

09

Creating a World of Sustainability

ICL
Corporate Profile 2009



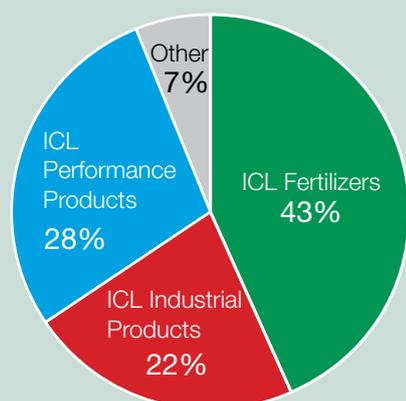


ICL is a diversified global fertilizer and specialty chemicals company with strength from raw materials through value-added downstream products. We benefit from direct access to low-cost, highly concentrated sources of minerals – especially potash and bromine.

Leveraging this strong basis, we have built leadership positions in the areas of fertilizers and specialty fertilizers, flame retardants, water treatment solutions, specialty phosphates for the food, hygiene and safety industries, and a growing range of “green” industry segments.

Financial Highlights

A Diversified Business



Strong, Continuous Growth

(\$ millions)



Based on 2009 external sales

2003-2006 figures are based on Israeli GAAP, 2007-2009 figures are based on IFRS

Selected Financial Data

(in \$ millions)

	2009	2008	2007
Sales	4,544.3	6,904.0	4,103.2
Operating Income	938.2	2,335.5	742.6
Net Income	770.4	2,004.2	553.4
Cash flow from operating Activities	1,199.7	1,854.1	570.7
EBITDA ¹	1,223.0	2,747.5	931.8
ROE ²	29.5%	94.5%	31.4%
ROIC ³	19.4%	52.0%	19.1%
Dividend Yield ⁴	3.9%	5.9%	3.5%

1. Net income plus net financing expenses, taxes, minority interest, depreciation and amortization, excluding extraordinary or one-time events.

2. Return on Equity = Net income/ Shareholders' Equity, average.

3. Return on Invested Capital = (Operating Income x (1-0.20))/(Trade Receivables + Inventory - Trade Payables + Property, Plant & Equipment, net), average.

4. Calculated according to market capitalization based on average share price adjusted for dividends.

Creating Sustainable Value for Stakeholders

Letter to Shareholders

“2009 was one of the best years in ICL’s history... but also one of the most challenging years we have ever experienced.”

“Our investments in sustainability programs totaled approximately \$90 million in 2009.”

“2009 as a whole was a period during which we took decisive action in the face of uncertain markets.”

DEAR SHAREHOLDER,

2009 was one of the best years in ICL's history, in terms of sales and profit. It was also one of the most challenging years we have ever experienced, given the global economic crisis and its effect on our entire industry.

As such, we are particularly proud to have delivered the 2nd-highest annual revenues and profits in our history, a record that we outperformed only during the “spike” year of 2008. These results – excluding 2008 – were in line with our Company's growth trajectory, as illustrated by the chart on page 3. We believe that our ability to achieve these results in such a challenging market environment demonstrates the strength of our core assets and the value of our diversified and agile business platform.

ACTIONS TAKEN DURING 2009

Faced with uncertain markets, we took decisive action throughout 2009 to protect our profitability and cash flow while still pushing forward with our strategic sustainability programs and environmental initiatives.

Efficiency measures: At the beginning of the year, we instituted far-reaching efficiency measures to reduce our overall operating expenses. These included a reduction in our headcount, cuts in management salaries, closure of some of our manufacturing operations and other cost-saving initiatives.

Continuation of strategic capacity expansion programs: While recognizing the need to reduce our costs, we did not lose our focus in terms of preparing for the future. Accordingly, during the year we continued with

our strategic manufacturing capacity expansion, conversion and de-bottlenecking programs aimed at building our production capacity of potash, bromine and other products. At the same time, as part of our cashflow management program, we cut capital spending on projects that could be postponed.

Stockpiling of potash: Taking advantage of our virtually unlimited outdoor storage capacity at the Dead Sea, we continued to produce potash at high utilization rates throughout the year despite the lower demand, stockpiling inventory as we had before during previous market slowdowns. This inventory is an asset that we hope will gain in value as markets recover and potash prices climb.

Environmental & sustainability initiatives: Despite the uncertain economic environment, we took a bold decision to move forward with all environmental and sustainability initiatives, investing a total of \$90 million during 2009, including \$45 million in fixed assets and \$45 million in ongoing expenses. With the goal of harmonizing our efficiencies with our care for the environment, these projects are aimed at increasing our operational efficiencies and savings, creating cleaner and safer products and work environments, and meeting (or exceeding) environmental and other regulatory requirements. Several examples include:

- **Conversion to natural gas:** In December 2009, we initiated the flow of natural gas to our power plant in Israel's Negev Desert, and soon plan to complete similar conversions of all our Negev manufacturing facilities. This project has the effect of both improving the air quality around our facilities and improving our carbon

footprint dramatically, as well as reducing our operational costs.

