Products.

Sales:

ICL Industrial Products: The increase in sales derives primarily from an increase in quantities sold, primarily of bromine-based flame retardants and industrial solutions products, offset mainly by a decline in phosphorous-based flame retardants selling prices.

ICL Specialty Fertilizers: The decrease in sales derived mainly from price pressures, primarily due to the decline in prices of commodity fertilizers which are used as raw materials for specialty fertilizers, offset by the consolidation of the company's joint venture in China.

ICL Advanced Additives: The increase in sales stems mainly from the consolidation of the joint venture in China and an increase in the sales quantities of the fire safety business line, offset partially by a decrease in selling prices of acids.

ICL Food Specialties: The increase in sales derived mainly from a significant rise in sales of dairy proteins due to increasing utilization of newly created production capacities, and sales of new products, especially those specifically tailored to customer needs. Sales to emerging markets are also showing steady growth compared to the third quarter of 2015.

Specialty Solutions Operating Income:

Growth in adjusted operating income for the reporting period stems primarily from an increase in quantities sold, including dairy proteins and new products at ICL Food Specialties, higher sales quantities of bromine compounds at ICL Industrial Products, a decline in the prices of raw materials (mainly in the price of NPK used at ICL Specialty Fertilizers' products and materials used in the manufacture of bromine-based and phosphorous-based products at ICL Industrial Products) and from efficiency contribution. Division salary costs were lower during the period as a result of the efficiency plan implemented at ICL Industrial Products. This was partially offset by a decline in the selling prices of specialty fertilizers (due to lower commodity fertilizers prices which are used as raw materials) and phosphorous-based products.

Dividend Distribution

The Board of Directors declared that a dividend totaling $60 million, or approx. $0.05 per share, will be paid on January 4, 2017, in respect of ICL's third quarter 2016 results. This will bring total annual cash distribution to $220 million, or $0.17 per share.

##

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.

ICL produces approximately a third of the world's bromine, and is the sixth largest potash producer, as well as the leading provider of pure phosphoric acid. It is a major manufacturer of specialty fertilizers, specialty phosphates and flame retardants. ICL's mining and manufacturing activities are located in Israel, Europe, the Americas and China, and are supported by global distribution and supply networks.

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 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 number of unique advantages, including its vertically integrated activities and complementary and synergistic downstream operations for the production of unique end products; its balanced and varied product portfolio in growing markets; 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 dually listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL).

The company employs approximately 13,000 people worldwide, and its sales in 2015 totaled US $5.4 billion. For more information, visit the company's website at www.icl-group.com.

Forward Looking Statement

This press release contains statements that constitute "forward-looking statements", many of which can be identified by the use of forward-looking words such as "anticipate", "believe", "could", "expect", "should", "plan", "intend", "estimate" and "potential" among others. Forward-looking statements include, but are not limited to assessments and judgments regarding macro-economic conditions and the Group's markets, operations and financial results. Forward-looking assessments and judgments are based on our management's current beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, market fluctuations, especially in ICL's manufacturing locations and target markets; the difference between actual resources and our resources estimates; changes in the demand and price environment for ICL's products as well as the cost of shipping and energy, whether caused by actions of governments, manufacturers or consumers ;changes in the capital markets, including fluctuations in currency exchange rates, credit availability, interest rates ;changes in the competition structure in the market; and the factors in "Item 3. Key Information—D. Risk Factors" in the Company's annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on March 16, 2016. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update or revise them or any other information contained in this press release, whether as a result of new information, future developments or otherwise.

##

(Financial tables follow)

Appendix:

Adjustments to reported operating and net income

	7-9/2016 $ millions	7-9/2015 $ millions
Operating income (loss)	(331)	197
Impact of employee strike (1)	-	17
Capital loss (gain) from divestitures of non-core businesses and transaction expenses in connection with acquisition and divestitures of businesses	-	6
Write-off and impairment of assets	489	-
Provision for early retirement and dismissal of employees	20	-
Provision in respect of prior periods resulting from an arbitration decision	10	5
Retroactive electricity charges	(16)	12
Provision for legal claims	(8)	5
Total adjustments to operating income (loss)	495	45
Total adjusted operating income	164	242
Total tax impact on the above adjustments, and finance expenses adjustments (2)	35	11
Total net income (loss) - shareholders of the Company	(340)	121
Total adjusted net income - the shareholders of the Company	120	155

(1) Strike impact on 2015 potash sales quantities were not recovered in the first nine months of 2016 period due to the delayed contract signing in China and India.

