



Where needs take us

Q1 2016 Results

Stefan Borgas | President & CEO

May 18, 2016



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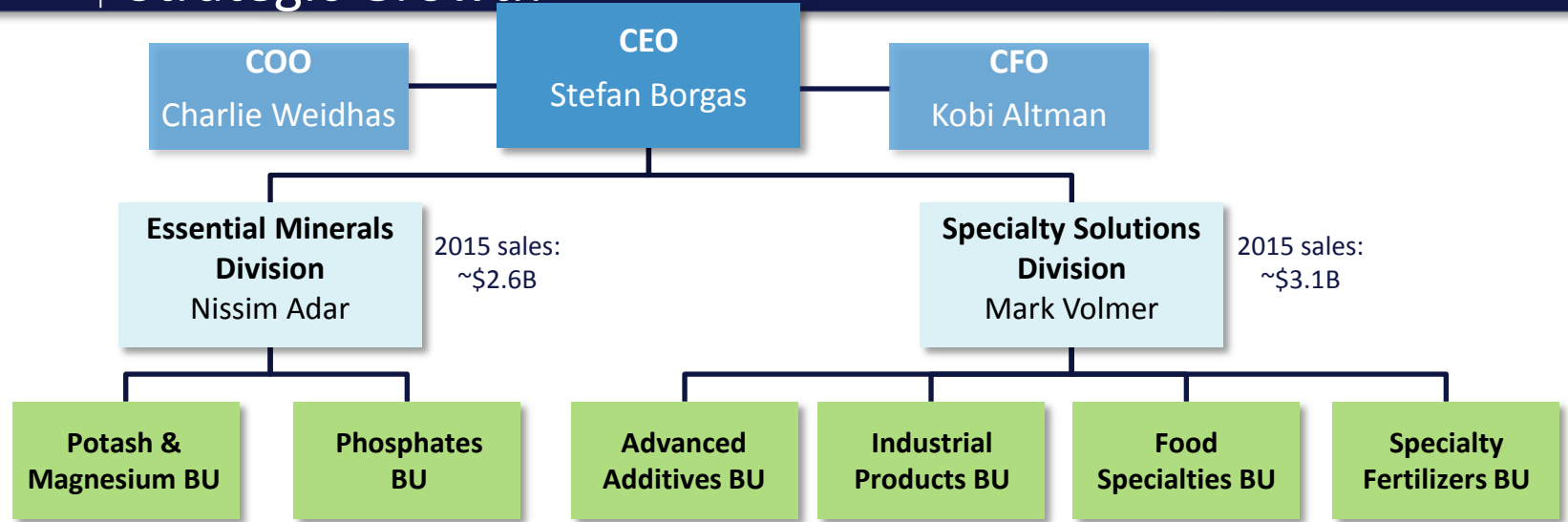
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ICL's Adapted Organization Structure: Enabling Strategic Growth



Sales* (\$ Million)

Q1 2016	~270	~300	~210	~230	~160	~190
FY 2015	~1,500	~1,100	~950	~870	~600	~700

Previously



*Before elimination of inter-business units sales

How will ICL benefit

- Focus capabilities based on business needs: operational efficiencies for Essential Minerals and commercial excellence for Industrial Solutions
- Improved execution capabilities
- Improved market orientation
- Facilitate enhanced efficiency delivery above \$400 million

- Significant market uncertainty weighed on Essential Minerals businesses
- Downstream specialty businesses demonstrated stronger resilience
- Disciplined capital allocation supports short-term free cash flow and remains on high priority

\$ millions	Q1 16	Q1 15	% change	Q4 15	% change
Sales	1,265	1,403	(9.8)%	1,427	(11.4)%
Adjusted operating income	115	275	(58.2)%	233	(50.6)%
Adjusted net income	85	193	(56.0)%	180	(52.8)%
Adjusted EPS	0.07	0.15	(53.3)%	0.14	(50.0)%
Operating cash flow	222	66	236.4%	55	303.6%
External potash sales (thousand tonnes)	893	1,067	(16.3)%	1,416	(36.9)%
Average potash selling price - FOB	235	292	(19.5)%	268	(12.3)%

See Q1 2016 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Essential Minerals

\$ million	Q1 2016	Q1 2015
Sales*	578	669
Adj. O/I	31	203

- **Weak sales to China and India** negatively affected potash profits
- **ICL will benefit from its stockpiling ability** at the Dead Sea when business resumes
- **Phosphate prices under pressure** due to competitive dynamics between Chinese and Moroccan producers
- Weak phosphate market in China impacting **YPH results**

