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**ICL REPORTS FINANCIAL RESULTS FOR
THE FIRST QUARTER 2010**

- *Recovering Markets Lead to Improved Sales in All Segments, Continuous Improvement Across All Metrics Compared to Q1 2009 and Q4 2009 –*
- *Revenues Up 54% YOY to \$1.4B; Operating Income Up 48% YOY to \$303M; Net Income Up 52% YOY to \$241M -*

Tel – Aviv, Israel, May 25, 2010 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today reported results for the first quarter ended March 31, 2010.

Financial Results

The first quarter of 2010 was the Company's best-ever first quarter besides the first quarter of 2008, which was a "spike" year for the industry.

Revenues: Revenues for the quarter were \$1,382 million, an increase of 54% compared with \$898 million for the first quarter of 2009, and also up compared with \$1,227 million for the fourth quarter of 2009. The improvement reflected a sharp increase in quantities sold in all operating segments, an indication of the continuation of the recovery trend that began in the second half of 2009. This was countered partially by a reduction of selling prices, primarily in the Fertilizers segment.

Gross profit: Gross profit for the first quarter of 2010 was \$559 million, an increase of 52% compared with \$369 million in the parallel quarter of 2009, and also up significantly compared with \$511 million in the fourth quarter of 2009. The increase in gross profit derived from the higher sales, coupled with cost reductions for most of the Company's raw materials. This was countered partially by the strengthening of the shekel as compared with the dollar during the period. Gross margin for the period was 40.4%, compared with 41.1% for the first quarter of 2009, reflecting lower selling prices for some of the Company's products.

Operating income: Operating income for the first quarter of 2010 totaled \$303 million, an increase of 48% compared with \$206 million for the first quarter of 2009,

and also up compared with \$254 million in the fourth quarter of 2009. The increase derived from the improved gross profit and from the ongoing contribution of the Company's efficiency program. Operating margin for the first quarter of 2010 declined to 22.0% from 22.9% in the first quarter of 2009, reflecting increased expenses attributable to the strengthening of the shekel and rising shipping costs.

Net income: Net income to the Company's shareholders for the first quarter of 2010 was \$241 million, an increase of 52% compared with \$159 million for the first quarter of 2009, and also up compared with \$203 million for the fourth quarter of 2009.

Cash flow: Cash flow from operating activities for the first quarter of 2010 totaled \$220 million, which served as the Company's primary financing source for its investment in fixed assets during the period and debt reduction.

Debt: As of March 31, 2010, the Company's net debt totaled \$720 million, a reduction of \$137 million compared to the end of 2009.

Highlights of Core Business Segments

- **ICL Fertilizers:** sales for the first quarter of 2010 were \$766 million, up 106% compared with the first quarter of 2009, representing 52.7% of total revenues (before offsets of inter-segment sales). The increase reflected a sharp increase in the quantities sold of all segment's products, as the Company's primary target markets continued with the recovery that began in the second half of 2009. However, average prices declined during the period. In the first quarter of 2010 the Company sold 1,329 thousand tons of potash, an increase of more than 300% compared to the quantity sold in the parallel quarter of 2009.

Operating income for the first quarter was \$232 million, a 67% increase compared to the first quarter of 2009. The increase reflected the rise quantities sold, countered by a decline in some selling prices, together with the strengthening of the shekel compared with the dollar.

New potash supply contracts: 1) During January 2010, ICL Fertilizers signed contracts with a number of customers in **China** for the supply of a total of 620,000 tons of potash (including an option) in the year 2010. 2) During March 2010, ICL Fertilizers signed contracts with a number of customers in **India** for the supply of a record total of 1,430,000 tons of potash (including options) for the period of a year beginning in April 2010.

- **ICL Industrial Products:** sales for the first quarter of 2010 were \$292 million, an increase of 40% compared to the first quarter of 2009, representing 20.1% of total revenues (before offsets of inter-segment sales). The increase reflects an increase in the quantity sold for most of the segment's products as compared with the parallel quarter of 2009, including especially flame retardants and inorganic brominated compounds. This was countered partially

by a decrease in selling prices for some of the segment's product lines as compared with their level in the first quarter of 2009.

In fact, after a sharp decline of sales during the fourth quarter of 2008 and the first half of 2009 associated with the global crisis, during the second half of 2009 the segment began to experience an increase in both demand and prices. This demand was enhanced by the reduced production by Chinese bromine suppliers, due to the dilution of reduction of source brines available to them, the harshness of their winter and the high manufacturing prices. This reduced supply led to an increase in the prices of bromine and brominated flame retardants in the Chinese market which could not be supplied by local manufacturers.

Operating income for the first quarter was \$34 million, an increase of 560% compared to \$5 million for the first quarter of 2009, reflecting the higher quantity sales and strengthening dollar, countered by reduced selling prices. Operating margin for the quarter increased to 11.5% from 2.4% in the first quarter of 2009.

- **ICL Performance Products:** sales for the first quarter of 2010 were \$319 million, a 6% increase compared to the first quarter of 2009, representing 22.0% of total revenues (before offsets of inter-segment sales). The increase reflects higher quantities sold for most of the segment's products, together with the strengthening of the Euro as compared with the dollar. This was countered partially by reduced selling prices as compared with the first quarter of 2009.

