



Q3 2017 Results

Asher Grinbaum | Acting CEO

November 8th, 2017



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, 2016, 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 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 Q3 2017 press release for the quarter ended September 30, 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.

- A 31% increase in adjusted operating income, attributed mainly to Specialty Solutions, and a 25% decrease in G&A expenses to \$60 million
- Specialty Solutions accounted for over 50% of quarterly sales and nearly 70% of operating income*
- Seventh consecutive quarter of positive free cash flow positions ICL to reduce debt and improve its financial position

\$ millions	Q3 17	Q3 16	% change	Q2 17	% change
Sales	1,440	1,383	4.1%	1,322	8.9%
Operating income (loss)	180	(331)	NA	144	25.0%
Adjusted operating income	215	164	31.1%	153	40.5%
Adjusted EBITDA	314	286	9.8%	251	25.1%
Net income (loss)	84	(340)	NA	57	47.4%
Free Cash flow**	78	96	(18.8)%	86	(9.3)%
External potash sales (thousand tonnes)	1,319	1,293	2.0%	1,051	25.5%
Average potash selling price - FOB	217	199	9.0%	216	0.5%

* Operating income attributed to segments before G&A and other expenses

**See appendix for reconciliation of Free cash flow

See Q3 2017 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Specialty Solutions

\$ million	Q3 2017	Q3 2016	% change
Sales*	746	701	6.4%
Segment O/I**	190	171	11.1%

- Industrial Products' performance reflects **higher prices and solid demand** for bromine and bromine compounds.
- Intense wildfire activity** and increased demand for phosphate acids and salts supported strong results for ICL Advanced Additives.
- Sequential increase** in ICL Food Specialties' dairy protein sales due to continuous efforts to expand customer base.

Essential Minerals

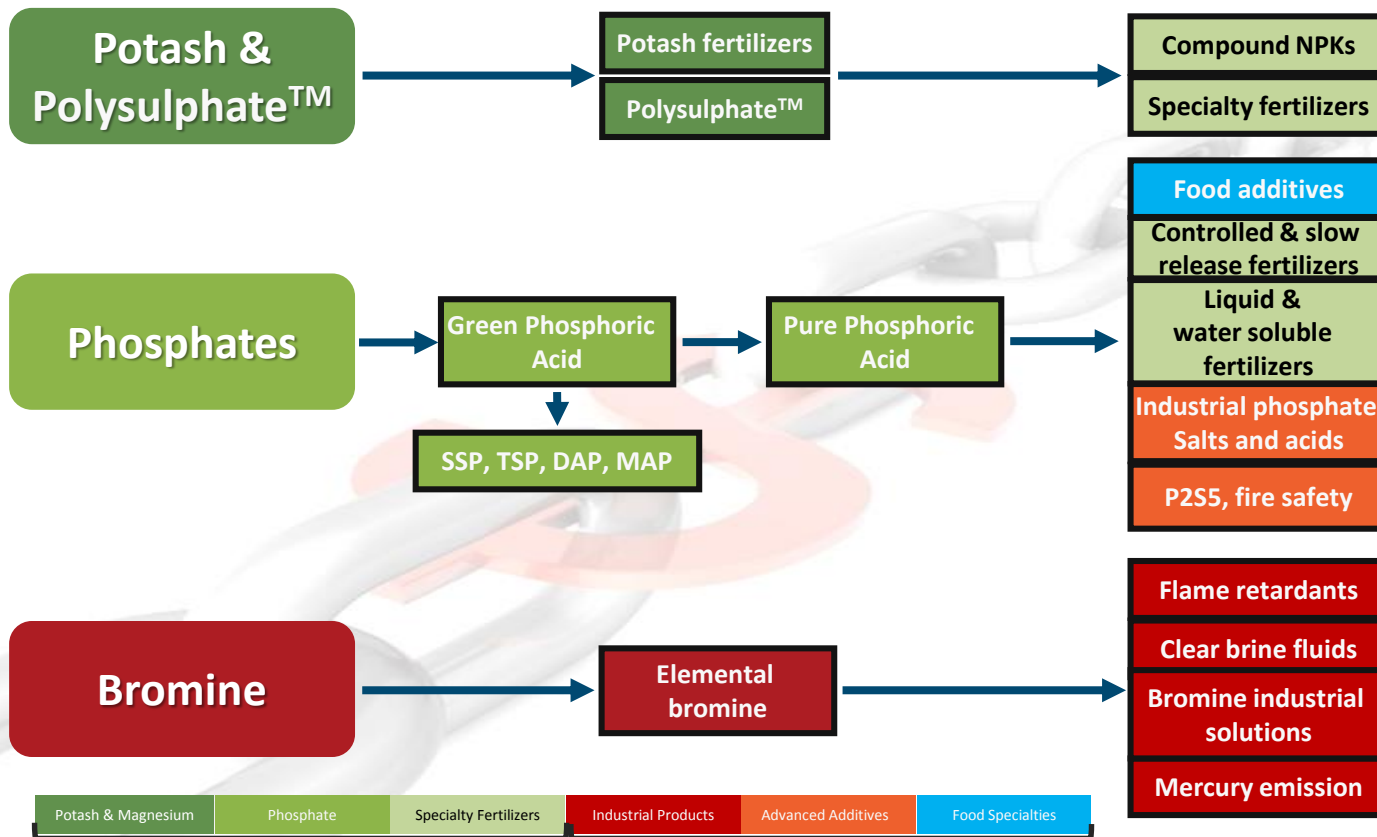
\$ million	Q3 2017	Q3 2016	% change
Sales*	758	748	1.3%
Segment O/I**	88	89	(1.1)%

- Record potash sales volumes to Brazil** and increased shipments to China. Average selling price increased by 9% over the period.
- Restructuring of our European sites and maintenance work at the Dead Sea resulted in **lower potash production and higher cost** compared to Q3 2016.
- Despite **lower sales volumes and selling prices of commodity phosphates**, operating income for the quarter exceeded last year due to income from insurance and **continued improvement in YPH JV**.
- Improved Specialty Fertilizers performance** supported by higher sales volumes in Europe and despite continued competitive pressure and unfavorable weather in North America as well as shortage of ammonia in Israel.

