



Where needs take us

Investor Presentation

September 2017



This Presentation (references to which and to any information contained herein shall be deemed to include information which has been or may be supplied in writing or orally in connection herewith or in connection with any further enquiries) is provided for the sole purpose of providing general information to assist the recipient in deciding whether it wishes to proceed with a further investigation for investing in Israel Chemicals Ltd. and/or its affiliates (hereinafter jointly referred to as the “**Company**” or “**ICL**”). This Presentation shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever, and it does not purport to be comprehensive or to contain all the information that the recipient may need in order to evaluate the Company and/or its assets.

No representation, warranty or undertaking, express or implied, is given by ICL and/or any member of the ICL Group or their respective directors, officers, employees, agents, representatives and/or advisers as to or in relation to the accuracy, completeness or sufficiency of the information contained in this Presentation or as to the reasonableness of any assumption contained therein. To the maximum extent permitted by law, the Company and its respective directors, officers, employees, agents, representatives and/or advisers expressly disclaim any and all liability which may arise from this Presentation and any errors contained therein and/or omissions therefrom or from any use of this Presentation or its contents or otherwise in connection therewith.

No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any valuations, forecasts, estimates, opinions and projections contained in this Presentation. In all cases, recipients should conduct their own investigation of any analysis of the Company and/or its assets and the information contained in this Presentation. Nothing in this Presentation constitutes investment advice and any opinions or recommendations that may be contained herein have not been based upon a consideration of financial situation or particular needs of any specific recipient. Any prospective investor interested in buying Company’s securities or evaluating the Company and/or its assets is recommended to seek its own financial and other professional advice.

This Presentation and/or other oral or written statements made by ICL during its presentation or from time to time, may contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Whenever words such as "believe," "expect," "anticipate," "intend," "plan," "estimate", “predict” or similar expressions are used, the Company is making forward-looking statements. Such forward-looking statements may include, but are not limited to, those that discuss strategies, goals, financial outlooks, corporate initiatives, existing or new products, existing or new markets, operating efficiencies, or other non-historical matters.

These forward-looking statements and projections are not guarantees of future performance and are subject to a number of assumptions, risks, projections and uncertainties, many of which are beyond the Company’s control, which could cause actual results, performance or achievements to differ materially from those described in or implied by such statements or projections. Because such statements deal with future events and are based on ICL’s current expectations, they could be impacted or be subject to various risks and uncertainties, including those discussed in the "Risk Factors" section and elsewhere in our Annual Report on Form 20-F for the year ended December 31, 2015, and in subsequent filings with the Tel Aviv Securities Exchange (TASE) and/or the U.S. Securities and Exchange Commission (SEC). Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can provide no assurance that expectations will be achieved. Except as otherwise required by law, ICL disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date hereof, whether as a result of new information, future events or circumstances or otherwise. Readers, listeners and viewers are cautioned to consider these risks and uncertainties and to not place undue reliance on such information.

Certain market and/or industry data used in this Presentation were obtained from internal estimates and studies, where appropriate, as well as from market research and publicly available information. Such information may include data obtained from sources believed to be reliable, however ICL disclaims the accuracy and completeness of such information which is not guaranteed. Internal estimates and studies, which we believe to be reliable, have not been independently verified. We cannot assure that such data is accurate or complete.

Included in this presentation are certain non-GAAP financial measures, such as Adjusted Operating income and Adjusted Net income, designed to complement the financial information presented in accordance with GAAP because management believes such measures are useful to investors. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to our Annual Report on Form 20-F for the year ended December 31, 2016 filed with TASE and the SEC for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

The slide features a dark blue horizontal band across the center. The background is white with faint, light gray diagonal lines. Several thick, curved lines in various colors (red, green, purple, brown, teal) sweep across the slide, some overlapping the blue band. The text 'Corporate Overview' is centered in the blue band in a white, italicized serif font.

Corporate Overview

2016 SALES

\$5,363m

2016 FREE CASH FLOW

\$346m

EMPLOYEES – DEC 2016

13,414 

MARKET CAP (June 20)



