



Q1 2017 Results

Asher Grinbaum | Acting CEO

May 10, 2017

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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 IFRS 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 IFRS. Please refer to our Q1 2017 press release for the quarter ended March 31, 2017 for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with IFRS.

ICL's Highly Experienced Management Team

**Asher Grinbaum,
Acting CEO
42 years in ICL**



Over 140 years of ICL experience

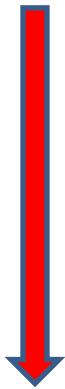
- **Growth in the Specialty Solutions division continues to provide a solid balancing effect on our operations**
- **Modest sequential recovery in potash prices and year over year volumes despite commodity downturn cycle**
- **Continued reduction of G&A expenses , CapEx and increased free cash flow shows management's strict focus on cash generation**

| \$ millions | Q1 17 | Q1 16 | % change | Q4 16 | % change |
|---|-------|-------|----------|-------|----------|
| Sales | 1,295 | 1,265 | 2% | 1,338 | (3%) |
| Adjusted operating income | 116 | 115 | 1% | 140 | (17%) |
| Net income | 68 | 66 | 3% | 32 | 113% |
| Adjusted net income | 68 | 85 | (20%) | 114 | (40%) |
| Free Cash flow | 104 | 38 | 174% | 127 | (18%) |
| External potash sales (thousand tonnes) | 942 | 893 | 5% | 1,632 | (4%) |
| Average potash selling price - FOB | 216 | 235 | (8%) | 202 | 7% |

See Q1 2017 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

External factors

- Delay in Chinese contract
- Exchange rate impact
- Freight rates (seaborne)
- Commodity fertilizer prices



Internal factors

- Strong FCF
- Strong specialties performance
- YPH JV operational improvement
- G&A expenses reduction
- Reduced CapEx
- ICL UK production outage



Specialty Solutions

| \$ million | Q1 2017 | Q1 2016 | % change |
|----------------|---------|---------|----------|
| Sales* | 613 | 584 | 5% |
| Division O/I** | 115 | 106 | 8% |

- Continued strong performance of ICL's **bromine business** supported by a **focus on value**, continued **cost reduction** and **long-term commercial engagements** with customers
- Solid performance and operating margin improvement** in ICL Advanced Additives
- Decline in dairy protein sales volumes in our Food business due to a **customer's destocking activity**, partially offset by an **increase in phosphate based food additives** in Europe and a **40% growth** in new accelerated growth products

Essential Minerals

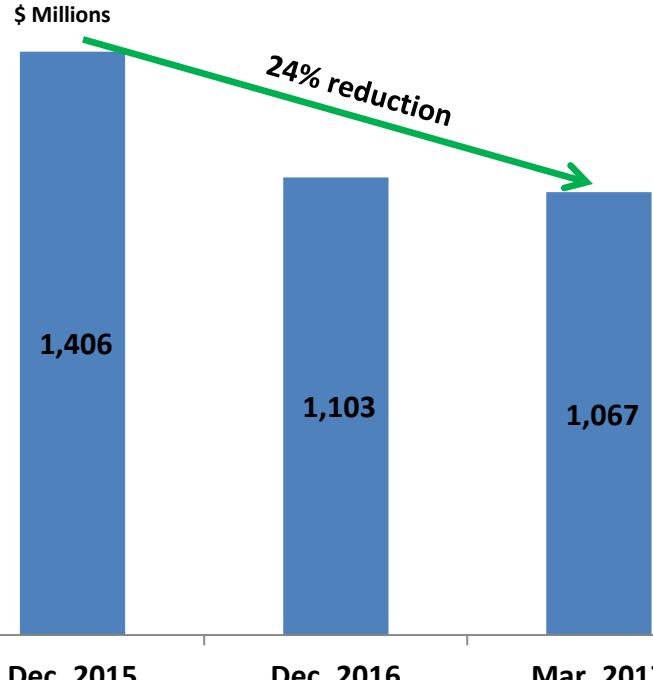
| \$ million | Q1 2017 | Q1 2016 | % change |
|----------------|---------|---------|----------|
| Sales* | 734 | 723 | 2% |
| Division O/I** | 66 | 93 | (30)% |

- Moderate **increase in potash volumes** vs. Q1 2016
- Potash operating income negatively impacted** by ICL UK production outage due to operational breakdown in December 2016 and increased seaborne transportation cost
- Commodity phosphate fertilizer market continues to operate under **challenging business environment**
- Continued efficiency and cost reduction efforts result in a **sequential decrease in operating loss** at our YPH JV
- Strong growth in Latin America and China, operational efficiency and cost reduction initiatives, resulted in **solid performance of our specialty fertilizers business**.

