Essential Minerals for Life

Nomura Global Chemical Industry Leaders Conference

Rome, March 22, 2012

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Company Basics

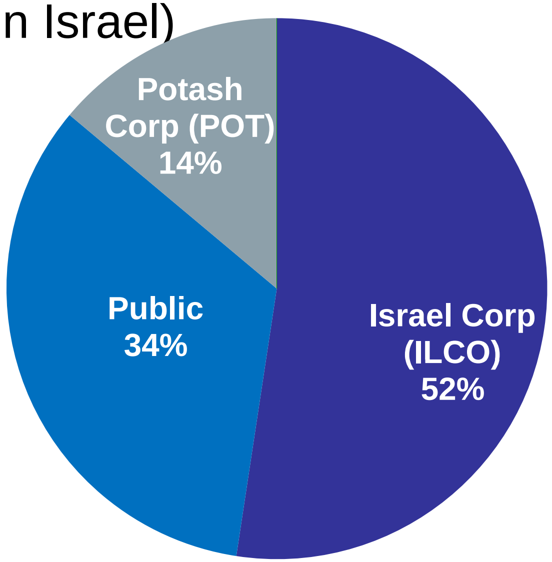
From Basic Minerals to Downstream Products and Performance Solutions

ICL - A Global Player

- A global manufacturer of fertilizers & specialty chemicals
  Headquartered in Israel, worldwide operations
- 2010 revenues: US$ 5.7 billion; Net Income: US$ 1.025 billion
  9M 2011 revenues: US$ 5.4 billion; Net Income: US$ 1.142 billion
- Close to 50% of revenues derived from production activities outside of Israel; ~94% of sales occur outside of Israel
- 11,965 employees* as of September, 2011 (~5,000 in Israel)
- Trading: Tel-Aviv Stock Exchange (TASE: ICL)

Market cap**:~$14 billion

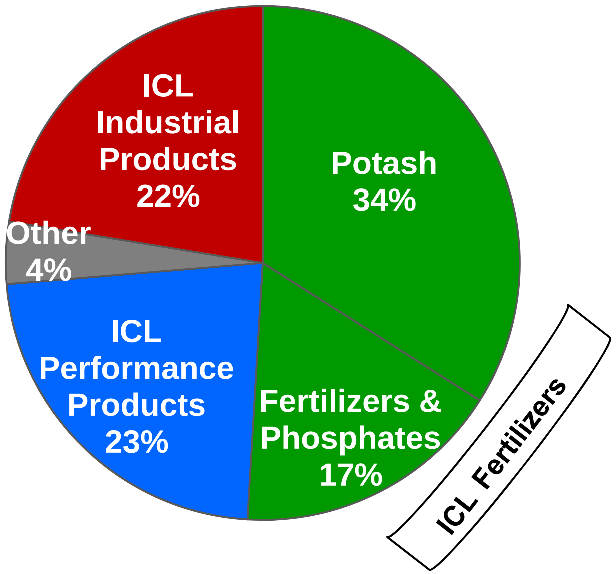
Dividend yield: 2011: 5.5%; Decade average: 4.8%



ICL Shareholders

* Including new acquisitions
** As of March 12, 2012

Integrated Portfolio Across Segments – From Basic Materials to Downstream Products



Potash, Phosphate Rock, Phosphoric Acid, Phosphate Fertilizers, Compound Fertilizers, Specialty Fertilizers, Feed Additives, Salts

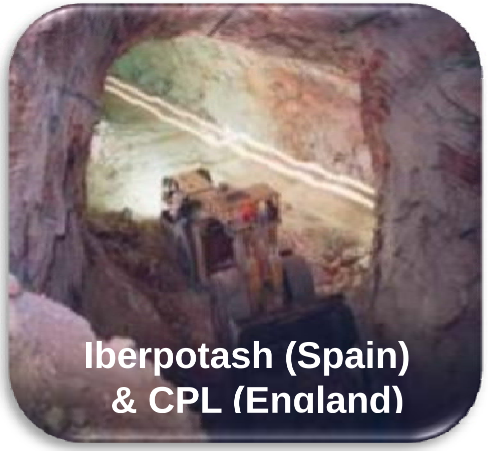
Elemental Bromine, Bromine & Organophosphorus Flame Retardants, Various Bromine Compounds, Chlorine-based Biocides, Magnesia Products

Specialty Phosphates: Technical, Food Grade & Electronic Grade Phosphoric Acid, Phosphate Salts, Food Additives, Hygiene Products, Wildfire Safety Products, Water Treatment Chemicals and Services

Pure Magnesium, Magnesium Alloys;
Water Desalination Solutions (via IDE, 50% JV)

Note: % based on 2010 sales

Access to Vast, Low Cost Natural Resources



Potash

Polyhalite

Bromine

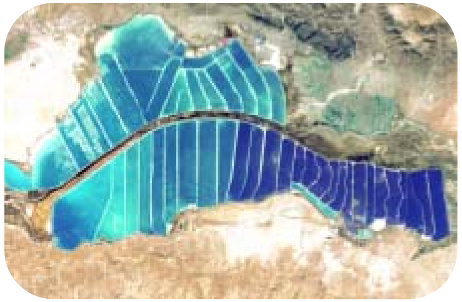
Magnesium

Salts

Phosphates

Dead Sea Potash - Unique Low-cost Technology and Open Air Storage

Evaporation Process → **Dredging Operation** → **2 Production Lines** → **Open Air Storage Capacity**



