



Q3 2016 Results

Asher Grinbaum | Acting CEO

November 23, 2016

Disclaimer and Safe Harbor for Forward-Looking Statements

The information contained herein in this presentation or delivered or to be delivered to you during our presentation does not constitute an offer, expressed or implied, or a recommendation to do any transaction in Israel Chemicals Ltd. ("ICL" or "Company") securities or in any securities of its affiliates or subsidiaries.

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.

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). Therefore actual results, performance or achievements of the Company could differ materially from those described in or implied by such forward-looking statements. 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 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 September 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.

- **Quarterly results demonstrate ICL's unique advantages: diversification into Specialty Solutions and competitive position of core assets**
- **Disciplined working capital, cost reductions and CAPEX management resulted in positive cash flow**
- **Efficiency measures and strict capital management will further improve financial position**

\$ millions	Q3 16	Q2 16	% change	Q3 15	% change
Sales	1,383	1,377	0.4%	1,379	0.3%
Adjusted operating income	164	163	0.6%	242	(32.2)%
Net income	(340)	120	NA	121	NA
Adjusted net income	120	132	(9.1)%	155	(22.6)%
Operating cash flow	249	238	4.6%	124	100.8%
External potash sales (thousand tonnes)	1,293	1,010	28%	1,091	18.5%
Average potash selling price - FOB	199	221	(10)%	283	(29.7)%

See Q3 2016 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Essential Minerals

\$ million	Q3 2016	Q3 2015
Sales*	621	620
Adj. O/I**	82	191

- **Potash sales volumes** increase supported by market stabilization following contracts signing in China and India
- **ICL'S Potash competitiveness** continue to improve with year-on-year and sequential decline in cost per tonne
- Competitive price pressure in the **commodity phosphate** market continues

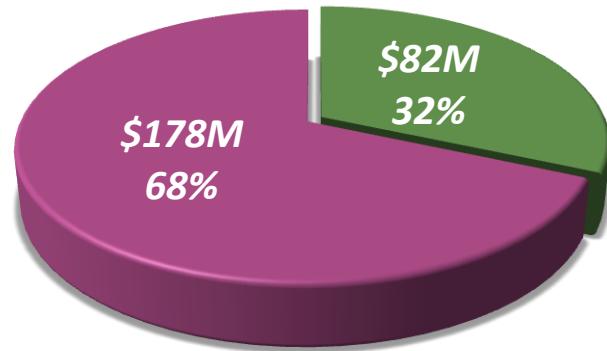
Specialty Solutions

\$ million	Q3 2016	Q3 2015
Sales*	831	803
Adj. O/I**	178	138

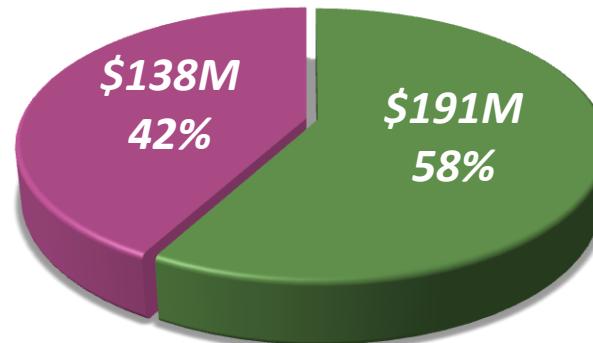
- High operating margins in **ICL Industrial Products** supported by **new products** and **cost efficiencies**
- Improved performance trend in **ICL Advanced Additives** continued, supported by a **seasonal driven mix** and **cost efficiencies**
- **ICL Food Specialties** benefitted from **solution offerings** in dairy proteins and **growth in new products**, mitigating continued competitiveness in the phosphate base business
- **Growth in Specialty Agriculture** partially mitigated the commodity driven price pressure in the market, impacting **ICL Specialty Fertilizers**

