



Q2 2016 Results

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August 10, 2016

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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 U.S. 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 quarterly Report on Form 6-F for the quarter ended June 30, 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.

- **Solid results attributed to diversification into specialty businesses, which delivered over 15% growth driven by organic expansion**
- **Weak pricing and volume environment in Essential Minerals businesses partially offset by continuous improvement of cost structure**
- **Positive free cash flow supported by disciplined capital management**

\$ millions	Q2 16	Q1 16	% change	Q2 15	% change
Sales	1,377	1,265	9%	1,196	15%
Adjusted operating income	163	115	42%	244	(33)%
Adjusted net income	132	85	55%	171	(23)%
Adjusted EPS	0.10	0.07	43%	0.13	(23)%
Operating cash flow	238	222	7%	325	(27)%
External potash sales (thousand tonnes)	1,010	883	14%	648	56%
Average potash selling price - FOB	221	235	(6)%	292	(24)%

See Q2 2016 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Essential Minerals

\$ million	Q2 2016	Q2 2015
Sales*	597	480
Adj. O/I**	90	176

Specialty Solutions

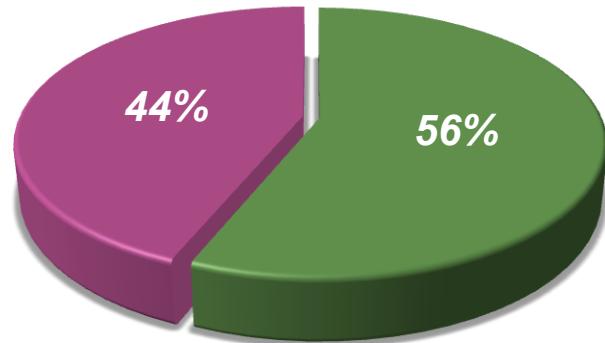
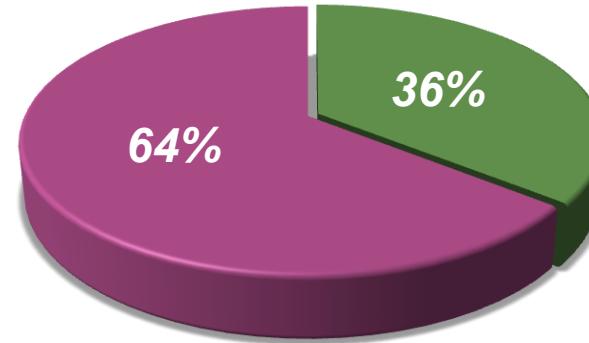
\$ million	Q2 2016	Q2 2015
Sales*	842	718
Adj. O/I**	162	137

- **Competitive market environment** continued to negatively impact potash and phosphate results
- Second half potash business is expected to experience **higher volumes and lower average prices**
- Second half 2016 **phosphate results expected to improve**, supported by volume growth and the contribution of the efficiency plan in our Chinese JV (YPH)

- **Strong performance of ICL Industrial Products** supported by higher volumes, lower raw material costs, efficiency gains and new products contributions
- Growth in specialty minerals, fire safety and oil additives business lines (P2S5) contributed to **improved results of ICL Advanced Additives**
- ICL Food Specialties benefited from **dairy protein sales growth, geographical expansion and new products**, which compensated for intensive competition in North America
- ICL Specialty Fertilizers demonstrated **stability despite commodity headwinds**, owing to higher volumes sold and expanding Chinese footprint

* Including inter-business units sales

** Excluding G&A and unallocated expenses

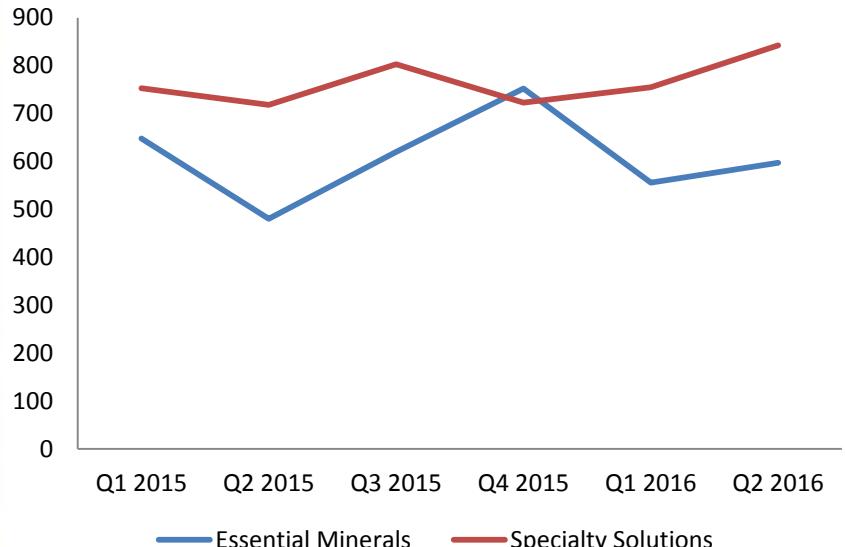
*Adjusted operating income***Q2 2015**█ Essential Minerals █ Specialty Solutions**Q2 2016**█ Essential Minerals █ Specialty Solutions

Excluding G&A and unallocated expenses

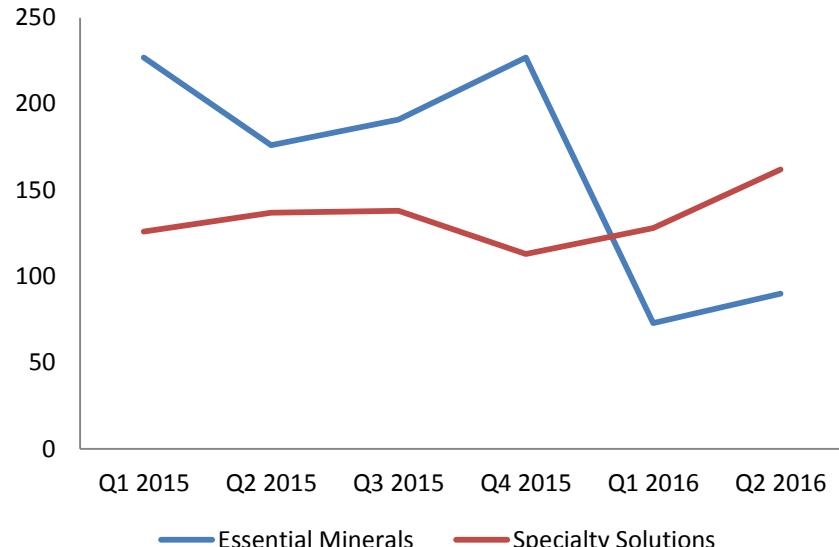
See Q2 2016 reports for a reconciliation of Adjusted operating income to operating income.