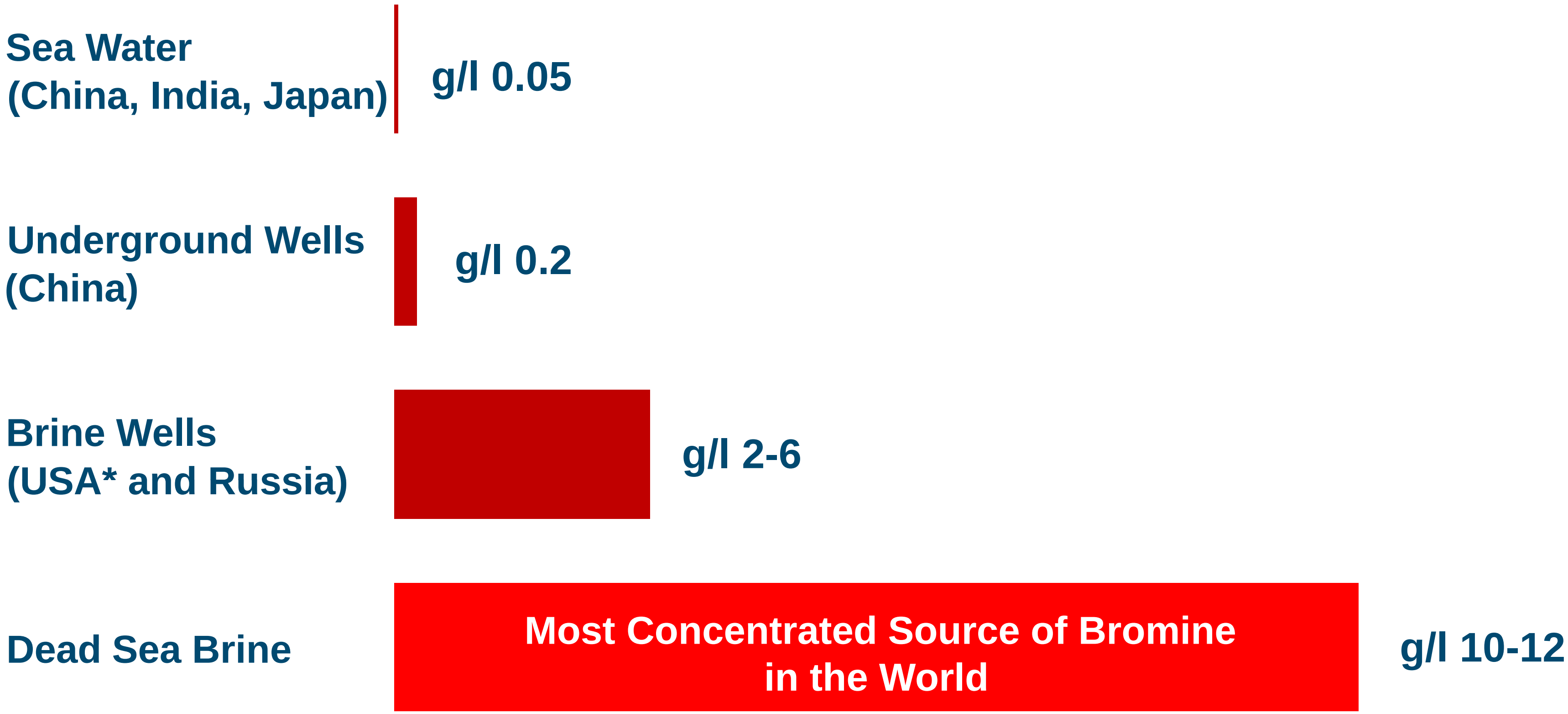

- ***Environmentally friendly pond evaporation system, saves the burning of about 10 million tons of coal or diesel oil each year***
- ***Use of natural gas in Israel, as of mid 2010, reduces CO_2 emissions to the atmosphere***

Agreement with the Israeli Government Ensures Future Potash Development & Sustainability at the Dead Sea

- **ICL will finance over 80% of the salt dredging costs.**
- **Dead Sea Works' royalty rate will increase from 5% to 10%** on ex-works (average) price of potash for annual volumes sold **over 1.5 million tons**.

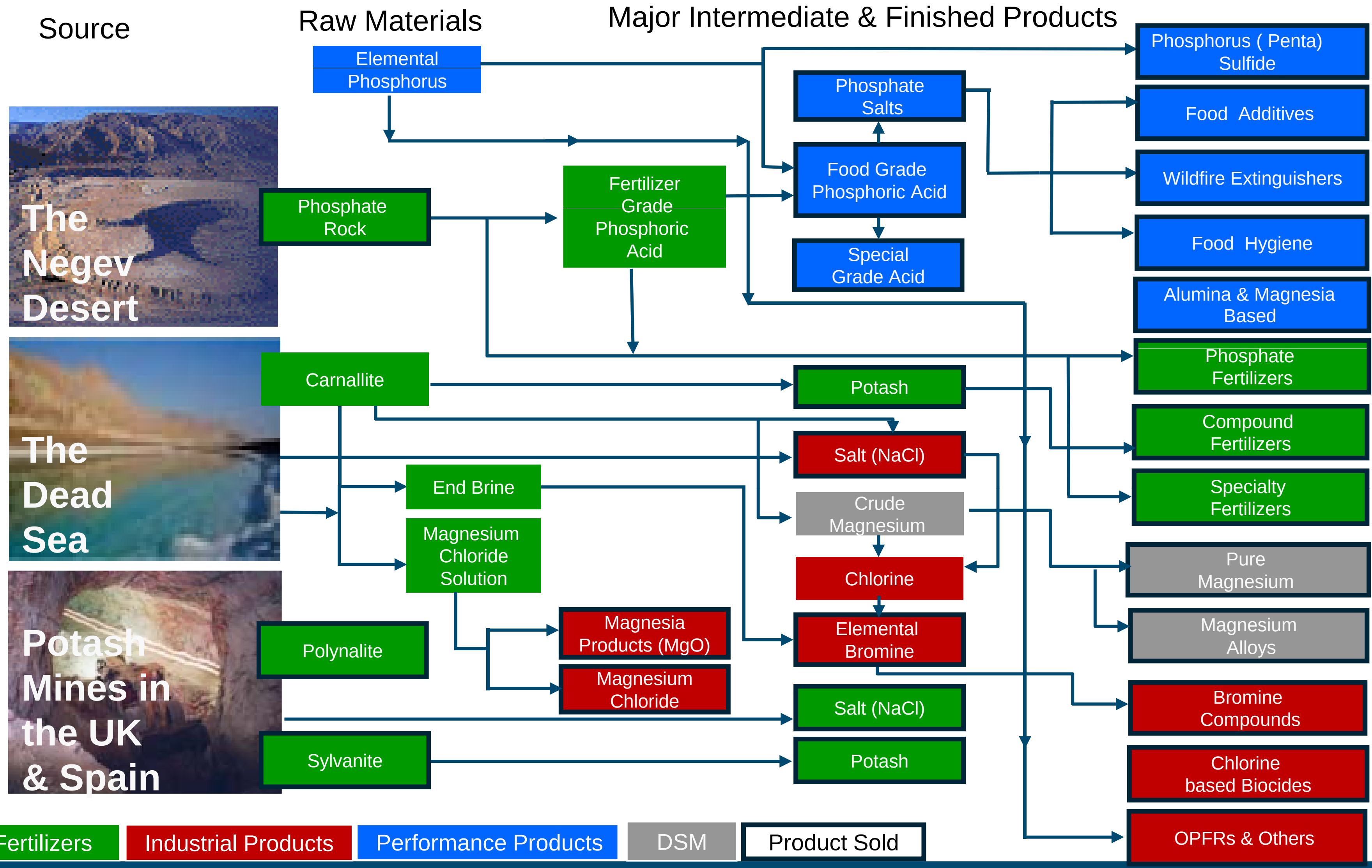
6. The barges return the salt to the northern basin of the Dead Sea.
5. At the North terminal, the salt is loaded onto barges.
4. The dry salt is loaded onto a conveyor to transport it to the terminal.
3. The salt is drained. The solution is filtered and returned to the pond.
2. The suspension flows through a floating pipe to a drainage area near the dike.
1. Floating dredgers harvest the salt