\$5.7bn

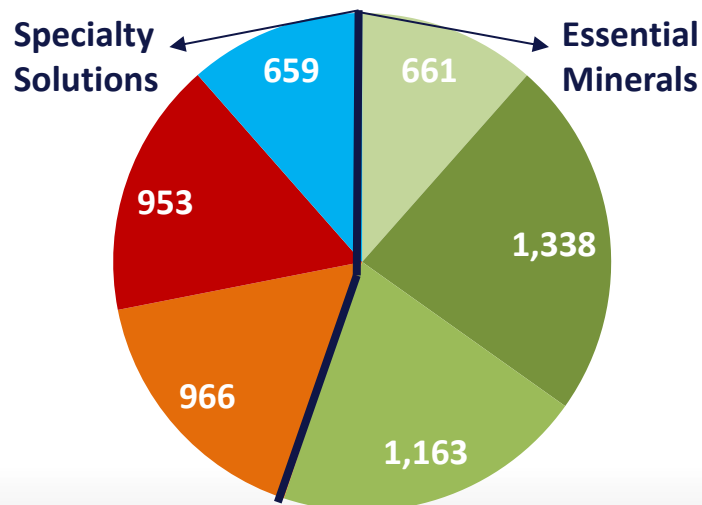
2016 ADJUSTED OPERATING INCOME

\$582m

2016 DIVIDEND YIELD

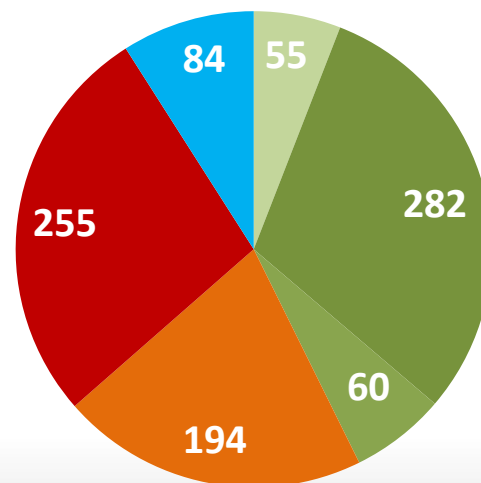
4.27%

2016 SALES BY BUSINESS LINE (US\$ M)



2016 OPERATING INCOME BY BUSINESS LINE (US\$ M)

- Specialty Fertilizers
- Potash & Mg.
- Phosphates
- Advanced Additives
- Industrial Products
- Food Specialties





Asher Grinbaum,
Acting CEO
42 years in ICL



Kobi Altman,
CFO
2 years in ICL



Charles Weidhas,
COO
10 years in ICL



Ofer Lifshitz,
President,
ICL Essential
Minerals
21 years in ICL



Rani Loebenstein,
SVP, Global CR
3 years in ICL



Yakir Menashe,
EVP Global HR
11 years in ICL



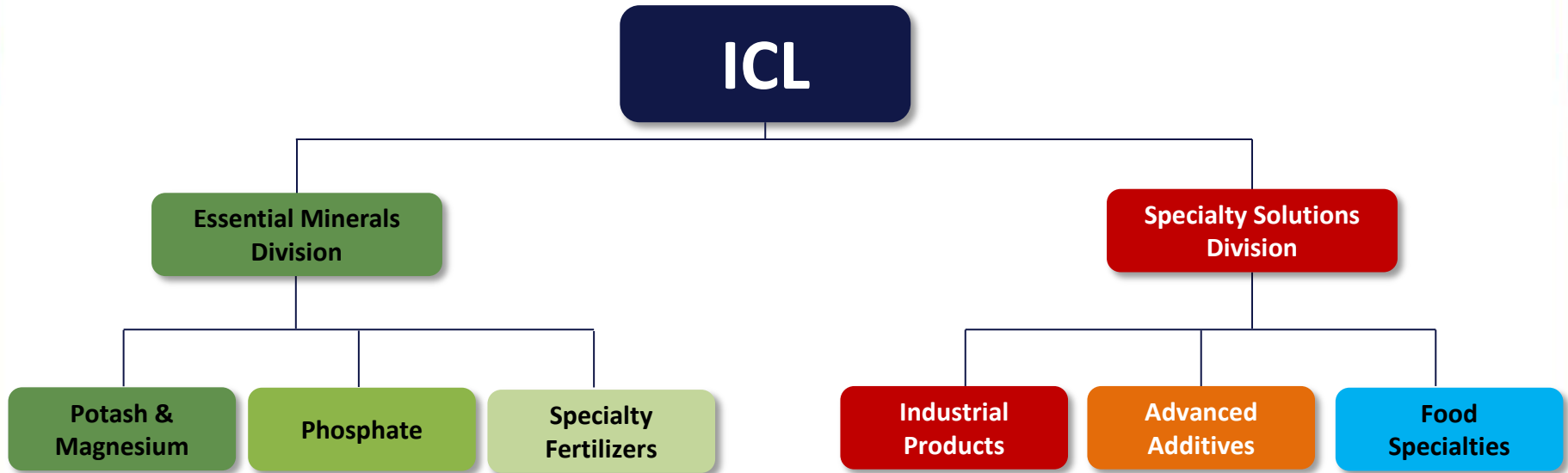
Lisa Haimovits,
SVP General
Counsel &
Company
Secretary
8 years in ICL



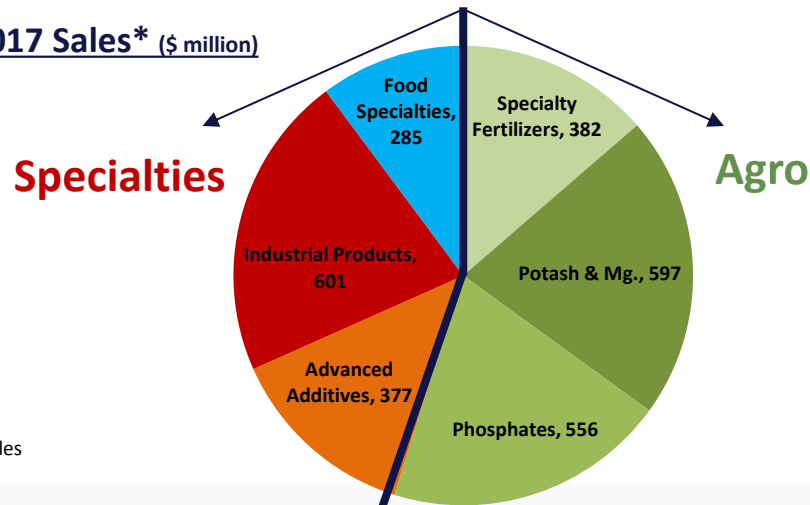
Eli Glazer,
President,
ICL Specialty
Solutions
34 years in ICL



