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ICL REPORTS Q3 2017 RESULTS

- Third quarter 2017 sales of $1.44 billion compared to $1.38 billion for Q3 2016; highest quarterly sales in three years –

- Operating income of $180 million compared to an operating loss in Q3 2016. Adjusted operating income of $215 million, more than 30% increase over Q3 2016

- Adjusted EBITDA of $314 million, highest since Q3 2015 -

- Solid performance driven by Specialty Solutions segment's Advanced Additives business line -

- Seventh consecutive quarter of positive free cash flow positions ICL to reduce debt and improve its financial position –

Tel Aviv, Israel, November 8, 2017 – **ICL** ***(NYSE &TASE: ICL***), a leading global specialty minerals and specialty chemicals company, today reported its financial results for the third quarter ended September 30, 2017.

Consolidated sales for the third quarter were $1,440 million compared to $1,383 million recorded for the comparable period in 2016. Third quarter results were supported by continued growth in Advanced Additives business line which increased its sales by $45 million and ICL Industrial products business line which increased its sales by $14 million.

The Company reported operating income of $180 million compared to an operating loss of $331 million for the third quarter of 2016. Adjusted operating income increased to $215 million compared to $164 million in the prior-year quarter, driven by a 1% improvement in operating margin in the Specialty Solution segment to 25.5% and a $20 million reduction in G&A expenses to $60 million. Adjusted EBITDA for the third quarter was $314 million, the highest since Q3 2015.

During the quarter the Company continued to strictly manage working capital and capital expenditures thereby delivering the seventh consecutive quarter of positive free cash flow (see financial appendix for reconciliation), illustrating the Company's ability to reduce its debt level and improve its financial position.

ICL's Acting CEO, Asher Grinbaum, stated, "ICL delivered strong results for the third quarter, benefitting from the excellent performance of our Advanced Additives and Industrial products business lines. Operationally, we continued our efforts to reduce G&A expenses and to generate positive free cash flow, while maintaining a dedicated focus on efficiency and excellence to improve the competitive position of our assets."

Mr. Grinbaum added, "We remain committed to balancing our business by growing our specialty businesses which, for the first time, accounted for over half of our sales as well as nearly 70% of our operating profit in the third quarter."

Mr. Grinbaum concluded, “I am also proud that today we published ICL’s latest Corporate Responsibility Report. Over the past decade, we have invested substantially to promote sustainability and protect the environment, and this report details our activities at ICL facilities around the world.”

FINANCIAL RESULTS

Q3 2017 Financial Highlights:	2017 $ millions	2017 % of sales	2016 $ millions	2016 % of Sales
Sales	1,440	-	1,383	-
Gross profit	470	33	461	33
Operating income (loss)	180	13	(331)	(24)
Adjusted operating income (1)	215	15	164	12
Net income (loss) - shareholders of the Company	84	6	(340)	(25)
Adjusted net income - shareholders of the Company (1)	115	8	120	9
Reported EPS (in cents, diluted)	7		(27)	
Adjusted EPS (in cents, diluted)	9		9	
Adjusted EBITDA (2)	314	22	286	21
Cash flow from operating activities	176		249	
Free cash flow (3)	78	-	96	-

(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.
(3) See financial appendix for reconciliation.

Results analysis:

	Sales	Operating income	
Q3 2016 figures	1,383	(331)	
Total adjustments Q3 2016*	-	495	
Adjusted Q3 2016 figures	1,383	164	
Quantity	21	15	↑
Price	15	15	↑
Exchange rate	21	(11)	↓
Raw materials	-	(2)	↓
Transportation	-	1	↑
Operating and other income (expenses)	-	33	↑
Adjusted Q3 2017 figures	1,440	215	
Total adjustments Q3 2017*	-	35	
Q3 2017 figures	1,440	180	

** See "Adjustments to reported operating and net income" in the financial appendix*

Revenue: Consolidated sales improved by 4.1% to $1,440 million, driven by higher sales quantities of fire safety products at ICL Advanced Additives and phosphoric acid in ICL Phosphate. These improvements were partially offset by a decrease in phosphate rock and phosphate fertilizers sales together with a decrease in dairy proteins sales at ICL Food Specialties. Favorable pricing relative to the prior period in potash and bromine based products also contributed to the improvement against the prior year. Foreign currency contributed to higher sales, specifically from the appreciation of the euro against the US dollar.

Operating income: Operating income was positively impacted by a decrease in depreciation expenses as a result of the Company's Capex-reduction and operational cost-saving measures (including G&A reduction) and an increase in insurance income compared to the corresponding quarter last year. The appreciation of the shekel and euro to the US dollar resulted in higher expenses compared to the prior period, which more than offset the favorable impact of currency to sales.

