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**ICL TO SUPPLY CHINESE CUSTOMERS
WITH 500,000 TONS OF POTASH DURING H2 2011
AT HIGHER PRICES**

*- New Contracts are \$70 a Ton Higher Than H1 2011
and Affirm ICL's Role as a Leading Supplier to the Chinese Market –*

Tel – Aviv, Israel, July 7, 2011 – ICL (TASE: ICL), a multinational fertilizer and specialty chemicals company, today announced that its ICL Fertilizers segment will supply its Chinese customers with 500,000 tons of potash over the second half of 2011 within the framework of its existing supply agreements. ICL's price per ton is similar to recent prices recorded by other potash suppliers in the market, and is approximately \$70 a ton higher than selling prices to China during the first half of 2011.

The agreements for the second half of the year bring to one million tons the amount of potash that ICL has contracted to sell to its Chinese customers during 2011. The number of ICL Fertilizers' Chinese customers has increased since 2010, and it sells its potash directly to Chinese fertilizer producers and distributors.

In addition to demonstrating ICL's growing relationship with its Chinese customers, the new agreements affirm ICL's major logistical advantage as a potash exporter to Southeast Asian markets. ICL Fertilizers' primary source of potash is from the Dead Sea which is in closer proximity to Asian markets than most potash producers.

Commenting on the news, Mr. Dani Chen, President & CEO of ICL Fertilizers, said "Our agreements with Chinese customers for the second half of the year demonstrate our market position as an important provider of fertilizers to the large Chinese market. We are proud to play a prominent role in increasing agricultural output and food production throughout the world, especially in markets with fast-growing populations, such as China."

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About ICL

ICL is one of the world's leading fertilizer and specialty chemicals companies. For a

world challenged by population growth and scarce resources, ICL makes products that increase global food and water supplies and improve industrial materials and processes.

ICL produces approximately a third of the world's bromine and is the 6th largest potash producer in the world. ICL is a leading supplier of fertilizers in Europe and a major player in specialty fertilizer market segments. One of the world's most integrated manufacturers and suppliers of phosphate products, ICL has become the world's leading provider of pure phosphoric acid and a major specialty phosphate player.

ICL is comprised of three core segments: ICL Fertilizers, ICL Industrial Products and ICL Performance Products. Its major production activities are located in Israel, Europe, the US, South America and China, and are supported by major global marketing and logistics networks. ICL benefits from exclusive concessions to extract minerals from Israel's Dead Sea, a vast source of high-quality and low-cost potash, bromine, magnesium chloride and sodium chloride. ICL also mines phosphate rock from Israel's Negev Desert and potash and salt from its mines in Spain and the UK.

ICL's shares are traded on the Tel Aviv Stock Exchange (TASE: ICL).

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.