Divisional Evolution of Sales and Adjusted Operating Income

Sales



Operating Income

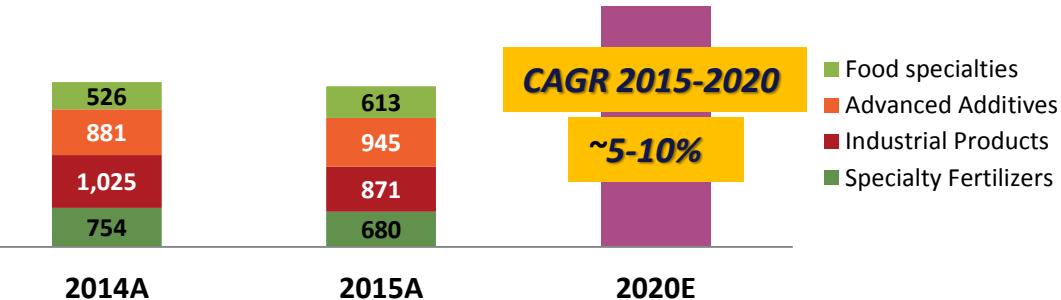


Excluding G&A and unallocated expenses

See Q2 2016 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Specialty Solutions Business Units' Targeted Top and Bottom Line Growth

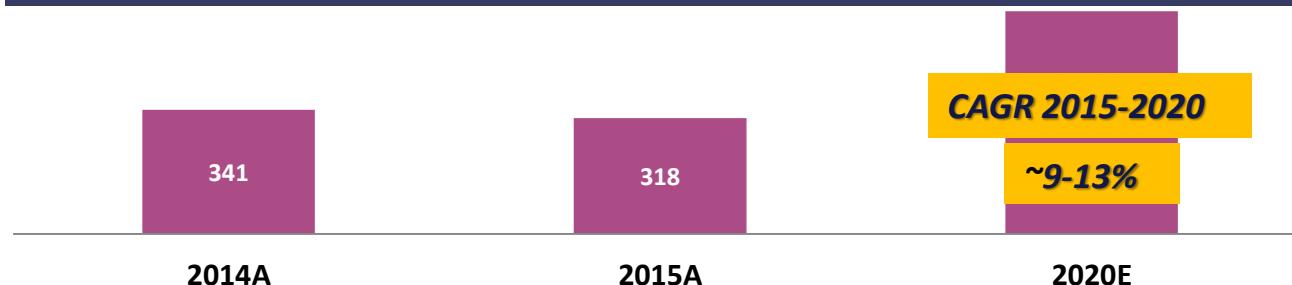
Sales (\$M)



- Food specialties
- Advanced Additives
- Industrial Products
- Specialty Fertilizers

CAGR 2015-2020	Sales
<i>Food Specialties</i>	7-9%
<i>Advanced Additives</i>	3-5%
<i>Industrial Products</i>	4-7%
<i>Specialty Fertilizers (Incl. NOP)</i>	10-15%

Adjusted Operating Income (\$M)



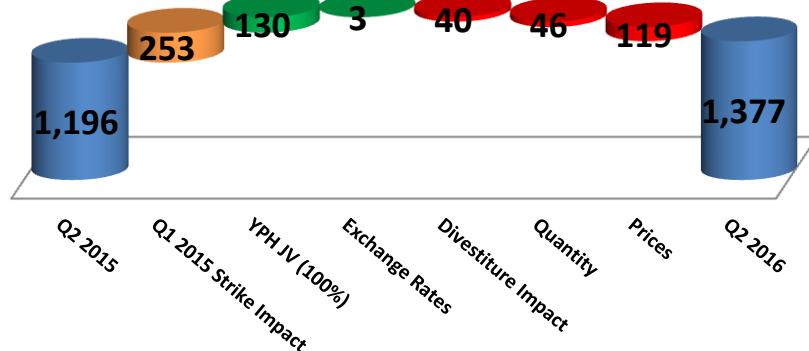
Excluding G&A and unallocated expenses, including inter-BU sales

Financial Results

Kobi Altman
CFO

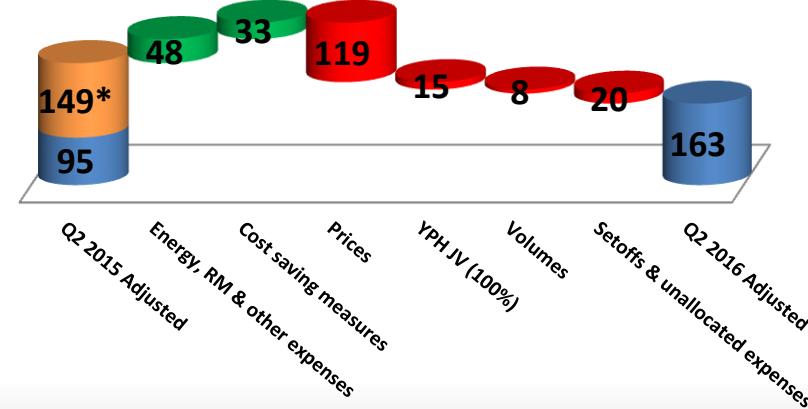
\$ millions	Q2 16	Q1 16	% change	Q2 15	% change
Sales	1,377	1,265	9%	1,196	15%
Adjusted operating income	163	115	42%	244	(33)%
Net income	120	66	82%	75	60%
Adjusted net income	132	85	55%	171	(23)%
Cash flow from operations	238	222	7%	325	(27)%
Capital Expenditures	154	187	(18)%	251	(39)%
Free cash flow	85	38	124%	170	(50)%