* Including inter-business lines' sales

** Excluding G&A, unallocated expenses and eliminations

Adding Value throughout Our Backward Integrated Production Chain



The background features several thick, curved lines in various colors including red, green, purple, orange, teal, and brown, which sweep across the frame. A solid dark blue horizontal band runs across the middle, serving as a backdrop for the text.

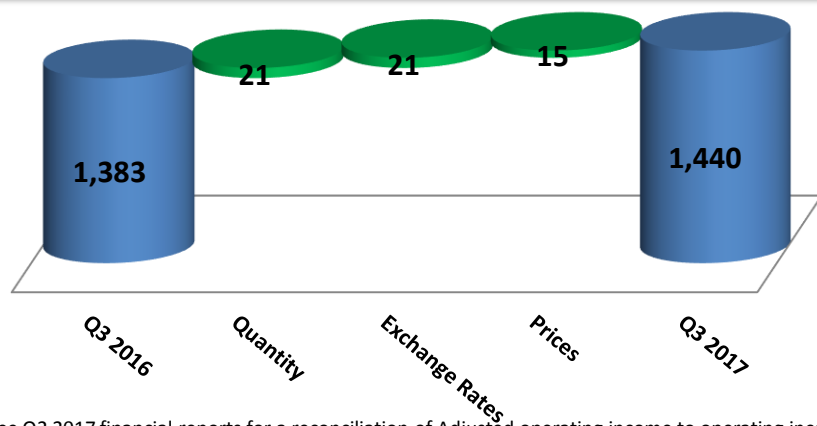
Financial Results

Kobi Altman
CFO

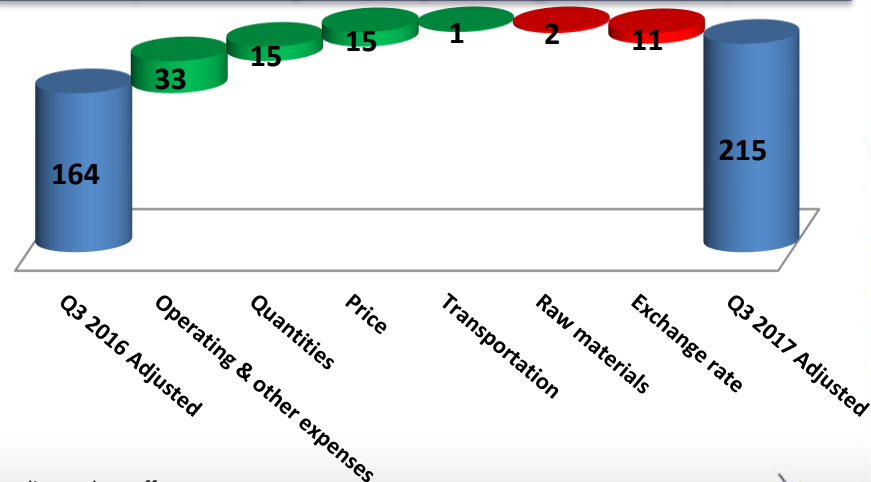
Main Financial Figures and Analysis

\$ millions	Q3 17	Q3 16	% change	Q2 17	% change
Sales	1,440	1,383	4.1%	1,322	8.9%
Gross profit	470	461	2.0%	415	13.3%
Operating income (loss)	180	(331)	NA	144	25.0%
Adjusted operating income	215	164	31.1%	153	40.5%
Net income (loss)	84	(340)	NA	57	47.4%
Adjusted net income	115	120	(4.2)%	64	79.7%
Capital Expenditures	100	157	(36.3)%	109	(8.3)%
Free cash flow*	78	96	(18.8)%	86	(9.3)%

Q3 2017 Sales (\$M)



Q3 2017 Adjusted operating income (\$M)



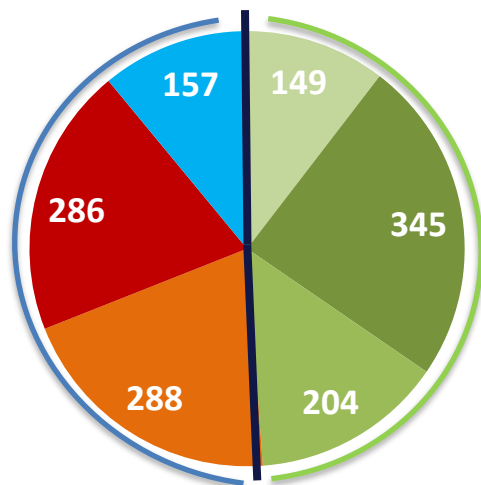
See Q2 2017 financial reports for a reconciliation of Adjusted operating income to operating income

* See appendix for reconciliation of free cash flow

Numbers may not add due to rounding and set offs

Q3 2017 SALES BY BUSINESS LINE* (US\$ M)

Specialty
Solutions
(Industrial)
51%

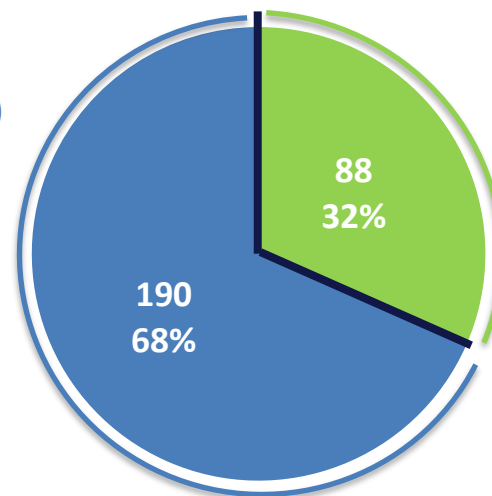


Essential
Minerals
(Agro)
49%

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

Q3 2017 OPERATING INCOME BY SEGMENT (US\$ M)

