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ICL REPORTS Q1 2017 RESULTS

-First quarter 2017 sales of $1.3 billion compared to $1.27 billion for Q1 2016 supported by growth of Specialty businesses

-Reported and adjusted operating income of $116 million

- Continued trend of strong cash flow generation

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Tel Aviv, Israel, May 10, 2017 **– ICL *(NYSE &TASE: ICL*)**, a leading global specialty minerals and specialty chemicals company, today reported its financial results for the first quarter ended March 31, 2017.

Consolidated sales for the first quarter were $1.295 billion compared to $1.265 billion recorded for the comparable period in 2016. First quarter results were supported by growth in ICL's Specialty Solutions industrial division, led by strong performance in the division's bromine business and operating margin improvements in Advanced Additives' business lines. The stronger performance by Specialty Solutions was offset by weaker pricing in the Company's Essential Minerals agro division, primarily in the commodity phosphate fertilizers market, notwithstanding a moderate increase in potash volumes.

The Company reported operating income of $116 million compared to $107 million for the first quarter of 2016 and adjusted operating income of $116 million compared to $115 million in the prior-year quarter. 64% of operating income derived from the Specialty Solutions division compared with 52% for the comparable quarter in 2016.

During the quarter the Company continued to reduce G&A expenses, working capital and strictly manage capital expenditures thereby increasing free cash flow to mitigate the challenging business environment, primarily, lower commodity prices in the Company's agro division. This resulted in free cash flow of $104 million in the first quarter, compared to $38 million in free cash flow recorded for the comparable quarter in 2016.

Q1 2017Financial Highlights:

	1-3/2017		1-3/2016	
	$ millions	% of sales	$ millions	% of sales
Sales	**1,295**	**-**	1,265	-
Gross profit	**358**	**28**	366	29
Operating income	**116**	**9**	107	8
Adjusted operating income	**116**	**9**	115	9
Net income - shareholders of the Company	**68**	**5**	66	5
Adjusted net income - shareholders of the Company	**68**	**5**	85	7
Adjusted EBITDA (1)	**218**	**17**	223	18
Cash flow from operating activities	**195**	**-**	222	-

(1) See "Adjusted EBITDA for the periods of activity" below

ICL's Acting CEO, Asher Grinbaum, stated, "The first quarter was highlighted by the continued strong performance of several of our Specialty businesses, especially our bromine business, which was supported by the unit's favorable pricing strategy and cost reductions. In addition, our YPH JV in China began to benefit from operational improvements, including efficiency measures it has undertaken, as well as from steps to reduce exposure to phosphate commodity prices, thereby reducing its operating loss. Notwithstanding a moderate increase in potash volumes during the first quarter, our Essential Minerals agro division continued to be affected by the challenging business environment, particularly in the commodity phosphate fertilizer market, as well as by technical problems at our ICL UK mine, which were subsequently resolved following the quarter."

Mr. Grinbaum continued, "During the quarter, we continued to shape our business into Agro and Industrial divisions, organizing our internal structure to focus on our customers' needs in these two markets. As part of this re-focus, we moved our Specialty Fertilizers business into the Essential Minerals division, thereby creating an agro-oriented division and our Specialty Solutions industrial-oriented division.

Mr. Grinbaum concluded, "During the first several months of 2017, we also continued our determined efforts to generate strong cash flow by reducing expenses and CapEx. However, we continue to invest in programs which strengthen our competitive positioning and offer attractive rates of return. The cash flow derived from these efforts will enable us to further improve our balance sheet and support our future growth. We believe that these efforts position the Company for success in the ongoing challenging environment that we and our industry face, and will serve to enhance our long-term stability and profitability."

FINANCIAL RESULTS

Sales:

Sales analysis	$ millions	
Total sales Q1 2016	**1,265**	↑
Quantities	115	↑
Price	(55)	↓
Exchange rate	(30)	↓
Total sales Q1 2017	**1,295**	↑

Higher sales in Q1 2017 derived mainly from sales of clear brine fluids, sales of phosphoric acid, mainly related to an increase in the YPH JV, and an increase in quantities of potash sold, mainly in North America. The increase was offset mainly by a decline in the selling price of phosphate fertilizers and phosphoric acid in ICL phosphate and a decline in the selling price of Acids in ICL Advanced Additives and potash, as well as a devaluation of the euro and the Chinese yuan against the dollar.

Adjusted Operating Income:

Adjusted operating income analysis	$ millions	
Total adjusted operating income Q1 2016	**115**	
Quantities	40	↑
Raw materials	25	↑
Reduced G&A	14	↑
Prices	(55)	↓
Transportation	(21)	↓
Exchange rate	(10)	↓
Other	8	↑
Total adjusted operating income Q1 2017	**116**	

The increase in adjusted operating income stems mainly from higher quantities sold primarily at ICL Phosphates and ICL Industrial Products, lower raw material costs deriving mainly from a decline in sulfur prices used in ICL Phosphate and ICL Advanced Additives products, and reduced G&A expenses due to efficiency contributions, offset by a decline in commodity fertilizers prices, higher transportation costs and exchange rate fluctuations, mainly from the devaluation of the euro and the pound against the dollar, partly offset by the upward revaluation of the Israeli shekel.