Bromine: Lowest Cost, Virtually Unlimited Reserves



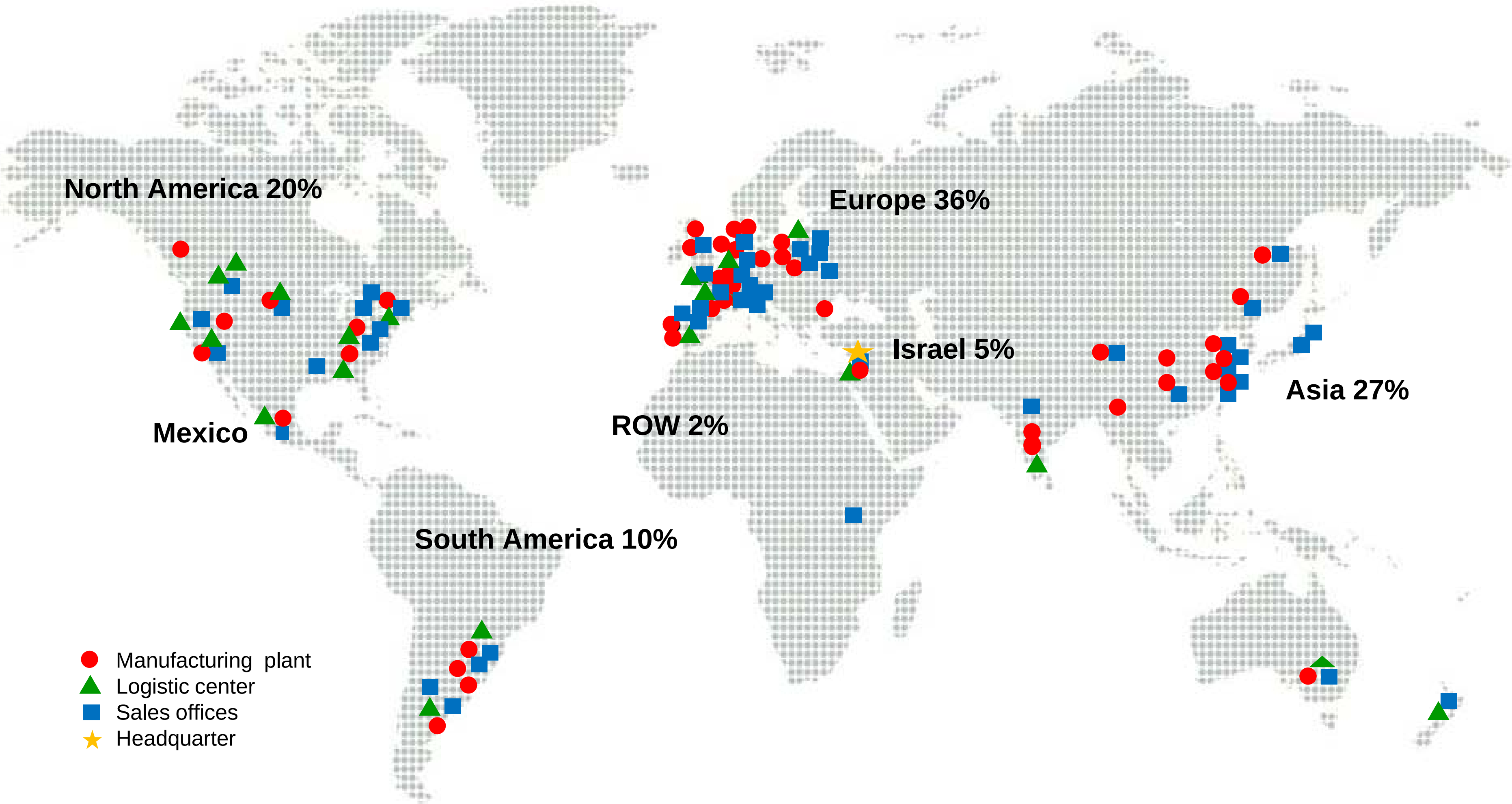
* Arkansas – brine wells of Chemtura & Albemarle