Specialty Solutions

\$ million	Q1 2016	Q1 2015
Sales*	787	785
Adj. O/I	80	82

- **Bromine business improvement** driven by prices, costs and new products more than offset low volumes of clear brine fluids
- **New Food products and customers** are supporting growth in whey protein and blended solutions
- **Economic situation, destocking and competition** negatively impacted phosphate downstream businesses
- **Low commodity prices partially flows through** into downstream Specialty Fertilizers, Advanced Additives and phosphoric flame retardants

Segment results Q1 2016

ICL Fertilizers

\$ million	Q1 2016	Q1 2015
Sales*	717	812
Adj. O/I	41	220

ICL Industrial Products

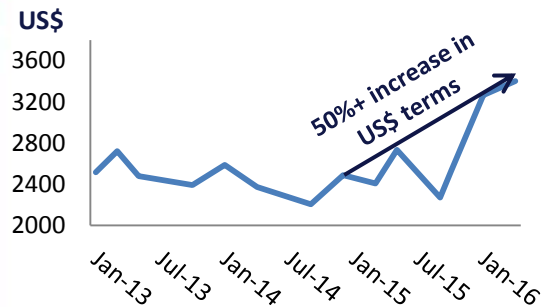
\$ million	Q1 2016	Q1 2015
Sales*	286	283
Adj. O/I	47	32

ICL Performance Products

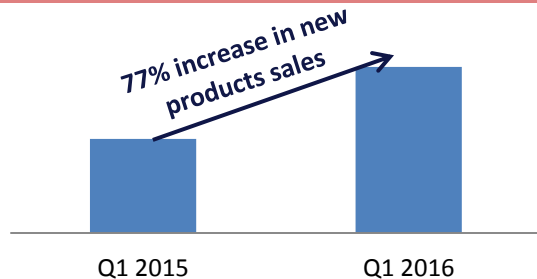
\$ million	Q1 2016	Q1 2015
Sales*	321	364
Adj. O/I	25	30

* Including inter-segment/inter-business-units sales.

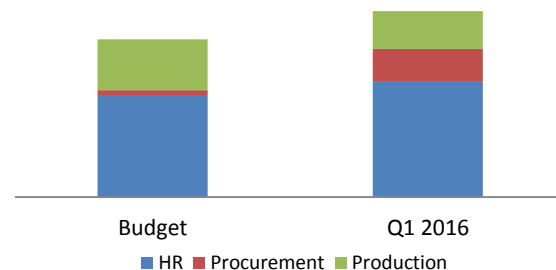
Chinese bromine prices continue their upward trend



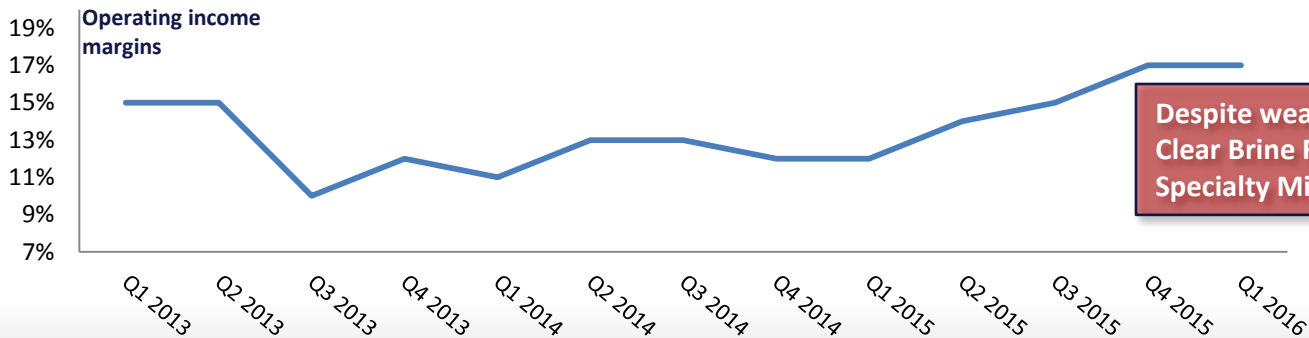
New products sales drive sharp increase in operating income



Efficiency improvements surpasses expectations



...all bringing adjusted operating income to \$47 million with 17% operating margin



Despite weakness in the Clear Brine Fluids and Specialty Minerals businesses

Increased demand for blended solutions and dairy protein products from existing and new customers

ICL Customer Innovation Workshops in the US and Brazil

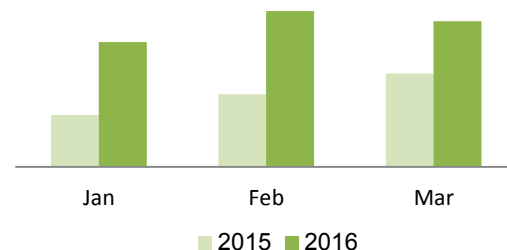
- ✓ More than 50 key Food Specialties customers attended
- ✓ Featured ICL Food Specialties ingredient technologies
- ✓ Unveiled newly expanded North America and Brazil application centers