- **Carbon Footprint:** We are currently engaged in a large-scale effort to quantify the overall carbon footprint of ICL's products. As our knowledge and awareness grows, we are able to form and implement company-wide plans for reducing waste, re-using resources and improving the efficiency of our operations throughout the value chain.
- **Responsible Care:** We have begun implementing the ethics of Responsible Care throughout the Company. This is an extensive process which includes assessment of all activities as well as dialogue with all parties at interest.
- **Site restoration & wildlife protection:** We continue to move ahead with a broad range of important mining site restoration and wildlife protection initiatives aimed at preserving the environment for the benefit of present and future generations.

Product evolution: To meet the industry's growing demand for sustainable products, in 2009 we began a significant expansion of our environmentally friendly product portfolio, and continued working on “green” alternatives to several existing products.

- During the year, we launched **Merquel**, a bromine-based solution for the removal of mercury emissions from coal-based electricity plants. Given that approximately 40% of the world's electricity is generated from coal, we believe Merquel offers the potential for “blockbuster” sales over the long term.



- In 2009, we expanded our **ChloRun water purification product line**, making it a comprehensive potable water solution for areas challenged by chronic or disaster-related contamination.
- We continue to expand our leading product portfolio in the area of **specialty and soluble fertilizers**.
- We continue to build out our **Anti-Germ** business to address the **health and safety** needs of a world faced with global pandemics. During 2009 we completed seven acquisitions throughout Europe, with the aim of enhancing our ability to manufacture and market these solutions
- During 2009 we began a four-year phase-out of Deca-BDE in the US market. In parallel, we began increasing our focus on the development and marketing of environmentally-friendly flame retardant alternatives.

Community service: 2009 was also a year of increased commitment to our community service programs. We continued to move forward with our flagship Afternoon Clubs for Children at Risk program, stepping up levels of both monetary and volunteer support. In addition, we provided substantial financial support to service organizations ranging from battered women’s shelters,

hospitals and clinics to programs for disadvantaged communities, shelters, and programs for autistic, mentally and physically challenged children.

FUTURE DIRECTIONS

From a strategic perspective, during 2009 we began charting our plans for accelerating our future growth in a changing marketplace. To do so, we plan to build on the business platform we have created over the years, including our access to concentrated sources of minerals, our market reach and understanding, our technological know-how and our diversified product base.

With a diversified product portfolio and a strong reputation in the areas of fertilizers, water treatment, food additives, hygiene and safety, we are well positioned to offer solutions that promote the well-being of the global population facing the challenges of global warming, population growth and intensified urbanization – challenges that give rise, amongst other things, to shortages of food and usable water.

To help address these problems, we plan to increase our environmentally-friendly product portfolio significantly, both through increased R&D investment and through acquisitions. By capitalizing on our products and know-how in these

areas, our goal is to set in motion a “virtuous circle” of sustainability that simultaneously increases our sales and profits.

SUMMARY

2009 was a year of strong performance in the midst of a global economic crisis – and also a year of strategic initiatives and preparation for the next phase of ICL’s growth. In the face of the world’s major challenges, we feel privileged to be able to use our strengths to provide needed solutions, and, in so doing, to create value for our stakeholders.

We would like to thank all our shareholders, employees and customers for their continuing support and cooperation in allowing us to realize our full potential.

Faithfully yours,

Mr. Akiva Mozes
President & CEO

Mr. Nir Gilad
Chairman of
the Board

“ICL is well positioned to address new, high-potential markets being created by global warming, population growth/urbanization and environmental awareness.”

Creating a Balanced Business



ICL's diversified business platform helps it deliver strong, steady financial results.

Fertilizers

ICL Fertilizers is one of the world's largest producers of potash. It is also an integrated producer of a variety of products based on phosphate rock, including phosphate fertilizers, phosphoric acid, specialty fertilizers and feed additives. With an international production base in several countries, ICL Fertilizers has a strong presence in fertilizer markets throughout the world.

Industrial Products

ICL Industrial Products is a global leader in the production of flame retardants ("FRs"), bromine compounds and other chemicals based on the mineral resources of the Dead Sea. ICL-IP sells its products to the electronics, construction, automobile, oil and gas drilling industries.

ICL-IP is home to ICL's IMI (TAMI) Institute for R&D Ltd., the ICL Group's largest R&D center.