Vertical Integration With High Utilization of By-Products & Waste Products



Strong Global Presence & Logistical Advantages

Sales by Geography (1-9/11)



Leading Player in Global Industries

#1 in elemental bromine ~40% of global production capacity

#1 in organophosphorus flame retardants

#1 producer of pure phosphoric acid

#1 in specialty phosphates

#1 in wildfire safety products

#1 producer of PK fertilizers (compound potash & phosphate fertilizers)

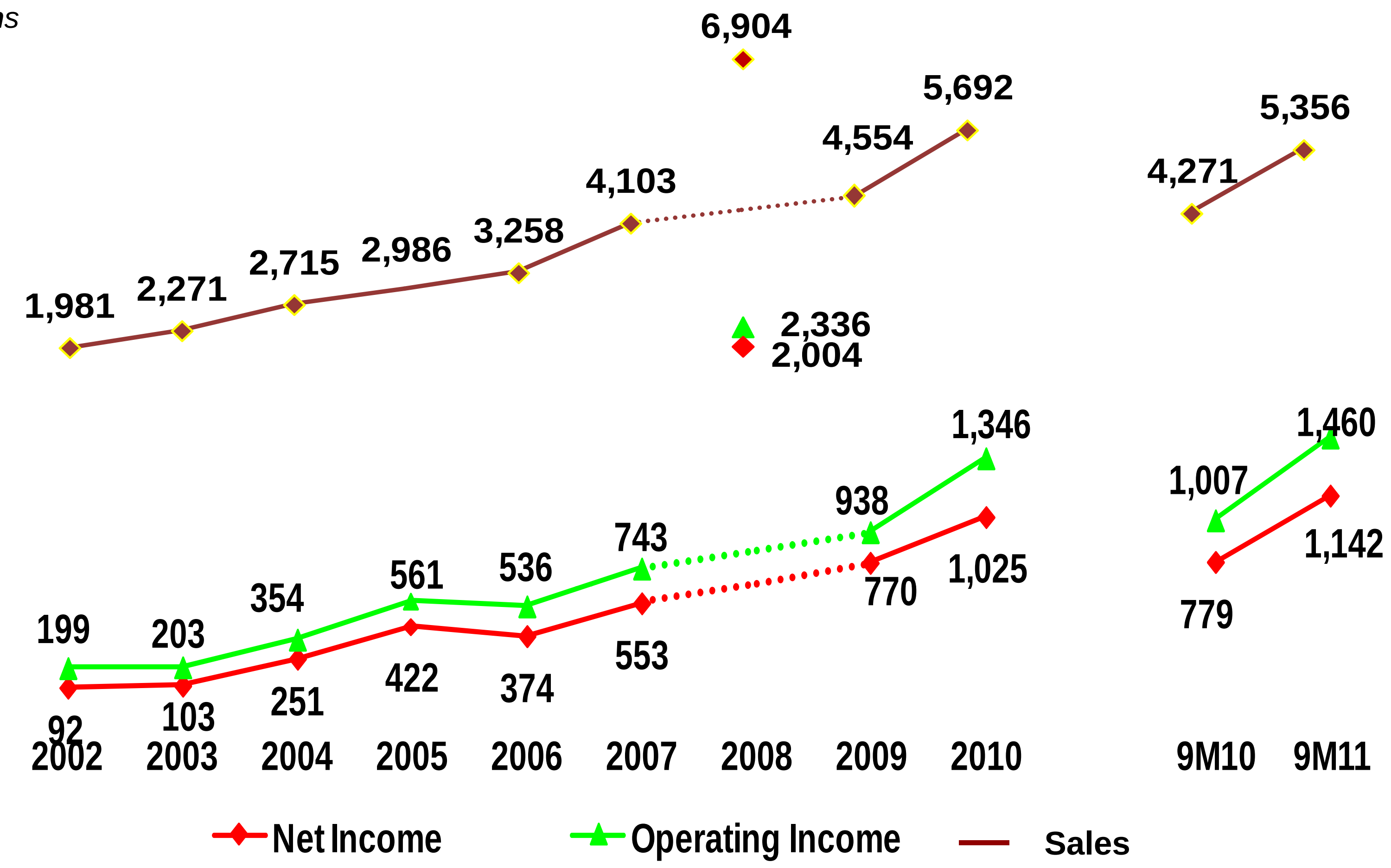
#2 Europe and #6 Worldwide in potash supply

#2 Western world magnesium production, and...