Specialty
Solutions
(Industrial)



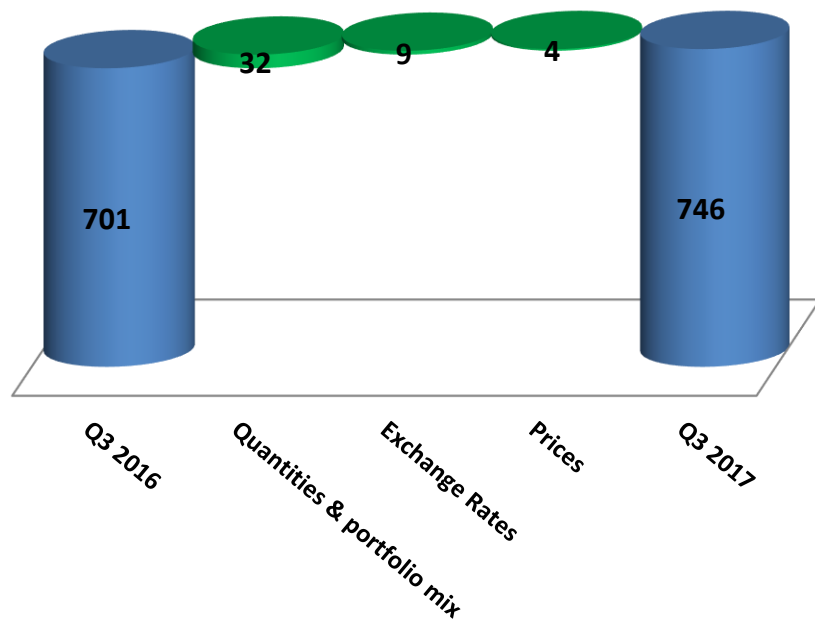
Essential
Minerals
(Agro)

* Sales to external customers only

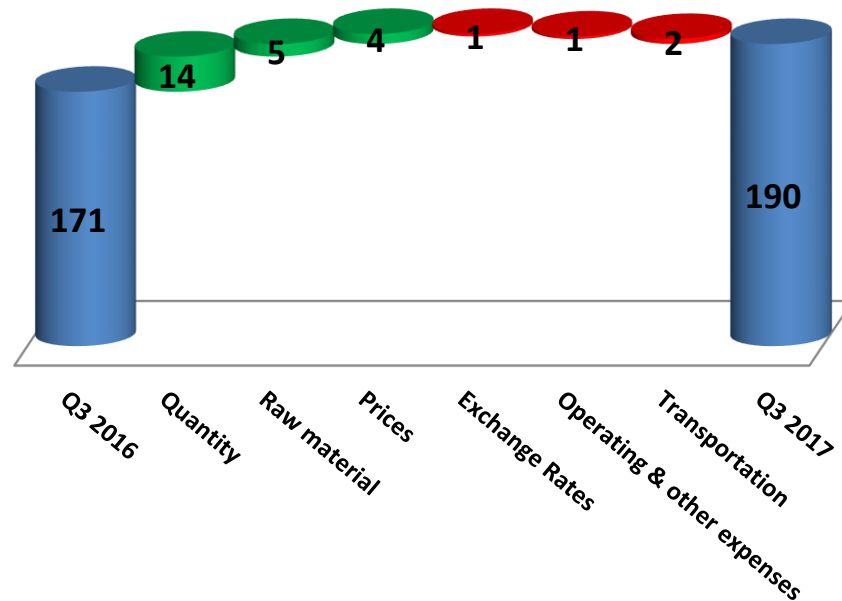
Effective Tax Rate Impacted by Exceptional Items

\$ million	Q3 2017	Q3 2016	FY2016
Profit before tax	182	152	506
Income and Natural resources tax	63	39	121
Normalized effective tax rate	<u>35%</u>	<u>26%</u>	<u>24%</u>
Special items	3	---	26
Post special items	66	39	147
Post special items Tax rate	<u>36%</u>	<u>26%</u>	<u>29%</u>
NIS strengthening and other	3	2	(47)
Post impact of NIS strengthening and other	69	41	100
<i>Effective tax rate</i>	<u>38%</u>	<u>27%</u>	<u>20%</u>

Sales (\$M)



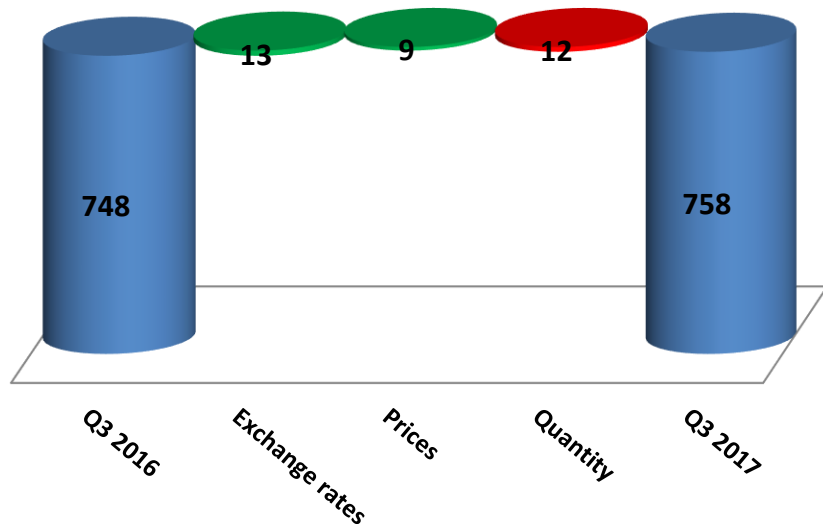
Segment operating income (\$M)