* Including inter-business units sales

** Excluding G&A and unallocated expenses

*Adjusted operating income***Q3 2016**

■ Essential Minerals ■ Specialty Solutions

Q3 2015

■ Essential Minerals ■ Specialty Solutions

Excluding G&A and unallocated expenses

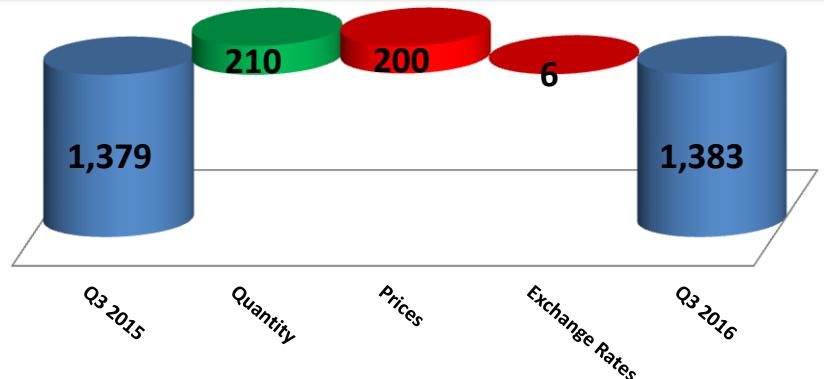
See Q3 2016 reports for a reconciliation of Adjusted operating income to operating income.

Financial Results

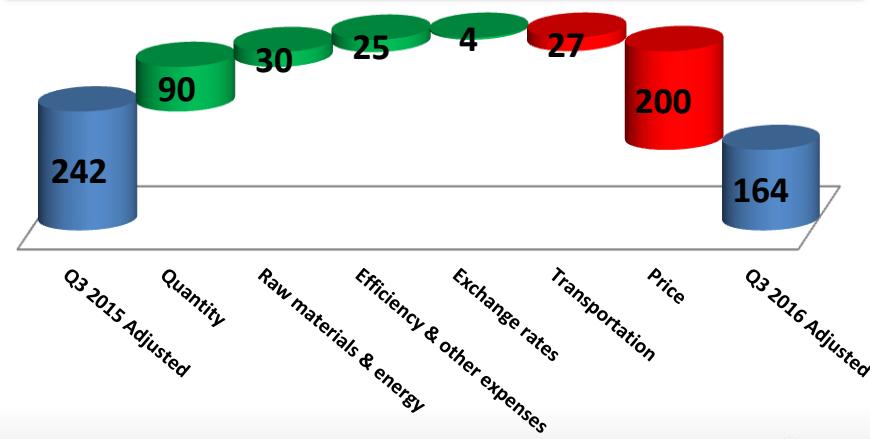
Kobi Altman
CFO

\$ millions	Q3 16	Q2 16	% change	Q3 15	% change
Sales	1,383	1,377	0.4%	1,379	0.3%
Adjusted operating income	164	163	0.6%	242	(32.2)%
Net income	(340)	120	NA	121	NA
Adjusted net income	120	132	(9.1)%	155	(22.6)%
Cash flow from operations	249	238	4.6%	124	100.8%
Capital Expenditures	153	154	(0.6)%	164	(6.7)%
Free cash flow	96	85	12.9%	(36)	NA