Financing expenses, net: Net financing expenses in the third quarter of 2017 totaled $36 million compared with $45 million in the corresponding quarter last year. The decrease derived mainly from a an expense of $28 million relating to interest on past royalties recognized in the prior year, and from exchange rate differences relating to provisions for employee benefits. This was partially offset by a $19 million increase in the current period related to an increase in the interest expenses relating to provisions for employee benefits and from changes in the fair value of hedging transactions.

Tax expenses: Tax expenses in the third quarter of 2017 amounted to $62 million, reflecting an effective tax rate of about 38%. The higher tax rate compared with the third quarter of 2016 is mainly due to an increase in the on-going Israeli effective tax rate on the Company's Israeli operations as well as relatively higher weight of profits before tax generated in the US, where corporate tax rate amounts to 39%.

Cash flow & debt movement: Third quarter net operating cash flow of $176 million decreased by $73 million compared to the prior-year period. The decrease stemmed mostly from an increase in trade receivables from higher sales at ICL Industrial Products and ICL Advanced Additives, as well as cash payments made due to retirement of employees. Capex (cash basis)[1] decreased by $55 million to $98 million. Free cash flow (see financial appendix for reconciliation) totaled $78 million. Net debt as of September 30, 2017 totaled $3,264 million, a decrease of $36 million compared to June 30, 2017.

S&P has reaffirmed ICL's current investment grade rating. Global rating maintained at BBB- with stable outlook. Local rating maintained at ilAA with stable outlook. S&P's rating testifies to ICL's commitment to reduce debt level to support its financial position. The rating acknowledges ICL's focus on cash flow generation through cost savings and optimization of working capital and CAPEX, as well as to ICL's diligent efforts to divest assets with low synergetic profile.

[1] The Capex (cash basis) is the cash used for "Purchases of property, plant, equipment and intangible assets" reduced by any "Proceeds from sale of property, plant and equipment" as shown in the condensed consolidated statements of cash flow to the Company's financial statements as at September, 30, 2017

REVIEW OF OPERATING SEGMENTS

Specialty Solutions Segment

The Specialty Solutions Segment, 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.

Business highlights:
ICL's Specialty Solutions segment accounted for 51% of ICL's overall sales and 68% of operating income attributed to segments in the third quarter of 2017. Results were driven by higher fire safety sales as well as increased demand for phosphate salts and acids in China and Europe in ICL Advanced Additives business line. ICL Industrial Products business line benefitted from higher bromine prices in China coupled with solid global demand for brominated products as well as higher phosphorous flame retardant prices. A sequential increase in ICL Food Specialties sales is attributed to recovery in demand from a major customer.

	7-9/2017	7-9/2016
	$ millions	$ millions
Industrial Products	**289**	**275**
Sales to external customers	286	**273**
Sales to internal customers	3	**2**
Advanced Additives	**301**	**256**
Sales to external customers	288	238
Sales to internal customers	13	18
Food Specialties	**160**	**172**
Sales to external customers	157	**171**
Sales to internal customers	3	**1**
Setoffs	**(4)**	(2)
Total segment sales	**746**	**701**
Segment operating income	**190**	**171**

ICL Industrial Products

- ICL Industrial Products benefited from favorable bromine pricing in China, mainly resulting from stricter environmental regulations which effected local production output and led to higher prices for bromine-based compounds.

- Demand for bromine-based flame retardants remains stable. However, ICL Industrial Products is benefitting from lower bromine-based flame retardants production in China as a result of stricter local environmental regulations.

- ICL Industrial Products continues its efforts to secure long-term supply agreements for bromine-based flame retardants.

- Higher prices for phosphorous flame retardants, which have been maintained since the beginning of the year, contributed to higher revenues.

- Demand for clear brine solutions continues to be soft as a result of low oil prices. Overall 2017 sales are expected to be in line with sales in 2016.

- Stable demand for magnesia products for industrial uses.

ICL Advanced Additives

- Global sales of salts and acids increased by 7% compared to the corresponding quarter last year as higher acid sales volumes in Europe offset lower prices. Phosphate salts sales in Europe remained stable compared to the third quarter of 2016.

- The business line's successful P2O5 growth strategy in China was driven by the YPH JV's increased local market share for acid and higher phosphate salts volumes to the oral care market.

- Higher sales volumes of acid and salts partially offset competitive price pressure in North America. The South American market continued to demonstrate favorable performance compared to Q3 2016 due to stable demand for phosphate salts and higher acid exports from Brazil to other South American countries. This is expected to continue in the fourth quarter.

- Despite lower average prices in the P2O5 chain compared to the corresponding quarter last year, during Q3 2017, prices constantly increased, as a result of the business line's new pricing policy.