Performance Products

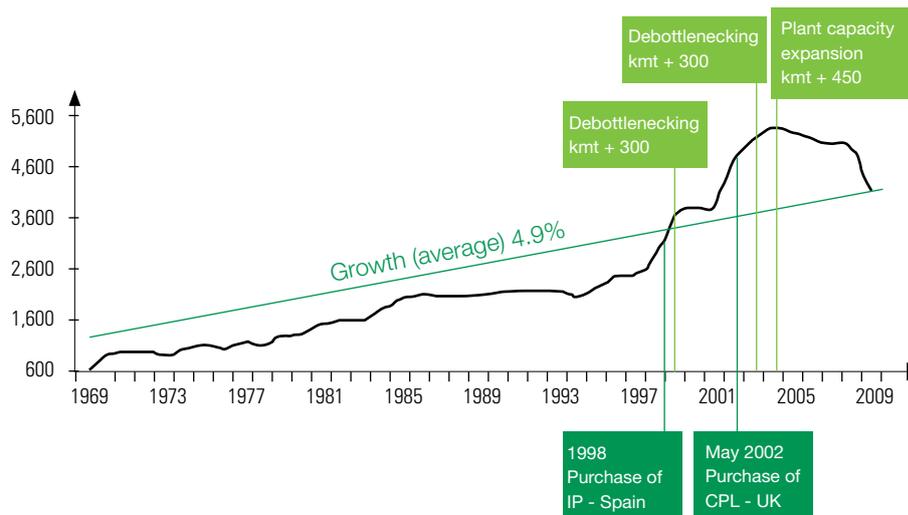
ICL Performance Products is a specialty phosphates powerhouse that leads its industry in terms of revenues, product offerings, geographical presence, and technological capabilities. ICL-PP produces a broad variety of downstream products for food and industrial applications with particular strength in customized solutions for the food, cleaning products, fire safety, coatings and electronics industries. It also produces alumina-based and other products for the paper, water treatment, construction, pharmaceutical and footwear industries.

At A Glance

- **2009 Revenues:** \$2.1 billion*
- **% of ICL Revenues (external sales):** 43%
- **Operating Income:** \$723.1 million
- **Revenues by product segment (external sales):** 65% potash; 35% fertilizers and phosphates
- **Market Leader:** 6th largest potash producer in the world; largest producer of PK fertilizers worldwide and in Europe; major markets: Europe, Brazil, India, China and Israel

* including \$192.9 million in internal sales

ICL's Potash Production Capacity

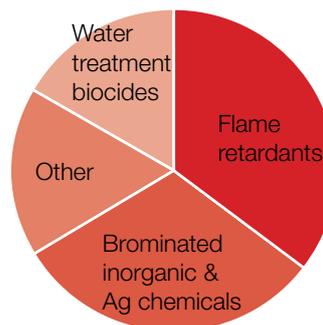


At A Glance

- **2009 Revenues:** \$1.0 billion*
- **% of ICL Revenues (external sales):** 22%
- **Operating Income:** \$20.9 million
- **Market Leader:** #1 producer of elemental bromine (~30% of global production capacity), #1 producer of organophosphorus FRs; leadership position in brominated FRs.
- **Major Markets:** Western Europe, US, China, Japan and Taiwan

* including \$11.1 million in internal sales

Diversified Product Mix



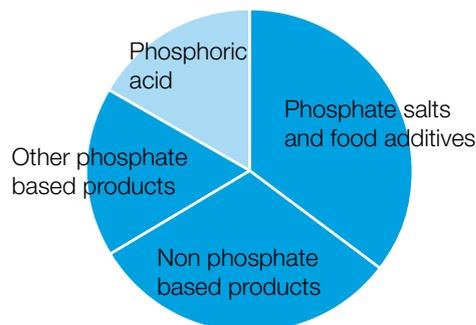
Based on 2009 external sales

At A Glance

- **2009 Revenues:** \$1.3 billion*
- **% of ICL Revenues (external sales):** 28%
- **Operating Income:** \$162.7 million
- **Market Leader:** #1 worldwide in glassy phosphates and specialty phosphate blends; #2 in potassium phosphates; in Europe, #2 in dairy and farm hygiene and #3 in total food hygiene; in the Americas, leading marketer of food phosphates; #1 in merchant industrial phosphoric acid sales, electronic-grade specialty phosphoric acids & wildfire safety products
- **Major Markets:** Europe, North and South America, Asia

* including \$ 34.5 million in internal sales

Phosphate & Phosphorus-Based Products



■ 77% Phosphate & phosphorus-based products
 ■ 23% Other

Based on 2009 external sales

Fertilizers

Product Lines

- **Potash:** 4.1 million tons produced in 2009
- **Phosphate Rock:** 2.7 million tons produced in 2009, ~73% used in the manufacture of phosphate fertilizers and phosphoric acid
- **Phosphoric acid (fertilizer grade - P_2O_5)**
- **Super phosphate fertilizers (GTSP, GSSP)**
- **PK fertilizers** (compound potash and phosphate fertilizers)
- **Liquid and soluble fertilizers** (MKP and others)
- **Animal feed additives**

Industrial Products

Product Lines

- **Elemental bromine:** ~30% of the world's production capacity of elemental bromine (potential production capacity of 280,000 tons)
- **Bromine compounds:** used in FRs, clear brines for the oil drilling industry, soil and space fumigation products and water treatment biocides
- **Phosphorus FRs:** a global leader of the FR industry
- **Chlorine-based biocides**
- **Magnesia:** used in transformer steel production, rubber, food, pharma, mineral supplement applications, calcia products and varied industrial applications