Hezi Israel,
EVP BD &
Strategy
10 years in ICL

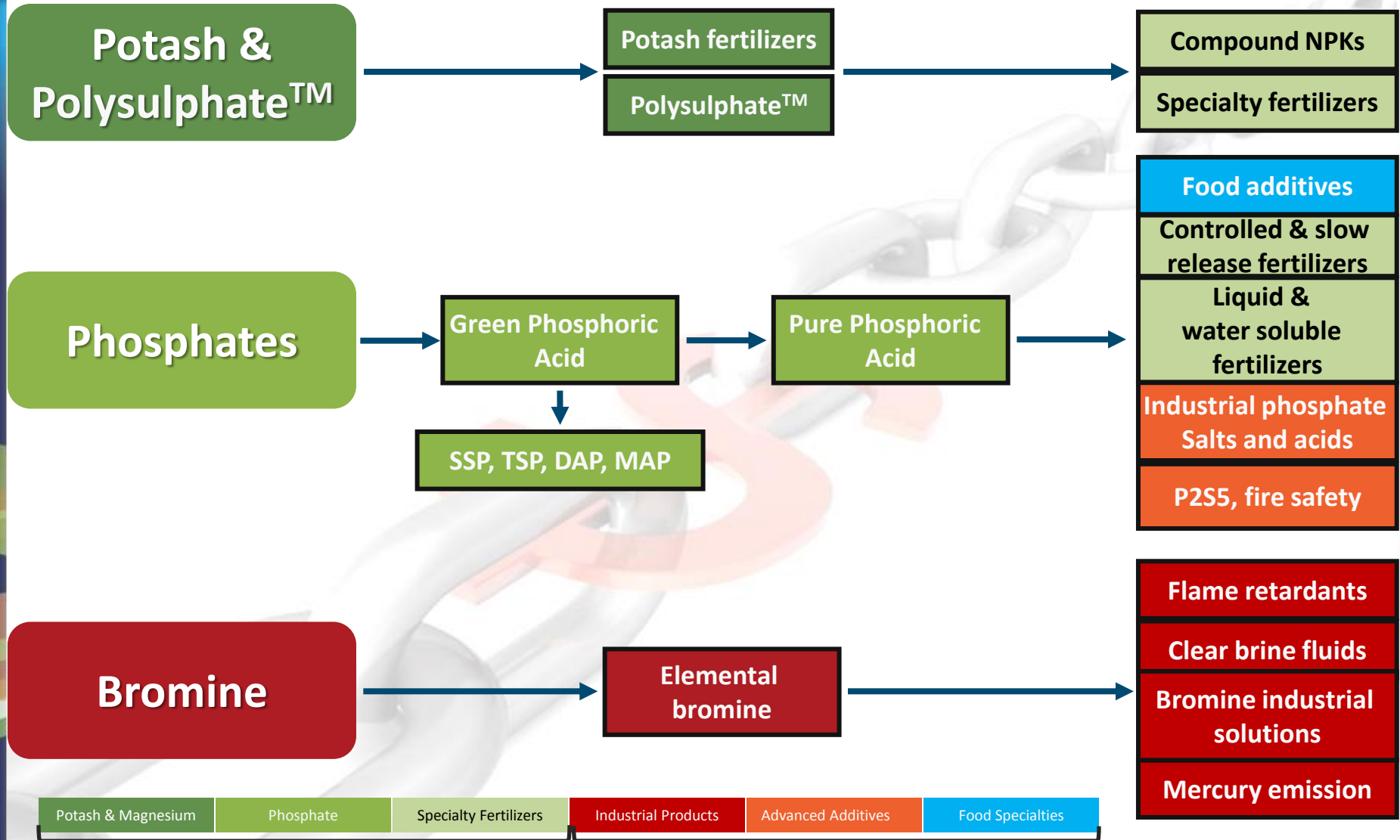


H2 2017 Sales* (\$ million)



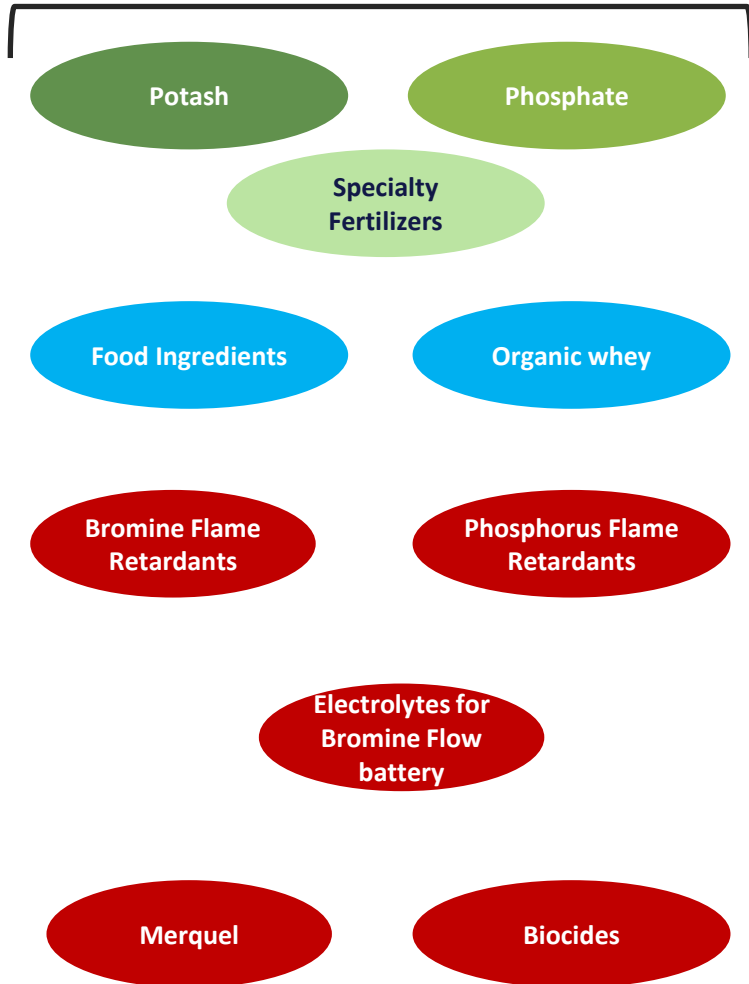
*Before elimination of inter-business lines' sales