- P2S5 performance improved mainly driven by higher demand from key customers in North America. During the quarter, the business line accumulated suitable inventories to supply customers during an outage due to plant turnaround which took place in October (the plant has resumed its operations according to schedule).Planned turnarounds within main competitors in Europe are expected in the fourth quarter.

- Increased wildfire activity in North America and Europe during the third quarter resulted in higher sales in the Fire Safety sub-business line. The Class B foam business continues to grow in both existing and new regions.

ICL Food Specialties

- Sequential recovery at ICL Food Specialties' dairy business as a major customer resumed orders, and global customer base continued to grow.

- The phosphate business remained under pressure with Europe impacted by the transition process to a new distributor in Russia. Slightly increased volumes were recorded in North America due to an improved customer mix with overall pricing remaining firm.

- Growing demand for clean-label food products, as well as for vegan food and lactose-free products in Europe is being met by ICL Food Specialties' integrated solutions, sales of which are increasing as the business line launches new products globally and is engaged in further research for new solutions.

- Following devaluation in the first half of 2017, the strengthening of the euro against the US dollar during the third quarter had a moderate positive impact on ICL Food Specialties' turnover.

Sales analysis	Industrial Products	Advanced Additives	Food Specialties	Setoff	Segment Total
Total sales Q3 2016	275	256	172	(2)	701
Quantity	6	43	(15)	(2)	32
Price	6	(1)	(1)	-	4
Exchange rate	2	3	4	-	9
Total sales Q3 2017	289	301	160	(4)	746

Segment operating income analysis	$ millions
Total operating income Q3 2016	171
Quantity	14
Price	4
Exchange rate	(1)
Raw materials	5
Transportation	(2)
Operating and other income (expenses)	(1)
Total operating income Q3 2017	190

- ***Quantities:*** the increase derives mainly from an increase in quantities sold in the fire safety and acids sub-business lines of ICL Advanced Additives, and from quantities of bromine-based industrial products and bromine-based flame retardants sold in ICL Industrial Products. This was partly offset by a decrease in dairy protein quantities sold in ICL Food Specialties.
- ***Prices:*** The increase stemmed from an increase in bromine-based industrial products and phosphorous-based flame retardants selling prices.
- ***Exchange rates:*** The increase in sales stemmed mainly from the upward revaluation of the euro against the dollar compared to the corresponding quarter last year, more than offset by the increase in operating expenses in dollar terms due to the revaluation of the shekel against the dollar.
- ***Operating and other (expenses) income:*** – the decrease derives mainly from, expenses related to extension of a work agreement in ICL Industrial Products in the amount of $5 million.

Essential Minerals Segment

The Essential Minerals segment, which serves as ICL's agro division, includes three business lines: ICL Potash & Magnesium, ICL Phosphate and ICL Specialty Fertilizers. The segment focuses on efficiency, process innovation and operational excellence.

Business highlights:

In the third quarter, Potash and Magnesium business line benefited from solid demand and moderate price increases in the potash market while the Phosphate business line continued to be negatively impacted by competitive price pressure. A continued shift to specialty products, coupled with cost reduction initiatives, positively impacted the results of the segment's YPH JV in China. The Specialty Fertilizers business line improved its performance compared to the prior year, mainly supported by solid demand in Europe and APAC regions.

Grain prices are at a ten-year low, adversely affecting farmers' incentive to purchase fertilizers. Based on the WASDE report published by the USDA in October 2017, a small decrease is expected in the grains' stock-to-ratio to 24.8% at the end of the 2017/2018 agricultural year, compared to 25.5% at the end of the 2016/2017 agricultural year, and a further decrease from a level of 25.7% in the 2015/2016 agricultural year.

According to the FAO (Food and Agriculture Organization of the UN) world cereal production in 2017 is expected to increase slightly to an estimated 2,612 million tonnes, 6.8 million tonnes (0.3%) above the 2016 record, mostly due to improved production prospects for coarse grains and wheat, which more than offsets a reduction in rice production.

Results of Operations

	7-9/2017 $ millions	7-9/2016 $ millions
Potash & Magnesium	**372**	**351**
Sales to external customers	345	323
Sales to internal customers	27	28
Phosphate	**254**	**282**
Sales to external customers	204	229
Sales to internal customers	50	53
Specialty Fertilizers	**154**	**147**
Sales to external customers	149	139
Sales to internal customers	5	8
Setoffs	(22)	(32)
Total segment sales	758	748
Segment operating income	88	89

Sales analysis	Potash & Magnesium	Phosphate	Specialty Fertilizers	Setoff	Segment Total	
	$ millions					
Total sales Q3 2016	**351**	**282**	**147**	**(32)**	**748**	
Quantity	(2)	(32)	7	15	(12)	⬇
Price	18	(1)	(3)	(5)	9	⬆
Exchange rate	5	5	3	-	13	⬆
Total sales Q3 2017	**372**	**254**	**154**	**(22)**	**758**	