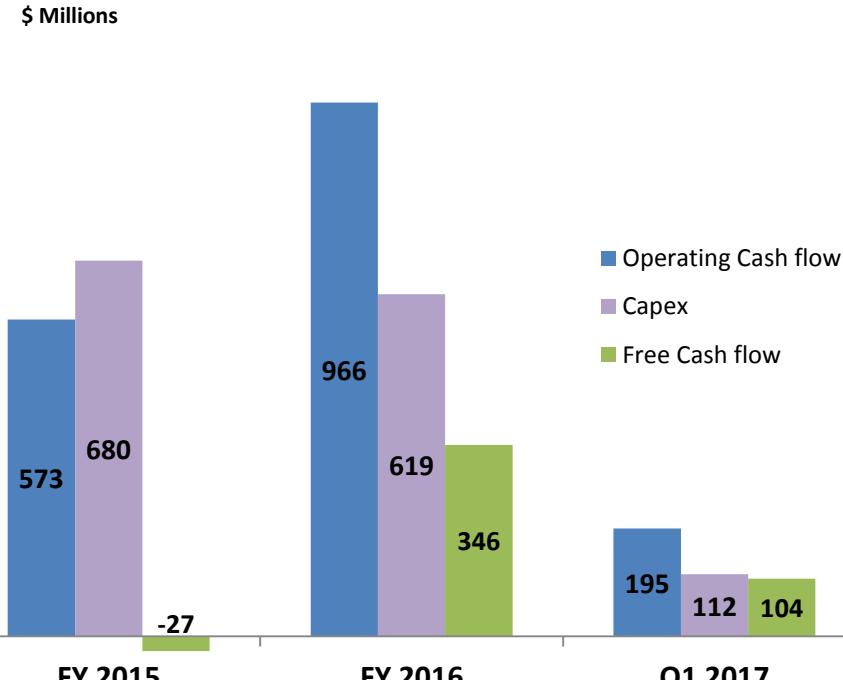
* Including inter-business lines' sales

** Excluding G&A, unallocated expenses and eliminations

Working capital**



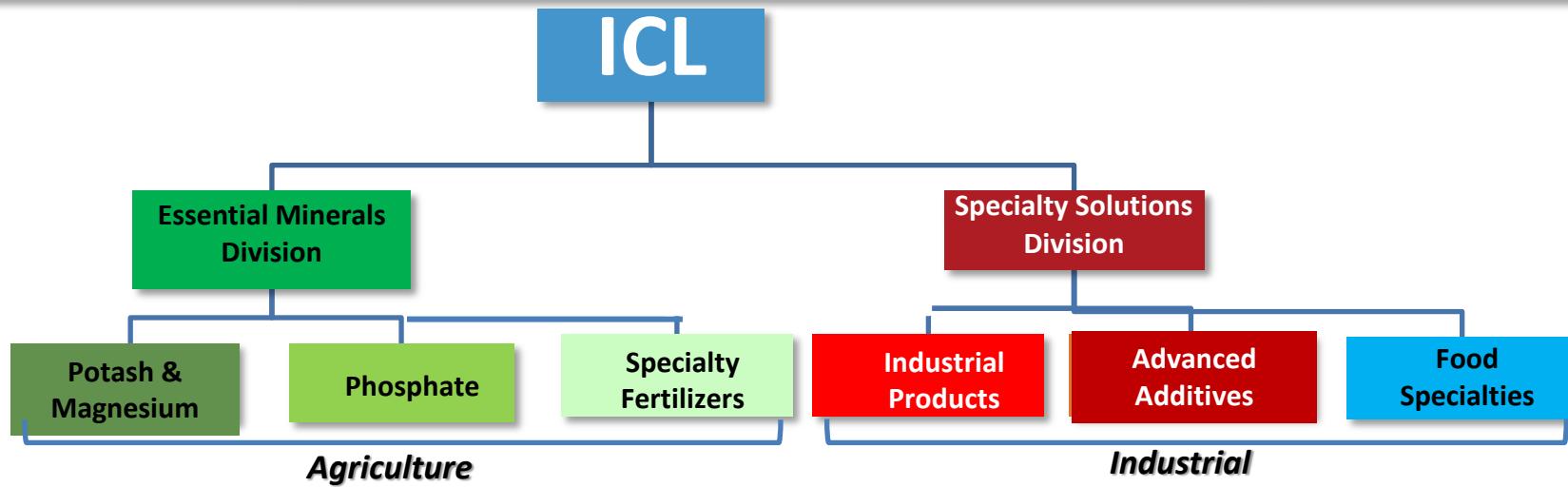
Cash flow* & CapEx***



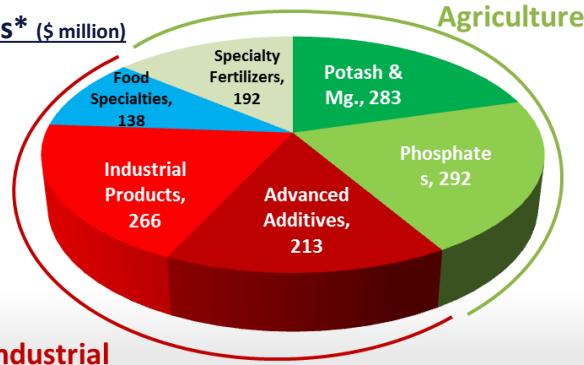
* Free cash flow - cash flow from operations and dividend from investees net of CapEx