Adding Value throughout Our Backward Integrated Production Chain



<p>Need for intensive food production</p>	
<p>Changes in Food consumption behavior</p>	
<p>High-Tech Growth</p>	
<p>Ensuring access to affordable, sustainable and modern energy</p>	
<p>Regulations to protect the environment</p>	

ICL Portfolio



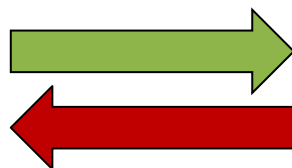
Focus on Diversification Into Specialty Solutions and Competitiveness of Assets

Essential Minerals

Operational Excellence

- Geographic advantage of core production sites
- Strong cash generation

← Focus on →

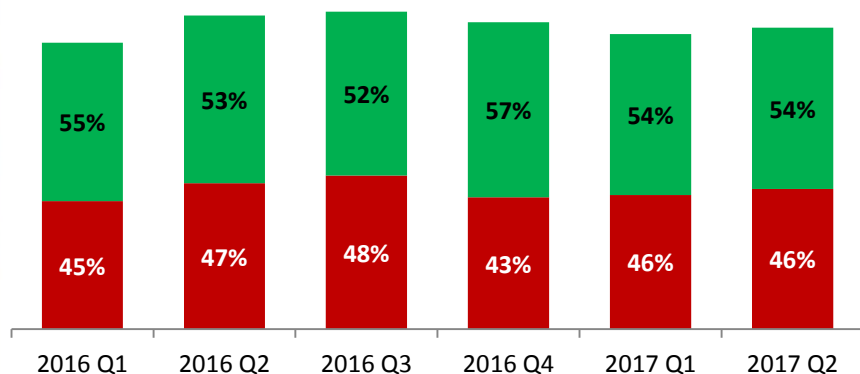


Specialty Solutions

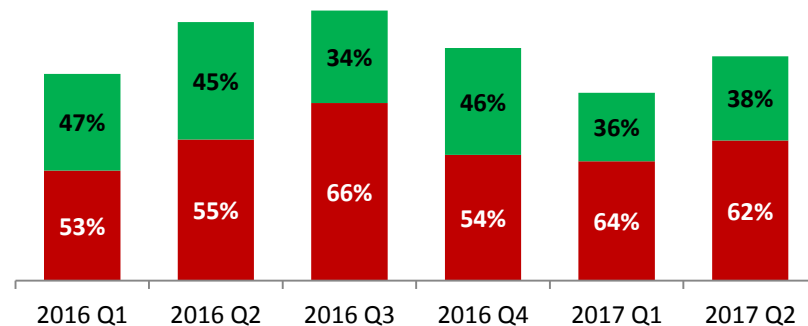
Commercial Excellence

- Competitive advantage from upstream operations
- Higher organic growth compared to commodity business

Sales (\$M)*



Segment Operating Income (\$M)**



Adjusted to Organizational Structure as of Q1 2017

* Before elimination of inter-business lines' sales

** Excluding G&A, unallocated expenses and eliminations

■ Specialty Solutions

■ Essential Minerals

A high quality and practically inexhaustible source of potash, bromine and magnesium

- Low cost
- Near-infinite reserve life
- Logistical advantages: stockpiling ability, geographical position
- Increased production capability by ~10% through ongoing operational excellence

Short mine-to-port distances, proximity to emerging markets

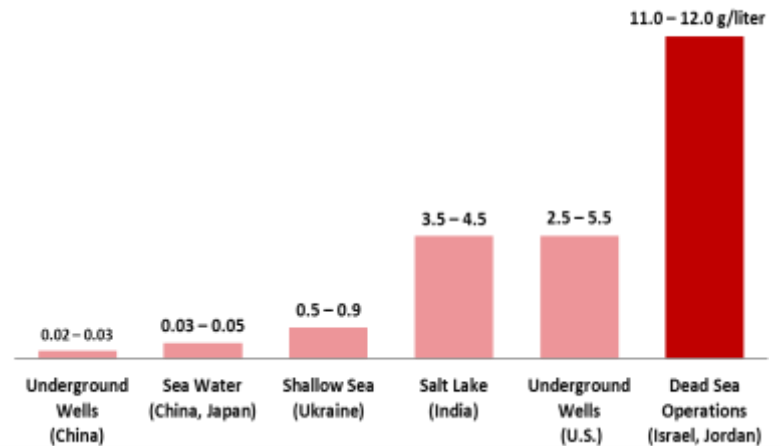


A high quality and practically inexhaustible source of potash, bromine and magnesium