Levona® Brio for leavening, Salona® for flavor and JOHA® SE for stabilization of proteins

Research Chefs Association Conference

- ✓ New product technology: clear, low-pH whey protein beverage, meatless hot dogs
- ✓ Rising interest: over 400 samples served in 4.5 hours

New products sales continuous increase





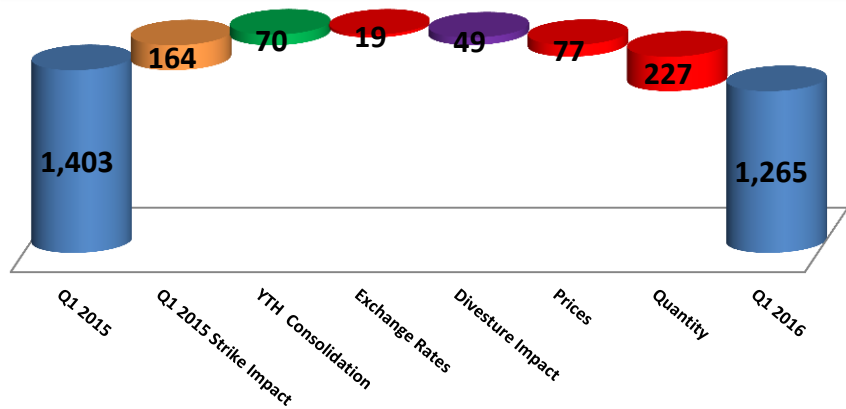
Financial Results

Kobi Altman
CFO

Challenging Business Environment Negatively Impacted Results

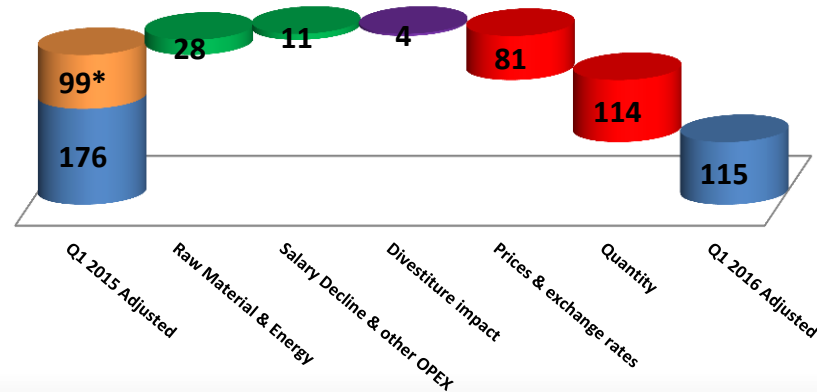
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Adjusted operating income	115	275	(58.2)%	233	(50.6)%
Net income	66	217	(69.6)%	96	(31.3)%
Adjusted net income	85	193	(56.0)%	180	(52.8)%
Cash flow from operations	222	66	236.4%	56	296.4%
Free cash flow	38	(72)		(92)	
Capital Expenditures	163	222	(26.6)%	529	(69.2)%