Q2 2016 Sales

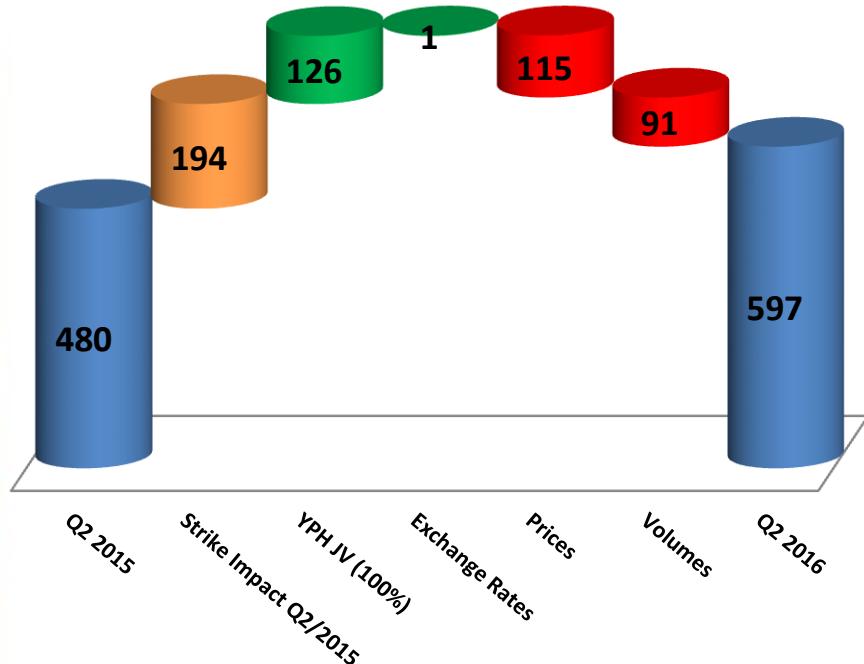


Q2 2016 Adjusted operating income

* Strike impact Q1 2015

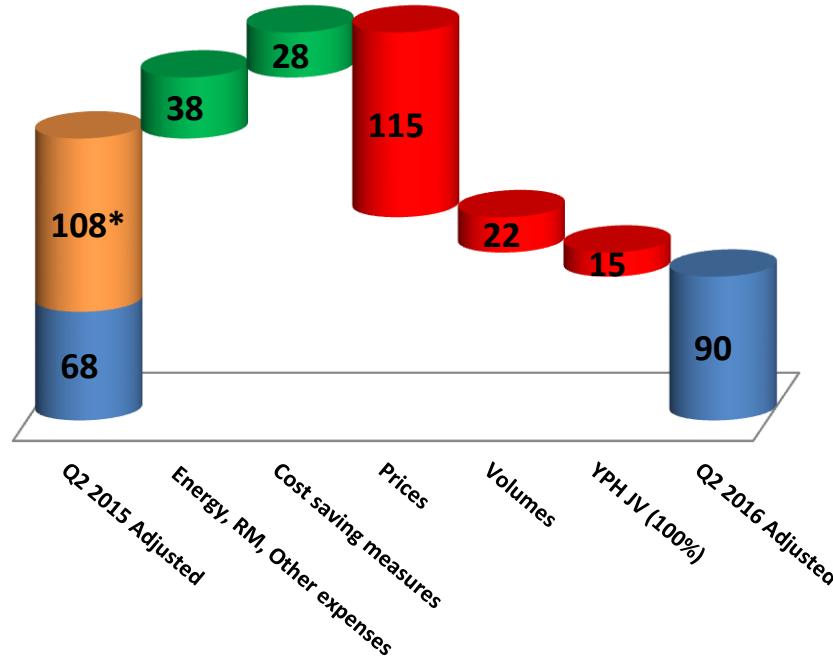


Sales (\$M)



Adjusted Operating income (\$M)

