ICL Q4'2011 & 2011 Fact Sheet

March 27, 2012

The information contained in this "ICL Q4 2011 & 2011 Fact Sheet" highlights the 2011 Annual Report of Israel Chemicals Ltd. published on March 27, 2011 (the "Annual Report"), and does not purport to be a comprehensive overview of the Company's financial or business condition. Furthermore, the information contained herein may include statements of future expectations and other forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements. The information contained herein should be read in conjunction with all parts of the Annual Report and all exhibits and schedules thereto.

ICL Group Results:

	Q4 2010	Q4 2011	2010	2011
Total sales (external)	1,421	**1,712**	5,692	7,068
Gross profit	627	**775**	2,432	3,156
Operating income	339	**467**	1,346	1,926
Financing expenses	7	**2**	53	62
Share in profit (loss) of affiliated companies	1	**-3**	3	8
Income before taxes	332	**462**	1,295	1,872
Taxes on income	86	**88**	267	349
Net income attributed to equity interest	246	**374**	1,028	1,523
Minority interest in profit of subsidiaries	1	**4**	4	11
Net income attributed to shareholders	245	**370**	1,024	1,512
EPS (basic)	0.194	**0.291**	0.810	1.193
EPS (fully diluted)	0.190	**0.287**	0.806	1.188

2011 Results Highlights:

- **Record revenues**; near record operating profit (second only to 2008)
- **Rising prices for key products**: potash & phosphate fertilizers; elemental bromine & bromine compounds; and downstream phosphate products
- **Profit growth** reflects higher selling prices & consolidation of acquired companies, partially offset by lower quantities sold & rising raw material prices.

Q4 2011 Results Highlights:

- **Record 4th quarter revenue and operating profit**, notwithstanding moderating demand due to economic uncertainty.
- **Higher average prices** more than compensated for lower volumes, higher raw materials costs & higher operating costs.
- **Tax expenses** include onetime charge of $38 million as a result of the approval of a bill to amend tax rates.

Fertilizers Segment Results:

	Q4 2010	Q4 2011	2010	2011
Revenues (external) - million $	713	**973**	2,889	3,836
Revenues (internal) - million $	53	**61**	219	262
Revenues (total) - million $	766	**1,034**	3,107	4,098
Operating profit - million $	244.4	**365**	965	1,403

Potash Sub-segment Results:

	Q4 2010	Q4 2011	2010	2011
Production - million tonnes (kCl)	1,184	**1,191**	4,251	4,261
Inventory - million tonnes*	1,610	**699**	1,610	699
External sales volume - million tonnes	1,326	**1,327**	5,266	4,904
Total sales volume - million tonnes	1,415	**1,379**	5,558	5,172
Revenues (external)- million $	505	**644**	1,957	2,285
Revenues (internal)- million $	49	**51**	184	222
Potash revenues (total)- million $	554	**695**	2,141	2,506
Operating profit - million $	232	**337**	858	1,182

*as of December 31

2011 Highlights:

- Strong agricultural fundamentals combined with lower global stocks and depleted concentrations of potash in the soil resulted in strong demand for potash in the first nine months of 2011. Tight market environment led to price increases until Q3 2011.
- Revenues: Higher selling prices contributed 21% to revenue growth, lower volume offset 4%.
- Operating profit: Higher selling prices contributed 48%, lower volume offset 9% and FX effect offset 1%.
- Production in 2011 was stable vs. 2010, notwithstanding a negative impact of 450k tonnes due to a strike at Dead Sea Works during Q1 2011.
- Production levels in 2011 and in Q4 2011 were also negatively influenced by problems with production equipment and temporary downtime of equipment.
- Approximately 1 million tonnes of volume sold was supplied from stockpiles accumulated during 2009, a period of weak demand.
- Record contract quantities to China derived from the Company's strategy to sell directly to a variety of regional distributors and NPK manufacturers.
- A contract with Indian customers was signed in August 2011 for supply of approximately 1.4 million tonnes through March 2012. The contract was signed following several months' delay due to a change in the subsidy scheme for potash & phosphate fertilizers which resulted in a significant increase in retail prices. Deliveries are expected to be spread out over several months beyond March 2012.

Q4 2011 Highlights:

- Robust revenues due to strong sales to contract markets in China & India, notwithstanding slower markets in other regions.
- Growth, compared to Q4 2010, attributed to higher selling prices which contributed 25% and 50% to revenues & operating profit, respectively.