Q1 2016 Sales

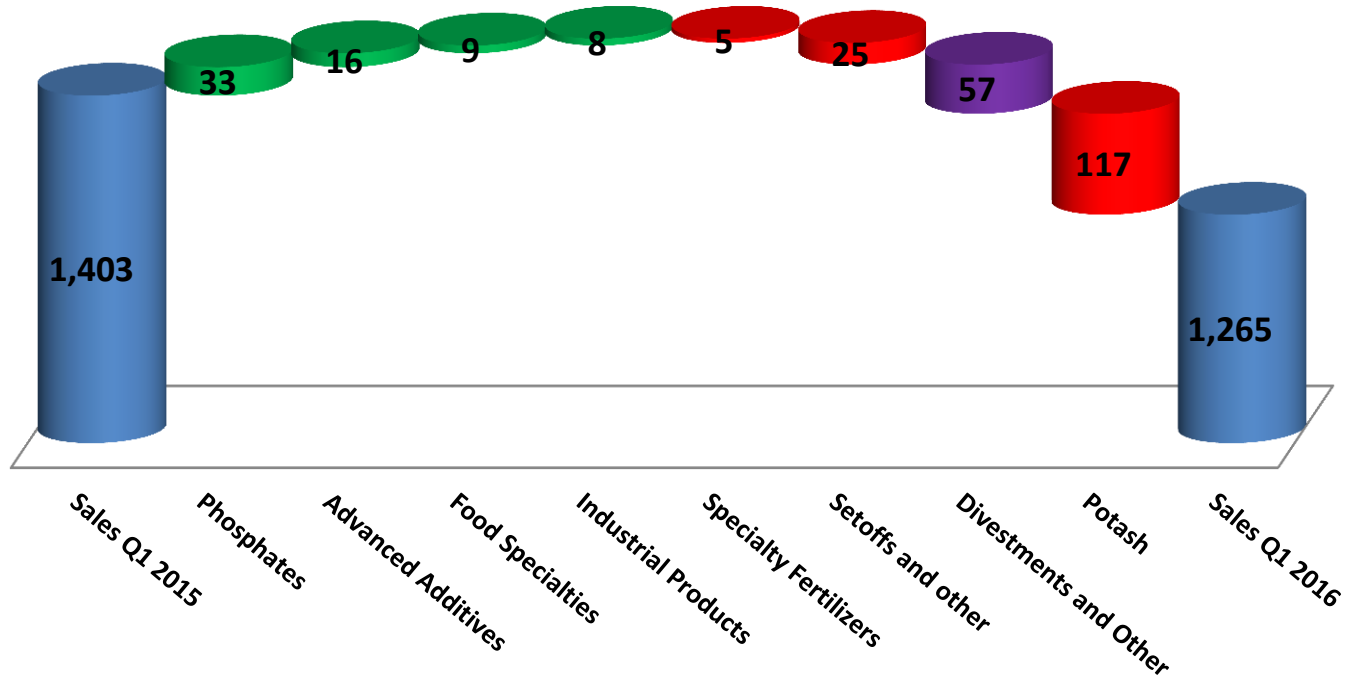


Q1 2016 Adjusted operating income

* Strike impact Q1 2015

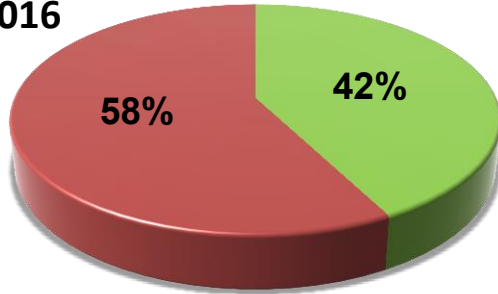


Sales by Business Unit

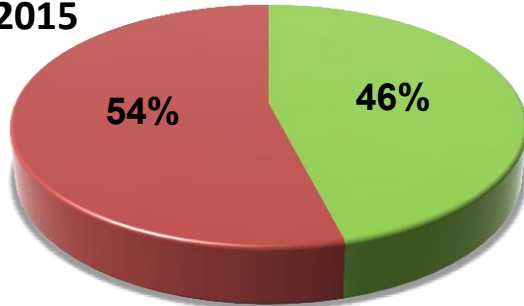


Sales

1Q 2016

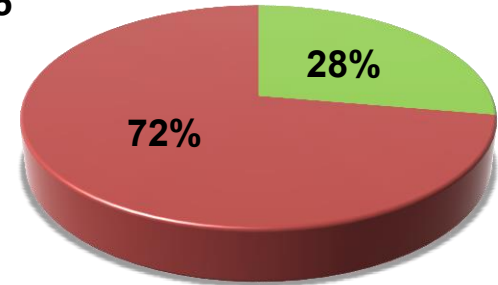


1Q 2015