* Strike impact Q2 2015

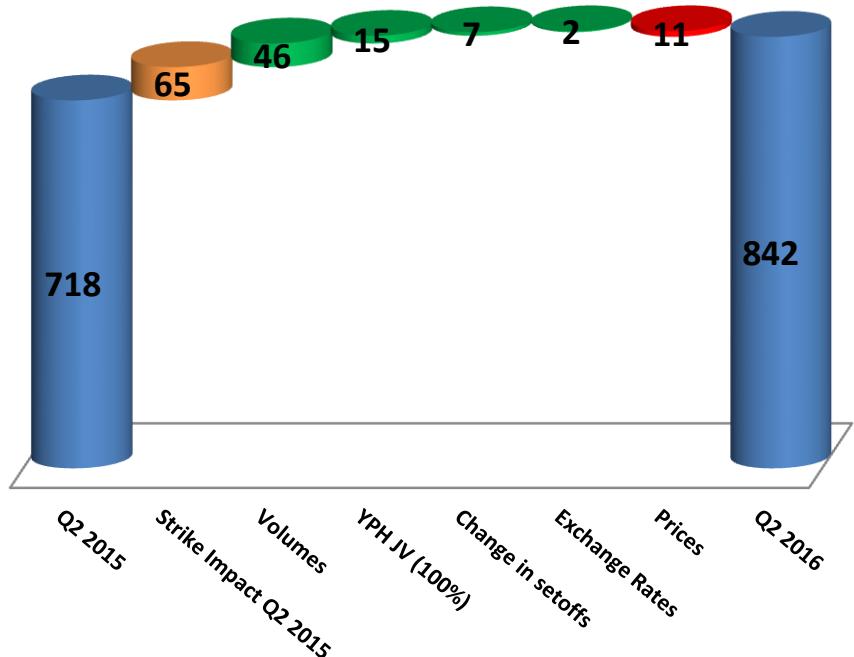


Excluding G&A and unallocated expenses

See Q2 2016 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

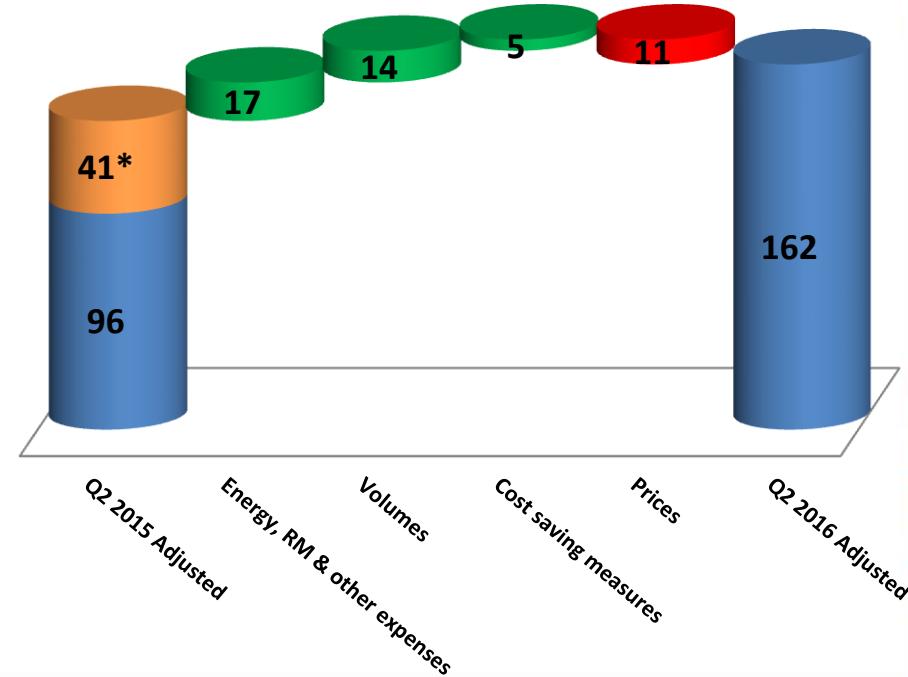
Numbers may not add due to rounding and set offs

Sales (\$M)



Adjusted Operating income (\$M)

