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ICL REPORTS Q2 2017 RESULTS

-Second quarter 2017 sales of $1.32 billion compared to $1.37 billion for Q2 2016 and $1.30 billion for Q1 2017 –

-Operating income of $144 million compared to $149 million in Q2 2016 and $116 million in Q1 2017 -

- Solid performance driven by Specialty Solutions division's Industrial Products and Advanced Additives business lines-

- Significant operational improvements at ICL's YPH Chinese joint venture -

***Tel Aviv, Israel, August 3, 2017* – ICL *(NYSE &TASE: ICL*)**, a leading global specialty minerals and specialty chemicals company, today reported its financial results for the second quarter ended June 30, 2017.

Consolidated sales for the second quarter were $1,322 million compared to $1,377 million recorded for the comparable period in 2016. Second quarter results were supported by continued growth in ICL's Specialty Solutions division's Industrial Products and Advanced Additives business lines.

The Company reported operating income of $144 million compared to $149 million for the second quarter of 2016 and adjusted operating income of $153 million compared to $163 million in the prior-year quarter. Q2 2016 operating income includes income from insurance in respect of a fire that occurred in a fertilizer production facility in Israel in 2015 in the amount of approximately $26 million.

During the quarter the Company continued to reduce G&A expenses, working capital and strictly manage capital expenditures thereby executing another quarter of strong positive free cash flow (operating cash flow net of CapEx) to mitigate the challenging business environment, primarily, lower commodity prices in the Company's agro division. This resulted in free cash flow of $86 million in the second quarter compared to $85 million in free cash flow recorded for the comparable quarter in 2016.

ICL's Acting CEO, Asher Grinbaum, stated, "During the second quarter we successfully continued our efforts to reduce our G&A expenses and to generate strong positive free cash flow. Our Specialty Solutions industrial division continued its solid performance based on its Advanced Additives business line, which recorded gains in its sales of fire safety products, and strong operating profit at the division's Industrial Solutions business line. In our agro division, we continued to see stabilization in spot potash market prices, supported by the recent price increase for Chinese potash contracts, while the phosphate fertilizers market continues to be volatile with further market price reductions recorded during the quarter. We are very pleased to have signed contracts with our Chinese customers for 925,000 metric tonnes of potash to be delivered in 2017 which will have a positive impact on our second half results. We continue to counter the challenging business environment in the commodities markets by maintaining a strong focus on efficiency and operational excellence in order to improve the competitive position of our assets. As a result, and due to a reduction of our exposure to phosphate commodity fertilizers, our YPH JV in China showed significant operational improvements during the quarter."

Mr. Grinbaum continued, "Several notable events occurred during the quarter, both positive and negative. We signed an agreement to divest our 50% ownership of IDE, a non-synergistic holding of the Company, in consideration of approximately $178 million, which will further improve our balance sheet. In addition, Spain's Catalan Supreme Court approved our suggested roadmap regarding the continuation of our operations at the Sallent site, allowing us to continue operating there for another year with an option for a second year until we complete our expansion of a second mine in Spain."

"At the end of the quarter our Rotem phosphate facilities in Israel unfortunately experienced a partial collapse of a dyke at one of its ponds which is used for accumulation of phosphogypsum water, a by-product of a production process at the plant (see "Essential Minerals - Phosphates" below). We are and have always been fully committed to environmental responsibility and we are taking determined action in full coordination with the Israeli authorities to rectify the resulting environmental harm and to restore the ponds over the short and long term."

Mr. Grinbaum concluded, "We continue to successfully execute our strategy and generate cash. We are also increasing our efficiency and competitiveness through process and product innovation as well as operational excellence programs throughout our global operations. Above all, we remain firmly dedicated to meeting the evolving needs of our markets through our highly tailored focus on our customers throughout the world."

FINANCIAL RESULTS

Q2 2017 Financial Highlights:

	2017		2016	
	$ millions	% of sales	$ millions	% of sales
Sales	1,322	-	1,377	-
Gross profit	415	31	417	30
Operating income	144	11	149	11
Adjusted operating income (1)	153	12	163	12
Net income - shareholders of the Company	57	4	120	9
Adjusted net income - shareholders of the Company (1)	64	5	132	10
Adjusted EBITDA (2)	251	19	278	20
Cash flows from operating activities	199	-	238	-
Capital expenditures	109	8	196	14

(1) See "Adjustments to reported operating and net income" in the appendix below.

(2) See "Adjusted EBITDA for the periods of activity" in the appendix below.