Performance Products

Product Lines

Specialty Phosphates (77%):

- **Food-grade & technical-grade phosphoric acid** for food and industrial applications
- **Phosphate salts, blends and phosphorus derivatives** for industrial applications
- **Food phosphates and other food additive and ingredient specialties** (seasonings, flavors, color stabilizers, emulsifiers etc.)
- **Food hygiene, disinfectants and cleaning products**
- **Wildfire safety products**

Alumina and other chemicals (23%):

- **Pharmaceutical and cosmetic ingredients, thermoplastic materials and synthetic gypsum**
- **Industrial applications** (water and paper treatment, dispersing agents, corrosion inhibitors, and others)

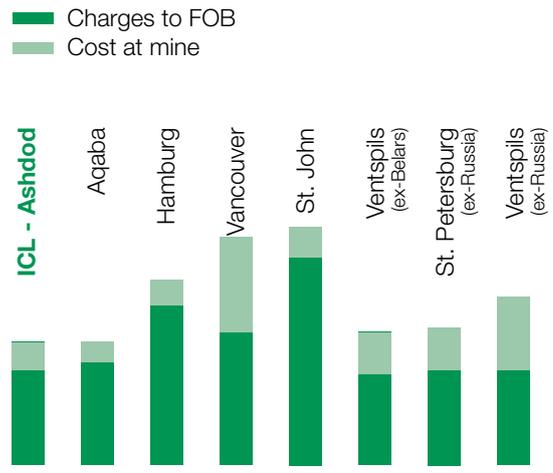
Competitive Position

ICL Fertilizers's competitive edge derives from several factors:

- Access to abundant, low-cost potash reserves and virtually unlimited open-air stockpiling capacity at Israel's Dead Sea
- Significant unused phosphate rock production capacity
- Location of most production sites close to seaports
- Accessibly positioned vis-à-vis western and eastern markets, resulting in lower freight costs and shorter delivery times
- Synergies in production processes with a high level of by-product utilization
- Global logistics and customer service capabilities for end-users on five continents
- Extensive and well-balanced product range

Low-Cost Potash Position

\$US per tonne KCl



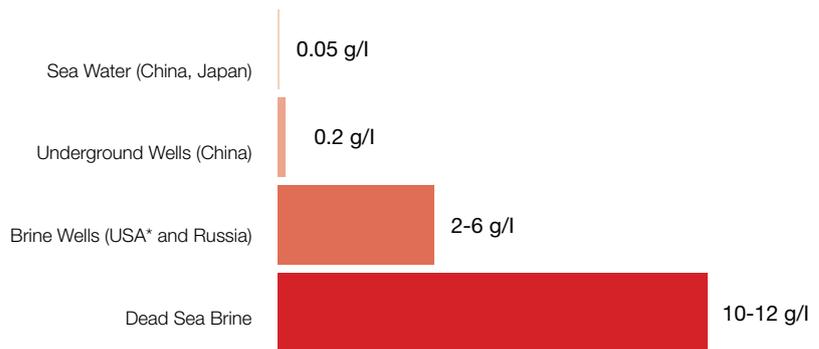
Source : British Sulphur / CRU (March 2007)

Competitive Position

ICL Industrial Products competitive edge derives from several factors:

- World's largest and lowest-cost producer of elemental bromine, 77% of which is used in the production of higher-margin compounds.
- One of the industry's largest fleets of isotanks which enables it to transport large quantities of bromine safely throughout the world.
- Global marketing network
- Strong technical support system that works closely with the segment's customers.

World's Most Concentrated Source of Bromine



* Arkansas – brine wells of Chemtura & Albemarle
Source: ICL's estimates

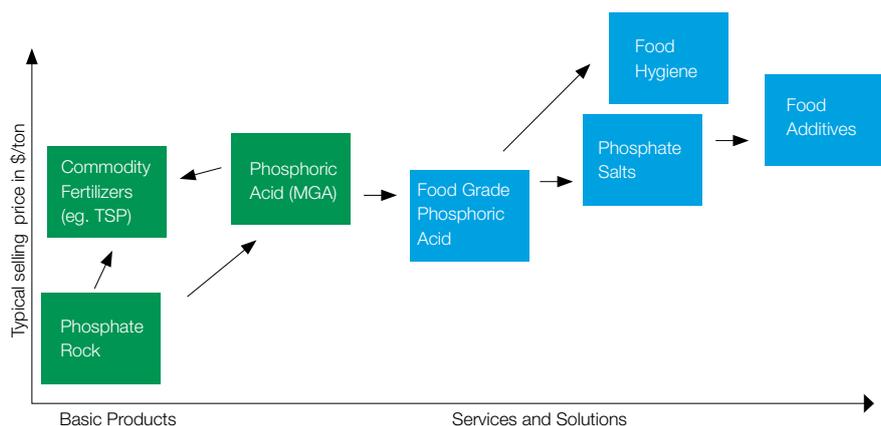
Competitive Position

ICL Performance Products is a leader in the specialty phosphates industry in terms of products offerings and geographic presence:

- **Broad range of branded products:** extensive technological know-how supports new product development
- **Strong customer relationships:** reputation for tailor-made applications and specialty formulations
- **Geographic positioning:** manufacturing and marketing capabilities in Europe, North and South America and the Asia Pacific region

Vertical Integration: From Raw Materials to Downstream Products

■ ICL Fertilizers
■ ICL Performance Products



Additional Activities:

Magnesium

ICL owns Dead Sea Magnesium Ltd. (“DSM”), a company which produces pure metal magnesium and magnesium alloys from the Dead Sea. DSM’s products are used primarily by the aluminum, titanium, steel and automotive industries in the US and Western Europe.

DSM’s operations are highly synergistic with ICL’s other production facilities adjacent to the Dead Sea and contribute to the overall optimization of ICL’s Dead Sea operations. Its basic raw materials are supplied by neighboring ICL plants and their outlet streams, and DSM’s waste and by-products are used as inputs for other ICL operations.

Desalination

IDE Technologies Ltd. (owned jointly by ICL and the Delek Group) is a pioneer and global leader in water technologies. IDE specializes in the development, engineering, production and operation of advanced desalination and industrial solutions. With more than 45 years of know-how and experience, IDE delivers end-to-end project solutions for customers throughout the world.

IDE has built and operates some of the world’s largest SWRO (Sea Water Reverse Osmosis) desalination facilities and continues its groundbreaking efforts to reduce overall desalinated water costs on long-term BOT contracts. During 2009, IDE won a tender to build a 150 million cubic meter SWRO plant in Soreq, Israel, the third ‘mega-facility’ it will have constructed in Israel, and one of nearly 400 desalination units that it has installed to date.

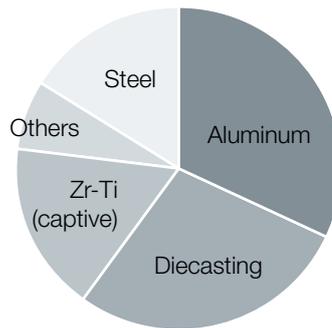


Competitive Position

With access to abundant, low-cost raw materials, DSM is one of two major magnesium producers in the Western World. It is recognized internationally for its high quality products.

The conversion of DSM's manufacturing operations from heavy fuel oil to natural gas is expected to reduce its operating costs and improve its profitability.

World Demand for Magnesium



Source: IMA, ITA, Antaike

Competitive Position

IDE is differentiated by its:

- Proprietary thermal and membrane technologies resulting from decades of advanced research and development activities
- End-to-end solutions including development, construction, project management, operations and financing
- Customization of large scale desalination and water treatment solutions
- Strong track record with hundreds of installed units in more than 40 countries
- Growing portfolio of economic green water treatment solutions for industry and municipalities - especially in the areas of industrial stream concentration/purification and wastewater treatment



We are well positioned as suppliers at both the basic and downstream levels.

Fertilizers (ICL-F)

Potash & fertilizers based on phosphate rock

ICL is one of the world's largest producers of potash and an integrated producer of a variety of products based on phosphate rock, including phosphate fertilizers, phosphoric acid and feed additives.

We are the 6th largest potash producer in the world and the 2nd largest in Western Europe. We are also the largest producer of PK fertilizers (compound potash and phosphate fertilizers) worldwide and in Europe. Our other major markets include Brazil, India, China and Israel. We benefit from access to abundant, low-cost potash reserves and virtually unlimited open-air stockpiling capacity at the Dead Sea.

Specialty Fertilizers (ICL-F)

Liquid & soluble fertilizers, including PK, MKP, MAP & others

We are the world's leading producer of MKP and one of the largest producers of liquid and soluble fertilizers. These value-added, higher margin specialty fertilizers are used for advanced, environmentally-friendly agricultural and industrial applications such as fertigation, liquid fertilizing and foliar feeding. ICL continues to expand its portfolio of specialty fertilizers including its K product offerings, NPK after MAP.

Food Additives and Ingredient Specialties (ICL-PP)

Food phosphates, seasonings, flavors, color stabilizers & emulsifiers

We manufacture a broad range of customized food additives and ingredients for the dairy, bakery, meat and pharmaceutical industries, and sell them through a sales and marketing network in Europe, the Americas, Asia Pacific and Africa. Our reputation has been built on our ability to create value-added specialty formulations for producing high quality food with optimum properties as needed by changing markets.

Global mega-trends such as population growth, urbanization and reduced arable land per capita are leading to food shortages that are expected to intensify in the future. With vast mineral resources and a broad product portfolio of fertilizers and ingredients for the processing of food and with differentiating core competencies that we have built over five decades, ICL is stepping up to the challenge of feeding the world.