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

*** CapEx - additions to property plant and equipment and intangible assets not including PPA adjustments (recalculated for prior years)



Q1 2017 Sales* (\$ million)



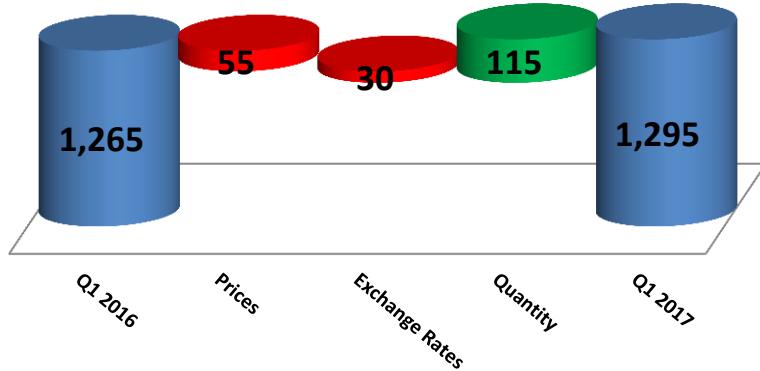
* Before elimination of inter-business lines' sales

Financial Results

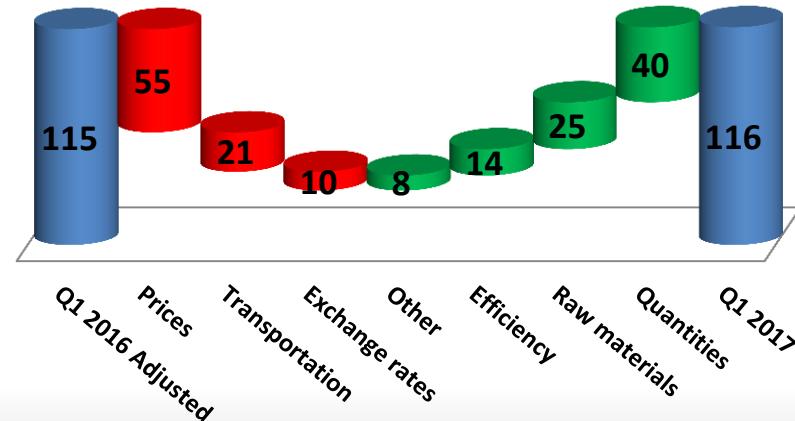
Kobi Altman
CFO

| \$ millions | Q1 17 | Q1 16 | % change | Q4 16 | % change |
|---------------------------|-------|-------|----------|-------|----------|
| Sales | 1,295 | 1,265 | 2% | 1,338 | (3%) |
| Adjusted operating income | 116 | 115 | 1% | 140 | (17%) |
| Net income | 68 | 66 | 3% | 32 | 113% |
| Adjusted net income | 68 | 85 | (20%) | 114 | (40%) |
| Cash flow from operations | 195 | 222 | (12%) | 257 | (24%) |
| Capital Expenditures | 112 | 163 | (31%) | 138 | (20%) |
| Free cash flow | 104 | 38 | 174% | 127 | (18%) |

Q1 2017 Sales (\$M)

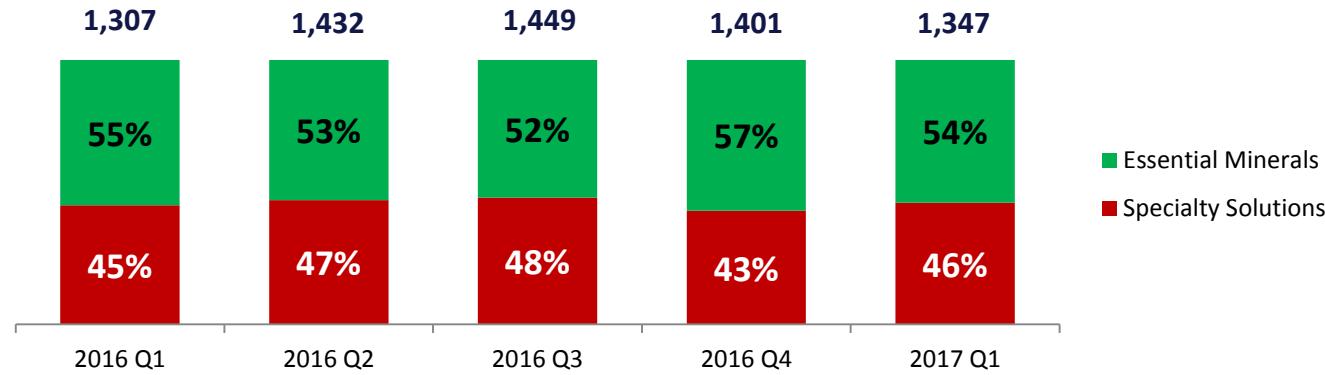


Q1 2017 Adjusted operating income (\$M)