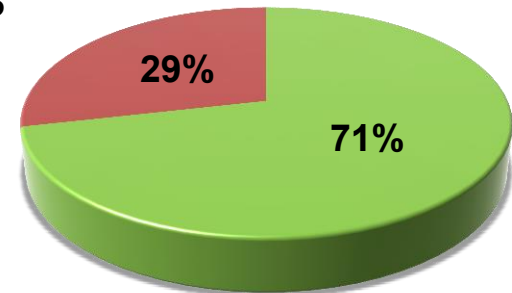


Operating Income

1Q 2016

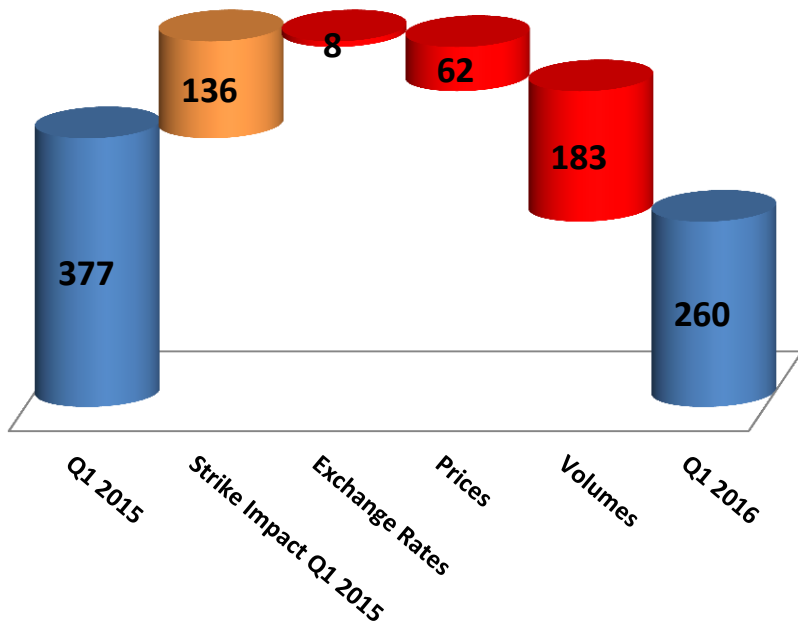


1Q 2015



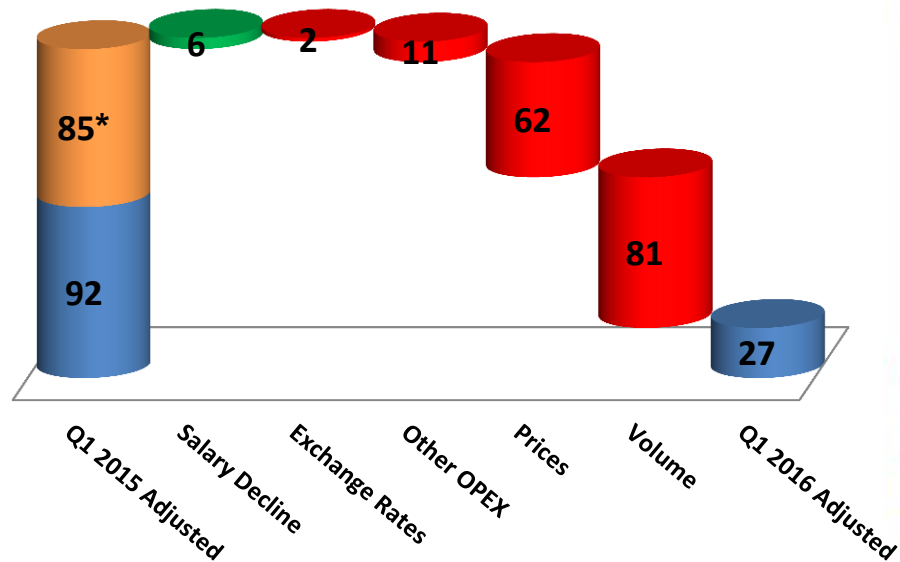
■ Essential Minerals
■ Specialty Solutions

Sales (\$M)



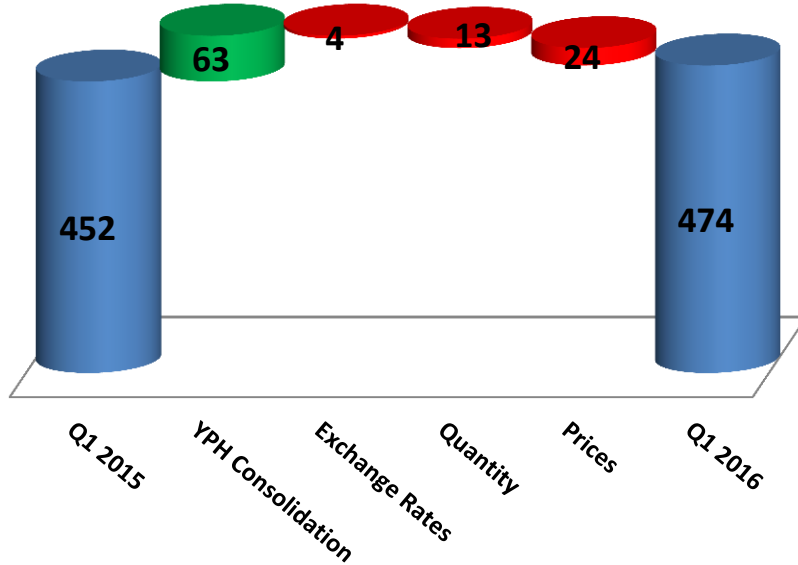
Adjusted Operating income* (\$M)