Financing expenses, net: Net financing expenses in the first quarter of 2017 totaled $14 million compared with $28 million in the first quarter of 2016. The decrease includes a decline of $16 million deriving mainly from an increase of the income in respect of the fair value of foreign currency hedging transactions, energy and marine shipping, net of revaluation of net liabilities and a decrease in interest expenses due to a decrease in short term and long term debt. On the other hand, there was an increase in financing expenses in the amount of $2 million, stemming mainly from exchange rate differences relating to provisions for employee benefits.

Tax expenses: Tax expenses in the first quarter of 2017 amounted to $42 million, compared with tax expenses of $22 million in the corresponding quarter last year. The increased tax expenses in the current quarter was mainly a result of differences in the measurement base of property, plant and equipment for tax purposes and the measurement base thereof for financial reporting purposes due to the strengthening of the shekel against the dollar. The effective tax rate, without the impact of the above-mentioned differences, is about 29%, compared with an effective tax rate of about 24%, in the corresponding quarter last year. The increase in the effective tax rate stems primarily from the application of the Israeli Natural Resources Tax to bromine and potash activities in Israel.

Net income: Net income for the first quarter of 2017 totaled $68 million compared to net income of $66 million for the comparable period in 2016. Adjusted net income for Q1 2017 totaled $68 million compared with $85 million for Q1 2016.

Cash flow: First quarter net operating cash flow of $195 million decreased by $27 million compared to the prior-year period. The decrease stemmed mostly from changes to working capital in each of the comparable periods.

REVIEW OF OPERATING DIVISIONS

<u>Specialty Solutions Division</u>

The Specialty Solutions division, which serves as ICL’s industrial division, targets industrial markets and concentrates on achieving growth through a highly tailored customer focus, product innovation and commercial excellence. The segment includes three business lines: ICL Industrial Products, ICL Advanced Additives and ICL Food Specialties.

	1-3/2017	1-3/2016
	$ millions	$ millions
Industrial Products	**266**	**224**
Sales to external customers	264	223
Sales to internal customers	2	1
Advanced Additives	**213**	**208**
Sales to external customers	199	188
Sales to internal customers	14	20
Food Specialties	**138**	**162**
Sales to external customers	136	159
Sales to internal customers	2	3
Setoffs	**(4)**	(10)
Total segment sales	**613**	**584**
Operating income	**115**	**106**

Sales analysis	Industrial Products	Advanced Additives	Food Specialties	Setoff	Segment Total
	$ millions				
Total sales Q1 2016	224	208	162	(10)	584
Quantities	50	20	(20)	5	55
Price	(5)	(10)	-	-	(15)
Exchange rate	(3)	(5)	(4)	1	(11)
Total sales Q1 2017	266	213	138	(4)	613

- ***Quantities:*** The increase derived mainly from an increase in clear brine solutions quantities sold together with bromine-based flame retardants, as well as from an increase in quantities sold in the P2S5 business and phosphoric acid. This increase was partly offset by a decrease in dairy protein quantities sold (slightly offset by an increase in quantities of new products sold).

- ***Price:*** The decrease stemmed mainly from different product and customer mix of clear brines solutions sold and the selling prices of acids.

- ***Exchange rate***: The decrease derived primarily from the devaluation of the euro against the dollar.

Business highlights:

ICL's Specialty Solutions division accounted for 47% of ICL's overall sales and 64% of operating income in the first quarter of 2017, resulting from the continued strong performance of ICL's bromine business which was supported by its value based pricing strategy, cost reductions and long-term commercial engagements with customers. The industrial division also recorded solid performance and operating margin improvements in its fire safety and oil additives business lines (P2S5). These positive results were partially offset by a significant decline in dairy protein sales due to de-stocking activity of a customer delivering proteins to China, partially offset by an increase in phosphate-based food additives in Europe and 40% growth of new products.

ICL Industrial Products

- Continued favorable bromine pricing in China was partially offset by the devaluation of the RMB compared to the dollar.
- The unit achieved higher sales and the continued transition from HBCD to FR-122P in Europe.
- There was stable and moderately growing demand for bromine-based flame retardants. Sales were higher mainly as a result of low bromine availability in China. ICL Industrial Products is continuing to work on securing long-term supply agreements for bromine-based flame retardants.
- Higher sales of MERQUEL® (Mercury emission control products) were supported by a regulation implemented in the US in mid-2016.
- The unit also saw stable demand for bromine in the Butyl rubber industry.
- ICL Industrial Products recorded higher sales of phosphorous-based flame retardants as a result of supply interruptions by several Chinese producers facing stricter environmental regulations. Nevertheless, Chinese production supply is stabilizing. The unit is working to secure annual contracts with customers in western markets.
- Demand for clear brine solutions continues to be soft as result of low oil prices. Sales of clear brines solutions during the first quarter of 2017 were higher compared to the corresponding quarter last year as a result of non-recurring sales. Overall sales for 2017 are expected to be at the same level as 2016.