Major player in specialty fertilizers & specialty chemical niche markets

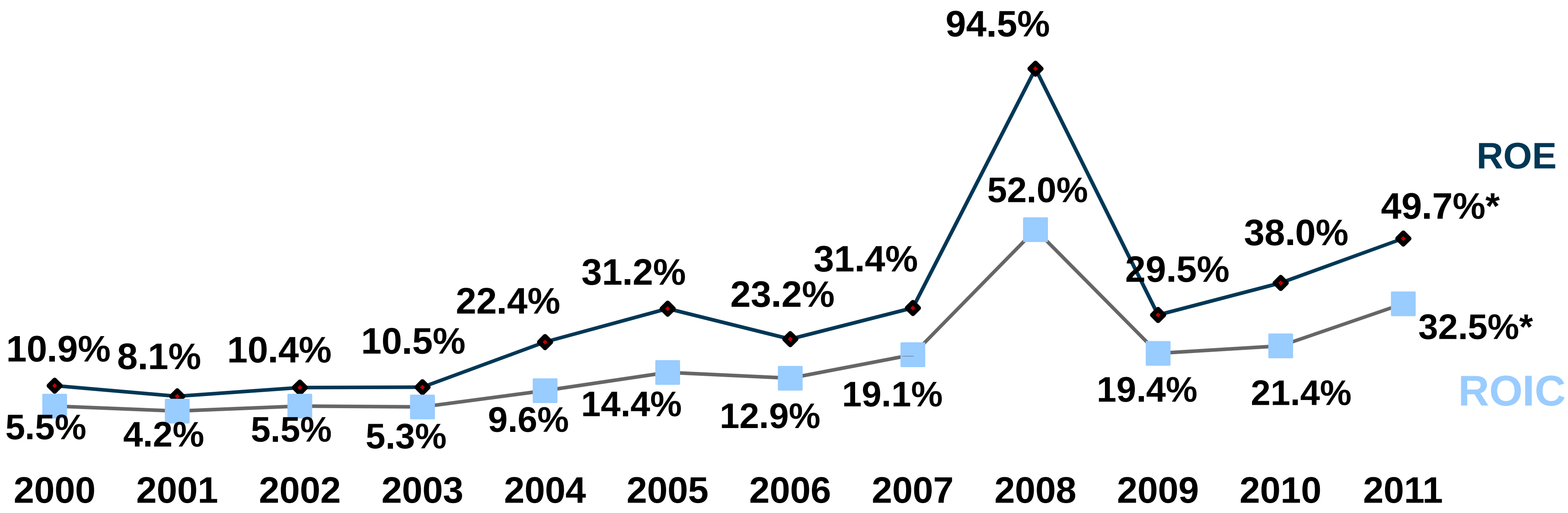
Continuous Historical Growth Trend

$ millions



*2002-2006 figures are based on Israeli GAAP, 2007-2011 are based on IFRS

Strong Returns



* LTM (as of September 2011)

2000-2006 figures are based on Israeli GAAP, 2007-2011 based on IFRS
ROE (Return on equity) = net income / shareholders' equity, average
ROIC (Return on invested capital) = (operating income ×(1-0.20)) / ((trade receivables + inventory – trade payables) + PP&E, net), average

10 Years of High Dividend Yields

Dividend policy:
Up to 70% of net income in quarterly payments

Year	*Dividend Yield**
2001	**4.0%**
2002	**4.8%**
2003	**4.5%**
2004	**4.5%**
2005	**3.6%**
2006	**6.4%**
2007	**3.5%**
2008	**5.9%**
2009	**3.9%**
2010	**7.0%**

2011 Dividend Payments
Q1: $195 million announced on May, 2011
Q2: $298 million announced on August, 2011
Q3: $300 million announced on November, 2011

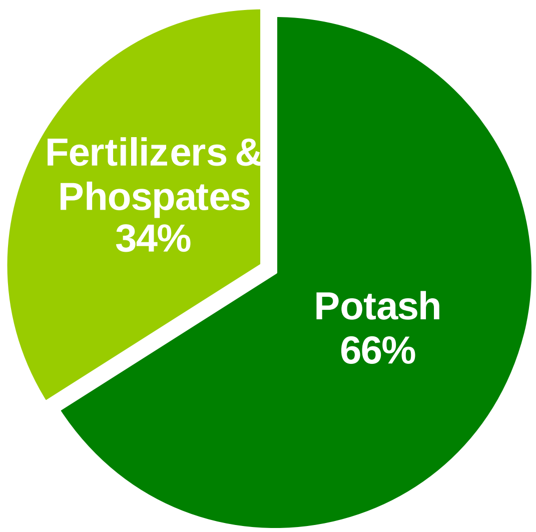
* Calculated according to market capitalization based on average share price adjusted for dividends