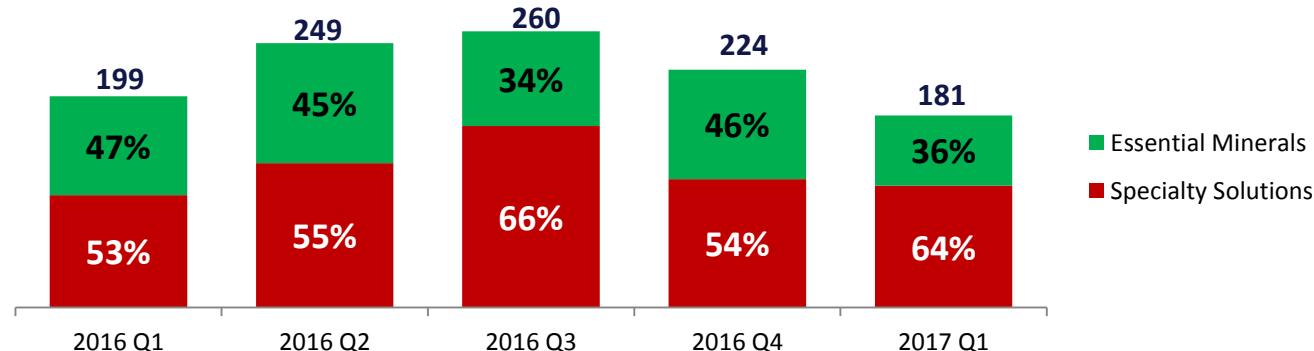


Focus on Specialty Solutions Promoting Stability Despite Fertilizer Cycle

Sales (\$M)*



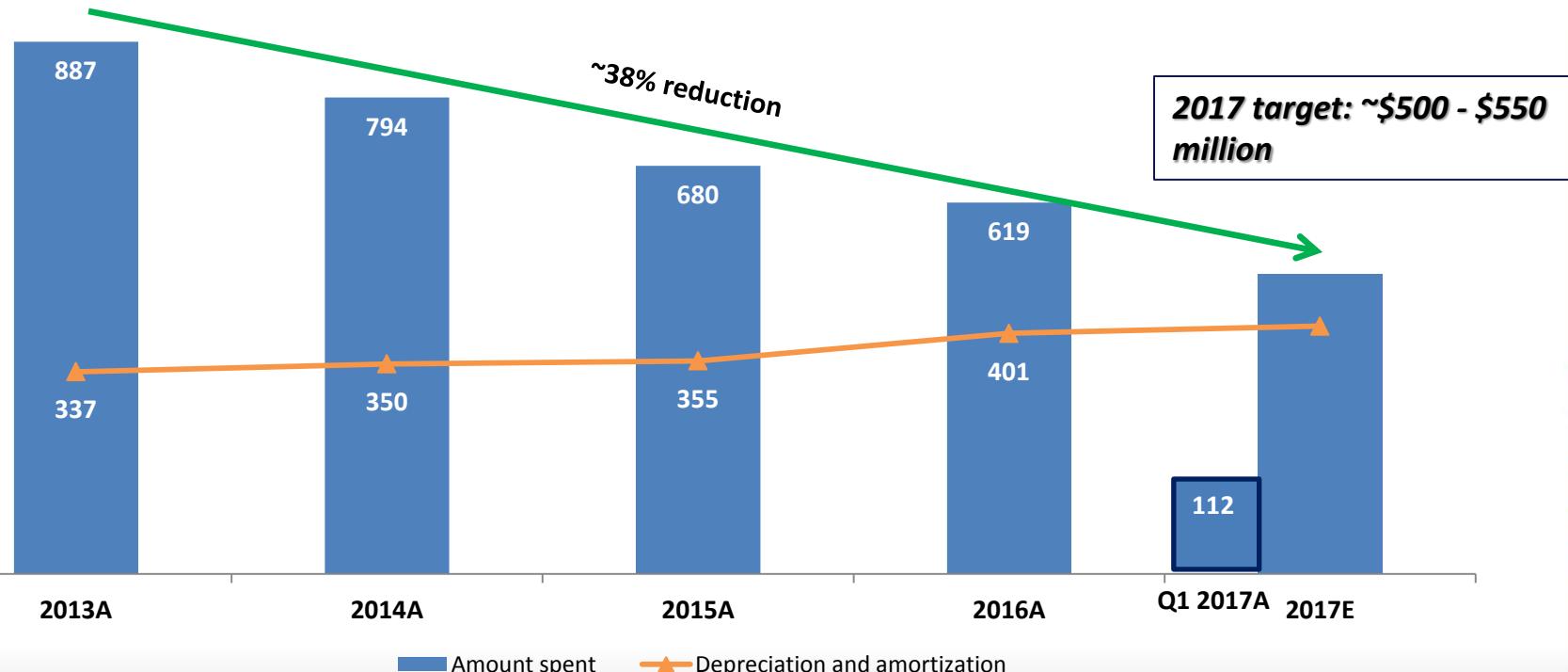
Segment Operating Income (\$M)**



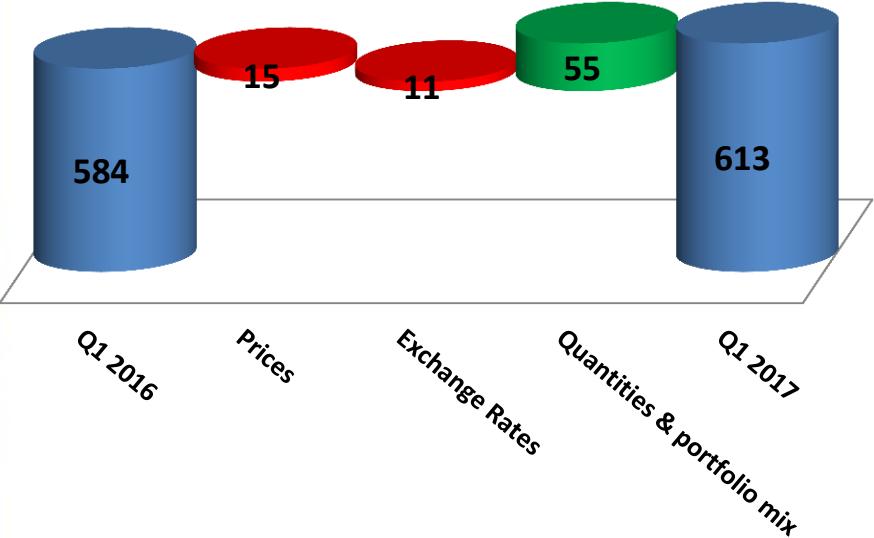