Sales:

Sales analysis	$ millions	
Total sales Q2 2016	1,377	
Quantity	(21)	⬇
Price	(17)	⬇
Exchange rate	(17)	⬇
Total sales Q2 2017	1,322	

Lower sales in Q2 2017 derived from lower quantities sold of phosphate fertilizers in ICL Phosphate and dairy proteins at ICL Food Specialties. The decrease was partly offset by an increase in quantities of potash sold, mainly to Asia and South America, and acids at ICL Advanced Additives. There was also a decline in the selling prices of phosphate fertilizers and phosphoric acid at ICL Phosphate. Lower sales also resulted from the devaluation of the euro and the Chinese yuan against the dollar compared to the corresponding quarter last year.

Adjusted Operating Income:

Adjusted operating income analysis	$ millions
Total adjusted operating income Q2 2016	163
Quantity	(6)
Price	(17)
Exchange rate	(12)
Raw materials	6
Transportation	-
Operational costs	31
Other	(12)
Total adjusted operating income Q2 2017	153

The decrease in adjusted operating income derived mainly from a decline in the selling prices of phosphate fertilizers and phosphoric acid at ICL Phosphate, currency fluctuations, and a decrease in quantities sold, primarily at ICL Phosphate and ICL Food Specialties, as well as from insurance income received in the corresponding quarter last year in respect of a fire in a fertilizer production facility located in Israel, offset partly by operational cost saving measures at the YPH JV, G&A reduction initiatives and lower raw material prices.

Financing expenses, net: Net financing expenses in the second quarter of 2017 totaled $49 million compared with $40 million in the corresponding quarter last year. The increase derived mainly from $13 million in fees paid with respect to early repayment of a long-term loan.

Tax expenses: Tax expenses in the second quarter of 2017 amounted to $41 million, reflecting an effective tax rate of about 43%. The higher tax rate in 2017 is mainly due to an increase in the on-going Israeli effective tax rate on the Company's Israeli operations. In addition, the upward revaluation of the NIS vs. the US dollar had an impact on ICL's tax expenses. The lower than usual effective tax rate in the corresponding quarter last year was due to recognition of deferred tax assets in the amount of $27 million.

Net income: Net income for the second quarter of 2017 totaled $57 million compared to net income of $120 million for the comparable period in 2016, a reduction of 52.5%. Adjusted net income for Q2 2017 totaled $64 million compared with $132 million for Q2 2016.

Cash flow& debt movement: Second quarter net operating cash flow of $199 million decreased by $39 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

Specialty Solutions Division

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.

	4-6/2017	4-6/2016
	$ millions	$ millions
Industrial Products	291	294
Sales to external customers	287	292
Sales to internal customers	4	2
Advanced Additives	208	206
Sales to external customers	195	193
Sales to internal customers	13	13
Food Specialties	147	174
Sales to external customers	143	170
Sales to internal customers	4	4
Setoffs	(6)	(7)
Total segment sales	640	667
Operating income	135	136

Sales analysis	Industrial Products	Advanced Additives	Food Specialties	Setoff	Segment Total
	$ millions				
Total sales Q2 2016	294	206	174	(7)	667
Quantity	(3)	8	(26)	1	(20)
Price	2	(3)	-	(1)	(2)
Exchange rate	(2)	(3)	(1)	1	(5)
Total sales Q2 2017	291	208	147	(6)	640

- ***Quantities:*** The decrease derived mainly from the decrease in dairy protein quantities sold in ICL Food Specialties (which was slightly offset by an increase in quantities of new products sold). This decrease was partly offset by an increase in quantities sold in the acids sub-business line of ICL Advanced Additives.
- ***Prices:*** The decrease stemmed from lower selling prices of acids in ICL Advanced Additives.
- ***Exchange rates:*** The decrease stemmed mainly from devaluation of the euro against the dollar compared to the corresponding quarter last year.

Business highlights:

ICL's Specialty Solutions division accounted for 46.5% of ICL's overall sales and 62.5% of operating income in the second quarter of 2017. The division recorded a strong quarter driven by higher acid and fire safety sales at the division's Advanced Additives business line despite a challenging business environment, as well as strong operating margins at its Industrial Products due to cost reductions and higher sales of phosphorus-based FRs and completion fluids and despite seasonally weaker bromine prices. Sales at the division's Food Specialties business line increased quarter over quarter despite significantly lower sales compared to the comparable period last year as a result of a customer's destocking activity, driven by higher dairy protein sales to other customers and a 45% increase in accelerated growth products.