- Low cost
- Near-infinite reserve life
- Logistical advantages: stockpiling ability, geographical position
- Increased production capability by ~10% through ongoing operational excellence



The Dead Sea provides the highest concentration of Bromine





Potash and Polysulphate™ : ICL Iberia, ICL UK

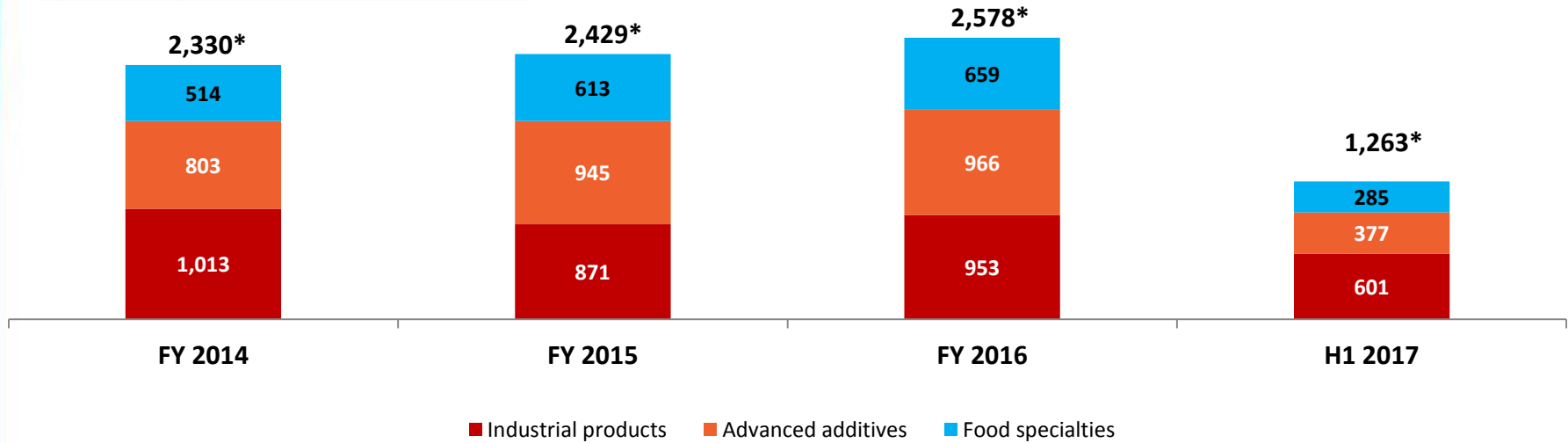
- Logistical advantages: focus on domestic markets, close to ports
- Cost per tonne reduction
- Production optimization
- Potential for increased production

Phosphates: ICL Rotem, YPH JV

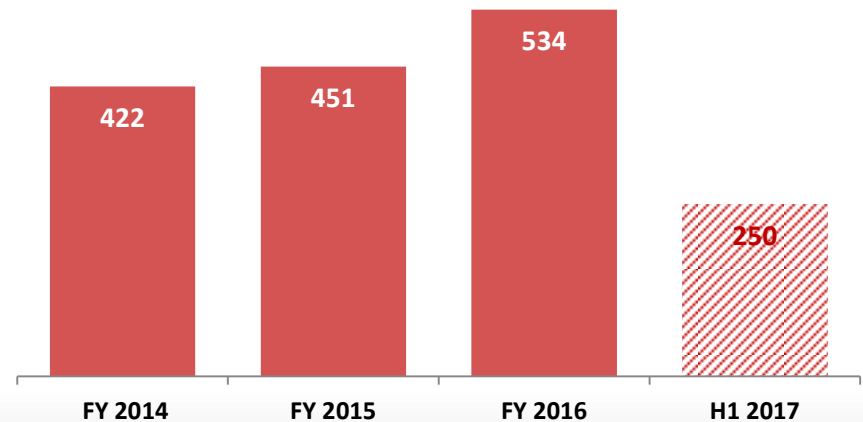
- Backward integration to Specialty Solutions
- Cost reduction through efficiency and operational excellence
- Potential for increased production

Specialty Business Lines' Sales and Divisional Operating Income Development

Specialty Solutions Sales (\$M)



Segment Operating Income (\$M)**



Adjusted to organizational structure as of Q1 2017

* Total prior to elimination of inter-business lines' sales

**Excluding G&A, unallocated expenses and eliminations

The background features several thick, curved lines in various colors including red, green, purple, orange, teal, and brown. A dark blue horizontal band runs across the middle of the image, containing the text. The overall design is modern and abstract.