Segment operating income analysis	$ millions	
Total operating income Q3 2016	**89**	
Quantity	(4)	⬇
Price	9	⬆
Exchange rate	(9)	⬇
Raw materials	(6)	⬇
Transportation	3	⬆
Operating and other income (expenses)	6	⬆
Total operating income Q3 2017	**88**	

Quantities: The decrease stemmed mainly from a decline in phosphate fertilizers and phosphate rock quantities sold, which was partly offset by an increase in the quantities of phosphoric acid and specialty agriculture products.
Prices: The increase stems mainly from an increase in potash selling prices.
Exchange rates: The upward revaluation of the euro against the dollar compared to the corresponding quarter last year contributed to sales. However, this was more than offset by the increase in production costs due to the revaluation of the shekel against the US dollar.
Raw materials: The negative impact derives mainly from an increase in Sulphur prices
Transportation: The positive impact derives mainly from product mix and selling destination variation in ICL Phosphate, partially offset by higher marine transportation prices
Operating and other expenses: The increase stemmed mainly from insurance income in Israel compared to the third quarter of 2016.

Potash & Magnesium

Business environment overview

- Potash prices firmed moderately during the third quarter of 2017 supported by contracts with Chinese and Indian customers which were signed at an $11 and $13 per tonne price increase, respectively. According to CRU, average CFR Brazil price for the quarter was $261 per tonne, $6 per tonne higher than the second quarter of 2017, and $38 per tonne (16%) higher than the third quarter of 2016.

- According to customs data, China imported about 5.5 million tonnes of potash during the first nine months of 2017, an increase of about 27% over the corresponding period last year.

- According to the FAI (Fertilizer Association of India), potash imports during the first nine months of 2017 amounted to 3.9 million tonnes, a 41% increase over the corresponding period last year.

- Demand for potash in Brazil was particularly strong during the quarter. According to ANDA (Brazilian National Fertilizer Association), potash imports into Brazil during the first nine months of 2017 amounted to 7 million tonnes, a 6% increase over the corresponding period last year.

- Market observers forecast price pressure as a result of new capacity ramp up in the coming months, mainly in Canada and Russia. This includes K+S' Bethune solution mining plant, with an annual capacity of 2 million tonnes, which started shipments in October. Eurochem's Usolskiy and VolgaKaliy conventional mines, each with an annual capacity of 2.3 million tonnes, are also scheduled for commissioning before the end of 2017 and in the beginning of 2018, respectively. The CRU predicts a decline in CFR Brazil prices from an annual average of $265 per tonne in 2017 to $255 per tonne in 2018 and continued decline through 2022, reaching $230 per tonne.

- Metal magnesium – the sub-business line continues to record operating losses as global demand for magnesium remains constrained in China, Brazil and Europe while prices are under pressure due to increased Chinese exports as well as imports from Russian, Kazakh and Turkish producers to the US. On a positive note, Alcoa recently announced it will re-start 136,000 tonnes of primary aluminum capacity at its Warrick, Indiana facility, the first announcement of increasing US production in decades.

Business highlights

- ICL recorded strong potash shipments during the quarter following the signing of contracts with China and India totaling 925,000 and 750,000 tonnes, respectively (India – including options). Contract prices were approximately 5% higher than 2016 contracts.

- In October 2017, ICL signed an agreement in the amount of $280 million for the first stage of the salt harvesting project, with Holland Shallow Seas Dredging Ltd., a contracting company that will commence building a special dredger designed to execute the salt harvesting. The dredger is expected to be operating in the first half of 2019.

- During the third quarter, ICL Dead Sea cancelled its contract with Abengoa, the Spanish contractor for the new power station in Sodom due to violations of the agreement by the contractor. ICL Dead Sea plans to complete construction of the power station and to bring it to full operation during the first half of 2018.

- During the third quarter, the Board approved an investment of $249 million to build a new pumping station at the Dead Sea to be completed by 2020.

Potash Stand Alone Activities:

Production and sales:

Thousands of Tonnes	7-9/2017	7-9/2016
Production	1,181	1,265
Sales to external customers	1,319	1,293
Sales to internal customers	75	107
Total sales (including internal sales)	1,394	1,400
Closing inventory	597	1,087

The increase in the quantity of potash sold to external customers derived mainly from an increase in sales to South America. Lower production was mainly due to a decrease in production at ICL UK as a result of the transition process from extracting and producing potash to producing Polysulphate, decreased production in Spain as a result of lower ore grade in the current mining area, and decreased production at ICL Dead Sea as a result of maintenance operations..