Numbers are restated for prior years as Specialty Fertilizers business line was transferred to Essential Minerals

* Before elimination of inter-business lines' sales

** Excluding G&A, unallocated expenses and eliminations

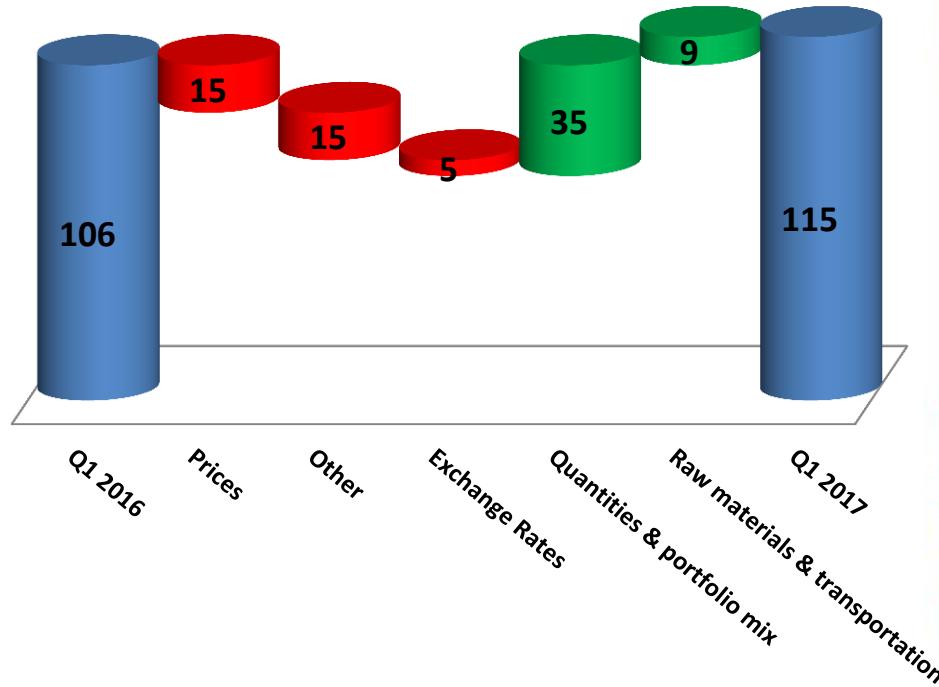
CapEx* (\$M)

Sales (\$M)