Q3 2016 Sales

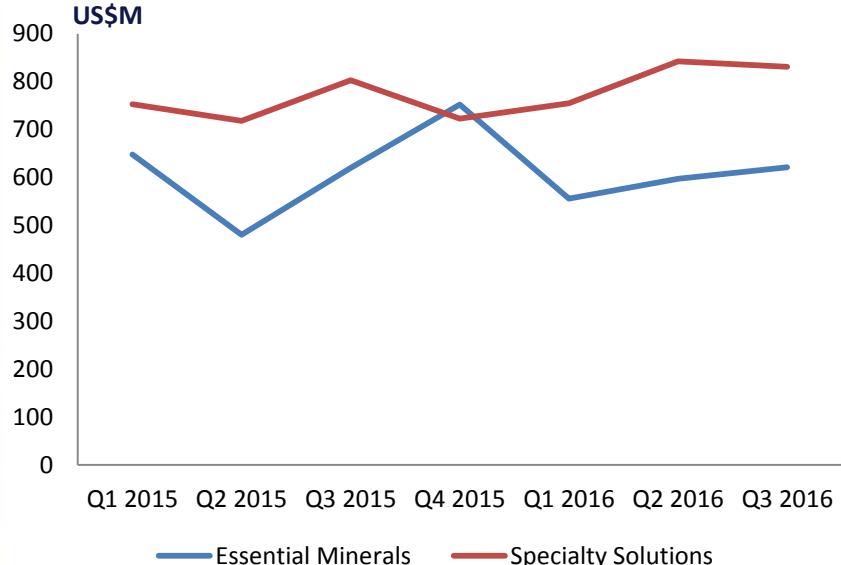


Q3 2016 Adjusted operating income

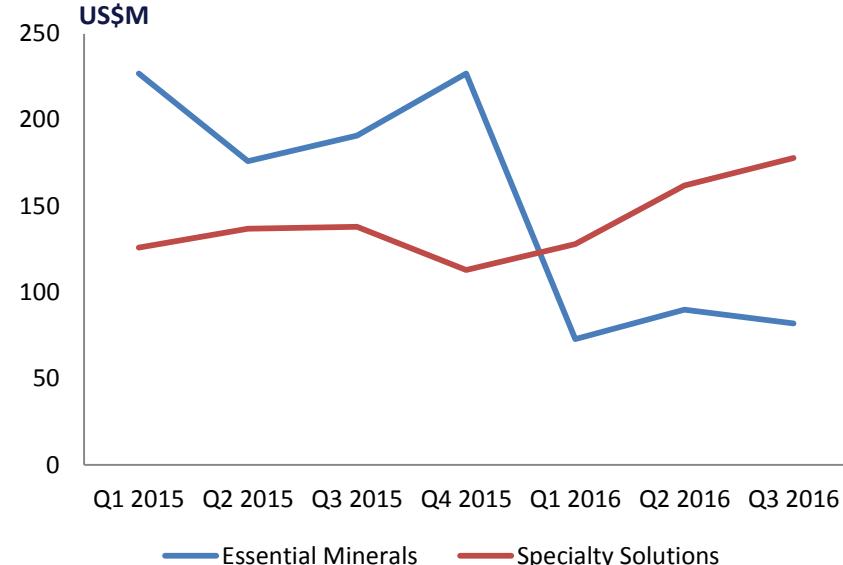


Divisional Evolution of Sales and Adjusted Operating Income

Sales



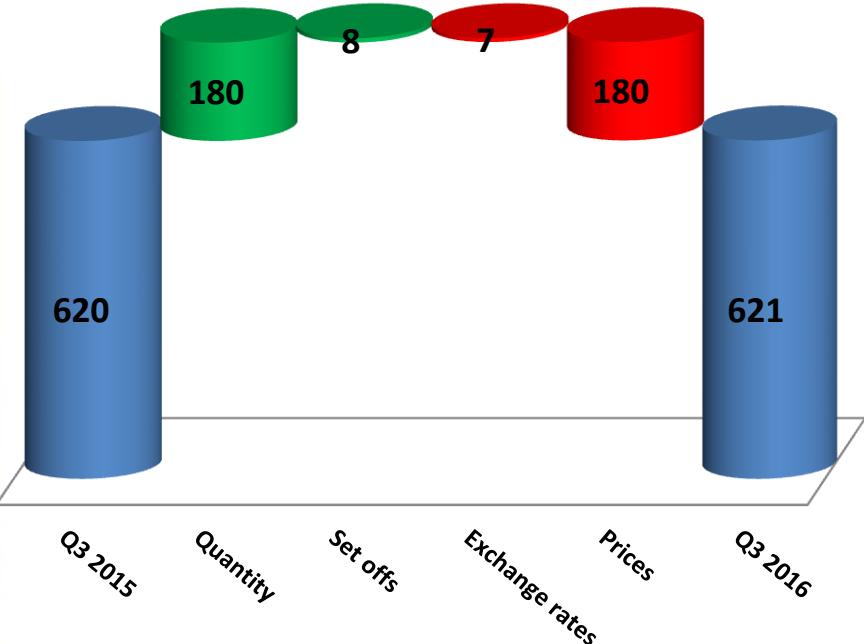
Operating Income