Company & Market Updates

ICL Fertilizers

Meeting the Challenge of Growing Demand for Food

ICL Fertilizers:
A Variety of Commodity & Specialty Fertilizers



Segment Sales - 2010: $3,107 Million

1-9/2011: $3,063 Million

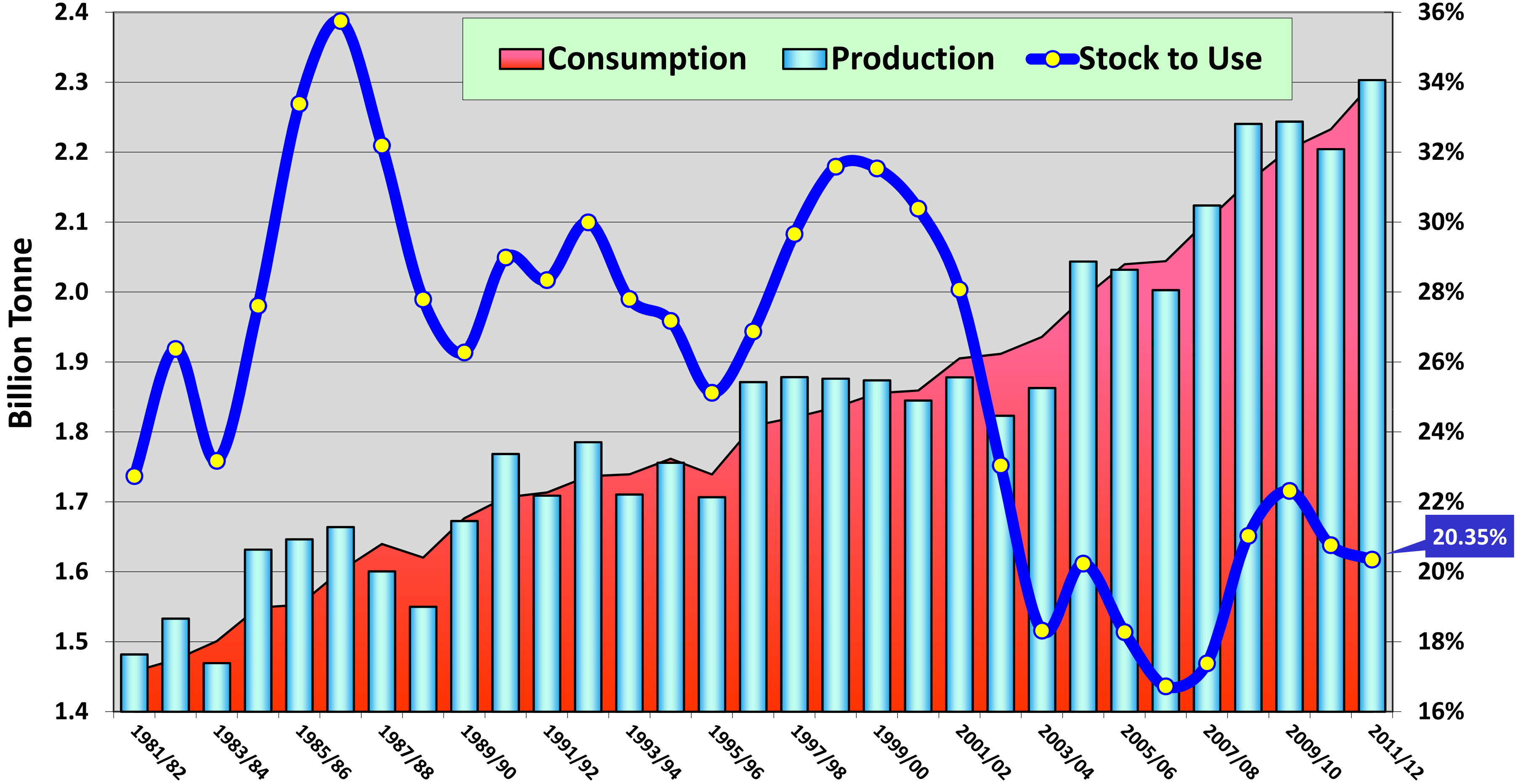
Based on 2010 external sales

Low Levels of World Grain Stocks & Stock-to-Use Ratio Signal a Need for More Crops & Fertilizers

ICL

Stocks of Grains and Pulses

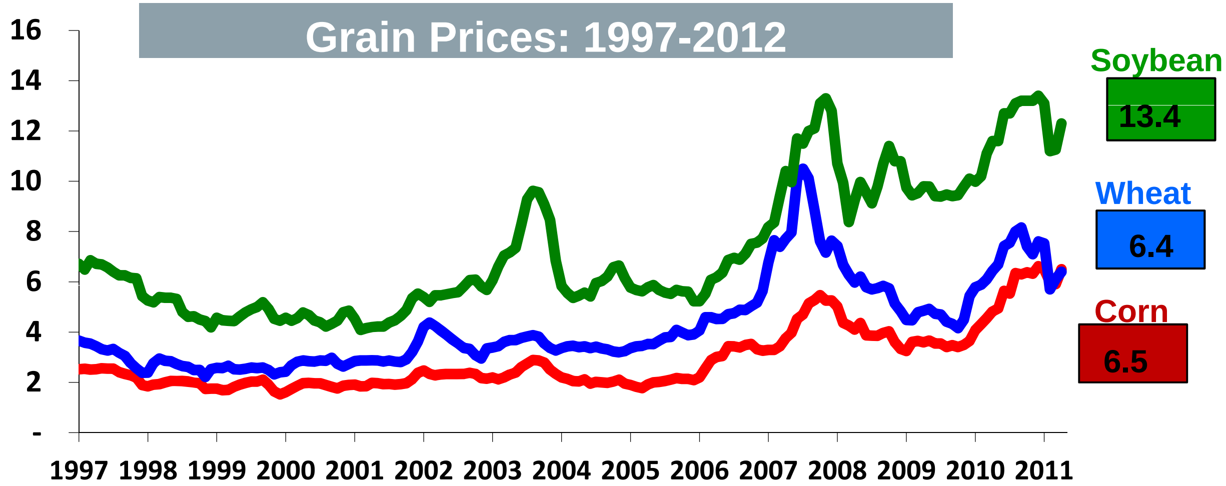
Barley, corn, millet, mixed grain, oats, rice, rye, sorghum & wheat (*source: USDA, March 2012*)



High Farm Commodity Prices May Support High Fertilizer Prices

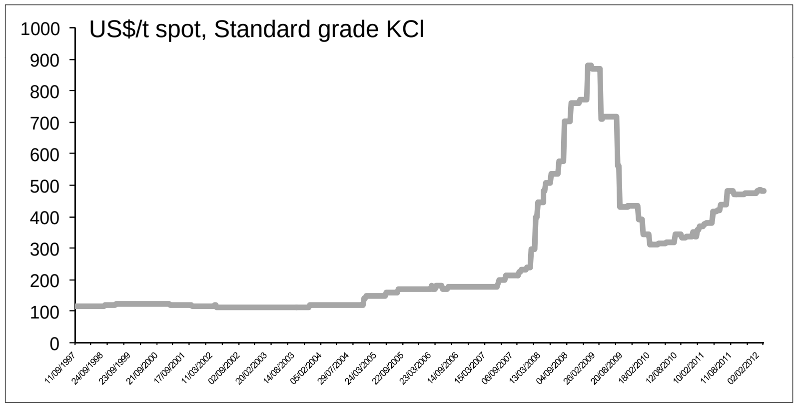
US$/ bushel

Grain Prices: 1997-2012



Source: CBOT (March 11, 2012)

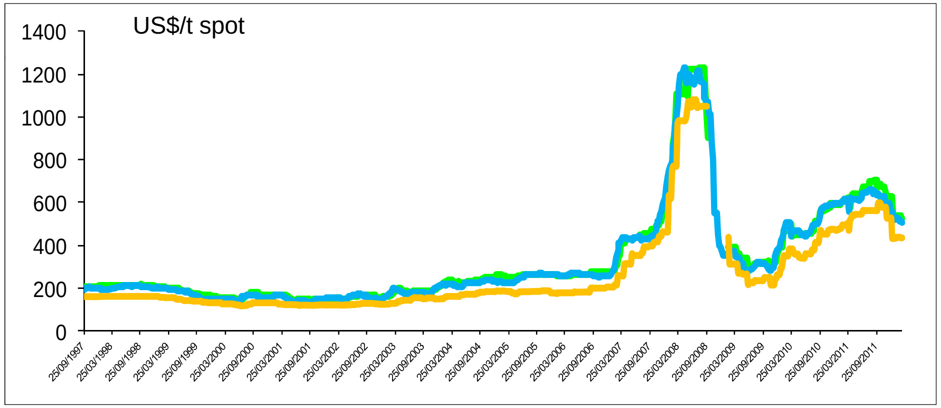
Potash Prices (1997-2012)