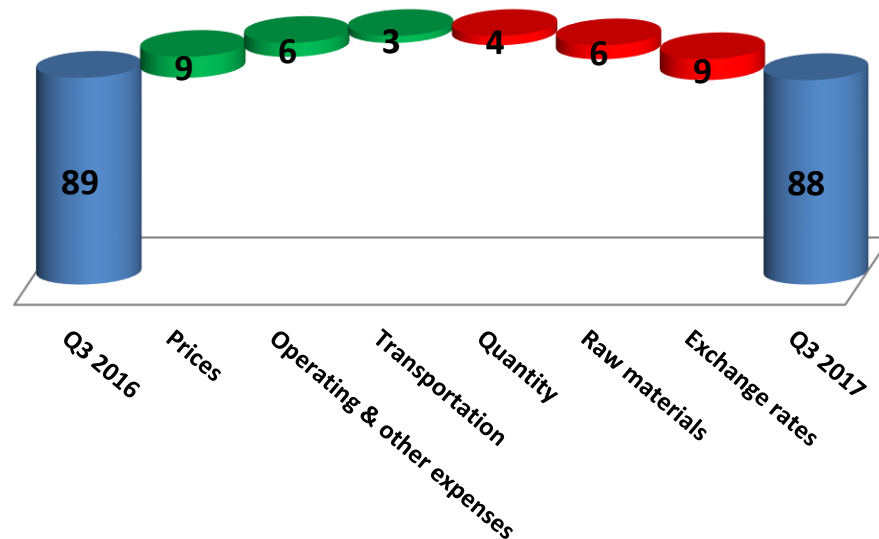
Excluding G&A and unallocated expenses

Numbers may not add due to rounding and set offs

Sales (\$M)



Segment operating income (\$M)

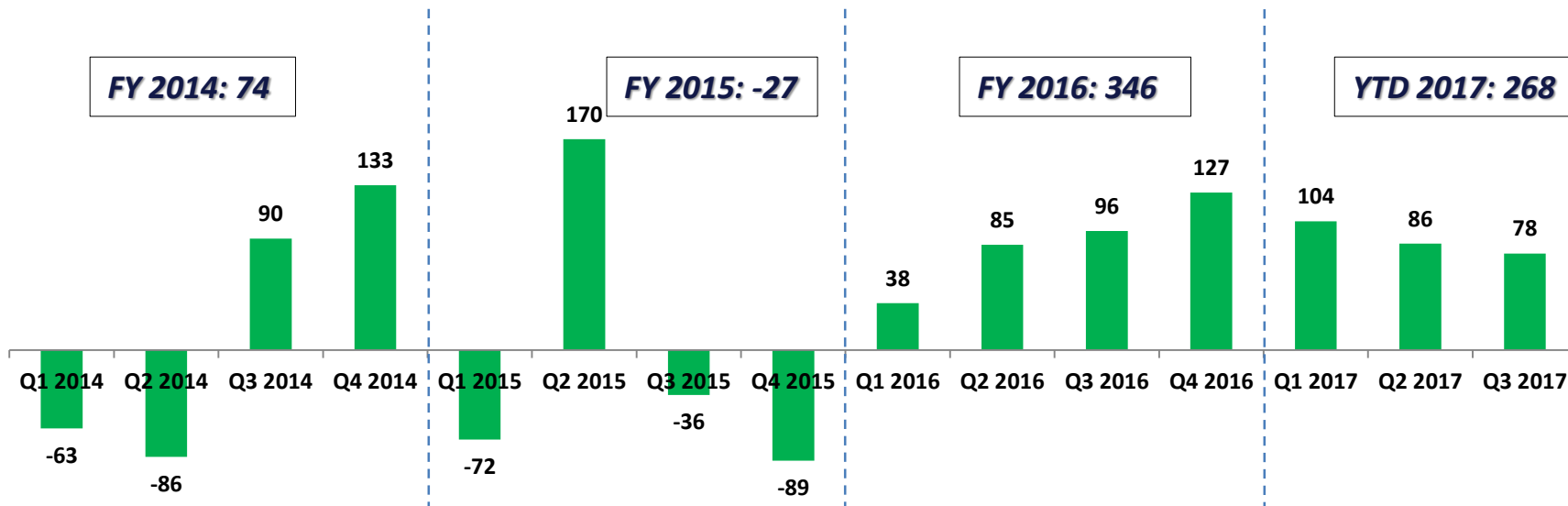


Excluding G&A and unallocated expenses

Numbers may not add due to rounding and set offs

\$ Million

Free Cash Flow*



S&P reaffirmed ICL's global investment grade rating at BBB- with stable outlook. Local rating reaffirmed at iIAA with stable outlook

* See appendix for reconciliation of free cash flow

The background features several thick, curved lines in various colors including red, green, purple, orange, teal, and brown, which sweep across the frame. A solid dark blue horizontal band cuts across the middle of the image, serving as a backdrop for the text. The overall aesthetic is modern and graphic.