ICL Industrial Products

- Seasonal-driven increased Chinese production resulted in a decrease in elemental bromine prices in China during May through mid-June. However, stricter environmental regulations and heavy rains impacted Chinese production leading to a change in the trend and an increase in prices.
- The business line recorded stable to moderate growth in demand for bromine-based flame retardants.
- A new flammability standard (CPR) in the wire & cables for the building and construction market in Europe is driving higher demand for magnesium hydroxide-based flame retardants.
- Higher sales of phosphorous-based flame retardants were recorded compared to the second quarter of 2016, mostly as a result of higher pricing.
- Demand for clear brine solutions continues to be soft as a result of the low level of oil prices. Overall 2017 sales are expected to be in line with 2016.

ICL Advanced Additives

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

- Global sales of salts and acids increased by 4% compared to the corresponding quarter last year as higher acid sales volumes in China and Europe partially offset price pressure resulting from declining merchant grade acid (MGA) market prices versus the previous year. The business line's successful P2O5 growth strategy in China was driven by the YPH JV's increased market share for acid.
- P2S5 performance improved mainly driven by higher demand from key customers in Europe.
- The Fire Safety business line was positively impacted by wildfire activity in North America and Europe towards the end of the quarter. Its Class B foam business is also showing continuing sales growth in both existing and new regions.

ICL Food Specialties

- New regulations for organic infant food in China continued to drive lower sales in dairy proteins, however these sales increased in the second quarter compared to the previous quarter as a result of strengthening and new commercial relationships with other customers in China and Europe. ICL Food Specialties is expecting further recovery during the second half of the year.
- The business line's phosphates business remained under pressure as the competitive business environment in North America and Europe was only partly offset by a recovery in sales in South America. Price increases in North America announced during the quarter had a favorable impact on the quarter's revenues, and are expected to have a further positive impact during the second half of the year.
- Sales volumes of integrated solutions and new products have continued to grow as the business line continues to launch new products globally. Moreover, increased orders during the quarter are adding to a positive outlook for the remainder of 2017.
- Devaluation of the euro, British pound and Mexican peso against the dollar negatively impacted results in the quarter.

Specialty Solutions Operating Income:

Operating income analysis	$ millions	
Total operating income Q2 2016	136	
Quantity	-	⇔
Price	(2)	⬇
Exchange rate	(6)	⬇
Raw materials	6	⬆
Transportation	1	⬆
Other	-	⇔
Total operating income Q2 2017	135	

Quantities: ICL Advanced Additives recorded an increase in quantities sold deriving from its acids sub-business line, which amount was fully offset by a decrease in the dairy proteins sub-business line of ICL Food Specialties.
Prices: The decrease stemmed from lower selling prices of acids at ICL Advanced Additives.
Exchange rates: The decrease stemmed mainly from the devaluation of the euro against the dollar which decreased revenues, coupled with the upward revaluation of the shekel against the dollar which increased production costs.
Raw materials: The increase stemmed mainly from a decrease in sulfur prices used for products of ICL Advanced Additives.

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 Q2, the division experienced year over year and consecutive increases in potash volumes mainly due to an increase in sales to Asia and South America. Despite the challenging environment in the market for commodity phosphate fertilizers, ICL's YPH JV in China showed continued operational improvements resulting in a significantly lower operating loss. During the quarter, a dyke partially collapsed at a pond which accumulates phosphogypsum water at the divisions' ICL Rotem facility in Israel's Negev region. (See "Phosphates" below.) Results at the division's Specialty Fertilizers business line were largely flat compared to the corresponding quarter in 2016, as higher sales volumes and profitability in the Europe and APAC regions, especially in the water soluble NPK (WSNPK) product line, were offset by competitive price pressures.

Results of Operations

	4-6/2017 $ millions	4-6/2016 $ millions
Potash & Magnesium	314	299
Sales to external customers	279	263
Sales to internal customers	35	36
Phosphate	264	319
Sales to external customers	220	262
Sales to internal customers	44	57
Specialty Fertilizers	190	189
Sales to external customers	188	184
Sales to internal customers	2	5
Setoffs	(32)	(42)
Total segment sales	736	765
Operating income	81	113

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

Sales analysis	Potash & Magnesium	Phosphate	Specialty Fertilizers	Setoff	Segment Total
	$ millions				
Total sales Q2 2016	299	319	189	(42)	765

Quantity	20	(38)	7	7	(4)	⬇
Price	(3)	(11)	(4)	3	(15)	⬇
Exchange rate	(2)	(6)	(2)	-	(10)	⬇
Total sales Q2 2017	314	264	190	(32)	736	

Quantities: The decrease in quantities stemmed mainly from a decline in phosphate fertilizers and phosphate rock quantities sold, which was partly offset by an increase in potash sales (mainly to Asia and South America) and an increase in the quantities of ICL Specialty Fertilizers products sold.