Phosphate & Fertilizers Sub-segment Results:

	Q4 2010	Q4 2011	2010	2011
Phosphate rock production - million tonnes	780	**776**	3,135	3,105
Fertilizers production - million tonnes	415	**342**	1,688	1,570
Rock sales volume (external) - million tonnes	133	**205**	636	720
Rock sales volume (internal) - million tonnes	647	**618**	2,584	2,454
Fertilizers sales volume (external) - million tonnes	321	**260**	1,735	1,638
Phosphate & Fertilizers revenues (external) - million $	208	**328**	932	1,551
Phosphate & Fertilizers revenues (internal) - million $	27	**33**	125	155
Phosphate & Fertilizers revenues (total) - million $	235	**362**	1,056	1,706
Operating profit - million $	15	**29**	109	221

2011 Highlights:

- Demand for phosphate fertilizers grew during 2011. In parallel, global supplies of phosphate fertilizers have been decreasing due to environmental limitations in the U.S., the Chinese government's taxation policy on fertilizers and reduced production by GCT, a Tunisian manufacturer.
- Higher selling prices for phosphate fertilizers & phosphate rock contributed 29% of revenue growth.
- Consolidation of revenues of Specialty Fertilizers businesses acquired during the first half of 2011 (Everris – formerly Scotts Global Pro business - & Fuentes) contributed $346 million (33%), marginally offset by lower volumes.
- Higher prices contributed $274 million to operating profit, while increase in raw materials & operating costs offset $136 million.

Q4 2011 Highlights:

- Lower production as a result of reduced demand for fertilizers, as seasonal patterns were intensified by macroeconomic uncertainty.
- Revenue growth attributed to higher selling prices which contributed $58 million. Higher raw materials costs and other operating expenses offset $30 million.

Industrial Products Segment Results:

	Q4 2010	Q4 2011	2010	2011
Revenues (external) - million $	341	**331**	1,299	1,498
Revenues (internal) - million $	6	**5**	15	15
Industrial Products Revenues (total) - million $	347	**335**	1,313	1,513
Operating profit - million $	67	**64**	207	298

2011 Highlights:

- Record revenues & operating profit.
- Strong demand combined with lower bromine production in China resulted in increased prices.
- Improved demand for phosphorous based flame retardants due to energy-saving insulation regulations in Europe.
- Higher volumes & prices for clear brine fluids for oil drilling attributed to strong demand and lower Chinese supply.
- Sales of Merquel™, inorganic bromide product line for reduction of mercury emissions in coal-fired plants, amounted to $23 million.
- Elemental bromine production amounted to 202k tonnes vs. 185k tonnes in 2010 & 128k tonnes in 2009.
- Revenues: Higher selling prices contributed $196 million, of which FRs contributed $103 million. Positive exchange rate effect of $23 million was almost fully offset by lower volumes.
- Operating profit: higher selling prices more than compensated the negative impact from higher raw materials costs ($48 million), higher operating costs ($46 million) & lower volume ($7 million).

Q4 2011 Highlights:

- Demand moderated in Q4, particularly for consumer electronics.
- Demand for phosphorous based flame retardants remained strong.
- Continued strong demand for clear brine fluids due to increased sales in the Gulf of Mexico, following the US government's resumption of deep-water drilling permits.
- Revenues: lower volumes had a negative impact of $43 million. This was partially offset by higher prices which contributed $30 million.
- Operating profit was moderately lower due to lower volumes ($15 million), higher raw materials & energy costs ($11 million) & other operating costs ($7 million). This was almost fully offset by higher prices which contributed $30 million.

Performance Products Segment Results:

	Q4 2010	Q4 2011	2010	2011
Revenues (external) - million $	313	**324**	1,284	1,430
Revenues (internal)- million $	14	**10**	56	65
Performance Products revenues (total) - million $	327	**333**	1,340	1,495
Operating profit - million $	33	**27**	185	193

2011 Highlights:

- Positive trend post the financial crisis halted in the second half of 2011, as the European debt crisis resulted in high uncertainty in European and American markets.

