



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

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

INCREASED SALES VOLUME AND IMPLEMENTATION OF EFFICIENCY PLAN CONTRIBUTE TO IMPROVED RESULTS BY ICL IN THE THIRD QUARTER

- *Q3 revenues of \$1.56B, increase of 8% over Q3 revenues in 2013 -*
- *Operating profit of \$262M, 18% increase over Q3 2013 –*
- *Adjusted net income for the third quarter is \$180M, 8.2% less than the parallel period in Q3 2013, impacted by short term exchange rate fluctuations and higher taxes -*

- *ICL continues to implement its "Next Step Forward" strategy:*

ICL Performance Products segment signs agreement to divest several non-core businesses for \$260M (after taxes); proceeds to be invested in ICL's core businesses in agriculture, food and engineered materials

ICL to invest \$435M in several stages until 2017 for capacity expansion and optimization of salt and potash production at ICL Iberia's Suria mine and Barcelona Port sites

Efficiency plan will lead to \$80M savings by year end 2014 and to \$350M by the end of 2016

Company evaluating additional ways of accelerating its growth and diversification of mineral resources outside of Israel

Tel Aviv, Israel, November 11, 2014 – 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 third quarter ended September 30, 2014.

Financial Highlights:

\$ millions	Q3 14	Q3 13	% change	Q2 14	% change
Revenues	1,559	1,445	7.9%	1,536	1.5%
Operating Income	262	222	18.0%	78	235.9%
Adjusted OI	262	222	18.0%	243	7.8%
Operating margin	16.8%	15.4%		15.9%	
Net income	180	78	130.8%	67	164%
Adjusted net income	180	196	(8.2)%	214	(15.9)%

* Adjusted operating income and net income in Q2 excludes past royalty payments in the amount of \$149M and \$135M, respectively, as well as the impact of a strike at Rotem in the amount of \$15M and \$12M, respectively.

ICL's President & CEO, Stefan Borgas, stated: "The third quarter was marked by solid achievement in a number of financial and business parameters. This gives us the confidence that ICL is on the correct path to create significant and long-term growth. ICL is encouraged by the success of the efficiency plans that we have implemented at a number of our business and managerial units which are meant to lead to a savings of \$80 million already by the end of 2014, and we intend to expand these plans to other business units as well, including Dead Sea Works and Bromine Compounds. In addition, our efforts to advance ICL's core businesses in agriculture, food and engineered materials in the global markets are beginning to bear fruit and achieve results. We will continue to evaluate the sale of additional non-core businesses as we did successfully a few weeks ago when we signed an agreement to sell our APW business, and will invest the proceeds from these divestments in our core businesses, both in existing projects, as well as in attractive new projects outside of Israel which we are currently examining."

Revenues: Sales for the third quarter of 2014 totaled \$1.56 billion an increase of 8% compared with \$1.46 billion for the third quarter of 2013. This increase derived primarily from increased quantities sold of potash and brominated-based flame retardants, from the consolidation of companies acquired during 2014 and fluctuations in the exchange rate. The increase was offset, in part, by a reduction in selling prices.

Gross profit: Gross profit for the third quarter of 2014 increased by 14% and totaled \$577 million compared with \$506 million in the third quarter of 2013. Gross margin for the quarter was 37% compared with 35% for the third quarter of 2013.

Operating income: Operating income for the third quarter of 2014 totaled \$262 million, an increase of 18% compared with \$222 million for the third quarter of 2013. The increase resulted from higher quantities sold in most of the segments as well as from the implementation of the efficiency plan.

Net income: Net income to shareholders for the third quarter of 2014 totaled \$180 million compared to net income of \$78 million in the comparable quarter of 2013 and adjusted net income of \$196 million in the comparable quarter of 2013.

Implementation of ICL's "Next Step Forward" Strategy

ICL's Chairman, Nir Gilad, stated, "ICL's Board is gratified by the Company's progress in implementing its 'Next Step Forward' strategy. Over the past several months ICL has been working diligently on three growth-driver tracks: efficiencies, operational excellence and increased competitiveness; a focus on core businesses of the Company and the sale of non-core operations; and on creating long-term growth engines for the Company's core businesses by expanding its existing attractive operations and examining new investments and joint ventures in new, attractive projects outside of Israel. Yesterday, ICL's Board of Directors approved a major investment to create the infrastructure for increasing production capacity at ICL Iberia's potash mine while reducing the Spanish facility's production costs to a very competitive level. In addition, the Board received an update on progress relating to review processes and negotiations that ICL has conducted recently regarding new projects and joint ventures. ICL is striving energetically and with determination to achieve its strategic objectives of growing and diversifying its sources of minerals outside of Israel and expanding and consolidating its core businesses, primarily in emerging and developing markets in Asia, South America and Africa."