Operating income for the quarter was \$44 million compared with \$52 million for the first quarter of 2009. The decrease reflected a reduction of selling prices for most of the segment's products, countered partially by a reduction in the cost of the segment's primary raw materials and by an increase in quantities sold compared with the parallel quarter of 2009.

Dividends:

- On April 27, 2010, the Company paid a dividend totaling \$155 million in respect of its fourth quarter 2009 results. This brought the total dividend paid in respect of 2009 results to \$530 million.
- In light of the continuous improvement in the Company's financial position, operational scope, profitability and cash flow, together with the ongoing reduction of its outstanding debt, the Company's Board of Directors has analyzed, with the help of external advisors, the potential effect of various levels of dividend payments on the Company's overall financial position. This analysis was carried out with consideration of the Company's current and projected cash flow, investment plans and debt position.

As a result of this analysis, the Board of Directors has decided to distribute a one-time dividend of \$500 million, a sum that will create a desirable debt-to-equity ratio and an appropriate return to its shareholders.

In addition, the Board of Directors has decided to re-establish its policy of distributing a quarterly dividend of up to 70% of its net income. In line with this decision, it has approved the distribution of a dividend totaling \$168 million in respect of its first quarter results.

Both the \$500 million one-time dividend and the \$168 million dividend in respect of the Company's first quarter results will be paid on June 28, 2010.

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.

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(financial tables follow)

ICL
PRINCIPAL FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2010

| | 3 months ended March 31, | | | | 12 months ended December 31, | |
|------------------------------------------------------------------------|-----------------------------|---------------|----------------|---------------|---------------------------------|---------------|
| | 2010 | | 2009 | | 2009 | |
| | \$ millions | % of sales | \$ millions | % of sales | \$ millions | % of sales |
| Net Sales | 1,382.5 | 100.0 | 898.5 | 100.0 | 4,554.3 | 100.0 |
| Gross profit | 559.1 | 40.4 | 369.0 | 41.1 | 1,836.5 | 40.3 |
| Operating income | 303.5 | 22.0 | 205.6 | 22.9 | 938.2 | 20.6 |
| Income before taxes | 302.1 | 21.9 | 228.8 | 25.5 | 942.8 | 20.7 |
| Net income to Company's shareholders | 240.5 | 17.4 | 158.8 | 17.7 | 770.4 | 16.9 |
| EBITDA* | 353.1 | 25.5 | 259.3 | 28.9 | 1,225.9 | 26.9 |
| Cash flow from operating activities | 219.7 | | 238.3 | | 1,199.7 | |
| Investment in property, plant and equipment less grants received | 84.7 | | 88.8 | | 345.6 | |

* EBITDA is calculated as follows:

| | 3 months ended March 31, | | 12 months ended December 31, |
|-----------------------------------------|-----------------------------|--------------|---------------------------------|
| | 2010 | 2009 | 2009 |
| Net income to Company's shareholders | 240.5 | 158.8 | 770.4 |
| Amortization & depreciation | 52.1 | 47.6 | 204.6 |
| Financing expenses, net | (0.1) | (22.6) | (6.1) |
| Taxes on income | 60.6 | 75.5 | 168.5 |
| Unusual or one-time expenses | - | - | 88.5 |
| EBITDA | <u>353.1</u> | <u>259.3</u> | <u>1,225.9</u> |

** For further details regarding adjusted metrics, please refer to the Company's financial reports.

ICL
PRINCIPAL RESULTS FROM CORE MANAGERIAL SEGMENTS
THREE MONTHS ENDED MARCH 31, 2010

| | 3 months ended March 31, | | | | 12 months ended December 31, | |
|--------------------------|-----------------------------|------------|-------------|------------|---------------------------------|------------|
| | 2010 | | 2009 | | 2009 | |
| Sales CIF by segment | \$ millions | % of sales | \$ millions | % of sales | \$ millions | % of sales |
| ICL Fertilizers | 766.0 | 52.7 | 371.1 | 38.3 | 2,146.6 | 44.5 |
| ICL Industrial Products | 292.2 | 20.1 | 210.1 | 21.7 | 1,015.1 | 21.0 |
| ICL Performance Products | 319.3 | 22.0 | 301.4 | 31.1 | 1,328.0 | 27.5 |
| Other and offsets | 5.1 | | 15.9 | | 64.6 | |
| Total | 1,382.5 | | 898.5 | | 4,554.3 | |

Note: Segment sales data and their percentage of total sales are before offsets of inter-segment sales.

| | 3 months ended March 31, | | | | 12 months ended December 31, | |
|-----------------------------|-----------------------------|--------------------|-------------|--------------------|---------------------------------|--------------------|
| | 2010 | | 2009 | | 2009 | |
| Operating income by segment | \$ millions | % of segment sales | \$ millions | % of segment sales | \$ millions | % of segment sales |
| ICL Fertilizers | 232.4 | 30.3 | 138.8 | 37.4 | 723.1 | 33.7 |
| ICL Industrial Products | 33.7 | 11.5 | 5.1 | 2.4 | 20.9 | 2.1 |
| ICL Performance Products | 44.2 | 13.8 | 52.2 | 17.3 | 162.7 | 12.3 |
| Other and offsets | (6.8) | | 9.5 | | 31.5 | |
| Total | 303.5 | | 205.6 | | 938.2 | |