Creating Food



Food Grade Phosphoric Acid and Phosphate Salts (ICL-PP)

Acids and salts for the food and beverage industries

We are a global leader in food-grade phosphoric acid and blended and defined food-grade phosphate salts. A major supplier to the dairy, bakery, condiment and beverage industries, we market and sell our products to food and beverage distributors and end users throughout the US, Europe and other parts of the world. From leavening agents for bakeries to calcium stabilization for beverage companies and applications for processed cheeses, we help food and beverage industry develop and produce healthier, longer lasting and more attractive products.

Food Hygiene (ICL-PP)

Hygiene products for the food, beverage and agriculture industries

We are a major producer and marketer of cleaners and disinfectants for the food/beverage processing, wine production and agriculture industries in Western and Eastern Europe. During 2009, we strengthened our Anti-Germ International unit through the acquisition of several European-based manufacturers, distributors and marketers. These acquisitions have expanded our hygiene product portfolio while enlarging our client base, sales and service capabilities and geographic scope.

ICL produces a wide range of products that make the world a safer, cleaner place to live. ICL's industry-leading flame retardants, wildfire safety products, emissions control solutions and hygiene agents are sustainable, cost-effective and effective products that meet customers' functional needs while enabling them to comply with strict environmental regulations.

Creating Safer Environments



Flame Retardants (ICL-IP)

ICL is a global leader in the production of flame retardants ("FRs"). Its product portfolio includes a broad range of bromine-based flame retardants used primarily in the electronics industry, and organo-phosphorus flame retardants used by the furniture, construction and other industries. ICL has committed itself to a 4 year phase-out of Decabromidiphenyl oxide from the US market, and to accelerate the development of new lines of "green" polymeric" FRs that are both sustainable and cost-effective.

Wildfire Safety Products (ICL-PP)

ICL is the world's largest supplier of wildfire fighting chemicals with production sites throughout the US, as well as in Canada, France and Germany. ICL's Phos-Chek® fire retardants are deployed from aircraft to help control the spread of fires. For example, during a recent forest fire in California, ICL established mixing plants to supply air-tankers and helicopters to help contain fast-spreading fires and protect nearby neighborhoods. ICL Performance Products annually applies over 30 million gallons of Phos-Chek® fire-fighting retardants and foams globally.

Mercury Emission Control (ICL-IP)

ICL is an active partner in the global effort to reduce emissions of mercury into the atmosphere. Its groundbreaking Merquel line of products has proven particularly effective in the reduction of mercury emissions from coal-based power stations, which currently account for approximately 40% of the world's electricity generation. Designed to be used in tandem with emission-reducing technologies, Merquel products do not affect combustion processes and cause no secondary pollution.



ICL is the world's largest manufacturer and distributor of proprietary organo-phosphorus flame retardants.

Hygiene (ICL-PP)

ICL's Anti-Germ International business unit produces a broad range of disinfectants and cleaning substances. As part of its increased focus on this sector, during 2009, ICL acquired several companies in Germany, France and Eastern Europe which produce and market hygiene solutions for the food and beverage processing, catering, agriculture, health care, wine production and animal breeding industries.



ICL's strong technical support teams work closely with customers across the globe to provide customized formulations for high-performance applications.

Semiconductor-grade phosphoric acid (ICL-PP)

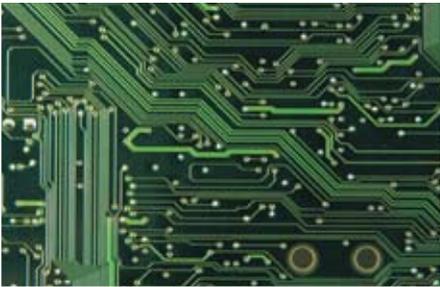
ICL is the global leader in the manufacture of ultra-high purity phosphoric acids for the electronics industry. To keep pace with advances in electronics technology and reduced chip geometries, ICL's Performance Product segment recently introduced PurEtch™, its next-generation, semiconductor-grade phosphoric acid product. Exceeding the industry's highest standards for Grade 3 phosphoric acid, PurEtch™ provides the performance, consistency and purity required by the highest-standard players in the semiconductor and flat panel industries.

Magnesia products (ICL-IP)

ICL's Industrial Products segment produces a wide range of magnesia specialty products (magnesium oxide, hydroxide and basic carbonate) of exceptionally high purity. These materials find application in a wide variety of products such as transformer steel, rubber, plastic, adhesives, engine oil additives, pharmaceuticals, mineral supplements for nutraceuticals, food and cosmetics. In addition, magnesium oxide is used to produce high purity magnesium compounds that are used to control pH in paper and pulp production, non-toxic PVC stabilizing additives and other applications. Calcium carbonate is a premium product used in osteoporosis preparations.

ICL's chemicals are used in countless products to make them safer, more durable, and longer lasting – in a word, “better”. Every day, throughout the world, the electronics, paper, steel, rubber, construction, pharmaceutical, hygiene and footwear industries benefit from ICL's nearly 4,000 chemical formulations and branded downstream products.