* Strike impact Q1 2015

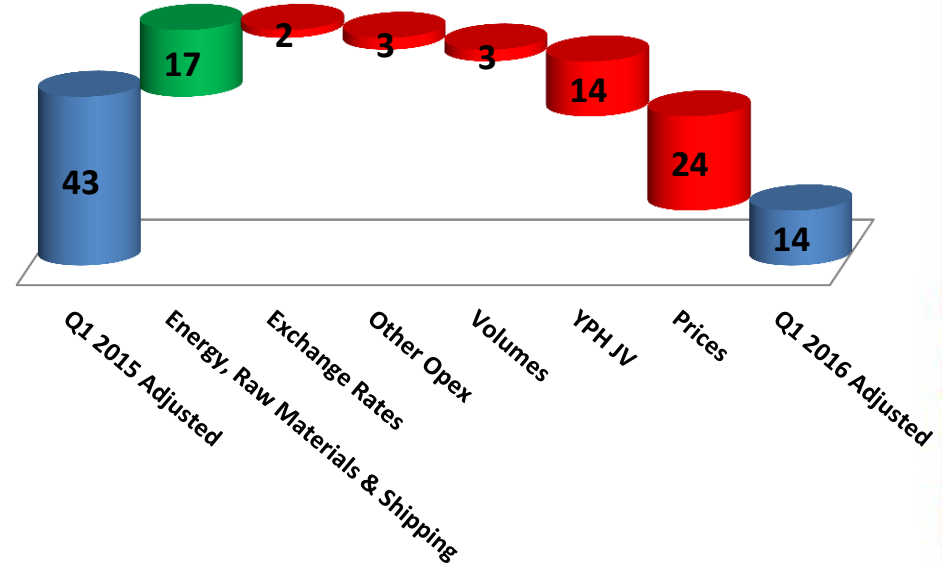


See Q1 2016 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Sales (\$M)

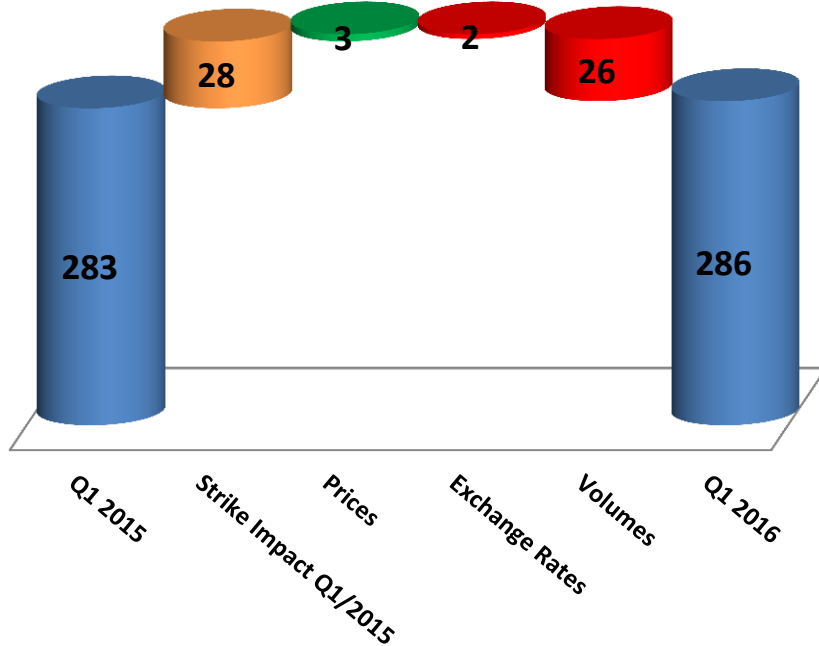


Adjusted Operating income* (\$M)



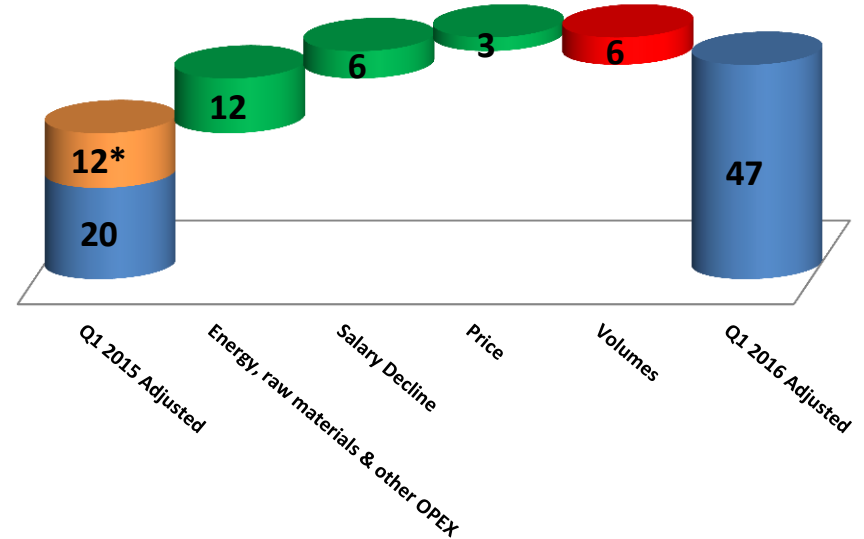
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Sales (\$M)