FOB Vancouver

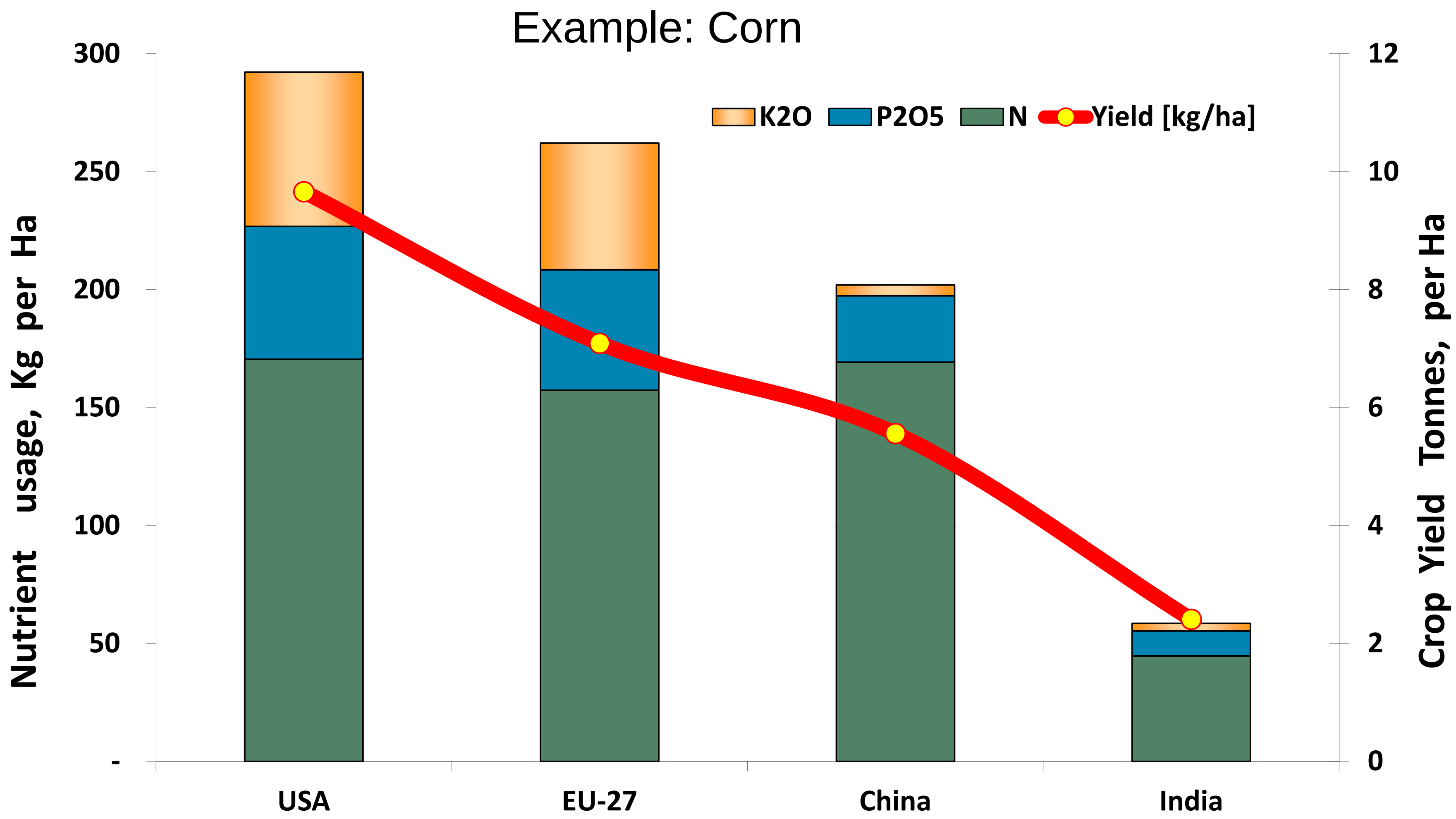
Sources: Fertilizer Week (March 9, 2012)

Phosphate Prices (1997-2012)