ICL Advanced Additives

The performance of the Advanced Additives business unit was favorable compared to the corresponding quarter last year and was impacted by several factors:

- Global sales of acids and salts declined slightly compared to the corresponding quarter last year, driven by the highly competitive market environment.

- In the Specialty Minerals sub-business line, solid sales in technical applications combined with new sales to a major customer offset weak magnesium chloride sales of de-icing products following a mild winter. As a result, sales were flat compared to the prior year.

- P2S5 sales improved compared to the corresponding quarter last year. Sales in the first quarter of 2017 increased slightly driven by higher demand from key customers in North America and Europe.

- The Fire Safety sub-business line was positively influenced by wildfire activity in South America, resulting in increased sales of liquid concentrate to Chile and Argentina.

ICL Food Specialties

- ICL Food Specialties' sales volume in the first quarter was lower compared to the corresponding quarter last year, driven mostly by lower sales of dairy proteins.

- Sales volume of dairy proteins declined significantly in China as a result of new local regulations for organic infant food, aimed at reducing the wide product portfolio currently available in the market. The decline was partially offset by growth in other customer relationships in the growing Chinese market. First signs of recovery are expected during the second half of the year.

- ICL Food Specialties' phosphates business remained stable in the quarter as competitive pressure in North America and Europe was offset by a recovery in sales in Eastern Europe. The business line announced price increases in North America beginning in the second quarter of 2017, with the full impact of the pricing adjustments expected to be realized beginning in the third quarter.

- Sales volume of integrated solutions and new products continued to grow compared to the first quarter of 2016 as the business line continues to launch new products to the dairy, beverage, meat, poultry and seafood markets in all regions. Order intake rates are increasing as well, adding to the positive outlook for the remainder of 2017.

- ICL Food Specialties' results were further impacted by the devaluation of several currencies against the dollar, mainly the euro, the British pound and the Mexican peso.

Specialty Solutions Operating Income:

Operating income analysis	$ millions	
Total operating income Q1 2016	106	
Quantities	35	⬆
Price	(15)	⬇
Exchange rate	(5)	⬇
Raw materials	10	⬆
Energy	-	⬄
Transportation	(1)	⬇
Other	(15)	⬇
Total operating income Q1 2017	115	

Quantities: The increase stemmed mainly from the quantities of clear brines solutions and bromine-based flame retardants sold combined with P2S5 products.

Price: The decrease stemmed mainly from lower selling prices of acids and a different product mix of clear brines fluids sold.

Exchange Rate: The decrease stemmed mainly from devaluation of the euro against the dollar.

Raw materials: The increase stemmed mainly from a decrease in sulfur prices used for products in ICL Advanced Additives.

Other: The increase derived, among others, from an increase in royalties paid as a result of increased sales.

Essential Minerals Division

The Essential Minerals division, which serves as the company's agro division, includes three business lines (as of January 2017): ICL Potash & Magnesium, ICL Phosphate and ICL Specialty Fertilizers. The agro division focuses on efficiency, process innovation and operational excellence in order to improve the competitive position of its assets.

During Q1 the division experienced a moderate increase in potash volumes compared to Q1 2016. In addition, potash prices increased moderately in spot markets such as Brazil, the US and Europe during the first quarter of 2017 compared with Q4 2016, and are currently stable. However, operating income of potash operations was negatively impacted by a production outage at the division's ICL UK potash facility resulting from technical difficulties in the mine in December 2016 (subsequently resolved after the end of the quarter), as well as by maintenance expenses and increased seaborne transportation costs. The commodity phosphate fertilizer market continues to operate under a challenging business environment, offset somewhat by a sequential decrease in the operating loss at the division's YPH JV resulting from continued efficiency and cost reduction efforts. The division's Specialty Fertilizers business unit benefited from strong growth in Latin America and China, as well as from operational efficiency and cost reduction initiatives.

Note that comparative data for the division has been restated to reflect that ICL Specialty Fertilizers business line became a part of the Essential Minerals agro division as of January 2017.

Results of Operations

	1-3/2017	1-3/2016
	$ millions	$ millions
Potash & Magnesium	**283**	**273**
Sales to external customers	253	241
Sales to internal customers	30	32
Phosphate	**292**	**299**
Sales to external customers	247	249
Sales to internal customers	45	50
Specialty Fertilizers	**192**	**188**
Sales to external customers	186	180
Sales to internal customers	6	8
Setoffs	**(33)**	**(37)**
Total segment sales	**734**	**723**
Operating income	**66**	**93**

For additional details regarding potash– see 'Potash – Stand-Alone Activities'.

Sales analysis	Potash & Magnesium	Phosphate	Specialty Fertilizers	Setoff	Segment Total
		$ millions			
Total sales Q1 2016	273	299	188	(37)	723
Quantities	25	35	15	-	75
Price	(5)	(35)	(5)	-	(45)
Exchange rate	(10)	(7)	(6)	4	(19)
Total sales Q1 2017	283	292	192	(33)	734

- ***Quantities***: The increase stemmed mainly from an increase in phosphoric acid and phosphate fertilizers quantities sold, together with an increase in potash sales (mainly in India and the US) and from an increase in specialty agriculture products quantities sold.