Divestment of Non-core Assets and Operations: After the quarter, ICL's Performance Products (ICL PP) segment signed an agreement to sell several of its non-core businesses for \$260 million (enterprise value net of taxes). The sale is part of ICL's 'Next Step Forward' strategy launched in late 2013 which calls for ICL to divest its non-core businesses to focus on its core businesses in the agriculture, food and engineered materials markets, and to optimize its positioning in those markets.

Investment in the Development and Growth of Potash Mine in Spain: ICL will invest \$435 million in several stages capacity expansion and optimization at ICL's potash production facility at Suria, Catalonia, Spain. Out of the total program in Spain, the Board of Directors has already approved projects amounting to \$330 million. Implementing these investments will allow the continued and long-term growth of potash production in Catalonia, as well as the reduction of average potash production costs to a level that is closer to the level of ICL Fertilizers' business unit in Israel, Dead Sea Works, and a marginal cost per tonne similar to the Dead Sea level. The next stage of the project includes the following:

- Gradually increasing potash production to 1.4 million tonnes per year
- Increasing granular potash capacity to approximately 100% of the potash produced at the site
- Doubling production of vacuum salt to 1.5 million tonnes a year
- Upgrading logistics infrastructure at the mine (entrance ramp to the mine), at the factory and at the Port of Barcelona to enable the production, transport and export of 2.3 million tonnes of potash
- Reducing the environmental footprint of operations

- Implementing an advanced, 3D feasibility study for the purpose of developing a new potash mine within the area of ICL's franchise in Catalonia which could expand production by an additional 1 million tons annually

Efficiency Plans: During 2014 ICL is expected to achieve a savings of around \$80 million based on a year-end run rate through its implementation of efficiency programs and reduction of production costs, especially within the framework of its efficiency program and the retirement of approximately 120 workers at its Rotem factory in the Negev. ICL management has begun negotiations with representatives of the employees of Dead Sea Works and Bromine Compounds in Israel's south regarding efficiency plans which include reductions in production costs and in the number of employees at these production facilities.

Excellence in Environmental Responsibility: During the quarter, ICL was recognized as a world leader in reducing greenhouse gas emissions and mitigating climate change. For the second year in a row, ICL's 2014 report to the Carbon Disclosure Project (CDP) received a score of 98 (out of 100) in the CDP's Carbon Disclosure Index. It also received the highest grade (A) for its efforts to reduce its GHG emissions, placing ICL among the 150 top global companies and the second best overall among global fertilizer producers. ICL submits detailed reports to the CDP as part of its strategy of sustainability, corporate responsibility and transparency.

Highlights of Core Business Segments

ICL Fertilizers:

- The recovery of the potash market continued across all geographies. Demand is expected to remain robust, especially in China and India
- The successful efficiency plan at ICL's Rotem factory in Israel led to record acid production at a lower cost which resulted in improved profitability
- Crop commodity prices pose a challenge for 2014, however fertilizer prices remain affordable

Potash: During the third quarter, ICL increased its sales quantities of potash by 30%, selling 1.32 million tonnes of potash compared to 1.02 million tonnes sold in the parallel quarter of 2013. The recovery of the potash market continued in all geographic areas, and demand is expected to remain strong, primarily in China and India. Operating income from potash for the third quarter grew by 17% and was \$131 million compared with \$112 million for the comparable quarter in 2013.

Phosphate Fertilizers: ICL sold 440 thousand tonnes of phosphate fertilizers in the third quarter of 2014, an increase of 4% compared to 424 thousand tonnes in the comparable period of 2013. Operating income from phosphate fertilizers for the third quarter was \$37 million, an increase of 67% compared to \$22 million for the comparable quarter in 2013.

Acquisition of AmegA Sciences: In September, ICL's Specialty Fertilizers business unit acquired AmegA Sciences, a UK-based developer and manufacturer of specialty products for the specialty agriculture, horticulture and turf & amenity markets. AmegA Sciences' products provide solutions related to water conservation, water retention and enhanced growth. It is well-known in these markets for its development of innovative, industry leading products and solutions. The acquisition will strengthen ICL Specialty Fertilizers' position in specialty agriculture markets by adding to its core technologies and product portfolio.