Financial Overview

- **Solid performance in a challenging environment driven by Industrial Products and Advanced Additives business units**
- **Significant consecutive and year-over-year improvement in YPH JV's financial results**
- **Continuous demonstration of balance sheet strength driven by a reduction in G&A and strong positive free cash flow**
- **Agreement signed to sell IDE, another step in ICL's plan to divest low-synergistic businesses**

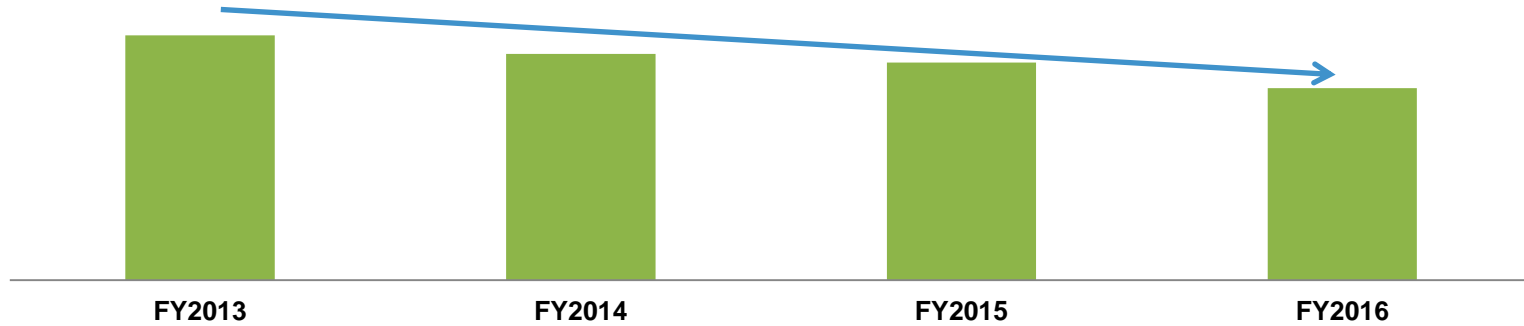
\$ millions	Q2 17	Q2 16	% change	Q1 17	% change
Sales	1,322	1,377	(4.0)%	1,295	2.1%
Gross profit	415	417	-	358	15.9%
Operating income	144	149	(3.4)%	116	24.1%
Adjusted operating income	153	163	(6.1)%	116	31.9%
Net income	57	120	(52.5)%	68	(16.2)%
Capital Expenditures	109	196	(44.4)%	112	(2.7)%
Free cash flow*	86	85	1.2%	104	(17.3)%

See Q2 2017 financial reports for a reconciliation of Adjusted operating income to operating income

Free cash flow = operating cash flow – purchases of property, plant and equipment and intangible assets + dividends from equity-accounted investees