Thank You

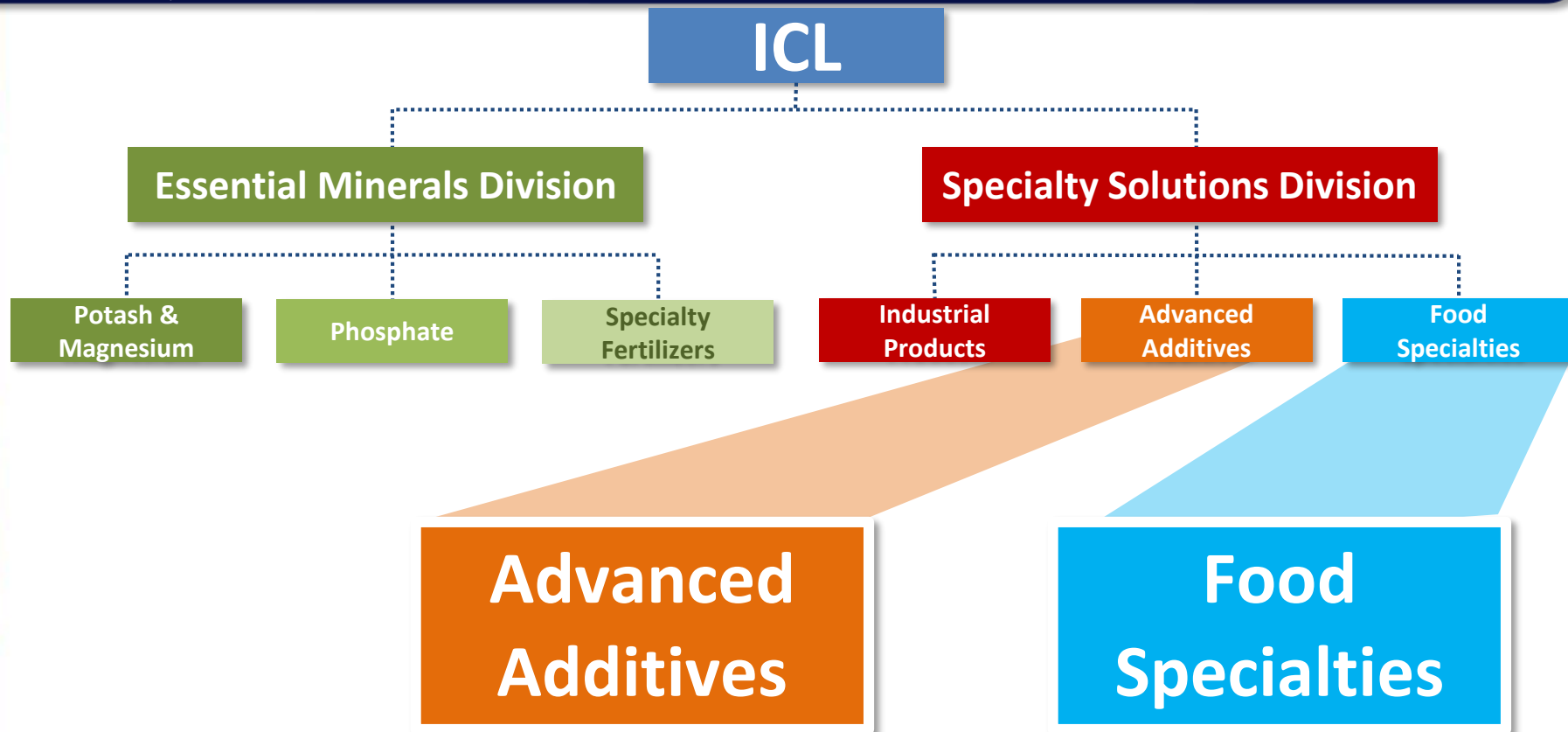


Where needs take us

Introduction to ICL Advanced Additives & Food Specialties

November 8, 2017





Advanced Additives & Food Specialties Profile 2016

\$1.46B REVENUE*
\$239M OPERATING INCOME**

% Sales by business line

Food Specialties **45%**
 Advanced Additives **55%**

EMPLOYEES WORLDWIDE



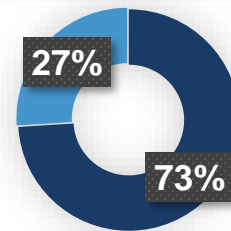
~ **2,000**

* Before setoffs and eliminations

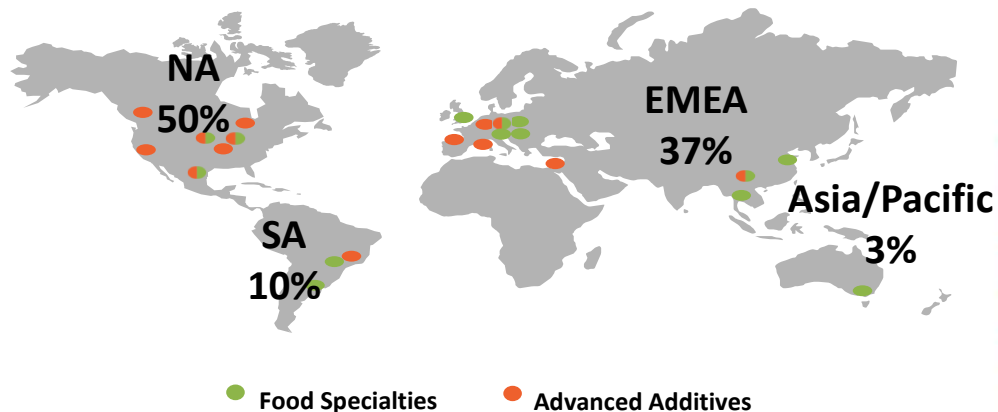
** Before G&A and other expenses not allocated to segments and intercompany eliminations

All numbers are rounded

\$5.6B ICL REVENUE*



Adv Add & Food Spec Sales Distribution



Advanced Additives & Food Specialties: Global Leadership Position

- **Backward integrated to phosphate rock:** full phosphate chain producer from rock to sophisticated blended products.
- **Only global manufacturer of high quality phosphoric acids and downstream phosphates:** US, Mexico, Germany, Israel, Brazil, China. Largest global merchant marketer of high quality phosphoric acid.
- **Poised to take advantage of growth** in China/SE Asia and South America.
 - ✓ YPH JV in China
 - ✓ Fosbrasil
- **Global leadership positions in high value markets:** specialty food proteins, Fire Fighting products & services, P2S5 for oil additives & ag specialties