- ***Price:*** The decrease derived primarily from a decline in phosphate fertilizers and phosphoric acid selling prices, from lower commodity fertilizers prices and from a decline in potash selling prices.

- ***Exchange rate:*** The decrease stemmed mainly from the devaluation of the euro and the Chinese yuan against the dollar.

Business environment overview

- After lackluster market performance in 2016, the consensus suggests that economic activity will pick up pace in 2017 and 2018, especially in emerging markets and developing economies, depending on the policy stance of the new US administration and its global ramifications.

- Based on the WASDE report published by the USDA in April 2017, a small decrease is expected in the ratio of the inventories of grains to annual consumption, to 24.6% at the end of the agricultural 2016/2017 year, compared with 24.9% at the end of the 2015/2016 agricultural year, and an increase from a level of 23.6% in the 2014/2015 agricultural year.

- Favorable weather conditions in the growing regions along with increased planted areas, mainly in Brazil, kept crop prices unchanged. In the first quarter of 2017, potash prices in the spot markets increased globally from their low levels in the second half of 2016 and are continuing to be supported by strong demand and limited supply. Prices of phosphate fertilizers also increased due to high demand in China, which absorbed most of the Chinese production. However, towards the end of the quarter, there was a decline in domestic Chinese demand that caused a re-routing of local production to global markets which, in turn, caused a decrease in the prices of phosphate fertilizers.

Business highlights

Potash

- Despite the delay in signing a contract with China, ICL's potash shipments during the first quarter of 2017 increased by more than 5% compared to the corresponding quarter last year. Prices of potash increased moderately in spot markets such as Brazil, the US and Europe during the first quarter of 2017 compared to the fourth quarter of 2016 and are presently showing stability. The forthcoming commissioning of K+S' Legacy project in Canada is expected to add to supply pressure on prices in the near-term.

- According to customs data, China imported about 2.868 million tonnes of potash during the first quarter of 2017, about 48% more than during the corresponding period last year. The increase resulted from the massive imports overflow from last year's contract and continuing cross-border rail imports from Russia. Supply contracts with Chinese customers for 2017 have yet to be concluded, and it is estimated that a settlement will occur during the second quarter of 2017.

- Potash imports into India during the first quarter of 2017 amounted to 820,000 tonnes, a 32% increase over the corresponding quarter last year. The sharp increase stems from the importers' projection of higher prices in the next contract and the 20% (about $28 per tonne) reduction of NBS (Nutrient Based Subsidy) during the 2017/18 fiscal year beginning April 1, 2017. The reduction of NBS may impose an additional challenge on sales of potash to local farmers. However, as potash is already underutilized, a further decrease may have an adverse effect on yields, thus no significant demand reduction is projected.

- During the first quarter, ICL continued its potash deliveries to India as a part of supply contracts for 760 thousand tonnes (including optional quantities of 60 thousand tonnes) at a price of $227 per tonne CFR for the period running from July 2016 until June 2017.

- Brazil is showing continued strong demand for potash and other fertilizers, stimulated by low prices and good soybean demand. According to ANDA (Brazilian National Fertilizer Association), potash imports into Brazil during the first quarter of 2017 amounted to 1.668 million tonnes, a 21% increase over the corresponding quarter last year. The increase is attributable mainly to higher planted areas of soybeans and improvement in farmers' profitability.

- In April 2017, after receiving all the permits for execution of the Salt Harvesting with the Government of Israel, ICL's Board of Directors approved a budget of about $280 million to further proceed with the execution of the Salt Harvesting in the Dead Sea. This budget which is part of the Salt Harvesting project, will be executed over the next 13 years, and constitutes ICL's share (80%) in the cost of performing this part.

- Global demand for magnesium continues to be constrained by lower economic activity in China, Brazil and Europe. Additionally, consumption is being displaced as key sectors, such as primary aluminum and titanium production, shift to other markets, including Asia and Canada. Pure magnesium prices in the US market remain under pressure as a consequence of changes in supply dynamics.

Sales - Potash:

Thousands of Tonnes	1-3/2017	1-3/2016
Production	**1,057**	1,348
Sales to external customers	**942**	893
Sales to internal customers	**72**	24
Total sales (including internal sales)	**1,014**	917
Closing inventory	**709**	983

Production and Sales

The quantity of potash sold to external customers in the first quarter of 2017, was 49,000 tonnes higher than in the corresponding quarter last year, mainly due to an increase in sales to India and USA. Production of potash in the first quarter of 2017 was 291,000 tonnes lower than in the corresponding quarter last year, due to a decrease in the production of ICL UK as a result of an operational breakdown in the mine tailing channel. Production was renewed at the beginning of the second quarter of 2017, and the Company estimates that the under-production will be made up during the course of the year.