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

Exchange rates: The decrease stems mainly from the devaluation of the euro, the Chinese yuan and the pound against the dollar compared to the corresponding quarter last year.

Business environment overview

Since the second half of 2016, economic activity of developed countries has shown signs of recovery. Global growth is expected, by the FAO (Food and Agriculture Organization of the UN), to continue to increase slowly beyond 2017 with 5% annual growth in emerging and developing economies.

Based on the WASDE report published by the USDA in July 2017, a small decrease is expected in the ratio of the inventories of grains to annual consumption, to 23.8% at the end of the 2017/2018 agricultural year, compared to 24.9% at the end of both the 2016/2017 and the 2015/2016 agricultural years.

Business highlights

Potash & Magnesium

- The conclusion of the new MOP contract between Uralkali and Chinese buyers following the conclusion of the quarter (July 13), at an increase of $11 per tonne, is expected to set a new benchmark price in the market. On July 28, Uralkali signed a new contract to supply potash to Indian Potash Limited (IPL) at $240 per tonne CFR (a $13 per tonne increase from the 2016/2017 contract), with 180 days' credit, from August 2017 through June 2018.

- On July 2017, ICL signed several contracts with its customers in China to supply an aggregate 925,000 tonnes of potash for delivery during 2017. The selling prices stipulated in the contracts are in line with the new contract prices in China mentioned above. The contracts are part of three-year framework agreements between ICL and its Chinese customers.

- According to customs data, China imported about 3.914million tonnes of potash during the first six months of 2017, about 16% more than during the corresponding period last year.

- Potash imports into India during the first half of 2017 amounted to 2.187 million tonnes, a 78% increase over the corresponding period last year. The sharp increase stems from the importers' projection of higher prices in the 2017/2018 contract and the 20% (about $28 per tonne) reduction of the NBS (Nutrient Based Subsidy) during the 2017/18 fiscal year (beginning on April 1, 2017). During the second quarter of 2017, ICL continued its potash deliveries under its 2016 supply contracts which ended in June 2017.

- Demand for potash in Brazil was particularly strong. According to ANDA (Brazilian National Fertilizer Association), potash imports into Brazil during the first half of 2017 amounted to 4.3million tonnes, a 10% increase over the corresponding period last year.

- ICL UK resumed its potash production in the beginning of Q2 after suspending potash operations in the first quarter due to an operational breakdown in ICL UK's mine tailings channel. Total 2017 production is expected to remain as planned at the level of about 290,000 tonnes. Production of polysulphate was not affected, and the business line continues to develop new polysulphate-based products and new markets.

- Regarding the salt pile at ICL Iberia's Sallent mine, on June 30, a Spanish court has extended ICL Iberia's permit to pile the salt for an additional year until June 30, 2018, and that ICL Iberia may request an extension of a further year subject to certain conditions of the Spanish authorities.

- During the quarter, after receiving all the permits required to execute the Salt Harvesting project at the Dead Sea from the Israeli Government, ICL's Board of Directors approved a budget of about $280 million to proceed with the project over the next 13 years. This amount represents ICL's 80% share of the cost of the project.

- Metal magnesium – global demand for magnesium continues to be constrained by lower economic activity in China, Brazil and Europe. Pure magnesium prices in the US market remain under pressure as a consequence of changes in supply dynamics.

- During the quarter, ICL Dead Sea continued commissioning the new power plant. Currently, the gas turbine is operational and connected to the national grid, while the steam turbine is still under commissioning.

Sales - Potash:

Thousands of Tonnes	4-6/2017	4-6/2016
Production	1,232	1,363
Sales to external customers	1,051	1,010

Sales to internal customers	80	114
Total sales (including internal sales)	1,131	1,124
Closing inventory	810	1,222

Production and Sales

The quantity of potash sold to external customers in the second quarter of 2017, was 41,000 tonnes higher than in the corresponding quarter last year, mainly due to an increase in sales to Asia and South America. Production of potash in the second quarter of 2017 was 131,000 tonnes lower than in the corresponding quarter last year, due to a decrease in the production of ICL UK as a result of the transition from extracting and producing potash to producing polysulphate.