\$800M ANNUAL SALES 2016*

\$155M OPERATING INCOME 2016*

EMPLOYEES WORLDWIDE



~1,100

ADVANCED ADDITIVES SALES DISTRIBUTION

Fire Safety	P2S5
P-Salts, Acids	P&C

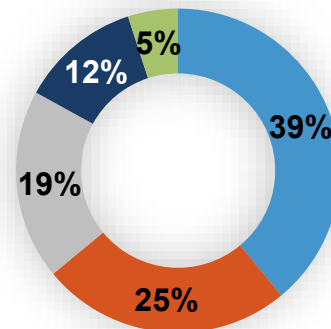
*Before setoffs and eliminations and following internal business alignment of segments in 2016, does not include revenues for the Specialty Minerals sub – business line which is now included as part of ICL Industrial Products

**Before G&A and other expenses not allocated to segments and intercompany eliminations
All numbers are rounded



BUSINESS LINES SALES DISTRIBUTIONS 2016

- Acid
- Ind. Specialities
- Fire Safety
- P2S5
- P4





Advanced Additives – A Stable Portfolio With Broad Applications



Market Trends

- Increasing infrastructure investments
- Less potable Water
- Global weather patterns
- Increased Vehicle demand.
- Long-term growth in Asia & South America

Growth Opportunities

- Expand in Asia Pacific & LATAM
- Focused innovation
- Optimize acquisitions & global manufacturing footprint
- Ongoing P205 chain optimization

\$660M

ANNUAL SALES 2016*

\$84M

OPERATING INCOME 2016*

EMPLOYEES
WORLDWIDE

~900

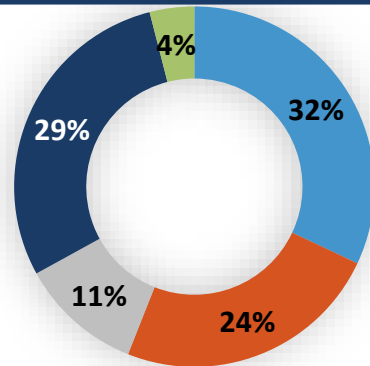


*Before setoffs and eliminations

**Before G&A and other expenses not allocated to segments and intercompany eliminations

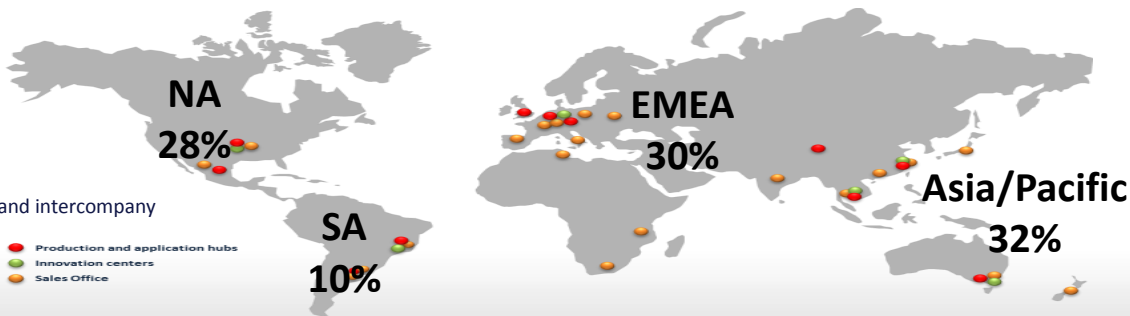
All numbers are rounded

2016 ANNUAL SALES BREAKDOWN



■ Single Phosphates ■ Phosphate Blends ■ Multiblends

FOOD GLOBAL PRESENCE



Food Specialties – A Stable Portfolio With Broad Applications



Market Trends

Follow key industry trends

- Growing middle class in emerging markets
- Increase Processed food consumption
- Longer shelf- life
- “On the go”
- Health and Nutrition (gluten free, reduced salt)

Growth Opportunities

- High-growth new applications in Meat, Dairy, Infant Milk Nutrition
- Expand portfolio through tailored solutions
- Local presence in growing emerging markets

Only Global player and backward integrated; expanded footprint in Asia & South America

Diverse and blue-chip customer base

Demonstrated ability for Selling Solutions

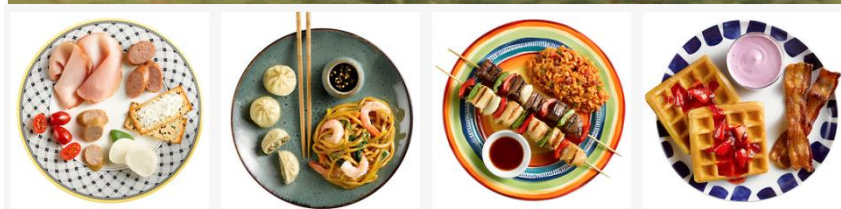
Growing sales and margins in the face of competitive market environment

The background features several thick, curved lines in various colors including red, green, purple, orange, teal, and brown, which sweep across the frame. A solid dark blue horizontal band runs across the middle of the image, serving as a backdrop for the text. The overall aesthetic is modern and graphic.

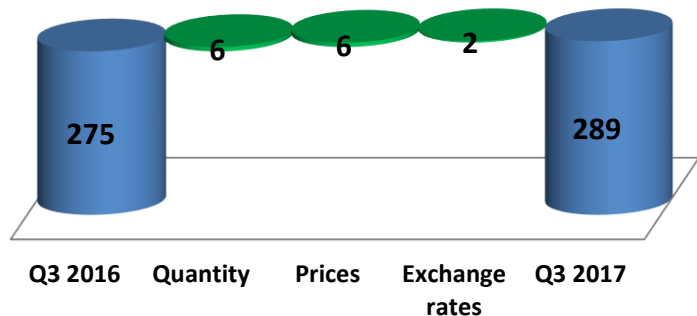
Thank You

The background features several thick, curved lines in various colors including red, green, orange, purple, and teal, which sweep across the frame. A solid dark blue horizontal band cuts across the middle of the image, serving as a backdrop for the text. The overall aesthetic is modern and graphic.