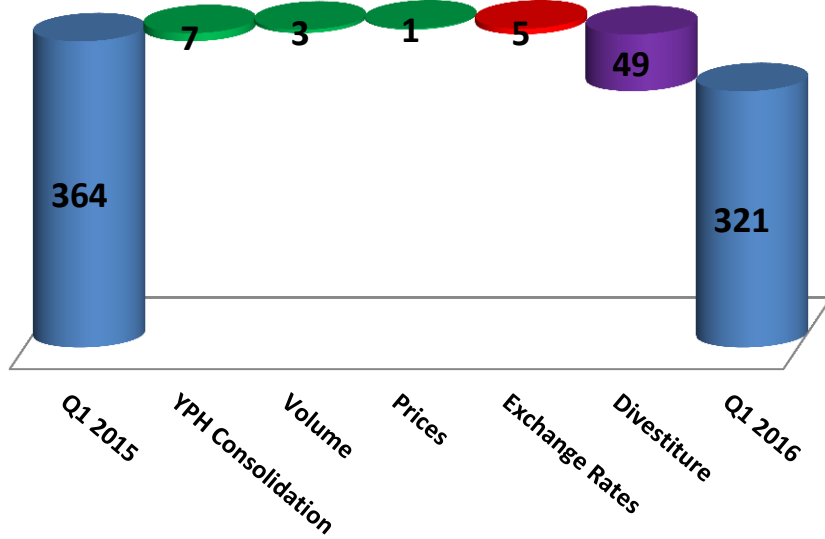
Adjusted Operating income* (\$M)

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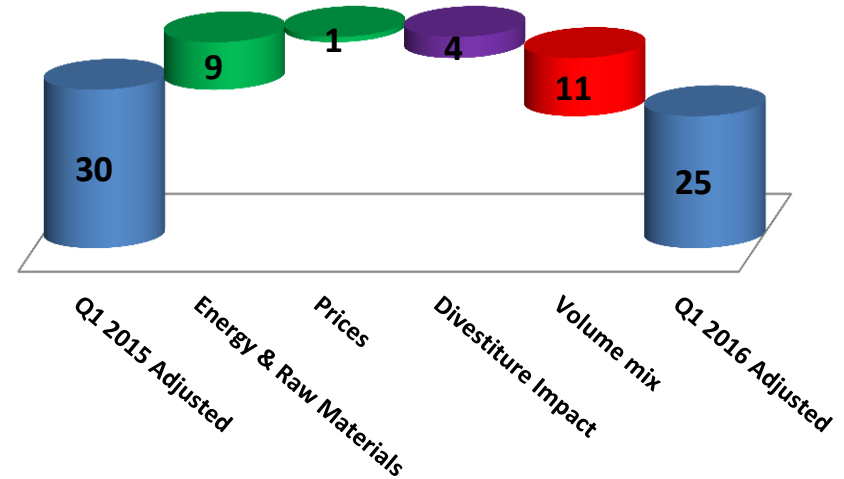


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Sales (\$M)



Adjusted Operating income* (\$M)

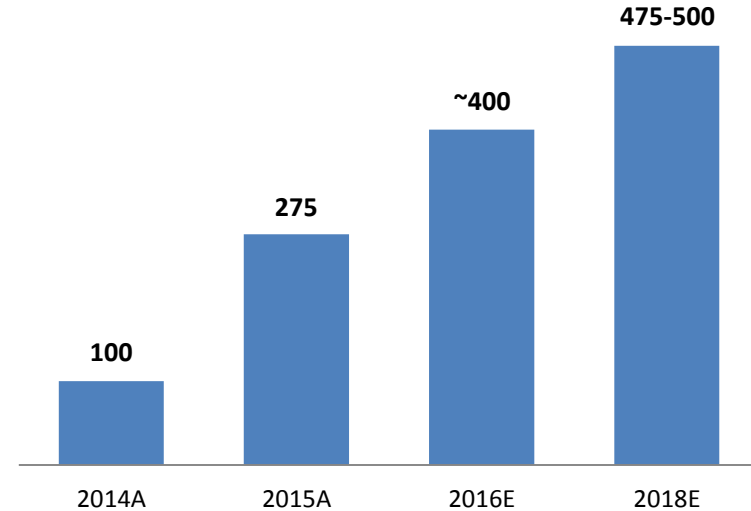


See Q4 2015 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

2016E efficiency gains contribution breakdown*



Efficiency gains contribution* USD millions



- Improving working capital to generate additional \$50M in cash flow.
- CapEx not to exceed \$650M in 2016-2017