- Political instability in North African and Middle East regions resulted in a decrease in demand for the segment's products in some countries.
- Rising fertilizer prices during the period led to an increase in the prices of phosphoric acid, the segment's primary raw material, impacting the segment's profitability.
- Increase in revenues reflects higher selling prices which contributed $76 million, higher volumes sold ($31 million), contribution of companies acquired during the year ($10 million) and the weakness of the dollar as compared with the Euro ($37 million).
- Operating profit growth reflects higher selling prices ($76 million) and higher volumes sold ($5 million), offset by higher raw materials costs ($63 million) and higher operating expenses ($11 million).

Q4 2011 Highlights:

- Revenues: higher prices contributed $23 million, consolidation of an acquired company added $6 million. Lower volumes sold offset $21 million.
- Operating profit: the contribution of higher selling prices was offset by lower volumes sold which had negative impact of $12 million, as well as higher raw materials & energy costs ($13 million) and higher operating costs ($4 million).

Other:

	Q4 2010	Q4 2011	2010	2011
Revenues (external) - million $	54	**85**	220	303
Revenues (internal)- million $	8	**15**	26	41
Other revenues (total) - million $	62	**100**	246	344
Operating profit - million $	1	**12**	15	39
Setoffs	-8.4	-1.9	-27.6	-7

2011 – Main Developments:

- **Landmark Dead Sea Salt Harvesting Project and royalties agreement**:
  - ✓ In December 2011, the Company reached an agreement with Israel's Ministry of Finance regarding ICL's participation in the costs of the Dead Sea Pond #5 Salt Harvesting Project, the solution that the Israeli government has chosen for addressing the pond's rising water level and the level of royalties that ICL will pay on its sales of potash mined from the Dead Sea.
  - ✓ According to the agreement, ICL will finance 80% of the project's cost projected to total ILS 3.8 ($1 billion) in present value terms over ICL's concession period using a 7% discount rate. The government's cash participation in the project cost is the present value of the $30 million it received from ICL in 1992, whose value today accounts for 20% of the total project cost.
  - ✓ In parallel, the Company agreed that from 2012 onward the royalties that Dead Sea Works will pay on its potash sales will double from 5% to 10% above 1.5m tonnes of quantity sold. For 2010-2011, the 10% royalty will apply to quantities sold above 3 million tonnes.

As a result, the Company has achieved certainty regarding its future production activities at the Dead Sea and its royalty/taxation structure.

- In January 2012 an environmental group submitted a petition to the Supreme Court asking for an interim order to cancel the government decision regarding the permanent solution and the updated royalties. The court rejected the application and ruled that a hearing be held in the case.
- **Start-up of the next-phase in the expansion of potash facilities at the Dead Sea**. The expansion is intended to add 500k tonnes to capacity by 2014.
- **Processes initiated aimed at transforming ICL Fertilizers' European operations**, including polyhalite mining by ICL's Cleveland Potash business unit (in England) and rationalization/expansion program by Iberpotash (in Spain). The transformation should result in a more efficient & environmentally friendly production.
- **Strategic acquisitions** transformed ICL into a global leader in Specialty Fertilizers, creating a business of~ $650 million.
- With the goal of **increasing its flame retardant manufacturing capacity**, ICL's Industrial Products segment acquired the remaining 50% of Tetrabrom Technologies (TBT) from Chemtura, increasing its TBBA (brominated flame retardant) capacity by 22,000 tonnes.
- **Expanding eco-friendly polymeric flame retardants portfolio:** the ICL-IP segment signed a licensing agreement with Dow for the manufacture of FR122P, a next-generation brominated polymeric FR that will replace HBCD in EPS/XPS insulation foam applications. The segment plans to supply approximately 10,000 tonnes of FR122P per year beginning in 2014.
- **M&A broadened downstream product portfolio** through the acquisition of **Cosmocel**, a Mexican producer and marketer of functional food ingredients and specialty chemicals, and **Halox**, an industry leader in specialty phosphate-based, corrosion inhibitor products for the paint and coating industry.
- **Expanded focus on environmental protection and corporate responsibility**, including the launch of next-generation products, the continued migration to natural gas as a power source, and implementation of numerous environmental, safety and community initiatives according to international best practices.
- **Dividends:** A dividend totaling $260 million will be paid in respect of ICL's fourth quarter 2011 results. **This brings the total dividends paid in respect of 2011 results to $1.053 billion, reflecting a dividend yield of 5.9%.**