Negotiations for Phosphate Rock JV: During the quarter, the Company announced that it is conducting negotiations with a third party in connection with a joint venture undertaking relating to

existing and future activities involving the mining and sale of phosphate rock in developing markets, as well as production, marketing and distribution of phosphate-rock products in these markets. As of September 30, the negotiations had not yet ripened into in-principle commercial agreements and the parties had not reached an essential agreement regarding the structure of the transaction nor the consideration to be paid by the Company. To the extent the negotiations result into a binding agreement, the Company estimates the consideration at several hundred million dollars.

ICL Industrial Products:

- The segment recorded a moderate improvement in flame retardants volumes due to good demand from the connectors, automotive and TV markets
- The segment also registered improved volumes of industrial solutions and biocides
- Profitability remains unsatisfactory. The business is focusing on price increases and cost reduction in order to maintain its high level of customer service and to improve its competitive position.

Sales for the third quarter:

ICL Industrial Products' sales for the third quarter of 2014 totaled \$328 million, an increase of 9% compared to \$301 million recorded for the corresponding period last year.

Operating income for the third quarter:

The segment incurred operating income of \$36 million for the third quarter of 2014 compared with an operating income of \$27 million for the third quarter of 2013, an increase of 36%.

JV with Albemarle: During the quarter ICL IP entered into a joint venture agreement to produce polymeric flame retardant. that will replace HBCD which has been the industry standard flame retardant used in expanded (EPS) and extruded (XPS) polystyrene foam applications, but is being phased out in Japan, Europe, and other countries.

ICL Performance Products:

- During Q3, the segment benefitted from acquisitions in the food business, an active fire safety season in North America and an improved product mix
- In the food specialties area, the segment's new application development program is progressing on track for the purpose of expanding its customer base
- The segment experienced lower sales of its advanced additives due to the economic slowdown in Europe, as well as the competitive environment and the shortage of acid in the US.

Sales for the third quarter:

ICL PP's sales for the third quarter of 2014 totaled \$451 million, an increase of 3% compared with \$435 million for the third quarter of 2013. The increase reflects an increase in the quantities sold including the first-time consolidation of financial statements of companies acquired during the quarter, the impact of changes in exchange rates and price changes.

Operating income for the third quarter:

The segment's operating income for the third quarter of 2014 totaled \$66 million compared to \$73 million in the third quarter of 2013. The decrease was due primarily to an increase in raw-material costs, other operating expenses and an increase in costs due to the strike at Rotem.

Decision of the Socio-Economic Cabinet of the Government of Israel Regarding the Relative Share of the State from the Use of Natural Resources

According to the press release published by the Ministry of Finance on November 10, 2014, the Socio-Economic Cabinet unanimously approved the recommendations of Sheshinski Committee II. According to the press release, the final recommendations will be enacted into law and brought to the Knesset for approval.

On October 10, 2014, Sheshinski Committee II submitted its final report to the Israeli government on the Government's Take of revenues from natural resources in Israel. The final recommendations are not substantially different than the interim recommendations of the Committee, and therefore there were no changes to decisions taken to date by ICL's Board of Directors. In light of the deteriorating business conditions in Israel accompanied by a lack of regulatory certainty, ICL does not see Israel as an attractive target for future investment, rather as a target for growth derived from streamlining and cutting production costs. As a result, the Board of Directors, at its meetings on August 6 and August 28, 2014, made the following decisions:

- cancelling planned investments in the amount of \$750 million
- re-evaluating planned investments totaling approximately \$1 billion
- closing ICL's Magnesium plant in January 2017 (subject to passage of the Sheshinski recommendations into law)
- focusing on reducing costs as a key component for creating business value in Israel through the execution of efficiency plans at ICL's plants in the Negev

ICL will continue to work to materially change the business environment in Israel so that ICL can justify investment in Israel in the future.

Dividends

The Company's Board of Directors today declared that a dividend totaling \$125 million will be paid on December 17, 2014, in respect of its third quarter results.

Additional Financial and Other Information

Additional information on the Company results for the 3rd quarter, including financial statements, can be found by clicking on the following link: www.icl-group.com

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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.

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 traded on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE & 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

Forward Looking Statement

This press release contains forward-looking assessments and judgments regarding macro-economic conditions and the Group's markets, and there is no certainty as to whether, when and/or at what rate these projections will materialize. Management's projections are likely to change in light of market fluctuations, especially in ICL's manufacturing locations and target markets. In addition, ICL is likely to be affected by changes in the demand and price environment for its products as well as the cost of shipping and energy, whether caused by actions of governments, manufacturers or consumers. ICL can also be affected by changes in the capital markets, including fluctuations in currency exchange rates, credit availability, interest rates, etc.

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