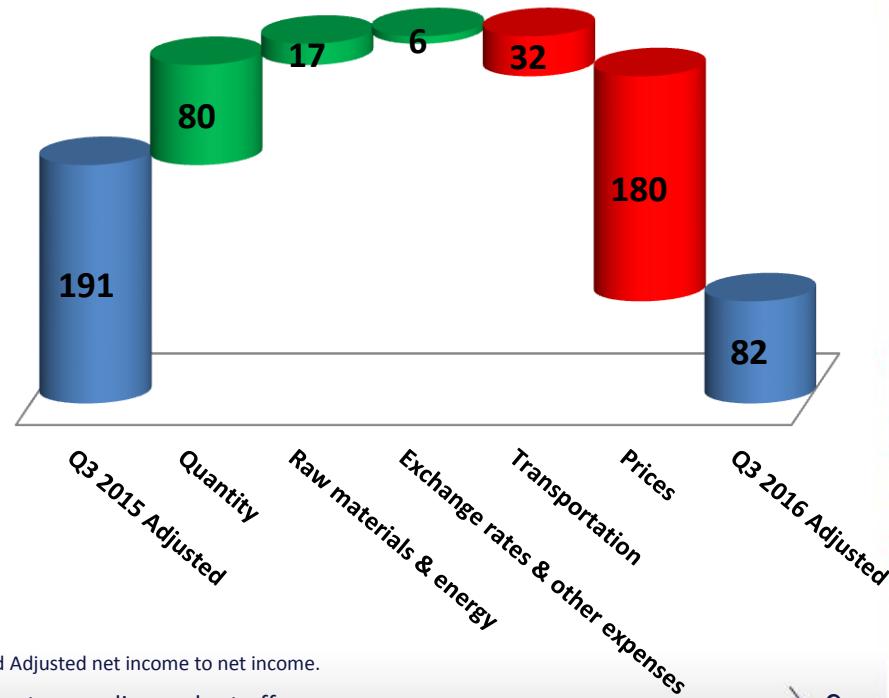
Excluding G&A and unallocated expenses

See Q3 2016 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

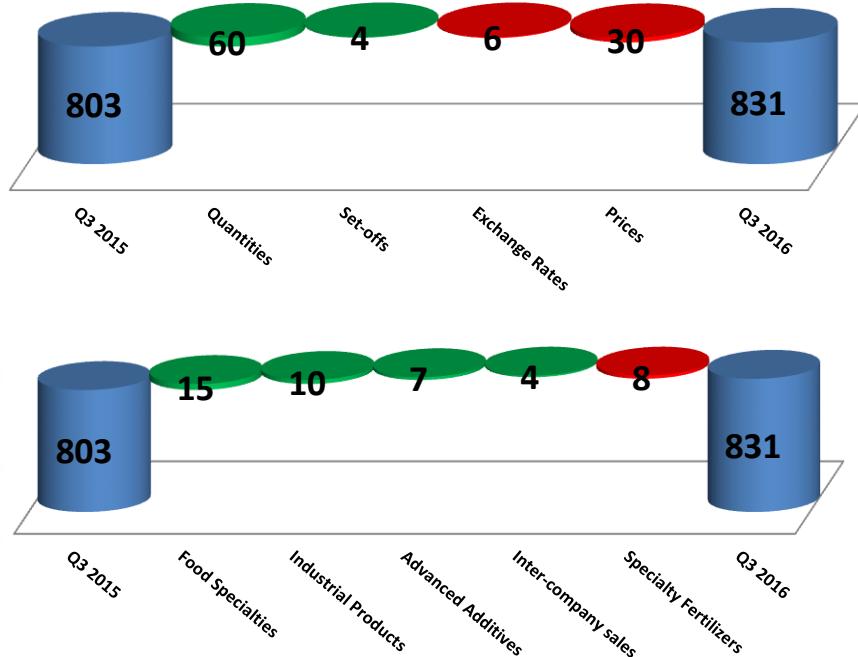
Sales (\$M)



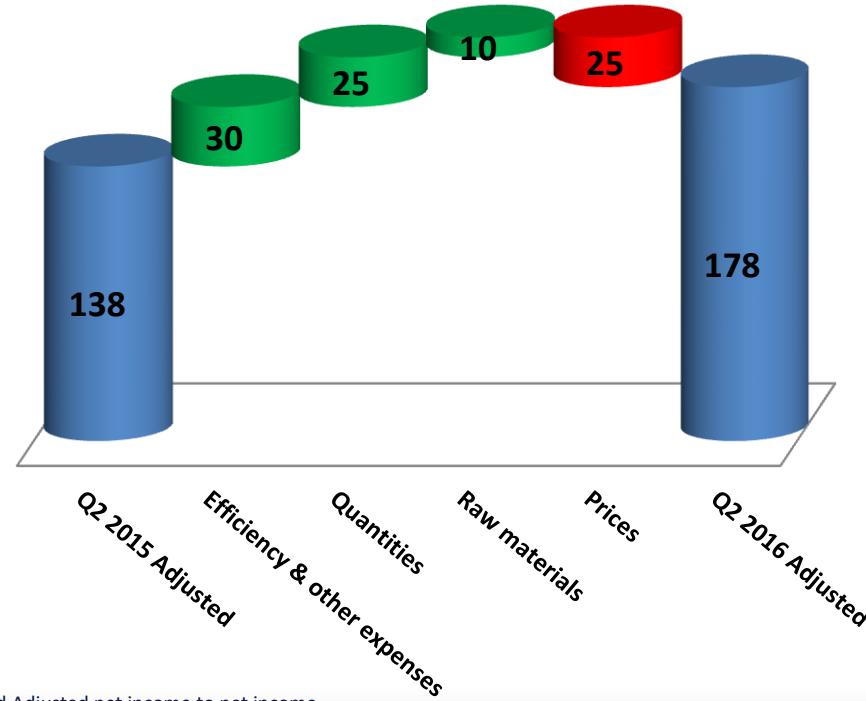
Adjusted Operating income (\$M)



