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ICL TO ACQUIRE PROLACTAL

- ICL Food Specialties to Purchase EU-Based Functional Dairy Proteins Leader as Part of ICL's Global Expansion of its Core Food Ingredients Business –

Tel Aviv, Israel, January 27, 2015 – **ICL (NYSE and TASE: ICL)**, a global manufacturer of products that fulfill essential needs in the agriculture, processed food and engineered materials markets, today announced that its ICL Food Specialties business unit (“ICL FS”) has entered into a share purchase agreement (“SPA”) to acquire Prolactal GmbH, and its subsidiary, Rovita GmbH (collectively, “Prolactal”). Prolactal, based in Hartberg, Austria, and Engelsberg, Germany, is a leading European producer of dairy proteins and other ingredients for the food and beverage industries. The transaction is expected to close during the first quarter of 2015, subject to the receipt of regulatory approvals in Austria and Germany.

Prolactal, a privately-held company with annual revenues (2014) of approximately €100 million, produces and sells an extensive range of functional dairy proteins used broadly in the beverage, dairy and meat industries to stabilize and improve the nutrition of beverages and foods processed under a variety of conditions. The combination of ICL's existing phosphate capabilities and Prolactal's protein capabilities will enable ICL Food Specialties to provide innovative, value-added ingredient systems that outperform other solutions available today, as well as open up new market opportunities. The combined operations will also increase ICL's ability to service its existing clients by offering them a broader selection of texture and stability ingredients, including Prolactal's 'Prolactal' and 'Rovita' product lines, to better meet the growing demand by consumers for food and beverages with higher protein levels.

Prolactal, which employs approximately 200 people, operates two plants utilizing state-of-the-art production process technology capable of complete fractionation of milk. Prolactal's CEO, Mr. Johann Tanzer, has agreed to remain at Prolactal following its sale to ICL and he will join ICL Food Specialties' senior management.

ICL expects the acquisition to contribute substantial sales and marketing synergies in several regions worldwide where there is growing global demand for texture and stability ingredients. The acquisition is expected to be EPS accretive for ICL from the first year of consolidation with an EV/expected EBITDA ratio of 9 for 2015.

ICL Chairman, Mr. Nir Gilad, stated, “ICL’s Board of Directors views the Food market as one of the core markets in which we are determined to grow our business significantly. The Company’s ‘Next Step Forward’ strategy, which was approved by the Board in Spring 2013, sees major growth potential for the Company deriving from ICL’s use of its various raw materials together with technologically advanced solutions to create modern, healthy foods and beverages, and to enter new, growing markets. We believe that the acquisition of Prolactal will serve these purposes, and will provide us with an opportunity to expand synergies within ICL resulting in important added-value for the Company. The Board of Directors congratulates ICL management on this important achievement in the implementation of the Company’s strategy.”

“Our acquisition of Prolactal, one of Europe’s leading dairy protein businesses, is a key milestone in our ‘Next Step Forward’ strategy, through which we continue to strengthen and grow our core businesses in the food, agriculture and engineered materials markets,” commented Mr. Stefan Borgas, ICL’s President & CEO. “This acquisition will help us to build our Food Specialties unit into an integrated, global producer of unique, advanced value-added solutions for the beverage, dairy and meat industries, benefiting from our uniquely broad range of ingredients as well as from our backward integration and advanced technological know-how. We will leverage these capabilities to meet the evolving needs of our existing clients and to enter targeted fast-growing food and nutrition markets, including the dynamically changing markets of China, the Far East and the EU.”

Mark Volmer, President & CEO of ICL Performance Products (“ICL PP”), added, “This acquisition will serve as a platform from which we will accelerate the growth of our food ingredient business, transforming ICL Food Specialties into a distinctive provider of texture and stability solutions for a broad range of industries. The technological expertise of our two companies – ICL and Prolactal - is highly synergistic, and together we will be able to provide entirely new solutions that can only be imagined today, including high-end, functional protein and phosphate-based products. With totally unique formulations, we will be able to expand our leadership of the global food additives business, open up new growth opportunities and move up the value chain – all while migrating the business to higher-performance, higher-margin products. As such, we are very excited about the acquisition, and look forward to working closely with Prolactal’s talented team.”

Johann Tanzer, CEO of Prolactal and Rovita, stated, “Management strongly supports ICL acquisition of Prolactal for the major potential it brings to our business and our plants in Austria and Germany. As a subsidiary of ICL Food Specialties, we will be in an advantageous position to strengthen both our financial position as well as our product development and innovation activities. ICL’s global distribution network and activities will also provide Prolactal with a broad opportunity to pursue new markets worldwide which will help us to increase our international presence and enable us to continue our dynamic growth.”

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 12,000 people worldwide, and its sales in 2013 totaled US\$6.3 billion. For more information, visit the company's website at www.icl-group.com

About ICL Performance Products

ICL Performance Products produces and markets food and pharma additives, specialty grades of phosphoric acid and phosphate salts, P2S5, fire-fighting chemicals, and other products and services. Its production facilities are located in Europe, North and South America, Israel, Australia and China. For more information, please visit www.icl-pp.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.