(2) Finance expenses related to a provision in respect of prior periods resulting from an arbitration decision amounting to $26 million ($20 million net of tax).

Calculation of adjusted EBITDA:

	7-9/2016 $ millions	7-9/2015 $ millions
Net income attributable to the shareholders of the Company	(340)	121
Depreciation and amortization	108	90
Financing expenses, net	45	49
Taxes on income	(22)	34
Adjustments *	495	45
Total adjusted EBITDA	286	339

** See "Adjustments to reported operating and net income" above.*

We disclose in this Quarterly Report non-IFRS financial measures titled Adjusted operating income, Adjusted net income attributable to the Company's shareholders and Adjusted EBITDA. We calculate our adjusted operating income by adjusting our operating income to add certain items, as set forth in the reconciliation tables above. We calculate our adjusted net income by adjusting our net income to add certain items, as set forth in the reconciliation table above, excluding the total tax impact of such adjustments. Adjusted EBITDA is defined as the net income to the Company shareholders plus depreciation and amortization plus financing expenses, net, and taxes on income and plus the items as presented in the reconciliation table above which were adjusted for in calculating the operating income and net income attributable to the Company's shareholders You should not view adjusted operating income, adjusted net income or Adjusted EBITDA as substitutes for operating income or net income determined in accordance with IFRS, and you should note that our definitions of adjusted operating income, adjusted net income and Adjusted EBITDA may differ from those used by other companies. 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

Nonetheless, we believe adjusted operating income, adjusted net income and Adjusted EBTIDA provide useful information to both management and investors. Our management uses these non-IFRS measures to evaluate the Company's business strategies and management's performance. We believe that these non-IFRS measures provide useful information to investors because they provide transparency of key measures used to evaluate our performance and help compare operating performance from period to period. We also 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 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.

Condensed Consolidated Statements of Income (In millions, except per share data)

	For the three-month period ended	
	Sept. 30, 2016	Sept. 30, 2015
	$ millions	$ millions
Sales	1,383	1,379
Cost of sales	922	891
Gross profit	461	488
Selling, transport and marketing expenses	197	166
General and administrative expenses	80	83
Research and development expenses	18	21
Other expenses (income), net	497	21
Operating income (loss)	(331)	197
Finance expenses, net	45	49
Share in earnings of equity-accounted investees	7	8
Income (loss) before income taxes	(369)	156
Income taxes	(22)	34
Net income (loss)	(347)	122
Net loss attributable to the non-controlling interests	(7)	1
Net income (loss) attributable to the shareholders of the Company	(340)	121
Diluted earnings per share ($)	(0.27)	0.10

Where needs take us

Condensed Consolidated Statements of Financial Position:

	September 30, 2016	September 30, 2015
	$ millions	$ millions
Current assets		
Cash and short term investments	207	293
Trade receivables	1,117	883
Inventories	1,351	1,184
Other receivables	232	324
Total current assets	2,907	2,684
Non-current assets		
Investments in equity-accounted investees	162	164
Financial assets available for sale	235	-
Deferred tax assets	173	162
Property, plant and equipment	4,317	4,013
Intangible & other non-current assets	1,167	1,171
Total non-current assets	6,054	5,510
Total assets	8,961	8,194
Current liabilities		
Short-term credit	477	501
Trade payables	801	544
Provisions	90	42
Other current liabilities	696	573
Total current liabilities	2,064	1,660
Non-current liabilities		
Long-term debt and debentures	3,153	2,460
Deferred tax liabilities	198	339
Long-term employee provision	667	584
Provisions & other non-current liabilities	146	120
Total non-current liabilities	4,164	3,503
Total liabilities	6,228	5,163
Equity		
Total shareholders' equity	2,614	3,005
Non-controlling interests	119	26
Total equity	2,733	3,031
Total liabilities and equity	8,961	8,194

Condensed Consolidated Statements of Cash Flows:

	For the three-month period ended	
	Sept. 30 2016	Sept.30 2015
	$ millions	$ millions
Cash flows from operating activities		
Net income (loss)	(347)	122
Adjustments for:		
Depreciation and amortization	113	90
Revaluation of balances from financial institutions and interest expenses, net	41	19
Share in earnings of equity-accounted investees, net	(7)	(8)
Other capital losses (gains), net	429	(1)
Share-based compensation	4	6
Loss (gain) from divestiture of subsidiaries	-	-
Deferred tax expenses (income)	(60)	14
	173	242
Change in inventories	14	(5)
Change in trade and other receivables	(69)	11
Change in trade and other payables	95	30
Change in provisions and employee benefits	36	(94)
Net cash provided by operating activities	249	124
Cash flows from investing activities		
Investments in shares and proceeds from deposits, net	29	(2)
Purchases of property, plant and equipment and intangible assets	(153)	(164)
Other	1	5
Net cash used in investing activities	(123)	(161)
Cash flows from financing activities		
Dividends paid	(62)	(53)
Receipt of long-term debt	213	140
Repayment of long-term debt	(260)	(2)
Short-term credit from banks and others, net	(19)	(57)
Net cash provided by (used in) financing activities	(128)	28
Net change in cash and cash equivalents	(2)	(9)
Cash and cash equivalents as at beginning of the period	158	231
Net effect of currency translation on cash and cash equivalents	1	(10)
Cash and cash equivalents as at the end of the period	157	212

Sales by Main Countries:

	7-9/2016		7-9/2015	
	$ millions	% of sales	$ millions	% of sales
USA	315	23	328	24
China	152	11	123	9
Brazil	145	10	145	11
Germany	89	6	95	7
India	78	5	63	5
United Kingdom	77	6	75	5
Israel	64	5	61	4
Spain	55	4	66	5
France	51	4	71	5
Australia	50	4	25	2
All other	307	22	327	23
Total	1,383	100	1,379	100

Sales by Geographical Regions:

	7-9/2016		7-9/2015	
	$ millions	% of sales	$ millions	% of sales
Europe	437	31	467	34
North America	330	24	354	26
Asia	329	24	290	21
South America	162	12	158	11
Rest of the world	125	9	110	8
Total	1,383	100	1,379	100

The breakdown of the sales in the third quarter of 2016 indicates a decrease in sales in Europe, stemming mainly from a decline in the selling prices of potash and phosphate fertilizers. The decrease in sales in North America stems mainly from the sale of non-core businesses and a decrease in the selling prices of potash and phosphate, which was partially offset by an increase in the sales of fire safety products. The increase in sales in Asia stems mainly from consolidation of the joint venture in China and from an increase in the quantities sold of potash, bromine-based flame retardants and industrial solutions as well as elemental bromine. This increase was partly offset by a decline in the selling prices of potash. The increase in sales in South America stems mainly from an increase in the quantities sold of phosphate fertilizers and potash. This increase was partly offset by a decrease in potash and phosphate selling prices and from a decrease in phosphoric acids quantities sold due to the economic slowdown in Brazil.

Operating Division Data:

	Essential Minerals Division	Specialty Solutions Division	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended September 30, 2016					
Sales to external parties	552	821	10	-	1,383
Inter-division sales	69	10	1	(80)	-
Total sales	621	831	11	(80)	1,383
Operating income (loss) attributed to divisions	(100)	147	4		51
General, administrative and other unallocated income (expenses) and intercompany eliminations*					(382)
Operating income					(331)
Financing expenses, net					(45)
Share in earnings of equity-accounted investee					7
Income before taxes on income					(369)
Capital expenditures	117	21	2	-	140
Capital expenditures not allocated					20
Total capital expenditures					160
Depreciation and amortization	77	31	2	-	110
Depreciation and amortization not allocated					3
Total depreciation and amortization					113

*Including a provision of $282 related to the termination of the Harmonization project and $80 million of G&A expenses.

Operating Division Data (cont'd):

	Essential Minerals Division	Specialty Solutions Division	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended September 30, 2015					
Sales to external parties	552	796	31	-	1,379
Inter-division sales	68	7	-	(75)	-
Total sales	**620**	**803**	**31**	**(75)**	**1,379**
Operating income (loss) attributed to divisions	156	130	(12)		274
General, administrative and other unallocated income (expenses) and intercompany eliminations					(77)
Operating income					197
Financing expenses, net					(49)
Share in earnings of equity-accounted investee					8
Income before taxes on income					**156**
Capital expenditures	83	37	-		120
Capital expenditures as part of business combination	(1)	6	-		5
Capital expenditures not allocated					28
Total capital expenditures					**153**
Depreciation and amortization	55	35	-		90
Depreciation and amortization not allocated					-
Total depreciation and amortization					**90**