Sales (\$M)



Adjusted Operating income (\$M)

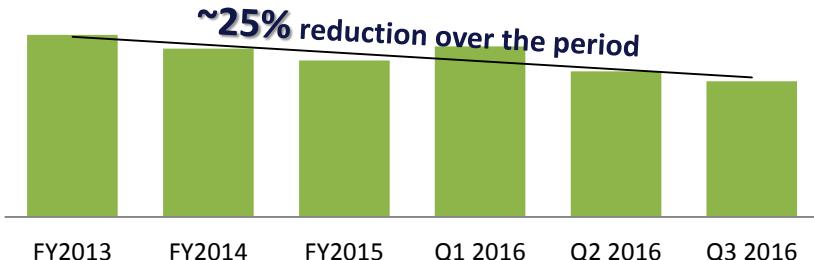


Excluding G&A and unallocated expenses

See Q3 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

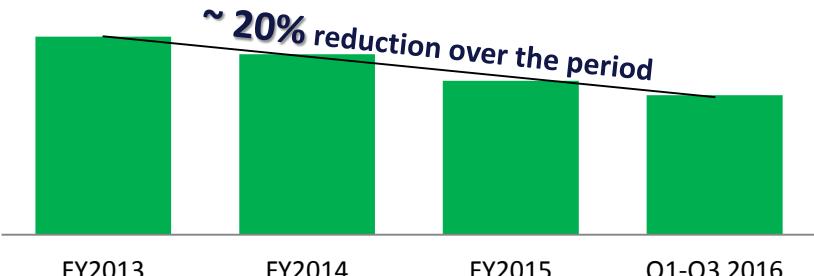
Potash average realized full cost per tonne sold



*\$400M annual efficiency gain contribution by 2016 year-end**

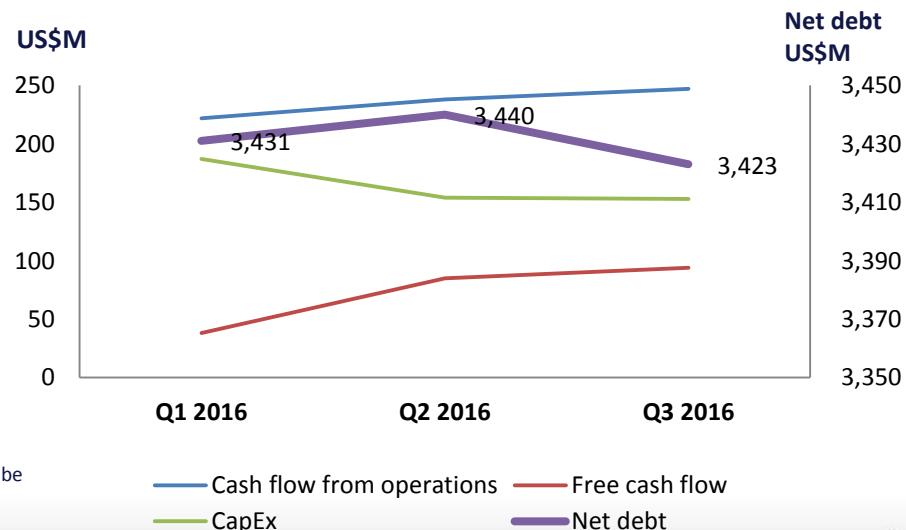


Green phosphoric Acid Cost \$/tonne FOB



* Run-rate, compared to 2013

- Local rating maintained high level at 'iAA' with stable outlook
- International rating downgraded one notch to 'BBB-' but remained investment-grade with stable outlook
- Strong Israeli rating is a major advantage, providing access to financing in Israel at attractive costs