* Strike impact Q2 2015



Excluding G&A and unallocated expenses

See Q2 2016 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

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Thank You

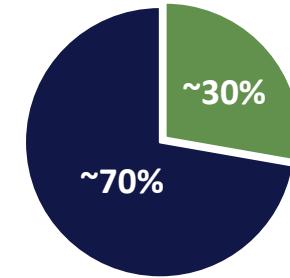
Appendix



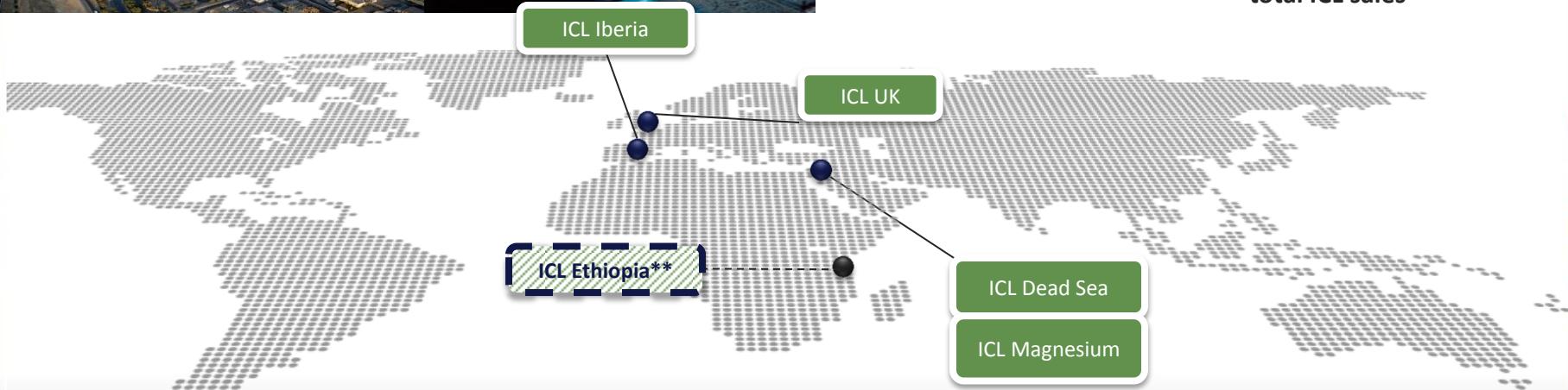
Essential Minerals Division



~3,500 Employees
Worldwide



Potash & Magnesium 2015 Sales of
total ICL sales*



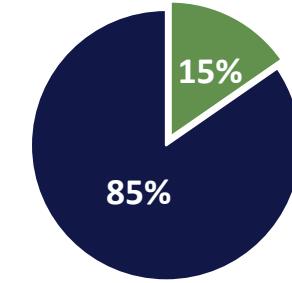
* Not including inter-segment sales

** Project under evaluation

Phosphates Business Unit – the Source of Our Integrated Value Chain



~3,500 Employees
Worldwide



Phosphate 2015 Sales of total ICL sales*



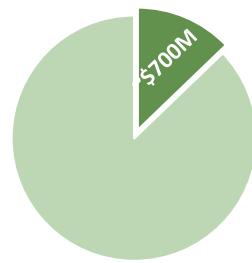
*Not including inter-segment sales



Specialty Solutions Division



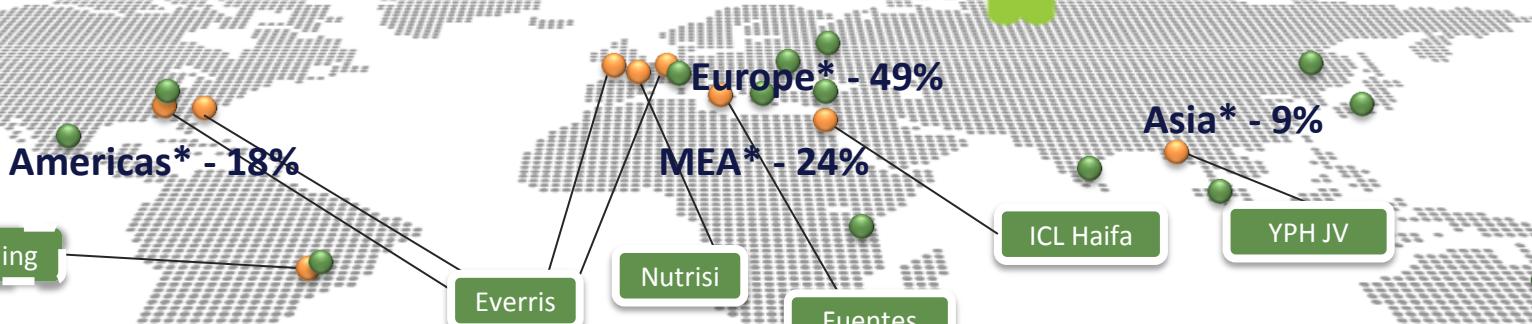
Specialty Fertilizers 2015
Sales of total ICL sales*



Revenue by product (2015)



~1,000 Employees
Worldwide



Pending

Everris

Nutrisi

Fuentes

ICL Haifa

YPH JV

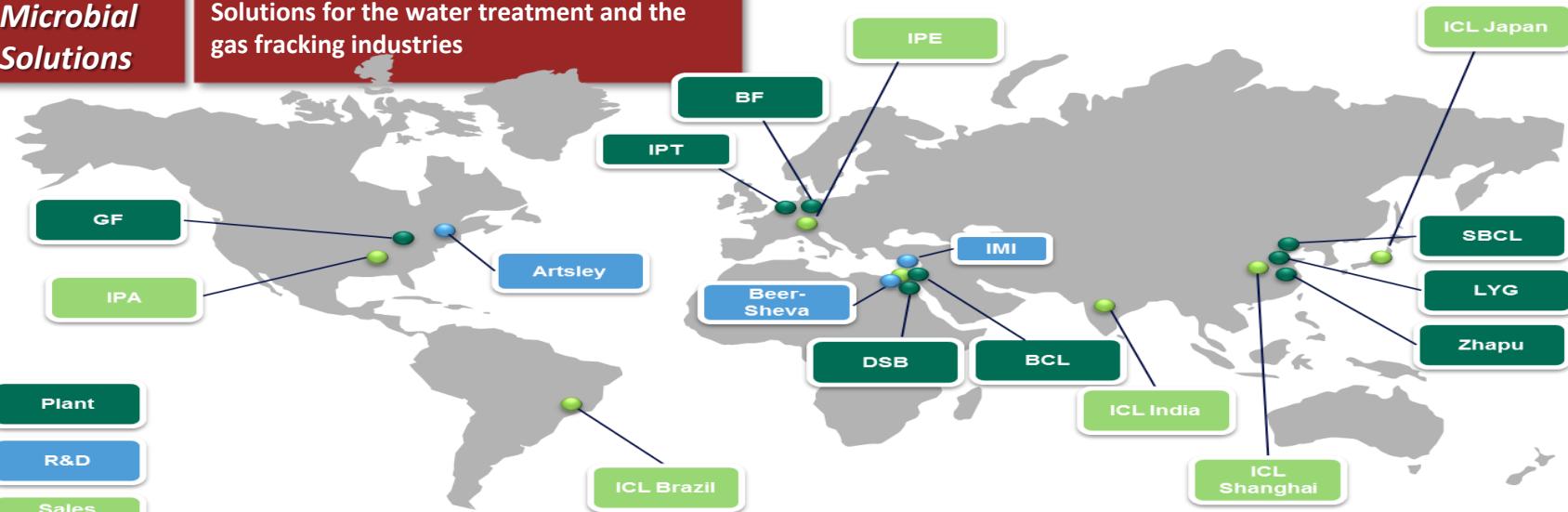
Manufacturing site
Office

*Of 2015 sales

**including inter-business unit sales

Flame Retardants	Bromine and Phosphorus based flame retardants
Industrial Solutions	Elemental Bromine, Mercury emission control, clear brine fluids , HBr
Microbial Solutions	Solutions for the water treatment and the gas fracking industries

~20%
Of ICL sales in 2015

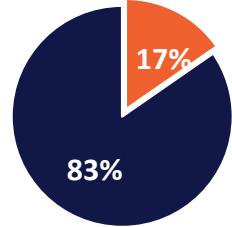


Advanced Additives Business Unit – Vast Global Footprint and Backward Integration

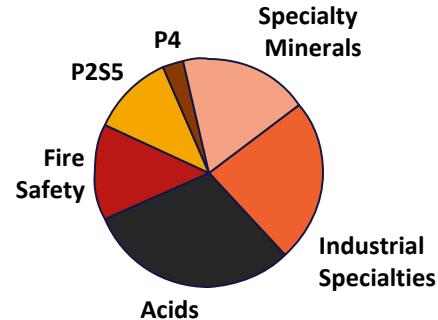
The only global supplier of phosphate salts, phosphoric acid, P2S5, phosphate-based flame retardants, and Specialty Minerals

Strategy focusing on 3 key drivers:

- ✓ Geographic expansion
- ✓ Product differentiation
- ✓ Cost optimization/"Lean & Reliable"