Key results and analysis:

Millions of dollars	7-9/2017	7-9/2016
Sales to external customers	**328**	302
Sales to internal customers *	**32**	34
Total Sales	**360**	336
Gross Profit	**148**	146
Operating income	**73**	81
CAPEX	**40**	74
Depreciation & amortization	**29**	35
Average potash selling price per tonne - FOB (in $)	**217**	199

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

Potash stand-alone activities include, among others, polysulphate produced in the UK, and salt produced in the UK and Spain.

Sales analysis	$ millions	
Total sales Q3 2016	**336**	
Quantity	1	⬆
Price	17	⬆
Exchange rate	6	⬆
Total sales Q3 2017	**360**	

Operating income analysis	$ millions	
Total operating income Q3 2016	**81**	
Quantity	(4)	⬇
Price	17	⬆
Exchange rate	(4)	⬇
Transportation	(8)	⬇
Operating and other income (expenses)	(9)	⬇
Total operating income Q3 2017	**73**	

Quantities: the negative impact on operating profit derives mainly from higher rate of high cost sites in the overall potash sales.
Prices: The increase stems mainly from an increase in potash selling prices.
Exchange rates: the contribution of the revaluation of the euro and the shekel vs. the US dollar to sales was more than offset by the increase in US dollar costs due to the revaluation of the shekel.
Transportation: The decrease stems mainly from an increase in marine transportation prices.
Operating and other expenses: The decrease derives mainly from higher energy costs.

Phosphates

Business Environment

- The phosphate market is experiencing a challenging period as increased supply in low production cost regions surpasses demand, resulting in price pressure. Following the quarter, some stability and recovery in phosphate prices was recorded following an increase in raw material prices, mainly ammonia and sulphur.

- According to CRU, DAP average price for the third quarter of 2017 was $352 per tonne FOB Morocco, a 5.8% and 2.1% decrease over the second quarter of 2017 and the third quarter of 2016, respectively.

- According to CRU, the average price of phosphate rock (68-72% BPL) during Q3 was $86 per tonne FOB Morocco, a 8.2% and 23% decrease over the second quarter of 2017 and the third quarter of 2016, respectively.

- Phosphoric acid (100% P_2O_5) contract price in India was concluded for the second half of 2017 at $567per tonne CFR, a $23 per tonne decrease over the second quarter of 2017 and $39 per tonne decrease over the third quarter of 2016.

- Moroccan producer OCP added its third facility (out of four) with annual capacity of one million tonnes of finished product. Saudi Arabian producer Ma'aden is in the process of commissioning its Wa'ad Al Shamal facility with finished product capacity of 3 million tonnes per year.

- Phosphate (DAP, MAP and TSP) exports from China increased by 27% during January to September 2017 to 7.6 million tonnes, despite lower Indian imports and low margins. Chinese producers are experiencing continued pressure by Chinese environmental authorities, which results in some plant closures and additional expenses.

- Market observers such as CRU and FertEcon forecast a moderate global price recovery beginning next year due to lower exports from China and higher imports to India.

- Phosphate imports to Brazil (DAP, MAP, TSP, SSP) in January to Sep 2017 increased by 14% to 4.3 million tonnes.

- DAP imports to India declined significantly, having a significant adverse effect on the global market. According to the FAI (Fertilizer Association of India), DAP imports in January to September 2017 decreased by 17% to 3.1 million tonnes.

- Demand in the US was stable to firm. DAP imports in January to August 2017 increased by 15% to 0.64 million tonnes. MAP imports increased by 33% to 0.92 million tonnes.

- Sulphur prices improved during Q3 2017 due to increased demand and limited supply. According to CRU, The average price was $95 per tonne FOB Vancouver, a 22% increase over Q2 2017, and a 34% increase over Q3 2016.

Business Highlights

- Despite market conditions YPH JV results continued to improve in Q3 2017 driven by a shift to specialty and higher margin products, as well as the implementation of efficiency and cost reduction measures.

- ICL Rotem is working on implementing additional efficiency measures to cope with market conditions.

- ICL Rotem Zin plant was shut down during Q3 2017 as a result of decreased phosphate rock sales due to lower prices and due to a discontinuation of sales to Haifa Chemicals. The plant is expected to return to activity by the end of Q4 2017.

- On June 30, 2017, a partial collapse occurred of the dyke in Pond 3 used to accumulate phosphogypsum water created as a by-product of production processes at the Rotem Amfert Israel plant. 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. The Company is taking action to rectify any environmental harm caused, to the extent required. For more information, see Note 6 to the Company's interim financial statements as at September 30, 2017.