Potash Stand Alone Activities – Key Results and Analysis:

Millions of dollars	4-6/2017	4-6/2016
Average potash selling price - FOB (in $)	216	221
Sales to external customers	261	242
Sales to internal customers *	41	43
Total Sales	302	285
Gross Profit	125	112
Operating income	65	65

* Sales to other business lines 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 Q2 2016	285	
Quantity	20	⬆
Price	(1)	⬇

Exchange rate	(2)	⬇
Total sales Q2 2017	302	

Operating income	$ millions	
Total operating income Q2 2016	65	
Quantity	12	⬆
Price	(1)	⬇
Exchange rate	-	⇔
Raw materials	-	⇔
Transportation	(8)	⬇
Other	(3)	⬇
Total operating income Q2 2017	65	

Quantities: The increase derives from potash sales (mainly to Asia and South America).

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

Phosphates

- With the exception of Brazil, where strong imports of MAP were recorded, demand for phosphate remained relatively low worldwide and prices continued their downward trend.
- In India, high inventories, increased domestic production and lower sales resulted in a reduction of DAP imports during the 2016/2017 financial year (April 2016 to March 2017).
- Phosphoric acid (100% P2O5) contracts in India for the third and fourth quarters of 2017 were set at $567 per tonne CFR including 30 days' credit, a $23 per tonne decrease from the second quarter contract price.
- Exports of phosphate fertilizers from China increased substantially in the first half of 2017, despite continued talk of production curtailments. During January to June 2017 China exported 4.035 million tonnes of phosphate fertilizers (DAP, MAP and TSP), a 26% increase over the corresponding period last year.
- Over-supply in the domestic market in China, along with lower international prices, continued to negatively affect the results of the YPH JV in China. Nevertheless, in the second quarter of 2017 the results of YPH significantly improved driven by lower exposure to commodity phosphate fertilizers and a shift to specialty products as well as by efficiency and cost reduction.

- Brazilian imports of phosphate fertilizers (MAP, DAP, TSP & SSP) during the first half of 2017 amounted to 2.642 million tonnes, a 26.6% increase over the corresponding period last year. The increase is attributable mainly to higher planted areas of soy beans and improvement in farmers' profitability.

- Despite the pressure on phosphate prices, most markets west of the Suez are showing stability.

- On June 30, 2017, a partial collapse occurred of a dyke at ICL Rotem's Pond 3, in Israel's Negev region, which is used for accumulation of phosphogypsum water that is created as a by-product of the production processes at ICL Rotem's plants. The Company immediately ceased using the active phosphogypsum ponds. On July 3, 2017, the Company returned to production at full capacity under a temporary approval to activate Pond 4 by the Ministry of Environmental Protection, which also instructed the Company to submit a plan within the next few months relating to the future operation of the phosphogypsum water ponds. To the best of the Company's knowledge, investigations have been commenced by the Ministry of Environmental Protection and the Israeli authorities. The Company is taking action to explore solutions for, among other things, restoration of the ponds in the short and long-term and to rectify any environmental harm caused, to the extent required. The Company's actions are being carried out in full coordination and close cooperation with the Israeli environmental authorities, including the Ministry of Environmental Protection and the Nature and National Parks Authority. The Company is committed to environmental responsibility, and for years has worked closely with the Israeli's environmental authorities to maintain the Negev's natural reserves in the area of its facilities. At this stage, ICL is unable to assess the costs related to the long term plan. (For further information, see Note 6 to the Condensed Consolidated Interim Financial Statements as at June 30, 2017 (Unaudited) filed with the Company's Form 6-K.)

Production and Sales – Phosphates

Thousands of tonnes	4-6/2017	4-6/2016
Phosphate rock		
Production of rock	1,284	1,553
Sales *	83	195
Phosphate rock used for internal purposes	1,088	1,116
Phosphate fertilizers		
Production	479	586
Sales *	577	713

* To external customers

Production and Sales

The quantity of phosphate rock sold in the second quarter of 2017 was112,000 tonnes lower than in the corresponding quarter last year due to low global demand and a challenging price environment. Production of phosphate rock was lower by 269,000 tonnes mainly due to decreased production at the YPH JV as a result of production optimization process. Sales of phosphate fertilizers sold in the second quarter of 2017 were 136,000 tonnes lower than in the corresponding quarter last year which stemmed mainly from a decrease in sales to Asia and South America. Production of phosphate fertilizers was lower by 107,000 tonnes, mainly due to decreased production at the YPH JV as a result of efficiency measures.