2015 Sales of total ICL sales*



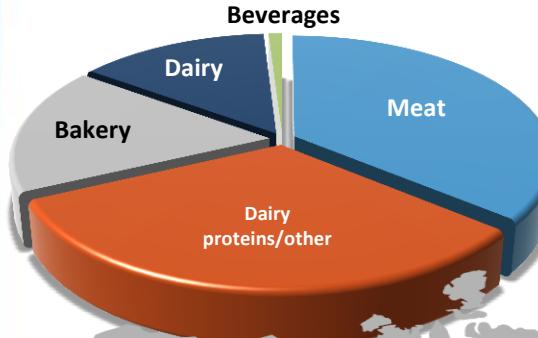
2015 Sales by Business line



*Not including inter-segment sales

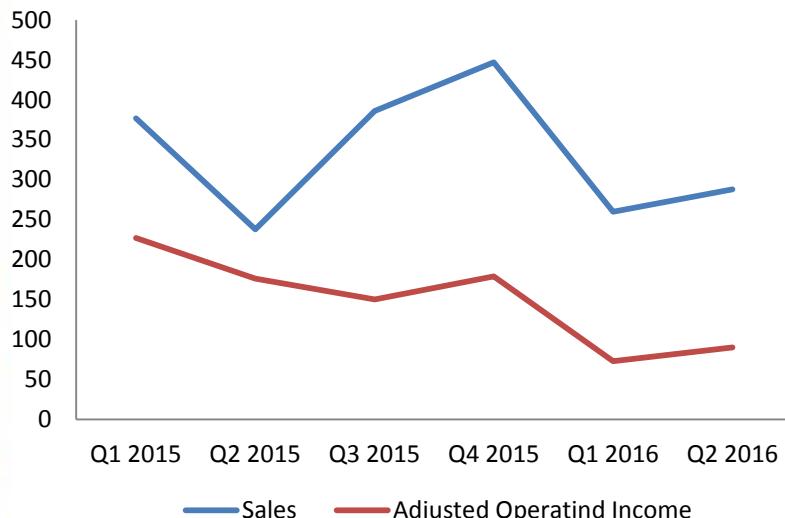
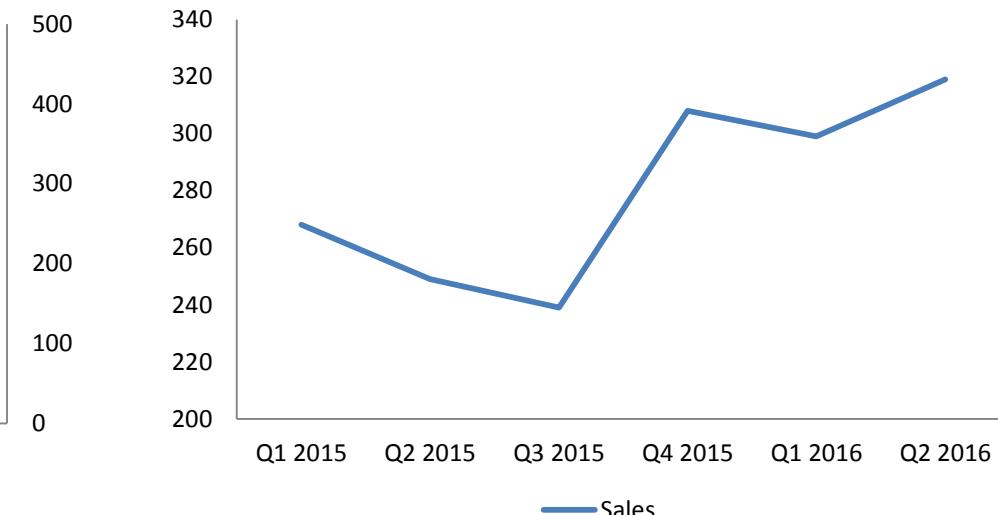
ICL Food Specialties Businesses Unit - Providing Solutions to the Global Food Industry

2015 sales breakdown



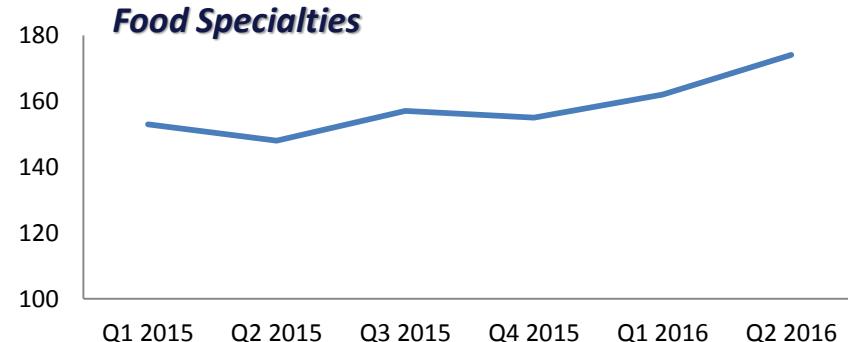
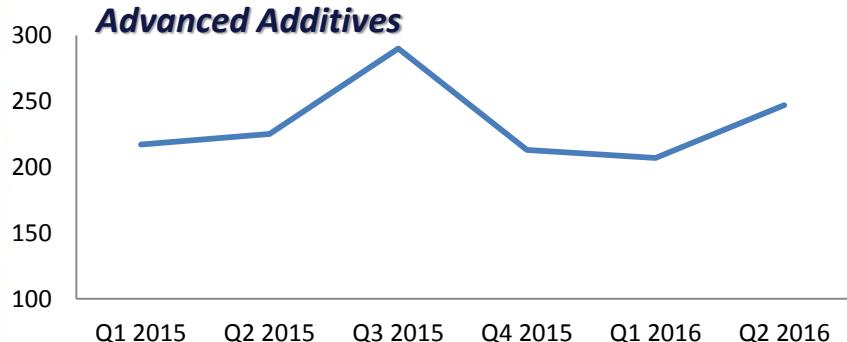
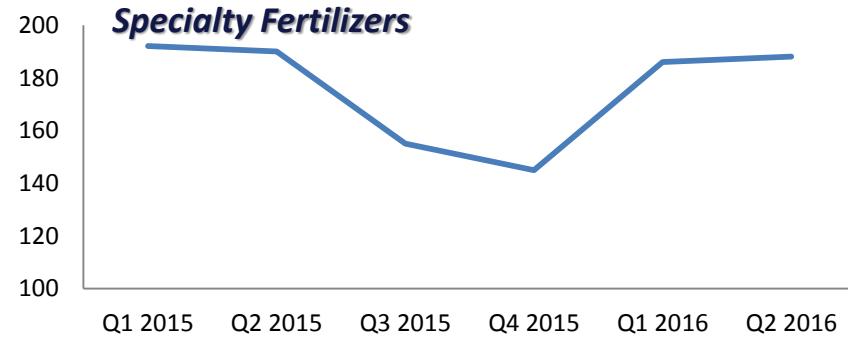
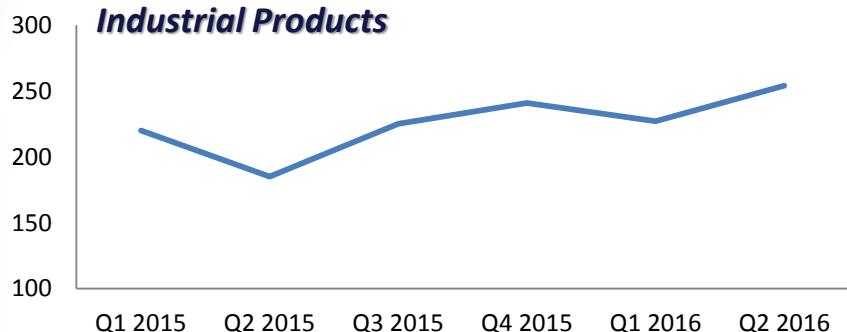
2015 Sales of total ICL sales*