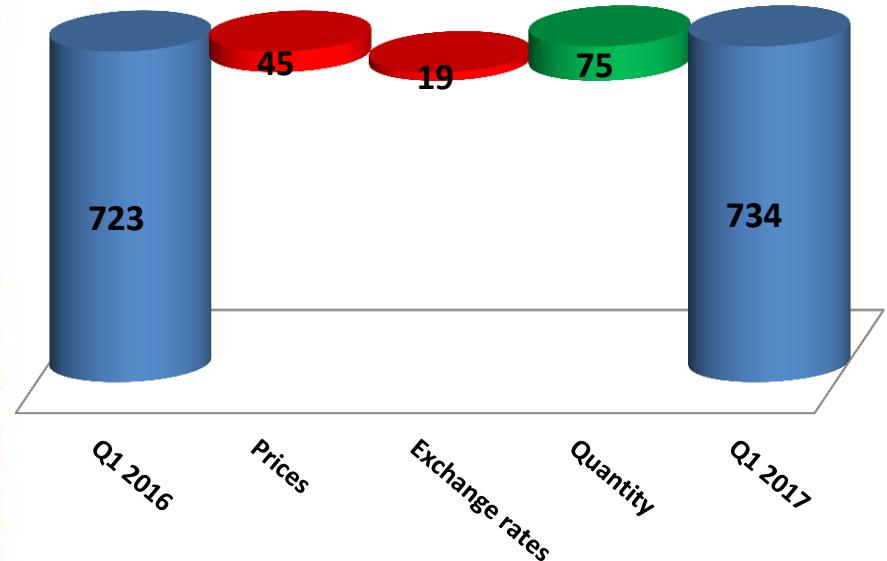
Excluding G&A and unallocated expenses

Segment operating income (\$M)

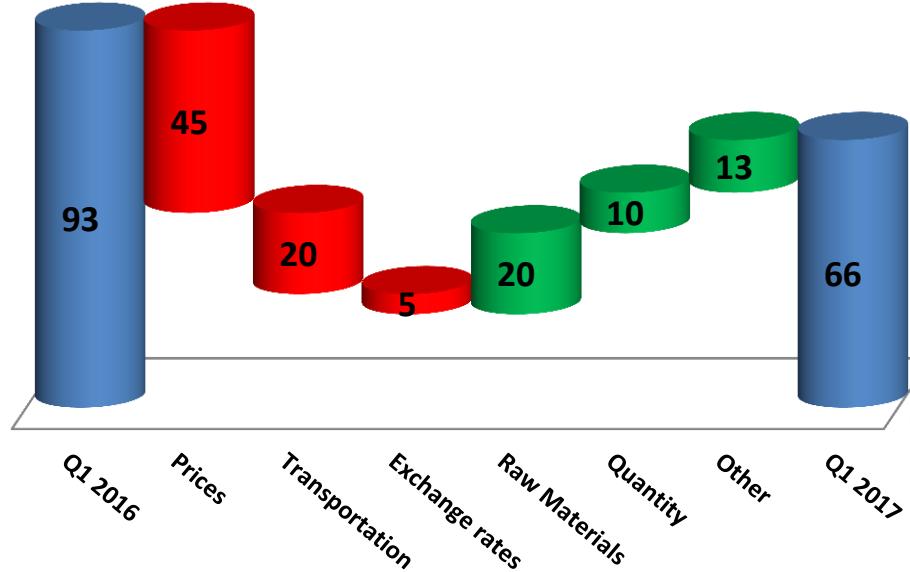


Numbers may not add due to rounding and set offs

Sales (\$M)