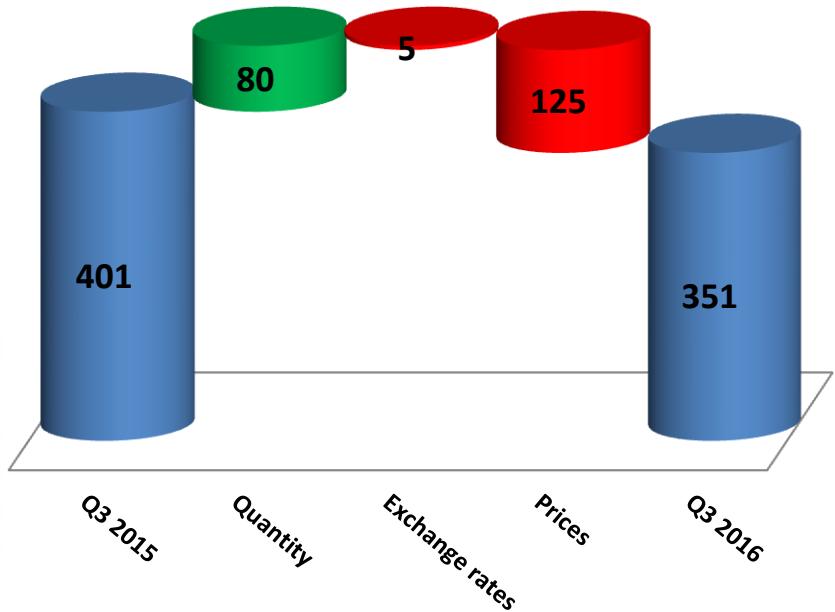
A security rating is not a recommendation to buy, sell or hold securities. It may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating



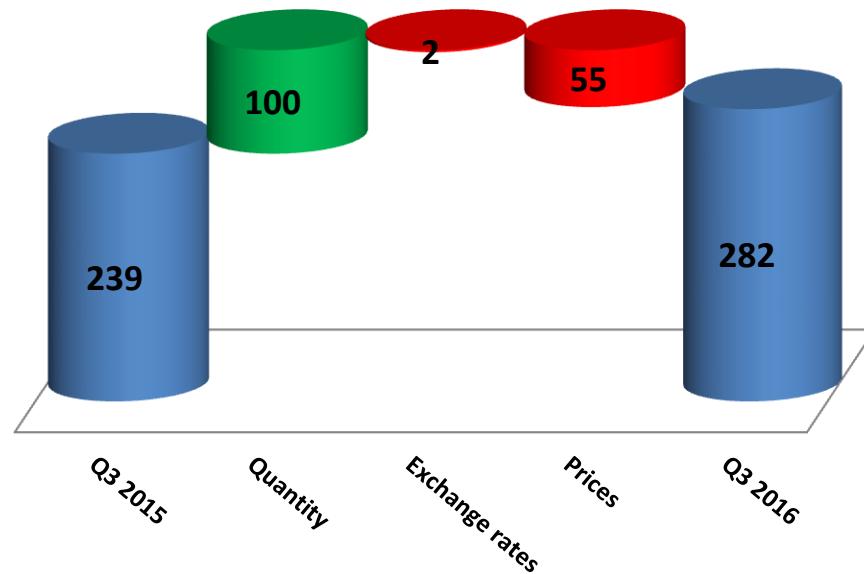
Thank You

Appendix

Potash & Magnesium (\$M)