Production and Sales – Phosphates

Thousands of tonnes	7-9/2017	7-9/2016
Phosphate rock		
Production of rock	1,096	1,549
Sales*	116	318
Phosphate rock used for internal purposes	1,085	1,178
Phosphate fertilizers		
Production	490	876
Sales*	564	677

* To external customers

The decrease in phosphate rock production derived mainly from adjusting production volumes to the business environment in ICL Rotem, which included a shutdown of the Zin plant during the quarter. Sales were lower due to challenging market environment and unattractive prices. The decrease in sales of phosphate fertilizers stemmed mainly from a decrease in sales to Asia. Decrease in phosphate fertilizers production stemmed mainly from decreased production at the YPH JV as a result of acceleration of the shift to specialty products.

Specialty Fertilizers

- ICL Specialty Fertilizers improved its performance compared to Q3 2016, mainly supported by higher sales quantities and strong demand in Europe and APAC.

- The business unit experienced increased sales quantities in the ornamental horticulture market in Europe. Sales in Spain benefitted from higher quantities of traded plant protection products as weather conditions resulted in higher disease pressure.

- Higher controlled release fertilizers (CRF) sales in APAC countries were supported by the recovery in the palm oil market, as well as higher sales quantities in China.

- Straight fertilizers (MAP/MKP) results improved compared to the corresponding quarter in 2016.

- Continued competitive market conditions coupled with the impact of hurricanes resulted in a weak quarter in North America. Weakness is expected to continue in the short term.

- Results in Israel were negatively impacted by the continued local shortage of ammonia.

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About ICL

ICL is a global manufacturer of products based on specialty minerals that fulfill humanity's essential needs primarily in three markets: agriculture, food and engineered materials.

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.

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(Financial tables follow and are also available in Excel format on our website located at www.icl-group.com)

Appendix:

We disclose in this Quarterly Report non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow. 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 and present free cash flow to facilitate a review of our cash flows in periods. We calculate our adjusted operating income by adjusting our operating income to add certain items, as set forth in the reconciliation table "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 "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 "Adjusted EBITDA for the periods of activity" below which were adjusted for in calculating the adjusted operating income and adjusted net income attributable to the Company's shareholders. We calculate our free cash flow as our cash flows from operating activities net of our purchase of property, plant, equipment and intangible assets, and adding proceeds from sale of property, plant and equipment and dividends from equity-accounted investees during such period as presented in the reconciliation table under "Calculation of free cash flow".

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, or free cash flow as a substitute for cash flows from operating activities and cash flows used in investing activities, and you should note that our definitions of adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow may differ from those used by other companies. However, we believe adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow provide useful information to both management and investors by excluding certain expenses that management believes are not indicative of our ongoing operations. In particular for free cash flow, we adjust our Capex to include any Proceeds from sale of property, plant and equipment because we believe such amounts offset the impact of our purchase of property, plant, equipment and intangible assets. We further adjust free cash flow to add Dividends from equity-accounted investees because receipt of such dividends affects our residual cash flow. Free cash flow does not reflect adjustment for additional items that may impact our residual cash flow for discretionary expenditures, such as adjustments for charges relating to acquisitions, servicing debt obligations, changes in our deposit account balances that relate to our investing activities and other non-discretionary expenditures.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.

Adjustments to Reported Operating and Net Income

	7-9/2017 $ millions	7-9/2016 $ millions
Operating income (loss)	180	(331)
Write-down and impairment of assets (1)	18	489
Provision for early retirement and dismissal of employees (2)	-	20
Provision in respect of prior periods resulting from an arbitration decision (3)	6	10
Retroactive electricity charges (4)	-	(16)
Provision for legal claims (5)	11	(8)
Total adjustments to operating income (loss)	35	495
Adjusted operating income	215	164
Net income (loss) attributable to the shareholders of the Company	84	(340)
Total adjustments to operating income (loss)	35	495
Adjustments to finance expenses (6)	3	26
Total tax impact of the above operating income & finance expenses adjustments and tax assessment	(7)	(61)
Total adjusted net income - shareholders of the Company	115	120

1. *Impairment in value and write down of assets. In Q3 2017, relating to an impairment of an intangible asset in Spain, in the amount of $14 million (see note 6 to the Company's interim financial statements as at September 30, 2017). and the write-down of an investment in Namibia in the amount of $4 million. In Q3 2016, with respect to the write-down of assets (including expected closure cost) relating to the global ERP project (Harmonization Project), in the amount of $282 million, write down of assets relating to discontinuance of the activities of Allana Afar in Ethiopia (including expected closure cost), in the amount of $202 million, and impairment in the value of assets of a subsidiary in the United Kingdom, in the amount of $5 million.*
2. *In Q3 2016, provisions for early retirement relating to the bromine facilities in Israel, the Company's facilities in the United Kingdom and the Company's facilities of the joint venture in China.*
3. *Provision in connection with prior periods in respect of royalties arbitration in Israel.*
4. *Reversal of provision in connection with prior periods in respect of costs of management services of the electricity system in DSW and ICL Rotem.*
5. *Provision for legal claims. In Q3 2017, related to a dispute with the National Company for Roads in Israel regarding damage caused to bridges by DSW, in the amount of $6 million, and a dispute with the European Commission concerning past grants received by a subsidiary in Spain, in the amount of $5 million. In Q3 2016, provision derives mainly from the commercial price dispute with Haifa Chemicals which ended with the arbitration award agreement in Q3 2016.*
6. *In Q3 2017, $3 million related to a dispute with the European Commission. In Q3 2016, $26 million in connection with the royalties arbitration.*