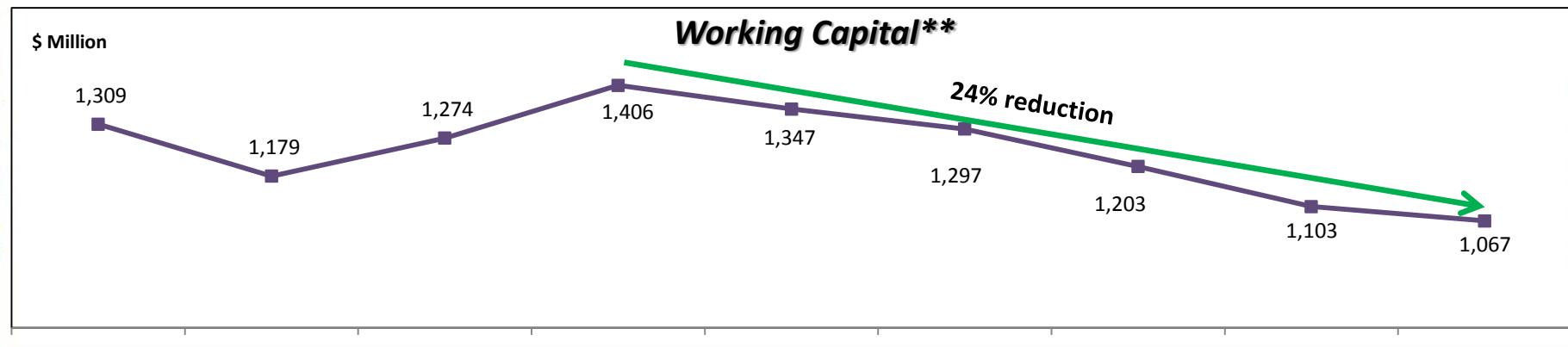
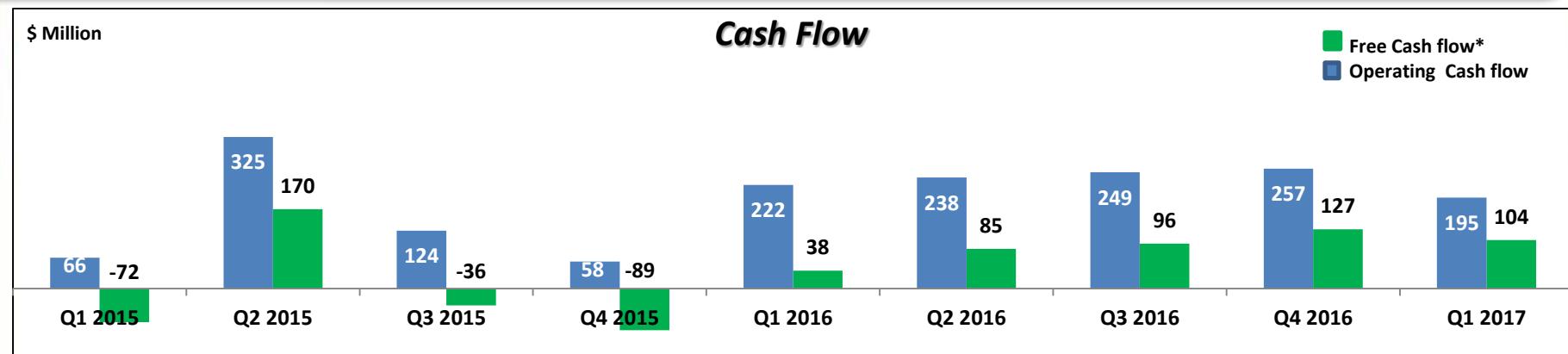


Segment operating income (\$M)



Excluding G&A and unallocated expenses

Numbers may not add due to rounding and set offs



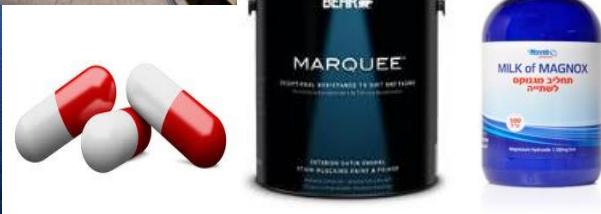
* Free cash flow - cash flow from operations and dividend from investees net of CapEx

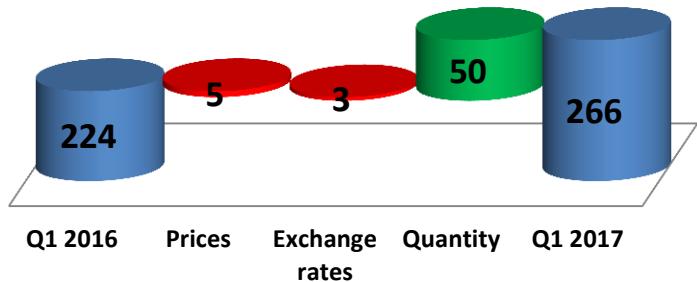
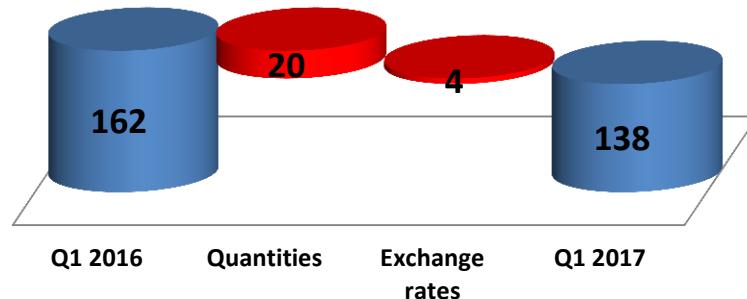
** Working capital = trade and other receivables + inventories - trade and other payables (recalculated for prior years)