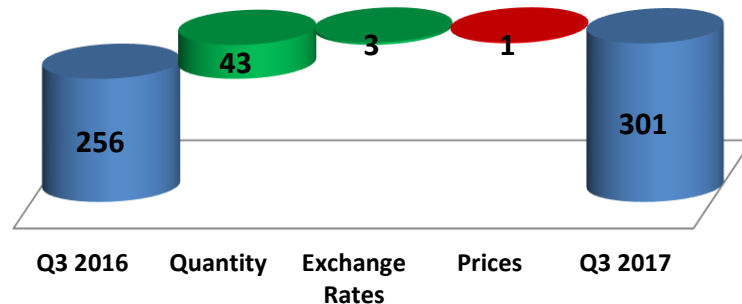
Appendix



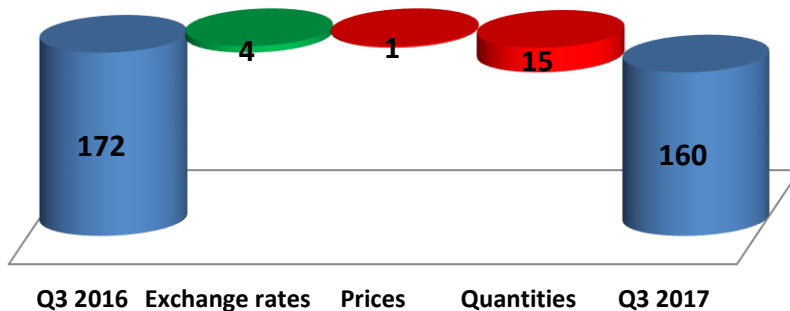
Industrial Products



Advanced Additives

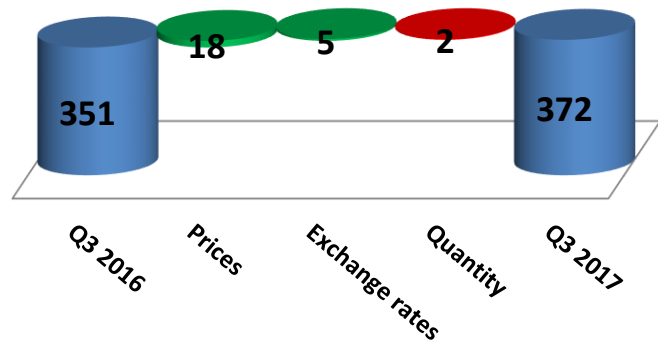


Food Specialties

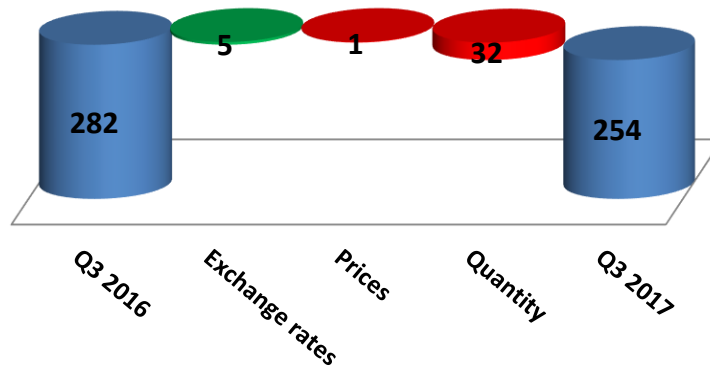




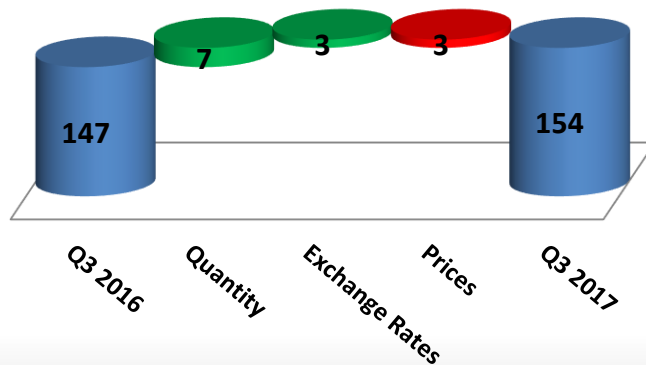
Potash & Magnesium



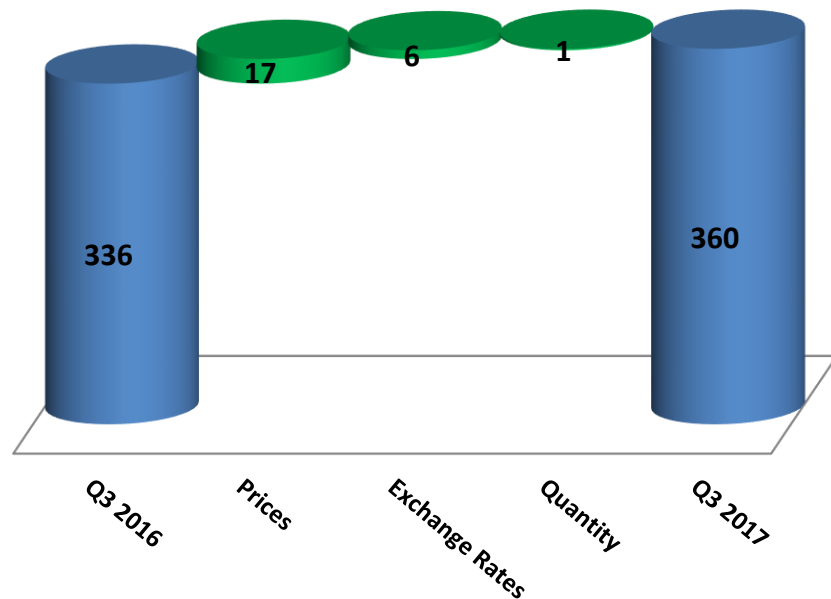
Phosphates



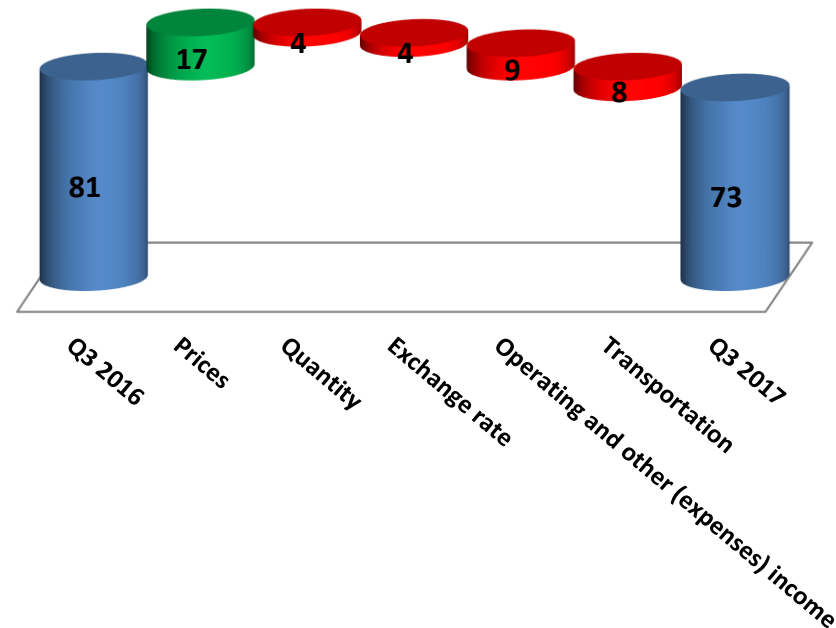
Specialty Fertilizers



Sales (\$M)



Business unit operating income (\$M)



Excluding G&A and unallocated expenses

See Q3 2017 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

Free Cash Flow Reconciliation

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Cash flow from operations	167	120	295	310	66	325	124	58	222	238	249	257	195	199	176
Purchase of property, plant and equipment and intangible assets	(239)	(209)	(207)	(180)	(150)	(155)	(164)	(150)	(187)	(154)	(153)	(138)	(106)	(113)	(98)
Dividend from investees	9	3	2	3	12	-	4	3	3	1	-	8	3	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-
Free Cash Flow	-63	-86	90	133	-72	170	-36	-89	38	85	96	127	104	86	78

Non GAAP Financial Measures

We disclose in this Quarterly Report non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow. Our management uses adjusted operating income, adjusted net income attributable to the Company's shareholders and adjusted EBITDA to facilitate operating performance comparisons from period to period and present free cash flow to facilitate a review of our cash flows in periods. We calculate our adjusted operating income by adjusting our operating income to add certain items, as set forth in the reconciliation table "Adjustments to reported operating and net income" above. Certain of these items may recur. We calculate our adjusted net income attributable to the Company's shareholders by adjusting our net income attributable to the Company's shareholders to add certain items, as set forth in the reconciliation table "Adjustments to reported operating and net income" above, excluding the total tax impact of such adjustments and adjustments attributable to the non-controlling interests. We calculate our adjusted EBITDA by adding back to the net income attributable to the Company's shareholders the depreciation and amortization, financing expenses, net, taxes on income and the items presented in the reconciliation table "Adjusted EBITDA for the periods of activity" below which were adjusted for in calculating the adjusted operating income and adjusted net income attributable to the Company's shareholders. We calculate our free cash flow as our cash flows from operating activities net of our purchase of property, plant, equipment and intangible assets, and adding Proceeds from sale of property, plant and equipment and Dividends from equity-accounted investees during such period as presented in the reconciliation table under "Calculation of free cash flow".