Creating Better Products



Industrial Cleaning Operations (ICL-PP)

ICL Performance Products offers a line of proprietary phosphate and phosphoric acid compounds for the formulation of a wide range of industrial and institutional cleaning products. ICL-PP's commitment to the industry is reflected in its hands-on technical support and continuous investment in the development of new tailored products.



Asphalt Paving and Roofing (ICL-PP)

Modifying asphalt with various chemical additives helps improve its thermal-mechanical properties to better meet traffic loads, prevent rutting and stripping in hot weather and cracking in cold weather. ICL Performance Products' produces LP polyphosphoric acid, a chemical additive used to improve the thermal-mechanical properties of asphalt. Use of the additive enables asphalt to bear heavier loads of traffic, to prevent rutting and stripping in hot weather, and to prevent cracking in cold weather. The compound also shows promise for use in roofing applications.



ICL is emerging as a major player in the global water treatment industry. ICL's offerings include a wide range of active ingredients, formulations, tailor-made solutions and consumer products, all backed up by end-to-end service capabilities. ICL's solutions are used to improve industrial processes, treat wastewater, transform contaminated resources into drinking water, desalinate seawater and to clean swimming pools and spas.

Creating Usable Water



Drinking Water Purification (ICL-PP and ICL-IP)

ICL is a leading provider of drinking water purification and disinfection products designed for use in water-challenged regions and disaster sites. ICL's drinking water product range includes its unique ChloRun purification system and its Medentech Aquatab® effervescent tablets, both of which have been adopted by disaster relief organizations, NGOs, hospitals and private enterprises throughout the world.

Industrial Water Treatment (ICL-IP and ICL-PP)

ICL provides customized water treatment products and services for a wide variety of industries and institutional applications, including power plants, oil refineries, the chemical industry, paper mills, municipalities and waterworks, and biocides for pre-treatment, treatment, de-contamination and re-use of waste water. ICL's water treatment products are manufactured in wholly-owned subsidiaries in Germany, the Netherlands, France, Turkey, China and Israel. In addition, ICL recently established a joint venture with the Angang Industry Group to provide comprehensive water treatment solutions to the Ansteel Group, the second largest steel producer in China.



ICL's know-how, products and global presence are revolutionizing water treatment markets worldwide.

Desalination and Wastewater Solutions (IDE)

ICL's 50%-owned subsidiary, IDE Technologies Ltd., is a pioneer and global leader in the delivery of cost-effective water desalination solutions. With nearly 400 projects spanning 40 countries, including over 70% of its over 100 million cubic meter plants, IDE has established itself as the clear technology and cost leader in both thermal and membrane desalination technologies.

Pool & Spa (ICL-IP)

ICL is a leading producer of high quality water treatment products and sanitizers for the swimming pool and SPA market. It is known globally for its broad range of Clearon-branded biocides which are ranked among the best in the world for their effectiveness and quality.

ICL's commitment to Sustainable Development and social responsibility is shaped by its strict interpretation of the chemical industry's principles of Corporate Social Responsibility (CSR) and Responsible Care. ICL's CSR initiatives are aimed at protecting the safety, health and security of its employees; assuring full compliance with all environmental regulations and standards; reducing the environmental impact of its operations; preparing for emergencies; managing products throughout the product life cycle; and conducting business in a transparent and accountable manner.

Creating a Socially Responsible Company



Reducing CO₂ Emissions

In line with the Kyoto Protocol, ICL has initiated a far-reaching program aimed at a significant reduction of its greenhouse gas emissions. The program includes the conversion of all manufacturing facilities to natural gas; the installation of catalytic combustion units and BRUs, the replacement of SF₆ (a greenhouse gas) with HFC in manufacturing production processes; and the reduction of the use of N₂O.

Quantifying our Carbon Footprint

ICL's Energy Center of Excellence is currently engaged in a large-scale effort aimed at quantifying the carbon footprint of the Company's products. The information gathered during this process is being used to make all of ICL's operations more efficient and competitive, and to expand its focus on the development of new "green" products.

Conservation of Resources

ICL has implemented a comprehensive, corporation-wide program to reduce its consumption of energy, water and raw materials. This program includes the treatment and recycling of effluents from the Company's manufacturing activities and wastewater treatment centers and the development of alternative energy sources, such as solar (PV) plants. Corporate programs also target the reduction of waste through separation, recycling and re-use whenever possible.

ICL's comprehensive sustainability policy integrates social, economic & environmental considerations into all activities and decisions.



Creating a Safe Workplace

ICL makes significant ongoing investments to improve the safety of the work environment and the quality and safety of its products. Key elements of ICL's "Beyond Compliance" safety culture include strict adherence to safety-at-work laws and comprehensive risk management programs. In addition, ICL's segments carry out mandatory employee safety training programs that have earned them the highest level of international certifications.