Numbers may not add up due to rounding and set offs

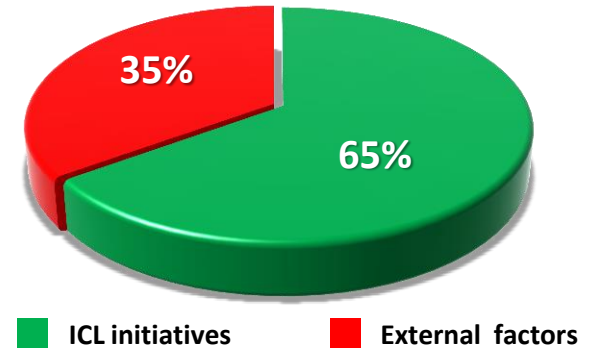
Cost per tonne reduction



Efficiency gains contribution breakdown

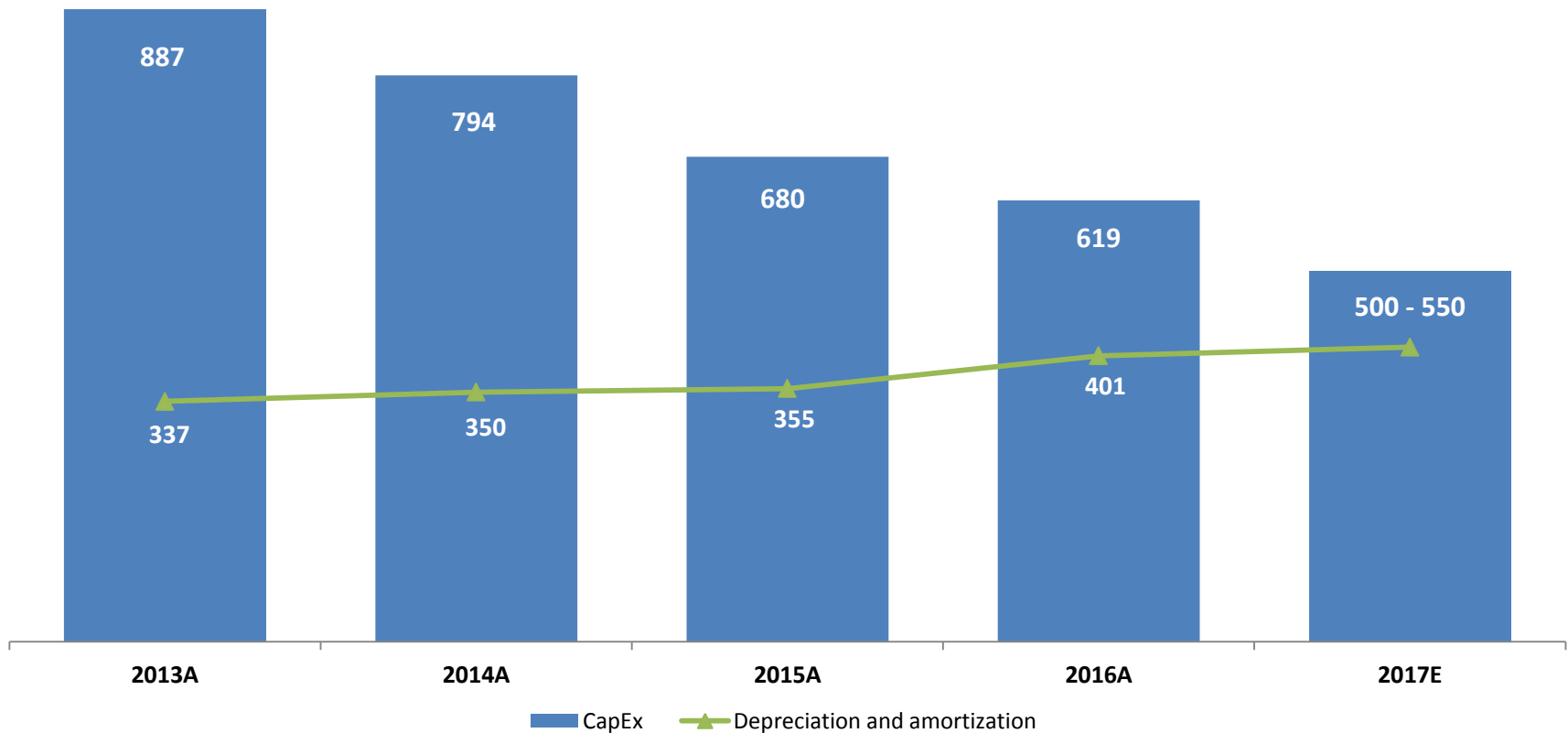


2016 vs. 2015 cost/tonne reduction breakdown

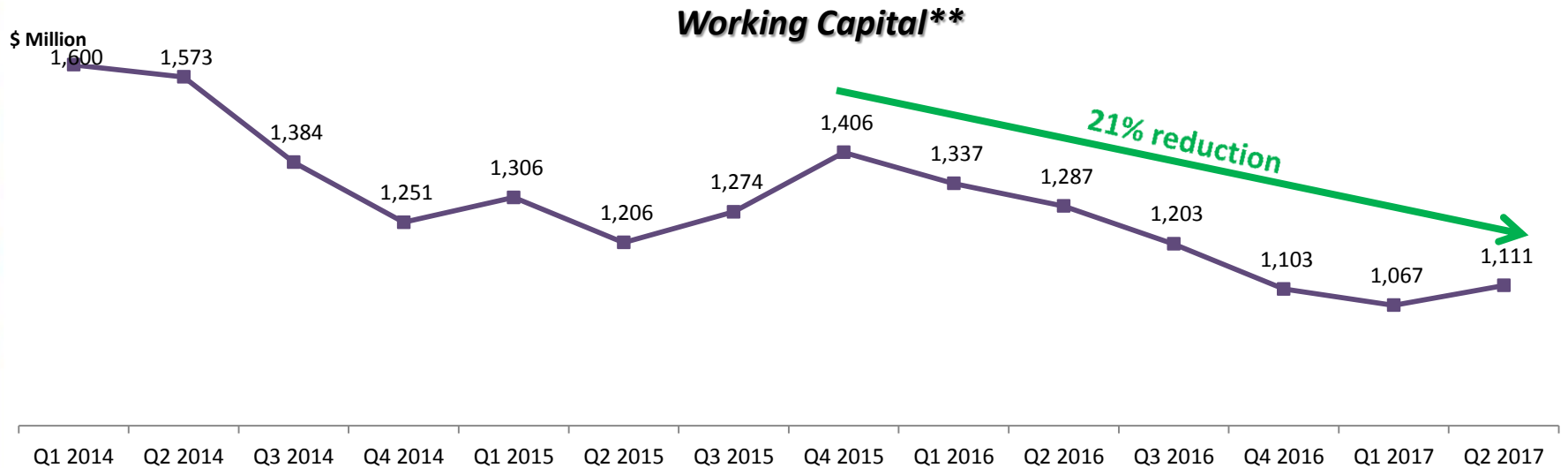
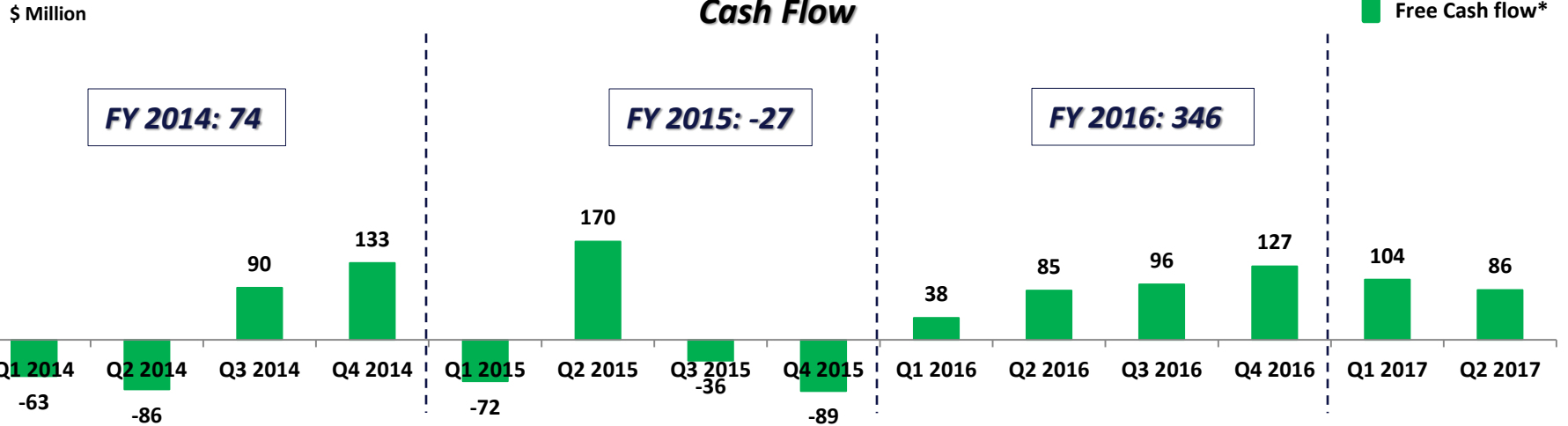