You should not view adjusted operating income, adjusted net income attributable to the Company's shareholders or adjusted EBITDA as a substitute for operating income or net income attributable to the Company's shareholders determined in accordance with IFRS, or free cash flow as a substitute for cash flows from operating activities and cash flows used in investing activities, and you should note that our definitions of adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow may differ from those used by other companies. However, we believe adjusted operating income, adjusted net income attributable to the Company's shareholders, adjusted EBITDA and free cash flow provide useful information to both management and investors by excluding certain expenses that management believes are not indicative of our ongoing operations. In particular for free cash flow, we adjust our Capex to include any Proceeds from sale of property, plant and equipment because we believe such amounts offset the impact of our purchase of property, plant, equipment and intangible assets. We further adjust free cash flow to add Dividends from equity-accounted investees because receipt of such dividends affects our residual cash flow. Free cash flow does not reflect adjustment for additional items that may impact our residual cash flow for discretionary expenditures, such as adjustments for charges relating to acquisitions, servicing debt obligations, changes in our deposit account balances that relate to our investing activities and other non-discretionary expenditures. Our management uses these non-IFRS measures to evaluate the Company's business strategies and management's performance. We believe that these non-IFRS measures provide useful information to investors because they improve the comparability of the financial results between periods and provide for greater transparency of key measures used to evaluate our performance.

We present a discussion in the period-to-period comparisons of the primary drivers of changes in the company's results of operations. This discussion is based in part on management's best estimates of the impact of the main trends in its businesses. We have based the following discussion on our financial statements. You should read the following discussion together with our financial statements.