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## **ICL SIGNS MOU TO ESTABLISH PHOSPHATE OPERATION IN NAMIBIA**

*Joint venture with Leviev Group would build a large-scale maritime mining and phosphate downstream manufacturing business*

*ICL aims to secure competitively-priced phosphate deposits for future decades to strengthen its global specialty phosphates business*

*JV is another step in ICL's strategy to diversify its sources of phosphate raw materials in order to build its specialty phosphate business in the Americas and Africa*

*Follows ICL's recent strategic steps, including the formation of a phosphate JV with China's leading phosphate company Yunnan Yuntianhua (YTH)*

Tel Aviv, Israel, December 7, 2015 – ICL (NYSE and TASE: ICL), a global manufacturer of products based on specialty minerals that fulfill essential needs of the world's growing population in the agriculture, processed food and engineered materials markets, announced today that it signed a Memorandum of Understanding ("MOU") with LLNP Ltd., a Namibian subsidiary of the Leviev Group, an international holding and investment company ("LLNP") to perform a feasibility study to establish a world-scale phosphates and downstream production business in Namibia, including fertilizer-grade phosphoric acid, white phosphoric acid, bulk fertilizers (e.g. MAP and DAP) and specialty fertilizers. LLNP holds permits and exploration rights to mine phosphate deposits that are estimated to total approximately one billion tonnes.

The cost of extracting the phosphate is anticipated to be very competitive compared to competitors, which, in turn, is expected to enable downstream production to deliver best cost of goods.

Over the next several months, ICL and LLNP will finalize the technology development required to produce phosphate downstream products from marine deposits, including the establishment of a local industrial pilot plant. Upon its successful completion, a detailed feasibility study will be prepared to secure financing for the project.



The location of the plant on Namibia's Atlantic shore with close proximity to the marine mining site is expected to provide major logistical advantages by virtue of its proximity to markets in North and South America and competitive freight rates to East Africa. An adjacent port will be used to export goods, as well as to import raw materials required in the production process. The production plant will also benefit logistically by its proximity to land-based transportation systems (including a railway line) serving areas with high demand in Southern and West Africa.

LLNP's parent company, Leviev Group, possesses unique technological knowledge of maritime mining based on its substantial experience in maritime mining in Namibia. This will greatly complement ICL's extensive experience, advantages and position as a world leader in the specialty phosphate market.

The partnership with LLNP follows ICL's recent formation of a phosphate joint venture with Yunnan Yuntianhua, China's leading phosphate company ("YTH"). The Chinese JV is comparable to the planned operation in Namibia based on a mine producing ~2.5 million tonnes of phosphate rock per year.

The JV with LLNP is part of the execution of ICL's 'Next Step Forward' strategy to diversify its sources of phosphate-raw materials in order to build its specialty phosphate business, in this case in the Americas and in Africa for the agriculture, food ingredients and engineered materials markets. These steps are expected to ensure the continuation of ICL's phosphate operations.

Commenting on the news, Stefan Borgas, CEO of ICL, added, "We are delighted to enter into this partnership with the Leviev Group and to join such a long-standing and well-regarded investor in the country. Our joint platform will enable ICL to serve the evolving and fast-growing needs of the food and agro markets on the African continent. In the short term, we will focus on proving the technology required for this project and to demonstrate that it will enable us to operate as one of the world's cost leaders in integrated phosphate specialties. The majority of the substantial investment in the project is expected to commence in 3 to 4 years. This initiative is meant to serve as the next wave in ICL's expansion of its specialty business after most of our existing growth projects are completed. We do not expect this project to represent an additional financial burden on our company over the short term."

Nissim Adar, President & CEO of ICL Fertilizers, added, "We are excited by the prospect of developing a large-scale phosphate mining and manufacturing operation in Namibia, which is one of Africa's most stable, liberal and democratic countries and known for its moderate political climate and strong interest in attracting foreign investment. We intend to carry out the project in close cooperation with the government to ensure the development of the local economy and its employment market, while ensuring environmental responsibility. We also look forward to working closely with LLNP and the Leviev Group to advance the first stages of this project in the months ahead, and to benefit from our respective strengths and capabilities over the years ahead in order to bring this important project to fruition."



The Leviev Group commented, “We are pleased to enter into the MOU with ICL, a global manufacturer of products based on specialty minerals that fulfill humanity’s essential needs in the food and agriculture markets. Our cooperation is meant to answer worldwide needs in the fast evolving and changing food and agrochemical markets.

LLNP possesses unique technological knowledge of maritime mining based on its long-term experience in maritime mining in Namibia. The company which identified the mining business potential, has built and developed a vast phosphate-rich deposit, which shall contribute to turning Namibia into a leading player spearheading the world fertilizers industry.

Within the framework of our joint venture with ICL, including maritime mining of phosphate and the establishment of facilities to produce sophisticated downstream products, the companies will develop the raw materials required to produce high quality end products in the country. The project has received the strong support of Namibia’s Minister of Mines, and the parties will work in full coordination with the Namibian authorities and in accordance with approvals by the relevant parties in the country.”

“Within the framework of this cooperation, the companies will comply with a due diligence survey, including conducting stringent performance tests (EIA) related to evaluating the preservation of environmental quality. In addition, the fertilizers to be manufactured by the companies will contribute to the world’s agricultural sector and food industry in general, and to Namibia’s, in particular. Among the products to be manufactured by the joint venture will be fertilizer products that are specifically appropriate for Namibia’s agricultural industry and that will help to provide richer agricultural products and alleviate difficulties experienced by Namibia’s farmers. The project is also expected to provide numerous jobs in the country.”

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### ***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 dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). 46% of ICL's equity is held by Israel Corp., 13.8% by Potash Corporation of Saskatchewan and the remainder by the public.

The company employs approximately 14,000 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](http://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, statements regarding the estimated phosphate deposits in Namibia, the expectations that the location of the plant on the Namibia's Atlantic shore will provide major logistic and competitive cost benefits, the expectations that the dedicated port facility will further contribute to a competitive cost structure for the operation and the parties' annual production intentions of phosphate, green phosphoric acid and fertilizers. Forward-looking statements 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, changes in the demand and price environment of the products as well as shipping and energy costs, 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, shortage with respect to our principal raw materials, the difference between actual reserves and the reserve estimates, accidents or disruptions in the manufacturing facilities, failure to provide the necessary infrastructure and services, and those 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 20, 2015. 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.