Phosphates

- After a short period of moderate price recovery in the beginning of the quarter, the phosphate market is again experiencing downward pressure. On the demand side, increased shipments to Brazil are more than offset by lackluster buying from India. The end of the domestic season in China is diverting more products to international trade markets.

- Despite a 7% increase compared to the fourth quarter of 2016, the first quarter 2017 average DAP FOB Morocco prices were about 10% lower than during the corresponding quarter last year.

- DAP inventories in India, the largest importer of phosphate materials, are still high, and demand is low. The Indian government's decision in early April to reduce the NBS (Nutrient Based Subsidy) on phosphate, is expected to only have a marginal effect on DAP as it is offset by an increase of the NBS on nitrogen. DAP imports during the first quarter of 2017 amounted to just 200,000 tonnes, a 144% increase over the corresponding period last year but still considered very low. Prices offered by Chinese and Saudi producers, in the order of $370 FOB, make it difficult for importers to buy at the prevailing MRP (minimum retail price).

- The price for phosphoric acid (100% P_2O_5) contracts in India for the second quarter of 2017 were set at $590/t CFR including 30 days' credit, a $40 per tonne increase from the first quarter contract price.

- The domestic demand season in China has ended and local producers are turning to the export markets. During the first quarter of 2017, China exported 1,280,000 tonnes of phosphate fertilizers (DAP, MAP and TSP), a 37.9% increase over the corresponding quarter last year.

- Over-supply in the domestic market in China, along with lower international prices, continue to negatively affect the results of the YPH joint venture in China, which recorded negative operating income of $6 million (not including G&A expenses) in the first quarter of 2017 (most of which relates to the ICL Phosphate business line). ICL continues its efforts to increase efficiency and reduce costs and accelerate a shift to specialty products which are expected to support the JV's profitability in the short and medium terms.

- In the western hemisphere, the US and Brazilian markets are showing good demand.

- Brazilian imports of phosphate fertilizers (MAP, DAP, TSP & SSP) during the first quarter of 2017 amounted to 887,000 tonnes, a 50% increase over the corresponding quarter last year. The increase is attributable mainly to higher planted areas of soybeans and improvement in farmer profitability. MAP CFR Brazil prices in the first quarter of 2017 were 9.4% higher than in the fourth quarter of 2016, but only 4% above the first quarter of 2016. TSPCFR Brazil prices in the first quarter of 2017 were 1.5% higher than in the fourth quarter of 2016, but 10.5% lower than the first quarter of 2016.

- Despite a 4% increase compared to the fourth quarter of 2016, the first quarter 2017 average DAP US domestic prices were about 5% lower than during the corresponding quarter last year.

- In April 2017, the Company signed a principles agreement with the Workers Council of Rotem Amfert Israel toward the renewal of the collective bargaining agreements. The Company is expected to sign the final collective bargaining agreement in the second quarter of 2017 as well as to initiate an early retirement plan at an expected cost of approximately $5M-$10M.

Production and Sales – Phosphates

Thousands of Tonnes	1-3/2017	1-3/2016
Phosphate rock		
Production of rock	**1,400**	1,341
Sales *	**160**	362
Phosphate rock used for internal purposes	**1,096**	751
Fertilizers		
Production	**570**	573
Sales *	**649**	506

*** To external customers**

Production and Sales

The quantity of fertilizers sold in the first quarter of 2017 was 143,000 tonnes higher than in the corresponding quarter last year. The increase stems mainly from an increase in sales to Brazil and China. The quantity of phosphate rock sold in the first quarter decreased significantly due to increased internal use for fertilizer production in China, as well as low global demand and an unattractive price environment.The production of phosphate rock was higher by 59,000 tonnes mainly due to increased production in ICL Rotem in Israel.

Specialty Fertilizers

- ICL Specialty Fertilizers' sales and operating income increased in the first quarter of 2017 compared to the corresponding period in 2016 as a result of higher sales volumes throughout most regions and higher profitability, mainly in Europe and Israel. The increased profitability stems from lower-price inventory, accumulated during prior periods, implementation of cost reduction initiatives and the slightly increasing market prices of end products.

- During the fourth quarter of 2016, global commodity fertilizers prices (mainly Nitrogen) began to increase. This, combined with the recent recovery in the prices of several "cash" crops such as oil palms and sugar, is expected to support 2017 sales.

- Total sales in Europe are slightly lower as the favorable impact of early spring on sales in the turf and ornamental horticulture markets was offset by negative exchange rate effects and a decrease in sales prices.

- In Asia Pacific, sales increased by over 50% compared to the corresponding quarter last year, primarily due to higher sales volumes of straight fertilizers. However, low market prices negatively impacted gross income. Increased interest and orders were registered at the beginning of the second quarter.

- Emerging markets like Africa, Brazil, India and Turkey are adopting more sophisticated fertilizer application methods and technologies. This trend is a result of on-going educational activities directed to local growers during the past years. Higher sales volumes to these markets were recorded in the first quarter of 2017.