Specialty Fertilizers

- ICL Specialty Fertilizers' second quarter sales were largely flat compared to the corresponding quarter in 2016, as higher sales volumes and profitability in the Europe and Asia Pacific regions, especially in the water soluble NPK (WSNPK) product line, were offset by competitive price pressures. An increase in profitability stemmed from the implementation of cost reduction initiatives and slightly higher market prices of end customers' crops.

- During the second quarter, the business line was negatively impacted by a shortage of ammonia in Israel which led to lower sales and profitability of ammonia-based products in Israel and outside of Israel (mainly in North America).

- Higher demand in the ornamental horticulture markets, mainly in Europe and Asia Pacific regions, drove an increase in sales and margins compared to the corresponding quarter in 2016, which was partially offset by a decrease in sales in North America, mainly in coated fertilizers.

- A global increase in demand for MKP fertilizers was recorded during the second quarter compared to the corresponding quarter in 2016.

- In the Asia Pacific region, ICL Specialty Fertilizers' sales in the first half of 2017 increased by over 30% compared to the corresponding period in 2016, primarily due to higher sales volumes of straights fertilizers (MAP) and coated fertilizers (CRF).

Essential Minerals Division: Operating Income

Operating income analysis	$ millions	
Total operating income Q2 2016	113	
Quantity	2	⬆

Price	(15)	↓
Exchange rate	(6)	↓
Raw materials	2	↑
Transportation	(1)	↓
Other	(14)	↓
Total operating income Q2 2017	81	

Quantities: Increased quantities of potash sold (mainly to Asia and South America) and of ICL Specialty Fertilizers products sold were offset by a decrease in quantities sold of phosphate fertilizers and phosphate rock.

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

Exchange rates: The decrease resulted mainly from the upward revaluation of the Israeli shekel against the dollar.

Energy: The decrease stemmed mainly from an increase in energy prices.

Other: The decrease derived mainly from insurance income in respect of the fire at a fertilizer production facility in Israel in 2016. The decrease was partly offset by a provision in 2016 resulting from the extension of the validity of the employment agreement at ICL Dead Sea.

##

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 as 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 and are also available in Excel format on our website located at www.icl-group.com)

Appendix:

Adjustments to Reported Operating and Net Income

	4-6/2017	4-6/2016
	$ millions	$ millions
Operating income (loss)	144	149
Capital (gain) loss (1)	(6)	-

Provision for early retirement and dismissal of employees (2)	15	-
Provision for legal claims (3)	-	14
Total adjustments to operating income	9	14
Adjusted operating income	153	163
Net income (loss) attributable to the shareholders of the Company	57	120
Total adjustments to operating income	9	14
Total tax impact of the above operating income & finance expenses adjustments	(2)	(2)
Total adjusted net income - shareholders of the Company	64	132

(1) Capital (gain) loss from sale of non-core businesses. In 2017, additional consideration received regarding earn-out of 2015 divestitures.

(2) Provision for early retirement and dismissal of employees in accordance with the Company's comprehensive global efficiency plan from 2012 in its production facilities throughout the group. In 2017, provisions relating to the Company's facilities in Israel at ICL Rotem.

(3) Provision for legal claims, mainly regarding two claims settled in 2016 related to prior periods. In Q2 2016, stemming mainly from the commercial price dispute with Haifa Chemicals which ended with the arbitration award agreement in Q3 2016.

Calculation of adjusted EBITDA:

	4-6/2017	4-6/2016	1-6/2017	1-6/2016	2016
	$ millions	$ millions	$ millions	$ millions	$ millions
Net income (loss) attributable to the shareholders of the Company	57	120	125	186	(122)
Depreciation and amortization	95	99	189	198	401
Financing expenses, net	49	40	63	68	132

Taxes on income	41	5	83	27	55
Adjustments *	9	14	9	22	585
Total adjusted EBITDA	251	278	469	501	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 under "Adjustments to reported operating and net income" above. 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 under "Adjustments to reported operating and net income" above, 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 under "Adjusted EBITDA for the periods of activity" 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. This discussion is 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.