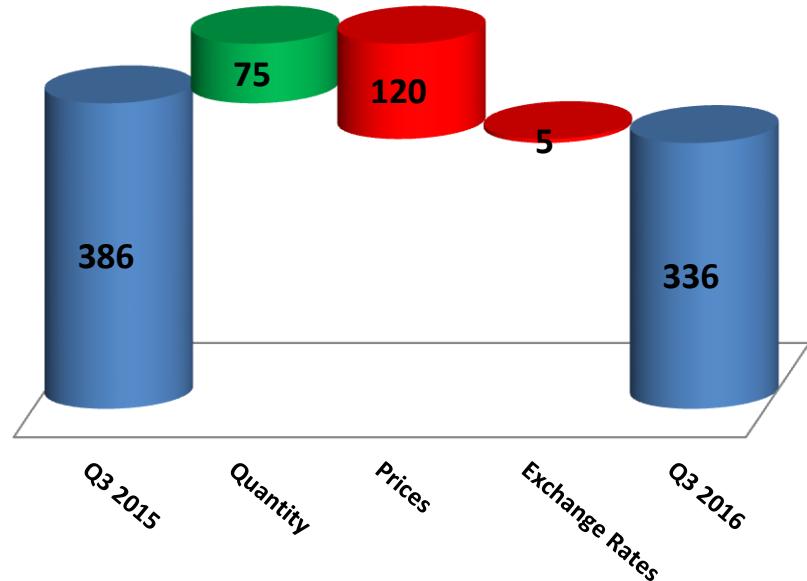
Phosphates (\$M)



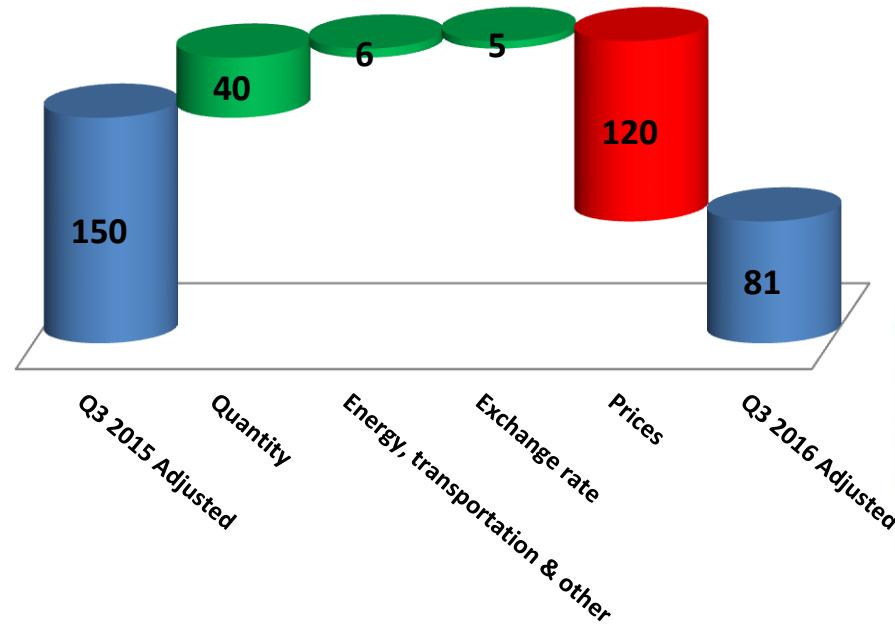
See Q3 2016 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Numbers may not add due to rounding and set offs

Sales (\$M)



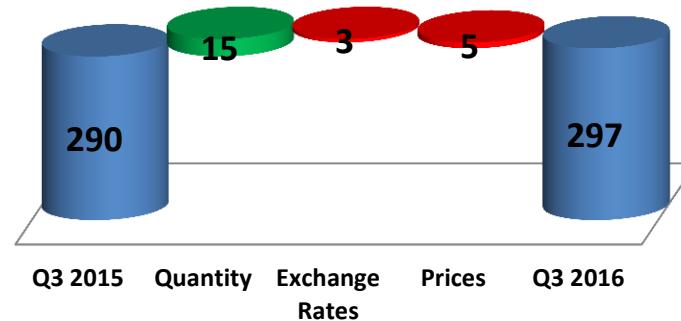
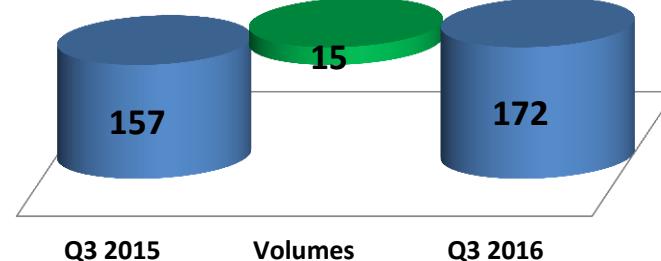
Adjusted Operating income (\$M)



Excluding G&A and unallocated expenses

See Q3 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

Industrial ProductsAdvanced AdditivesSpecialty FertilizersFood Specialties

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