Thank You

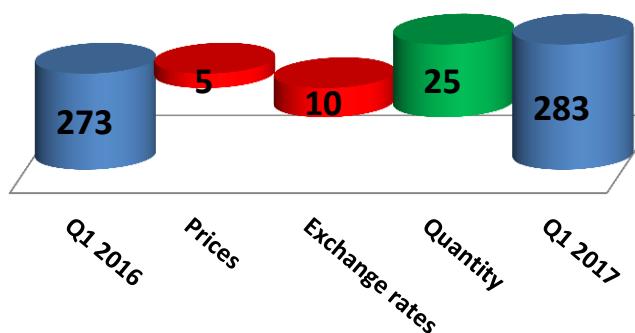
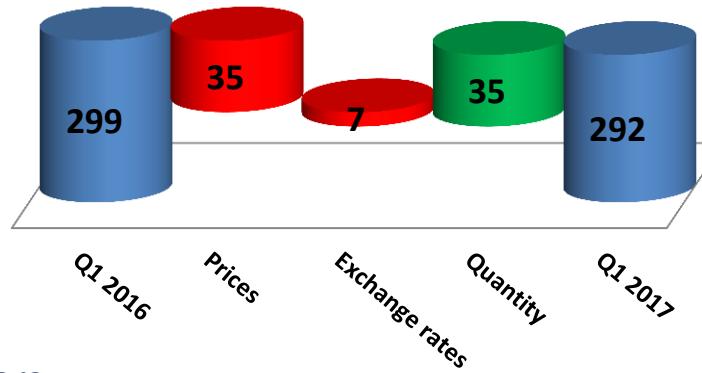
Appendix



Industrial ProductsAdvanced AdditivesFood Specialties

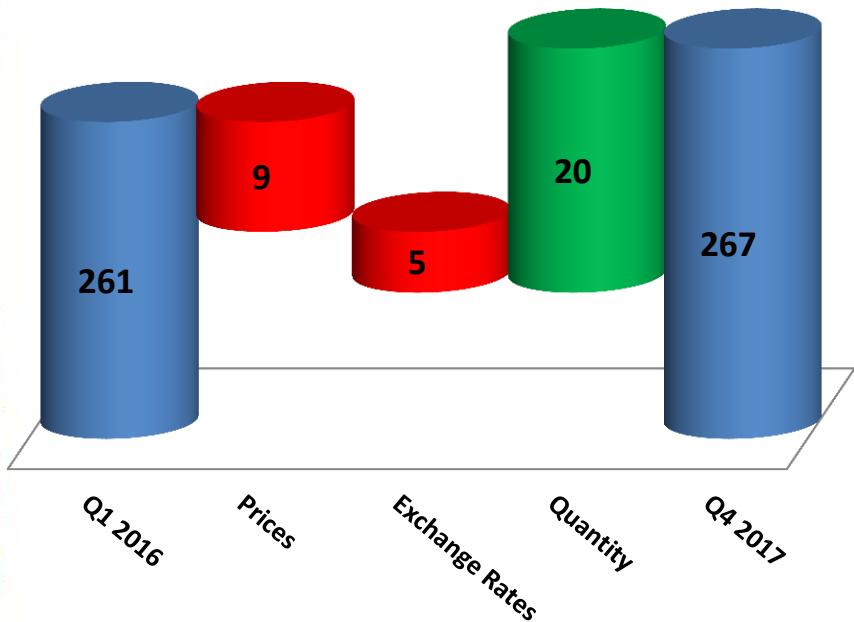
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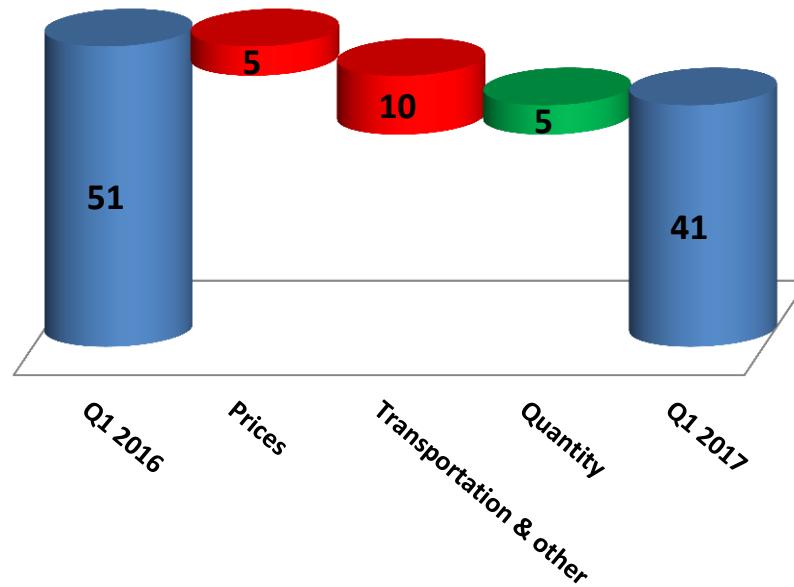
Potash & MagnesiumPhosphatesSpecialty Fertilizers

Numbers may not add due to rounding and set offs

Sales (\$M)



Business unit operating income (\$M)



Excluding G&A and unallocated expenses

See Q1 2017 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