Potash**Phosphates**

Excluding G&A expenses and unallocated expenses

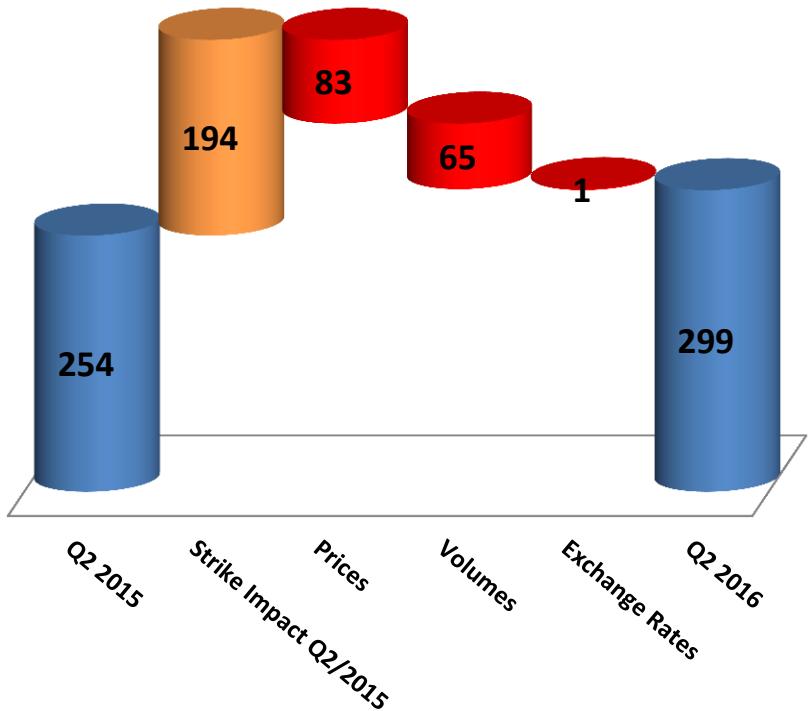
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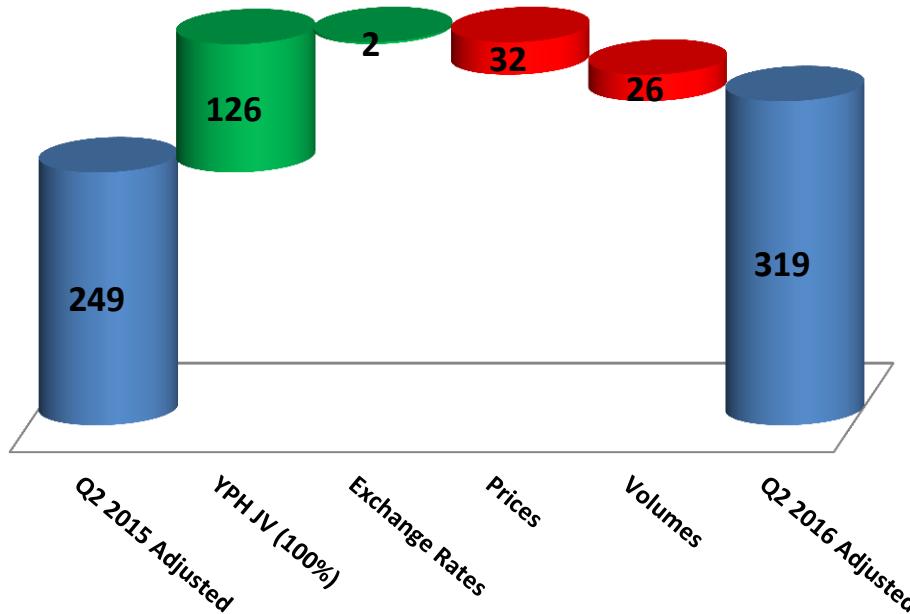
Including inter-business unit sales



Potash & Magnesium (\$M)