Strict CapEx Management while still Investing in Future Growth

CapEx (\$M)

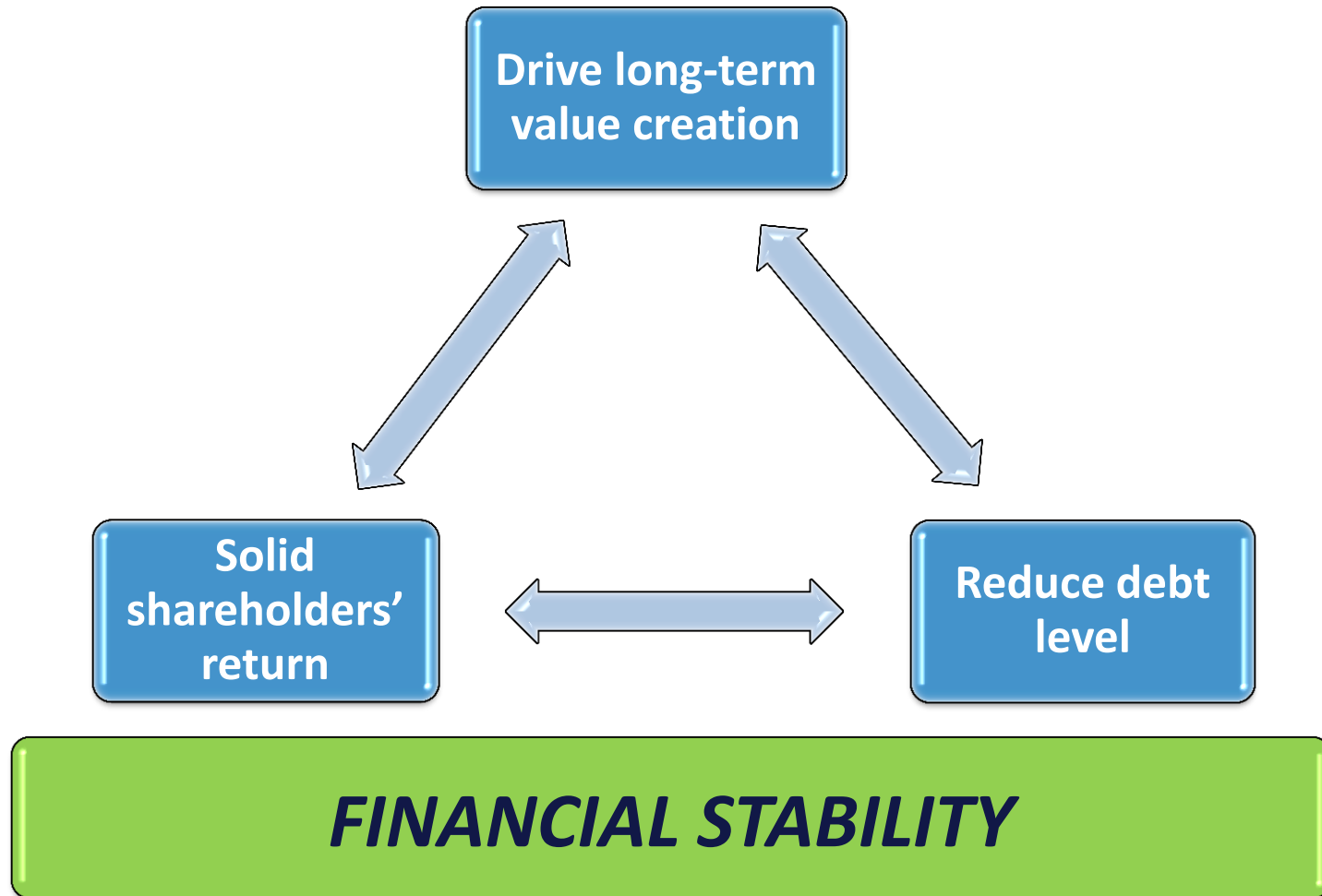


Improving Working Capital Management and Cash Flow Generation



* Free cash flow - cash flow from operations and dividend from investees net of CapEx

** Working capital = trade and other receivables + inventories - trade and other payables (recalculated for prior years)



2017 Main Challenges

Potash prices moderately recovering from trough levels, but are still low.

Continued price pressure in several parts of the phosphate value chain



Focus for 2017

Continue strengthening our specialty businesses

Continue improving our assets' competitiveness

Continue improving balance sheet position

Commodity business environment continues to be challenging

ICL's underlying performance is solid and improving

ICL's balanced structure strategy is bearing fruits

The background features several thick, curved lines in various colors including red, green, purple, brown, and teal. A dark blue horizontal band runs across the middle of the image. The top-left and bottom-right corners have a light gray background with fine, parallel diagonal lines.

Thank You