Essential Minerals Division: Operating Income

Operating income analysis	$ millions
Total operating income Q1 2016	**93**
Quantities	10
Price	(45)
Exchange rate	(5)
Raw materials	20
Energy	-
Transportation	(20)
Other	13
Total operating income Q1 2017	**66**

Quantities: The increase derived mainly from potash and specialty agriculture products sold.

Price: The decrease stemmed mainly from a decline in phosphate fertilizers and phosphoric acid selling prices, from lower commodity fertilizers prices and from a decline in potash selling prices.

Exchange Rate: The decrease derived primarily from the upward revaluation of the Israeli shekel against the dollar.

Raw materials: The increase stemmed mainly from a decline in sulfur prices (used in the production of green phosphoric acid) and a decline in commodity fertilizers prices (used for ICL Specialty Fertilizers products).

Transportation: The decrease resulted mainly from an increase in transportation prices and from an increase in quantities sold.

Other: The increase derived primarily from income from insurance in respect of a fire at ICL Rotem facilities and from income from a capital gain due to the sale of an office building in Israel.

Potash Stand Alone Activities – Key Results and Analysis:

Millions of dollars	1-3/2017	1-3/2016
Average potash selling price - FOB (in $)	216	235
Sales to external customers	231	221
Sales to internal customers *	36	40
Operating income	41	51

* Sales to other business units of ICL including the Magnesium business.

Potash stand-alone activities include, among others, Polysulphate® produced in a mine in the UK, and salt produced in underground mines in the UK and Spain.

Sales analysis	$ millions
Total sales Q1 2016	261
Quantities	20
Price	(5)
Exchange rate	(9)
Total sales Q1 2017	267

Operating income analysis	$ millions
Total operating income Q1 2016	51
Quantities	5
Price	(5)
Exchange rate	-
Raw materials and energy	-
Transportation	(15)
Other	5
Total operating income Q1 2017	41

Quantities: The increase derived mainly from potash sales in India and the US.

Price: The decrease stemmed from a decline in potash selling prices.

Transportation: The decrease resulted mainly from an increase in transportation prices and from the increase in quantities of potash sold.

##

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 dually listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs approximately 13,000 people worldwide, and its sales in 2016 totaled US$5.4 billion. For more information, visit the company's website at 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 assessments and judgments regarding macro-economic conditions and the Group's markets, operations and financial results. Forward-looking assessments and judgments 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, market fluctuations, especially in

ICL's manufacturing locations and target markets; the difference between actual resources and our resources estimates; changes in the demand and price environment for ICL's products as well as the cost of shipping and energy, 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;and the factors 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 16, 2017. 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.

##

(Financial tables follow)

Appendix:

Adjustments to Reported Operating and Net Income

	1-3/2017	1-3/2016	2016
	$ millions	$ millions	$ millions
Operating income (loss)	116	107	(3)
Capital loss	-	1	1
Write-down and impairment of assets	-	-	489
Provision for early retirement and dismissal of employees	-	6	39
Provision in respect of prior periods resulting from an arbitration decision	-	-	13
Retroactive electricity charges	-	-	(16)
Provision for legal claims	-	1	8
Provision for historical waste removal	-	-	51
Total adjustments to operating income (loss)	-	8	585
Adjusted operating income	116	115	582
Net income (loss) attributable to the shareholders of the Company	68	66	(122)
Total adjustments to operating income (loss)	-	8	585
Adjustments to finance expenses	-	-	38
Total tax impact of the above operating income & finance expenses adjustments	-	(2)	(81)
Tax assessment and deferred tax adjustments	-	13	36
Adjustments attributable to the non-controlling interests	-	-	(5)
Total adjusted net income - shareholders of the Company	68	85	451

Calculation of adjusted EBITDA:

	1-3/2017	1-3/2016	2016
	$ millions	$ millions	$ millions
Net income (loss) attributable to the shareholders of the Company	68	66	(122)
Depreciation and amortization	94	99	401
Financing expenses, net	14	28	132
Taxes on income	42	22	55
Adjustments *	-	8	585
Total adjusted EBITDA	218	223	1,051

** See "Adjustments to reported operating and net income" above.*

We disclose in this Quarterly Report non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to the Company's shareholders and adjusted EBITDA. Our management uses adjusted operating income, adjusted net income attributable to the Company's shareholders and adjusted EBITDA to facilitate operating performance comparisons from period to period. We calculate our adjusted operating income by adjusting our operating income to add certain items, as set forth in the reconciliation table below. Certain of these items may recur. We calculate our adjusted net income attributable to the Company's shareholders by adjusting our net income attributable to the Company's shareholders to add certain items, as set forth in the reconciliation table below, excluding the total tax impact of such adjustments and adjustments attributable to the non-controlling interests. We calculate our adjusted EBITDA by adding back to the net income attributable to the Company's shareholders the depreciation and amortization, financing expenses, net, taxes on income and the items presented in the reconciliation table above which were adjusted for in calculating the adjusted operating income and adjusted net income attributable to the Company's shareholders.