Calculation of adjusted EBITDA:

	7-9/2017 $ millions	7-9/2016 $ millions
Net income (loss) attributable to the shareholders of the Company	84	(340)
Depreciation and amortization	97	108
Financing expenses, net	36	45
Taxes on income	62	(22)
Adjustments *	35	495
Total adjusted EBITDA	314	286

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

Calculation of free cash flow*:

	7-9/ 2017 $ millions	7-9/ 2016 $ millions
Cash flows from operating activities	176	249
Purchase of property, plant, equipment and intangible assets	98	153
Proceeds from the sale of property, plant and equipment	-	-
Dividends from equity-accounted investees	-	-
Free cash flow	78	96

* The items above present the amounts as shown in the condensed consolidated statements of cash flow to the Company's financial statements as at September, 30, 2017

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

	For the three-month period ended	
	September 30, 2017	September 30, 2016
	$ millions	$ millions
Sales	1,440	1,383
Cost of sales	970	922
Gross profit	470	461
Selling, transport and marketing expenses	194	197
General and administrative expenses	60	80
Research and development expenses	12	18
Other expenses	35	522
Other income	(11)	(25)
Operating income (loss)	180	(331)
Finance expenses	61	80
Finance income	(25)	(35)
Finance expenses, net	36	45
Share in earnings of equity-accounted investees	-	7
Income (loss) before income taxes	144	(369)
Income taxes	62	(22)
Net income (loss)	82	(347)
Net loss attributable to the non-controlling interests	(2)	(7)
Net income (loss) attributable to the shareholders of the Company	84	(340)
Earnings (loss) per share attributable to the shareholders of the Company:		
Basic earnings (loss) per share (in cents)	7	(27)
Diluted earnings (loss) per share (in cents)	7	(27)
Weighted-average number of ordinary shares outstanding:		
Basic (in thousands)	1,277,588	1,274,069
Diluted (in thousands)	1,279,202	1,274,069

Condensed Consolidated Statements of Financial Position:

	September 30, 2017	September 30, 2016	December 31, 2016
	$ millions	$ millions	$ millions
Current assets			
Cash and cash equivalents	**109**	157	87
Short-term investments and deposits	**86**	50	29
Trade receivables	**1,056**	1,117	966
Inventories	**1,208**	1,351	1,267
Assets held for sale	**122**	-	-
Other receivables	**197**	232	222
Total current assets	**2,778**	2,907	2,571
Non-current assets			
Investments in equity-accounted investees	**30**	162	153
Financial assets available for sale	**253**	235	253
Deferred tax assets	**139**	173	150
Property, plant and equipment	**4,458**	4,317	4,309
Intangible assets	**839**	862	824
Other non-current assets	**359**	305	292
Total non-current assets	**6,078**	6,054	5,981
Total assets	**8,856**	8,961	8,552
Current liabilities			
Short-term credit	**801**	477	588
Trade payables	**694**	801	644
Provisions	**83**	90	83
Other current liabilities	**667**	696	708
Total current liabilities	**2,245**	2,064	2,023
Non-current liabilities			
Long-term debt and debentures	**2,658**	3,153	2,796
Deferred tax liabilities	**275**	198	303
Long-term employee provisions	**621**	667	576
Provisions	**180**	123	185
Other non-current liabilities	**10**	23	10
Total non-current liabilities	**3,744**	4,164	3,870
Total liabilities	**5,989**	6,228	5,893
Equity			
Total shareholders' equity	**2,789**	2,614	2,574
Non-controlling interests	**78**	119	85
Total equity	**2,867**	2,733	2,659
Total liabilities and equity	**8,856**	8,961	8,552

Condensed Consolidated Statements of Cash Flows:

	For the three-month period ended	
	September 30, 2017	September 30, 2016
	$ millions	$ millions
Cash flows from operating activities		
Net income (loss)	82	(347)
Adjustments for:		
Depreciation and amortization	111	113
Revaluation of balances from financial institutions and interest expenses, net	12	41
Share in earnings of equity-accounted investees, net	-	(7)
Other capital losses (gains), net	6	429
Share-based compensation	2	4
Deferred tax income	(19)	(60)
	194	173
Change in inventories	81	14
Change in trade and other receivables	(96)	(29)
Change in trade and other payables	19	55
Change in provisions and employee benefits	(22)	36
Net change in operating assets and liabilities	(18)	76
Net cash provided by operating activities	176	249
Cash flows from investing activities		
Investments in shares and proceeds from deposits, net	(21)	29
Purchases of property, plant and equipment and intangible assets	(98)	(153)
Proceeds from divestiture of subsidiaries	-	-
Dividends from equity-accounted investees	-	-
Proceeds from sale of property, plant and equipment	-	-
Other	-	1
Net cash used in investing activities	(119)	(123)
Cash flows from financing activities		
Dividend paid to the Company's shareholders	(32)	(60)
Receipt of long-term debt	251	213
Repayment of long-term debt	(259)	(260)
Short-term credit from banks and others, net	13	(19)
Other	-	(2)
Net cash used in financing activities	(27)	(128)
Net change in cash and cash equivalents	30	(2)
Cash and cash equivalents as at beginning of the period	79	158
Net effect of currency translation on cash and cash equivalents	-	1
Cash and cash equivalents as at the end of the period	109	157

Additional Information

	For the three-month period ended	
	September 30, 2017	September 30, 2016
	$ millions	$ millions
Income taxes paid, net of tax refunds	19	28
Interest paid	19	24

Sales by Main Countries:

	7-9/2017		7-9/2016	
	$ millions	% of sales	$ millions	% of sales
USA	**314**	**22**	315	23
China	**208**	**15**	147	11
Brazil	**197**	**14**	150	11
Germany	**93**	**7**	89	6
United Kingdom	**79**	**5**	77	6
France	**74**	**5**	51	4
Spain	**61**	**4**	55	4
India	**41**	**3**	78	6
Israel	**34**	**2**	64	5
Australia	**31**	**2**	50	4
All other	**308**	**21**	307	20
Total	**1,440**	**100**	1,383	100

Sales by Geographical Regions:

	7-9/2017		7-9/2016	
	$ millions	% of sales	$ millions	% of sales
Europe	**462**	**32**	437	32
North America	**345**	**24**	330	24
Asia	**339**	**24**	324	23
South America	**214**	**15**	167	12
Rest of the world	**80**	**5**	125	9
Total	**1,440**	**100**	1,383	100

Europe - the increase derives mainly from an increase in ICL Specialty Solutions segment sales, mainly bromine-based industrial products and dairy proteins.

North America – the increase derives mainly from an increase in fire-safety products quantities sold, partly offset by a decrease in clear brine solutions quantities sold.

Asia – the increase derives mainly from an increase in quantities sold of phosphoric acid, bromine-based flame retardants and bromine-based industrial products. This increase was partly offset by a decrease in phosphate fertilizers, phosphate rock and potash quantities sold.

South America – the increase derives mainly from an increase in potash selling prices and quantities sold, partly offset by a decrease in phosphate fertilizers quantities sold.

Rest of the world – the decrease derives mainly from a decrease in the quantities of dairy proteins products sold and a decline in potash sales to Haifa Chemicals which is facing operational difficulties due to new local regulation.

Operating Segment Data:

	Specialty Solutions Segment	Essential Minerals Segment	Other Activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended September 30, 2017					
Sales to external parties	731	698	11	-	1,440
Inter-segment sales	15	60	-	(75)	-
Total sales	746	758	11	(75)	1,440
Operating income attributable to the segments	190	88	-		278
General and administrative expenses					(60)
Other expenses not allocated to segments and intercompany eliminations					(38)
Operating income					180
Financing expenses, net					(36)
Income before taxes on income					144
Capital expenditures	16	84	-		100
Total capital expenditures					100
Depreciation and amortization	28	68	1		97
Depreciation and amortization not allocated					14
Total depreciation and amortization					111

	Specialty Solutions Segment	Essential Minerals Segment	Other Activities	Eliminations	Consolidated
			$ millions		
For the three-month period ended September 30, 2016					
Sales to external parties	682	691	10	-	1,383
Inter-segment sales	19	57	1	(77)	-
Total sales	701	748	11	(77)	1,383
Operating income (loss) attributed to segments	171	89	5		265
General and administrative expenses					(80)
Other unallocated expenses and intercompany eliminations					(516)
Operating loss					(331)
Financing expenses, net					(45)
Share in earnings of equity-accounted investee					7
Loss before taxes on income					(369)
Capital expenditures	16	121	-		137
Capital expenditures not allocated					20
Total capital expenditures					157
Depreciation and amortization	28	80	2		110
Depreciation and amortization not allocated					3
Total depreciation and amortization					113