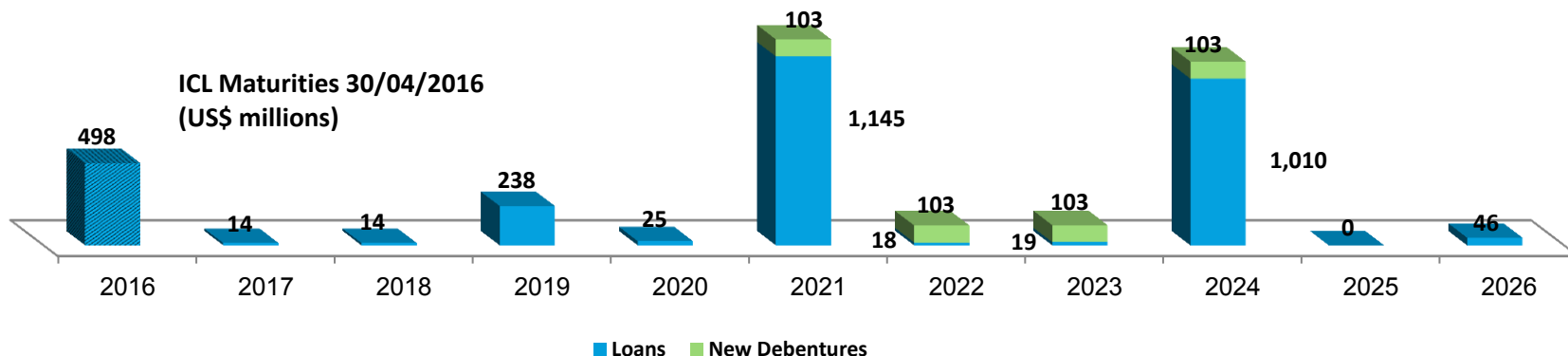
* Compared to 2013

Refinancing Short-term Credit Lines Through A Successful Bond Issuance

- ❑ Successful placement of debentures of NIS ~1.57 billion (~\$413 million), 2.45% interest rate
- ❑ Proceeds used to free-up credit lines

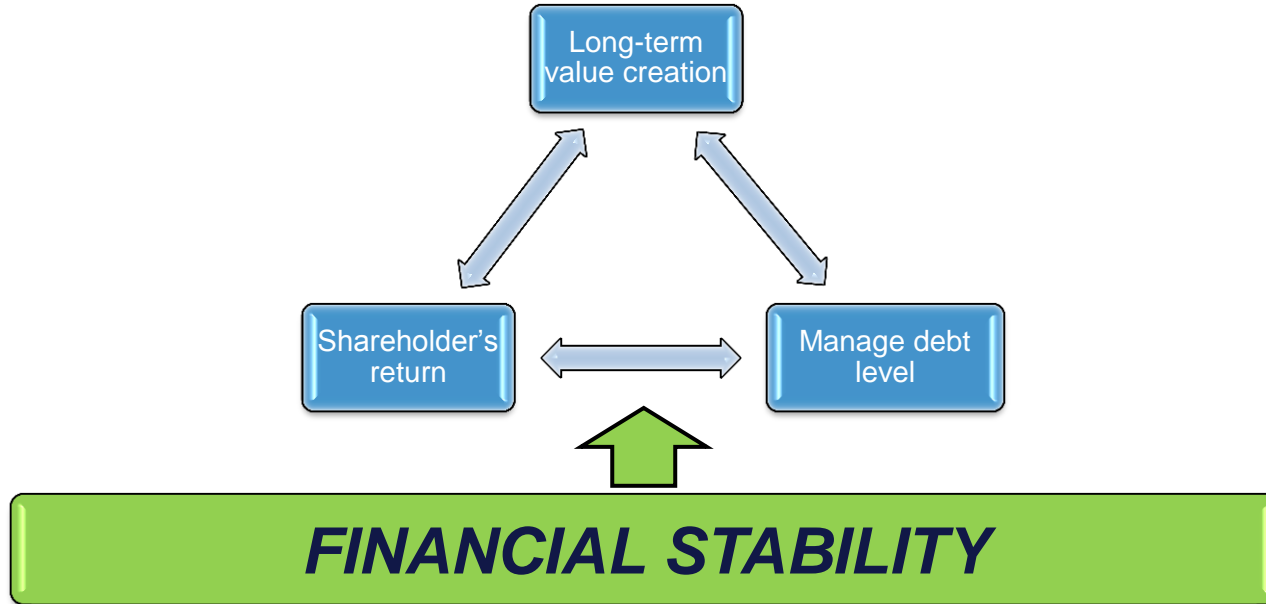


- ✓ Strengthening our financial position
- ✓ Extending the average term of maturity of our outstanding debt



Net debt*	~\$3.5B
Available credit lines	~\$1.0B

* Including approx. \$300 million securitizations



- Dividend policy adapted to current market environment: payout ratio up to 50% of annual adjusted net income
- New dividend policy to provide certainty to shareholders while keeping ICL's financial strength intact
- Policy will reviewed once market conditions stabilize

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Thank You