You should not view adjusted operating income, adjusted net income attributable to the Company's shareholders or adjusted EBITDA as a substitute for operating income or net income attributable to the Company's shareholders determined in accordance with IFRS, and you should note that our definitions of adjusted operating income, adjusted net income attributable to the Company's shareholders and adjusted EBITDA may differ from those used by other companies. However, we believe adjusted operating income, adjusted net income attributable to the Company's shareholders and adjusted EBITDA provide useful information to both management and investors by excluding certain expenses that management believes are not indicative of our ongoing operations. Our management uses these non-IFRS measures to evaluate the Company's business strategies and management's performance. We believe that these non-IFRS measures provide useful information to investors because they improve the comparability of the financial results between periods and provide for greater transparency of key measures used to evaluate our performance.

We present a discussion in the period-to-period comparisons of the primary drivers of changes in the company's results of operations. These discussions are based in part on management's best estimates of the impact of the main trends in its businesses. We have based the following discussion on our financial statements. You should read the following discussion together with our financial statements.

Condensed Consolidated Statements of Income (in millions, except per share data)

	For the three-month period ended		For the year ended
	March 31, 2017	March 31, 2016	December 31, 2016
	$ millions	$ millions	$ millions
Sales	**1,295**	1,265	5,363
Cost of sales	**937**	899	3,703
Gross profit	**358**	366	1,660
Selling, transport and marketing expenses	**180**	155	722
General and administrative expenses	**66**	80	321
Research and development expenses	**15**	17	73
Other expenses	**-**	10	618
Other income	**(19)**	(3)	(71)
Operating income (loss)	**116**	107	(3)
Finance expenses	**91**	42	157
Finance income	**(77)**	(14)	(25)
Finance expenses, net	**14**	28	132
Share in earnings of equity-accounted investees	**1**	2	18
Income (loss) before income taxes	**103**	81	(117)
Income taxes	**42**	22	55
Net income (loss)	**61**	59	(172)
Net income (loss) attributable to the non-controlling interests	**(7)**	(7)	(50)
Net income (loss) attributable to the shareholders of the Company	**68**	66	(122)
Earnings (loss) per share attributable to the shareholders of the Company:			
Basic earnings (loss) per share (in cents)	**5.30**	5.20	(10.00)
Diluted earnings (loss) per share (in cents)	**5.30**	5.20	(10.00)
Weighted-average number of ordinary shares outstanding:			
Basic (in thousands)	**1,276,098**	1,272,930	1,273,295

Diluted (in thousands)	1,276,975	1,273,499	1,273,295

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Financial Position:

	March 31 2017	March 31 2016	December 31 2016
	$ millions	$ millions	$ millions
Current assets			
Cash and cash equivalents	81	123	87
Short-term investments and deposits	38	89	29
Trade receivables	968	969	966
Inventories	1,248	1,444	1,267
Assets held for sale	122	10	-
Other receivables	247	296	222
Total current assets	2,704	2,931	2,571
Non-current assets			
Investments in equity-accounted investees	31	148	153
Financial assets available for sale	240	268	253
Deferred tax assets	144	131	150
Property, plant and equipment	4,349	4,288	4,309
Intangible assets	829	1,219	824
Other non-current assets	336	318	292
Total non-current assets	5,929	6,372	5,981
Total assets	8,633	9,303	8,552
Current liabilities			
Short-term credit	590	683	588
Trade payables	695	717	644
Provisions	92	50	83
Other current liabilities	701	655	708
Total current liabilities	2,078	2,105	2,023
Non-current liabilities			
Long-term debt and debentures	2,791	2,960	2,796
Deferred tax liabilities	305	296	303
Long-term employee provisions	595	576	576
Provisions	174	129	185
Other non-current liabilities	9	23	10
Total non-current liabilities	3,874	3,984	3,870
Total liabilities	5,952	6,089	5,893

Equity			
Total shareholders' equity	**2,603**	3,061	2,574
Non-controlling interests	**78**	153	85
Total equity	**2,681**	3,214	2,659
Total liabilities and equity	**8,633**	9,303	8,552

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows:

	For the three-month period ended		For the year ended
	March 31, 2017	March 31, 2016	December 31, 2016
	$ millions	$ millions	$ millions
Cash flows from operating activities			
Net income (loss)	**61**	59	(172)
Adjustments for:			
Depreciation and amortization	**94**	99	406
Revaluation of balances from financial institutions and interest expenses, net	**57**	29	76
Share in earnings of equity-accounted investees, net	**(1)**	(2)	(18)
Other capital losses (gains), net	**(9)**	1	433
Share-based compensation	**2**	5	15
Deferred tax expenses (income)	**13**	(5)	(2)
	217	186	738
Change in inventories	**28**	(57)	70
Change in trade and other receivables	**(23)**	114	150
Change in trade and other payables	**(32)**	(36)	(90)
Change in provisions and employee benefits	**5**	15	98
Net change in operating assets and liabilities	**(22)**	36	228
Net cash provided by operating activities	**195**	222	966
Cash flows from investing activities			
Investments in shares and proceeds from deposits, net	**(10)**	(249)	(198)
Purchases of property, plant and equipment and intangible assets	**(106)**	(187)	(632)
Proceeds from divestiture of subsidiaries	**-**	17	17
Other	**15**	(1)	13
Net cash used in investing activities	**(101)**	(420)	(800)
Cash flows from financing activities			
Dividend paid to the company's shareholders	**(60)**	-	(162)
Receipt of long-term debt	**420**	400	1,278
Repayment of long-term debt	**(425)**	(250)	(1,365)
Short-term credit from banks and others, net	**(36)**	7	14
Other	**-**	-	(4)
Net cash provided by (used in) financing activities	**(101)**	157	(239)