ICL

Where needs take us

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

	For the three-month period ended		For the six-month period ended		For the year ended
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	December 31, 2016
	$ millions	$ millions	$ millions	$ millions	$ millions
Sales	1,322	1,377	2,617	2,642	5,363
Cost of sales	907	960	1,844	1,859	3,703
Gross profit	415	417	773	783	1,660
Selling, transport and marketing expenses	183	179	363	334	722
General and administrative expenses	65	81	131	161	321
Research and development expenses	13	19	28	36	73
Other expenses	17	16	17	26	618
Other income	(7)	(27)	(26)	(30)	(71)
Operating income (loss)	144	149	260	256	(3)
Finance expenses	82	57	174	80	157
Finance income	(33)	(17)	(111)	(12)	(25)
Finance expenses, net	49	40	63	68	132
Share in earnings of equity-accounted investees	1	7	2	9	18
Income (loss) before income taxes	96	116	199	197	(117)
Income taxes	41	5	83	27	55
Net income (loss)	55	111	116	170	(172)
Net loss attributable to the non-controlling interests	(2)	(9)	(9)	(16)	(50)
Net income (loss) attributable to the shareholders of the Company	57	120	125	186	(122)
Earnings (loss) per share attributable to the shareholders of the Company:					
Basic earnings (loss) per share (in cents)	4.48	9.00	9.78	15.00	(10.00)
Diluted earnings (loss) per share (in cents)	4.48	9.00	9.78	15.00	(10.00)
Weighted-average number of ordinary shares outstanding:					
Basic (in thousands)	1,274,666	1,272,949	1,274,432	1,272,949	1,273,295
Diluted (in thousands)	1,275,175	1,273,812	1,274,975	1,273,790	1,273,295

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

ICL Where needs take us

Condensed Consolidated Statements of Financial Position:

	June 30, 2017	June 30, 2016	December 31, 2016
	$ millions	$ millions	$ millions
Current assets			
Cash and cash equivalents	79	158	87
Short-term investments and deposits	66	84	29
Trade receivables	930	980	966
Inventories	1,276	1,361	1,267
Assets held for sale	122	10	-
Other receivables	227	314	222
Total current assets	2,700	2,907	2,571
Non-current assets			
Investments in equity-accounted investees	31	154	153
Financial assets available for sale	208	255	253
Deferred tax assets	148	150	150
Property, plant and equipment	4,419	4,294	4,309
Intangible assets	844	1,265	824
Other non-current assets	362	298	292
Total non-current assets	6,012	6,416	5,981
Total assets	8,712	9,323	8,552
Current liabilities			
Short-term credit	782	495	588
Trade payables	717	753	644
Provisions	81	48	83
Other current liabilities	605	615	708
Total current liabilities	2,185	1,911	2,023
Non-current liabilities			
Long-term debt and debentures	2,663	3,187	2,796
Deferred tax liabilities	302	265	303
Long-term employee provisions	639	582	576
Provisions	179	128	185
Other non-current liabilities	10	45	10
Total non-current liabilities	3,793	4,207	3,870
Total liabilities	5,978	6,118	5,893
Equity			
Total shareholders' equity	2,656	3,077	2,574
Non-controlling interests	78	128	85
Total equity	2,734	3,205	2,659
Total liabilities and equity	8,712	9,323	8,552

Condensed Consolidated Statements of Cash Flows:

	For the three-month period ended		For the six-month period ended		For the year ended
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	December 31, 2016
	$ millions	$ millions	$ millions	$ millions	$ millions
Cash flows from operating activities					
Net income (loss)	55	111	116	170	(172)
Adjustments for:					
Depreciation and amortization	95	99	189	198	406
Revaluation of balances from financial institutions and interest expenses, net	41	12	98	41	76
Share in earnings of equity-accounted investees, net	(1)	(7)	(2)	(9)	(18)
Other capital losses (gains), net	(6)	1	(15)	2	433
Share-based compensation	9	3	11	8	15
Deferred tax expenses (income)	(6)	(49)	7	(54)	(2)
	187	170	404	356	738
Change in inventories	(4)	57	24	-	70
Change in trade and other receivables	79	(63)	56	51	150
Change in trade and other payables	(70)	51	(102)	15	(90)
Change in provisions and employee benefits	7	23	12	38	98
Net change in operating assets and liabilities	12	68	(10)	104	228
Net cash provided by operating activities	199	238	394	460	966
Cash flows from investing activities					
Investments in shares and proceeds from deposits, net	(28)	2	(38)	(247)	(198)
Purchases of property, plant and equipment and intangible assets	(113)	(154)	(219)	(341)	(632)
Proceeds from divestiture of subsidiaries	6	-	6	17	17
Dividends from equity-accounted investees	-	1	3	4	12
Other	-	3	12	(1)	1
Net cash used in investing activities	(135)	(148)	(236)	(568)	(800)
Cash flows from financing activities					
Dividend paid to the company's shareholders	(89)	(102)	(149)	(102)	(162)
Receipt of long-term debt	225	625	645	1,025	1,278
Repayment of long-term debt	(350)	(484)	(775)	(734)	(1,365)
Short-term credit from banks and others, net	152	(91)	116	(84)	14
Other	-	-	-	-	(4)
Net cash provided by (used in) financing activities	(62)	(52)	(163)	105	(239)
Net change in cash and cash equivalents	2	38	(5)	(3)	(73)
Cash and cash equivalents as at beginning of the period	81	123	87	161	161
Net effect of currency translation on cash and cash equivalents	(4)	(3)	(3)	-	(1)
Cash and cash equivalents as at the end of the period	79	158	79	158	87