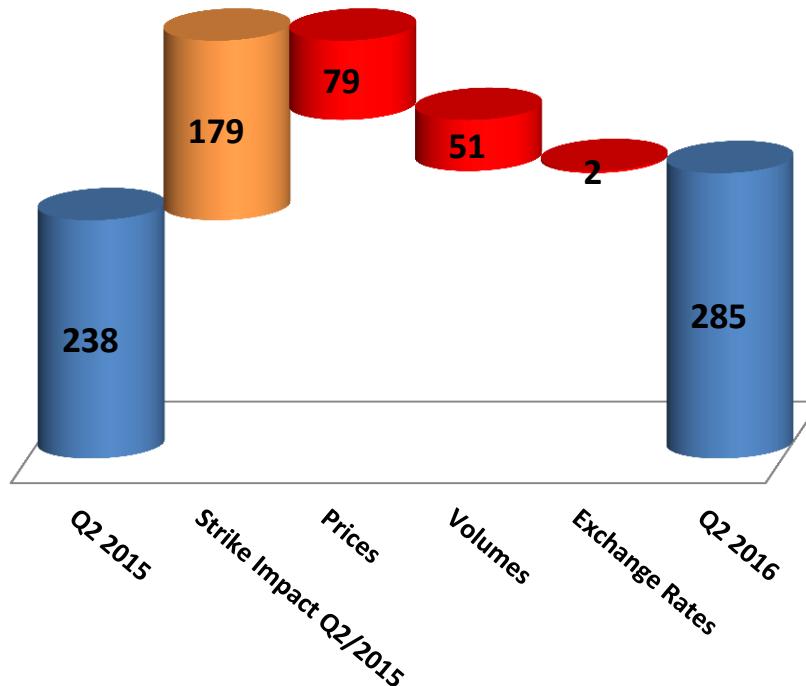
Phosphates (\$M)



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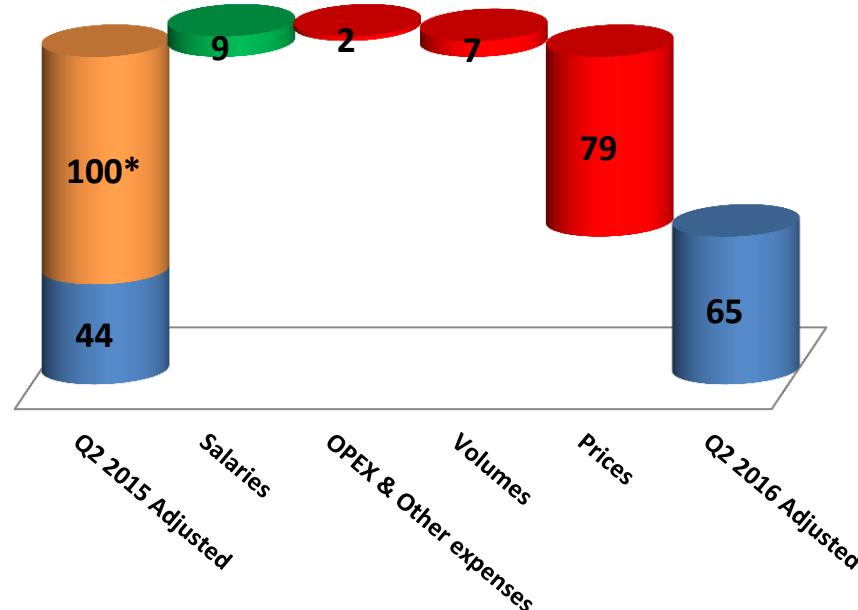
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Sales (\$M)



Adjusted Operating income (\$M)

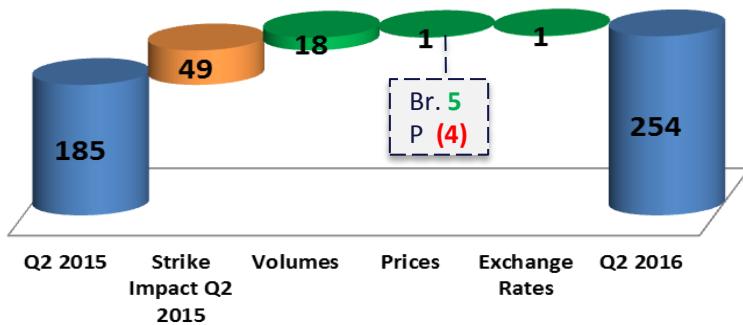
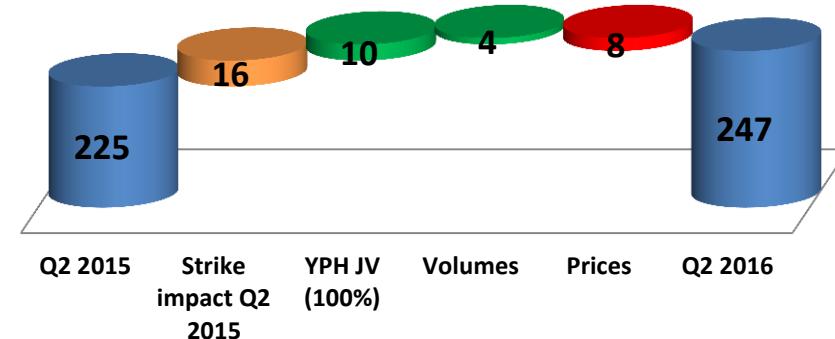
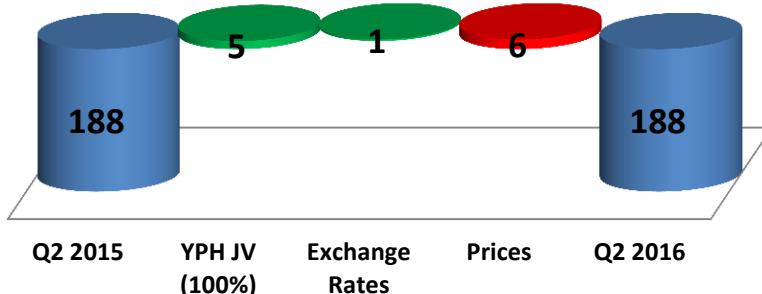
* Strike impact Q2 2015



Excluding G&A and unallocated expenses

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Numbers may not add due to rounding and set offs

Industrial ProductsAdvanced AdditivesSpecialty FertilizersFood Specialties

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