Net change in cash and cash equivalents	(7)	(41)	(73)
Cash and cash equivalents as at beginning of the year	87	161	161
Net effect of currency translation on cash and cash equivalents	1	3	(1)
Cash and cash equivalents as at the end of the period	81	123	87

Sales by Main Countries:

	1-3/2017		1-3/2016		2016	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
USA	276	21	253	20	1,070	20
China	145	11	108	9	669	13
Germany	98	8	112	9	392	7
United Kingdom	89	7	98	8	306	6
Spain	79	6	75	6	258	5
Brazil	77	6	77	6	521	10
France	71	5	71	6	226	4
Israel	52	4	53	4	237	4
Italy	40	3	40	3	122	2
India	37	3	26	2	199	4
All other	331	26	352	27	1,363	25
Total	1,295	100	**1,265**	**100**	**5,363**	**100**

Sales by Geographical Regions:

The following table sets forth sales by geographical regions based on the location of the customer:

	1-3/2017		1-3/2016		2016	
	$ million	% of sales	$ millions	% of sales	$ millions	% of sales
Europe	534	41	559	44	1,863	35
North America	294	23	267	21	1,141	21
Asia	282	22	239	19	1,275	24
South America	98	8	92	7	588	11
Rest of the world	87	6	108	9	496	9
Total	1,295	100	**1,265**	**100**	**5,363**	**100**

The breakdown of the sales in the first quarter of 2017 indicates a decrease in sales in Europe, stemming mainly from a decline in the selling prices of potash and phosphate products together with a decline in the quantities of phosphate rock sold. This decrease was partly offset by an increase in sales of ICL Industrial Products. The increase in sales in North America stems mainly from an increase in the quantities of potash and clear brines solutions sold, partly offset by a decrease in sales due to divestiture of non-core businesses last year. The increase in sales in Asia stems mainly from an increase in quantities sold of potash, phosphoric acid, bromine-based flame retardants and specialty agriculture products. The increase in sales in South America stems mainly from an increase in the quantities of phosphate fertilizers sold, partly offset by a decrease in potash quantities sold.

Operating Division Data:

	Specialty Solutions Segment	Essential Minerals Segment	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended March 31, 2017					
Sales to external parties	599	686	10	-	1,295
Inter-segment sales	14	48	1	(63)	-
Total sales	613	734	11	(63)	1,295
Operating income attributed to segments	115	66	-		181
General and administrative expenses					(66)
Other unallocated expenses and intercompany eliminations					1
Operating income					116
Financing expenses, net					(14)
Share in earnings of equity-accounted investee					1
Income before taxes on income					103
Capital expenditures	12	99	-		111
Capital expenditures not allocated					1
Total capital expenditures					112
Depreciation and amortization	28	65	1		94
Depreciation and amortization not allocated					- *
Total depreciation and amortization					94

* Less than $1 million.

	Specialty Solutions Segment	Essential Minerals Segment	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended March 31, 2016					
Sales to external parties	570	670	25	-	1,265
Inter-segment sales	14	53	-	(67)	-
Total sales	584	723	25	(67)	1,265
Operating income attributed to segments	106	93	2		201
General and administrative expenses					(80)
Other unallocated expenses and intercompany eliminations					(14)
Operating income					107
Financing expenses, net					(28)
Share in earnings of equity-accounted investee					2
Income before taxes on income					81
Capital expenditures	25	123	1		149
Capital expenditures not allocated					14
Total capital expenditures					163
Depreciation and amortization	26	73	-		99
Depreciation and amortization not allocated					- *
Total depreciation and amortization					99

* Less than $1 million.

	Specialty Solutions Segment	Essential Minerals Segment	Other activities	Eliminations	Consolidated
			$ millions		
For the year ended December 31, 2016					
Sales to external parties	2,493	2,811	59	-	5,363
Inter-segment sales	60	225	-	(285)	-
Total sales	2,553	3,036	59	(285)	5,363
Operating income attributed to segments	534	398	5		937
General and administrative expenses					(321)
Other unallocated expenses and intercompany eliminations					(619)
Operating loss					(3)
Financing expenses, net					(132)
Share in earnings of equity-accounted investee					18
Loss before taxes on income					(117)
Capital expenditures	95	497	1		593
Capital expenditures not allocated					59
Total capital expenditures					652
Depreciation and amortization	106	292	3		401
Depreciation and amortization not allocated					5
Total depreciation and amortization					406