Where needs take us

Sales by Main Countries:

	4-6/2017		4-6/2016		1-6/2017		1-6/2016		2016	
	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales	$ millions	% of sales
USA	260	20	261	19	536	20	515	20	1,070	20
Brazil	176	13	159	11	253	10	236	9	521	10
China	158	12	153	11	303	12	261	10	669	12
Germany	93	7	108	8	191	7	220	8	392	7
United Kingdom	77	6	73	5	166	6	170	6	306	6
Spain	61	5	69	5	140	5	144	6	258	5
India	55	4	64	5	92	4	90	3	199	4
France	53	4	57	4	124	5	128	5	226	4
Israel	44	3	58	4	96	4	111	4	237	4
Netherlands	27	2	21	2	49	2	47	2	91	2
All other	318	24	354	26	667	25	720	27	1,394	26
Total	1,322	100	1,377	100	2,617	100	2,642	100	5,363	100

Sales by Geographical Regions:

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

	4-6/2017		4-6/2016	
	$ millions	% of sales	$ millions	% of sales
Europe	457	34	480	35
Asia	325	25	320	23
North America	276	21	282	20
South America	194	15	177	13
Rest of the world	70	5	118	9
Total	1,322	100	1,377	100

The breakdown of the sales in the second quarter of 2017 shows a decrease in sales to Europe, stemming mainly from a decline in quantities and selling prices of potash, partly offset by an increase in sales of clear brine solutions and dairy proteins. The minor increase in sales to Asia stems mainly from an increase in quantities sold of potash and phosphoric acid, mostly offset by decrease in phosphate fertilizers selling prices and in phosphate rock quantities sold. The sales to North America were stable compared to the corresponding quarter last year (with minor reduction) despite the challenging business environment. The increase in sales to South America stems mainly from an increase in potash selling prices and quantities sold, partly offset by a decrease in phosphate fertilizers quantities sold. The decrease in sales to the rest of the world stems mainly from a decrease in the quantities of dairy proteins products sold and a decline in potash sales to an Israeli customer facing operational difficulties due to new local regulation.

Operating Division Data:

	Specialty Solutions Segment	Essential Minerals Segment	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended June 30, 2017					
Sales to external parties	625	687	10	-	1,322
Inter-segment sales	15	49	1	(65)	-
Total sales	640	736	11	(65)	1,322
Operating income attributed to segments	135	81	1		217
General and administrative expenses					(65)
Other unallocated expenses and intercompany eliminations					(8)
Operating income					144
Financing expenses, net					(49)
Share in earnings of equity-accounted investee					1
Income before taxes on income					96
Capital expenditures	17	90	1		108
Capital expenditures not allocated					1
Total capital expenditures					109
Depreciation and amortization	27	66	-		93
Depreciation and amortization not allocated					2
Total depreciation and amortization					95

* Less than $1 million.

	Specialty Solutions Segment	Essential Minerals Segment	Other activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended June 30, 2016					
Sales to external parties	655	709	13	-	1,377
Inter-segment sales	12	56	-	(68)	-
Total sales	667	765	13	(68)	1,377
Operating income (loss) attributed to segments	136	113	(2)		247
General and administrative expenses					(81)
Other unallocated expenses and intercompany eliminations					(17)
Operating income					149
Financing expenses, net					(40)
Share in earnings of equity-accounted investee					7
Income before taxes on income					116
Capital expenditures	26	146	1		173
Capital expenditures not allocated					23
Total capital expenditures					196
Depreciation and amortization	28	70	-		98
Depreciation and amortization not allocated					1
Total depreciation and amortization					99

	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