Turning Buildings "Green"

As part of its policy to reduce greenhouse gas emissions, ICL has adopted a policy of using environmentally-friendly construction in all building and renovation activities. Under this framework, ICL's IP segment recently completed the conversion of its Israel headquarters into a 'green' building, ICL's DSW has constructed two buildings that comply to green standards, ICL's Rotem has built a new "green" building, and ICL-PP has built a new "green" logistics center.

Protecting Wildlife and Restoring Mine Sites

ICL believes in protecting wildlife and endangered species in the regions in which it operates. Currently, it is funding a multi-year project in cooperation with Israel's Park and Nature Authority which has succeeded in increasing the number of eagles and other birds of prey in Israel's Negev desert, and a program aimed at encouraging the return of the white ram to the Negev region. ICL also invests significantly to restore mining sites.



ICL's Management believes that communal responsibility mandates personal involvement as well as financial assistance.



Afternoon Clubs for Kids at Risk

ICL's flagship social action initiative is its Afternoon Clubs for Kids at Risk, a vital program that operates over 50 clubs to serve over 900 children. Hundreds of ICL's managers, employees and pensioners volunteer their time to help operate the clubs, making a clear difference to Israel's disadvantaged neighborhoods as they interact with the children, their teachers and families.

HSE Community Forums

As a company dedicated to transparency, ICL meets regularly with community leaders to discuss safety, health and ecological issues. It also carries out a range of community outreach and educational activities. For example, in 2009 ICL held an event at the Ludwigshafen, Germany industrial park in which it demonstrated innovative technologies, environmental protection activities and safety programs.

Assisting Bedouin Communities

The Company provides substantial assistance to Bedouin communities in the areas of primary and secondary education, youth programming and leadership development. It supports grass-root environmental initiatives, such as special waste collection facilities and environmental educational programs. ICL also helps members of the Bedouin community with developmental disabilities by supporting programs provided by Israel's pioneering Beit Issie Shapiro.

ICL believes that it has an ethical duty to improve the communities in which it operates. As a result, ICL provides substantial support for an array of important programs, ranging from broad-based initiatives targeting disadvantaged populations to enrichment programs for scientific and cultural institutions and to country-wide healthcare and educational frameworks.

Creating Stronger Communities



Educational Initiatives

To encourage the study of chemistry and ecology by high school students, ICL supports a unique program hosted by Israel's Weizmann Institute. Through seminars taught jointly by professors and ICL personnel, students gain exposure to the world of chemistry and its critical contribution to daily life. The program has partnered with Israel's Ministry of Education to create a science competition that draws contestants from all sectors of the Israeli population.



“Password for Every Student” Computer Access Program

ICL is a major supporter of an ambitious initiative aimed at increasing computer literacy, communication and knowledge among students in outlying areas. The “Password for Every Student” program makes it affordable for students and teachers to access knowledge bases and educational resources using terminals at homes, in schools and at community centers, and facilitates online communities to foster better communication.

Partial List of ICL Recipient Programs:

- Weizmann Institute of Science
- Technion Israel Institute of Technology
- Soroka Hospital, Beer Sheva
- Inbal - for children at risk
- Maslan - Shelter for Battered Women and their Children
- Alut - Association for Autistic Children
- Akim - National Association for the Rehabilitation of the Mentally Handicapped in Israel
- Alyn Hospital for Handicapped Children
- Israel Cancer Association's Hosan Center, Arad
- Association for the Transport of Disabled to Sports Competitions



Cont.

Creating Stronger Communities



Treatment of Children and Teens with Autism

ICL is privileged to partner with Alut, Israel's Association for Autistic Children, in realizing its mission of improving the well-being and rehabilitation of children and teens with Autism. ICL has provided significant financial support for the establishment and operation of a village for autistic children and teens in Beer Sheva, and has supported ALUT in its development of revolutionary treatments.



Support for Women Victims of Physical and Sexual Violence

ICL provides significant support for the Maslan and Inbal rape crisis centers. These centers offer a variety of support services and operate national emergency rape crisis hotlines. In addition, Maslan has initiated anti-violence programming and an educational network throughout the Negev region.



Important Notes

The information in this document is based upon certain sections from ICL's 2009 Annual Report. You are advised to review the entire report as filed with the Israeli Securities Authority and the Tel Aviv Stock Exchange (TASE) on the MAGNA site. A translation for your convenience of this report is on our internet site at: <http://www.icl-group.com/INVESTORINFORMATION/Pages/FinancialReports.aspx>.

For details regarding adjustments you should refer to the full documentation as published.

The binding version is the Hebrew publication. You should not assume that the information contained herein is accurate as of any date other than the date of this document. We are not providing you with any investment, legal, business or tax advice. All statements, other than statements of historical facts included in this document, may be forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Such forward looking information involves risks and uncertainties, including those referred to in the company's 2009 Annual Report referred above.

Some of the market and industry data contained in this document are based on independent industry publications or other publicly available information, while other information is based on internal studies and/or estimates. Although we believe that these sources and our internal data are reliable, as of their respective dates, the information contained in them has not been independently verified, we can not assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained in this document and beliefs and estimates based on such data, may not be reliable.

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