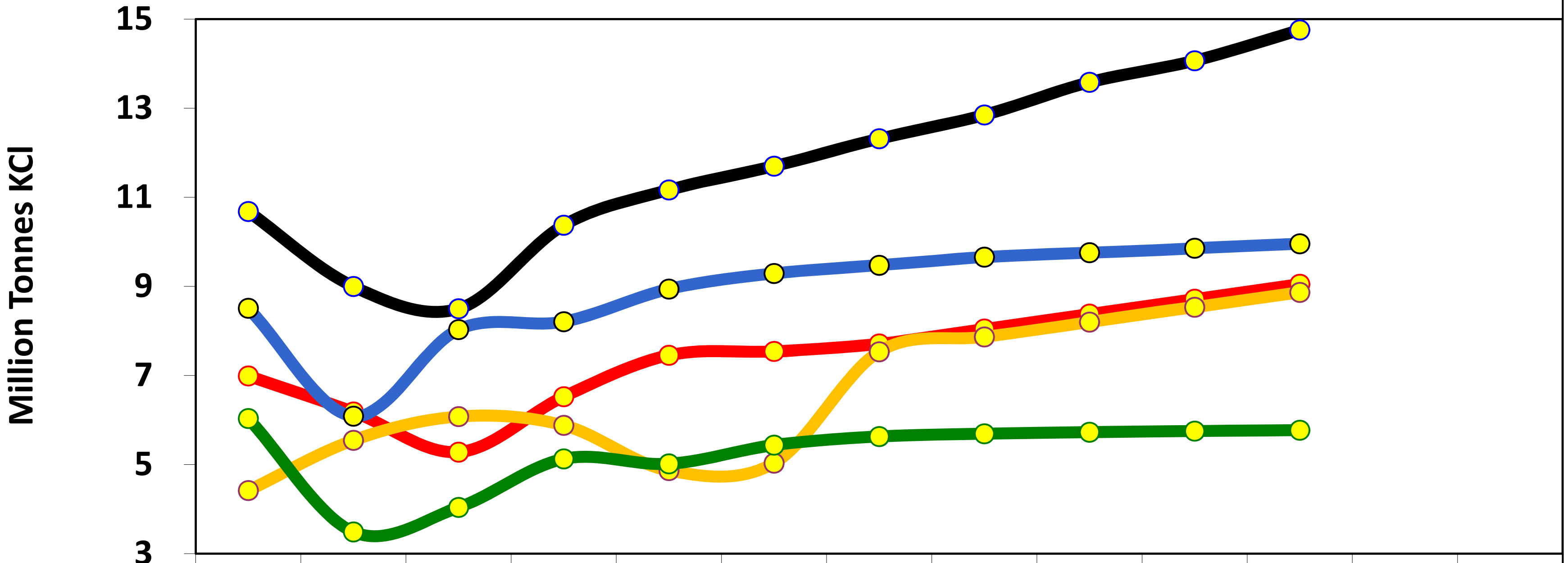
DAP N. Africa DAP US Gulf TSP N. Africa

Potential for Increasing Crop Yield in Major Food Growing Countries by Improved Fertilizer Application



Source: USDA, July 2011, IFA

Total Potash Consumption Outlook
In Selected Geographies, 2007-2017

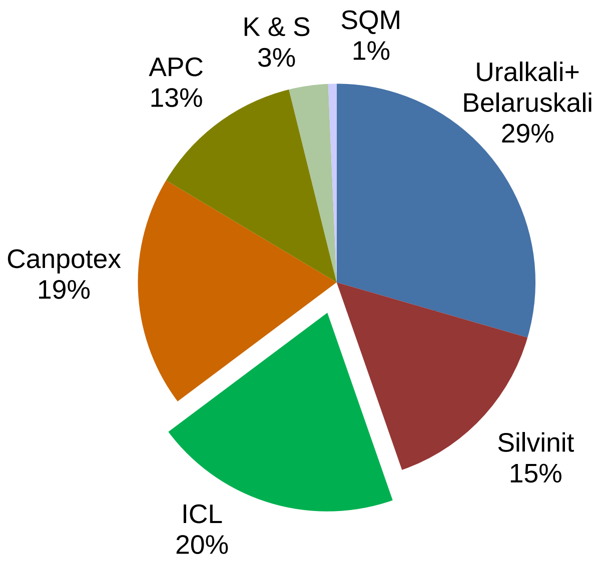


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		CAGR 2007-17
China PR	10.68	9.00	8.50	10.38	11.17	11.70	12.32	12.85	13.58	14.07	14.76		3.3%
Brazil	6.99	6.18	5.28	6.53	7.46	7.54	7.71	8.05	8.38	8.72	9.05		2.6%
India	4.42	5.55	6.08	5.88	4.87	5.03	7.53	7.87	8.20	8.53	8.87		7.2%
USA	8.51	6.09	8.03	8.21	8.94	9.29	9.48	9.66	9.76	9.86	9.96		1.6%
EU 27	6.04	3.49	4.04	5.13	5.02	5.44	5.63	5.69	5.73	5.75	5.77		-0.4%

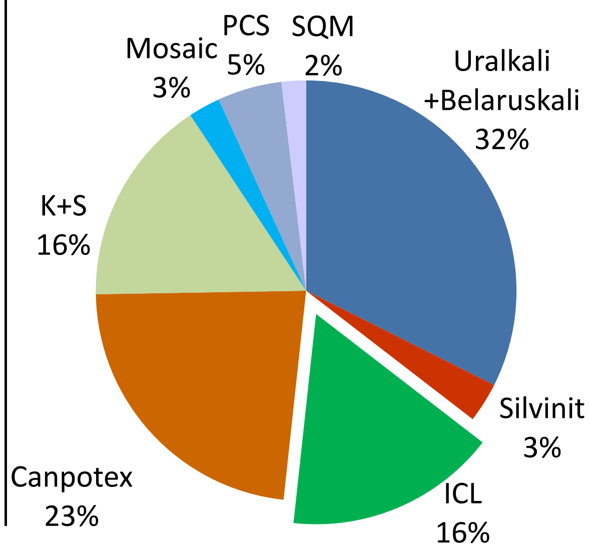
Sources: FertEcon Potash Outlook 2011-4 (Feb 2012)

ICL's Potash Market Share* in 2010 Increasing in the Fast Growing Emerging Markets

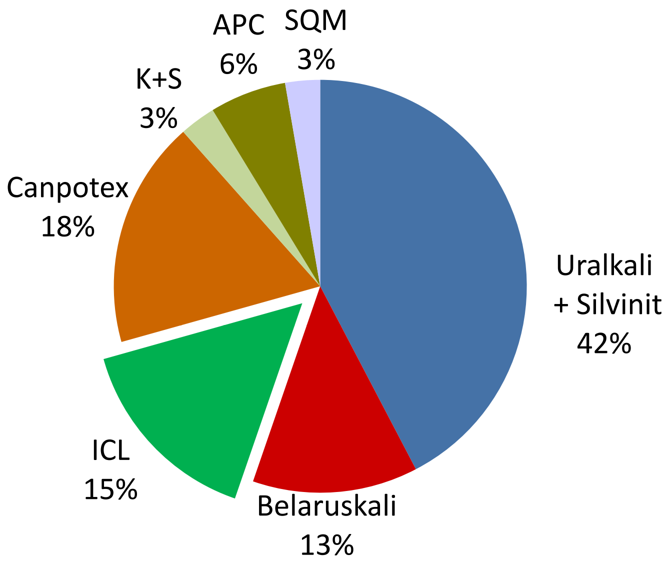
India (total 6Mt)



Brazil (total 6.1Mt)



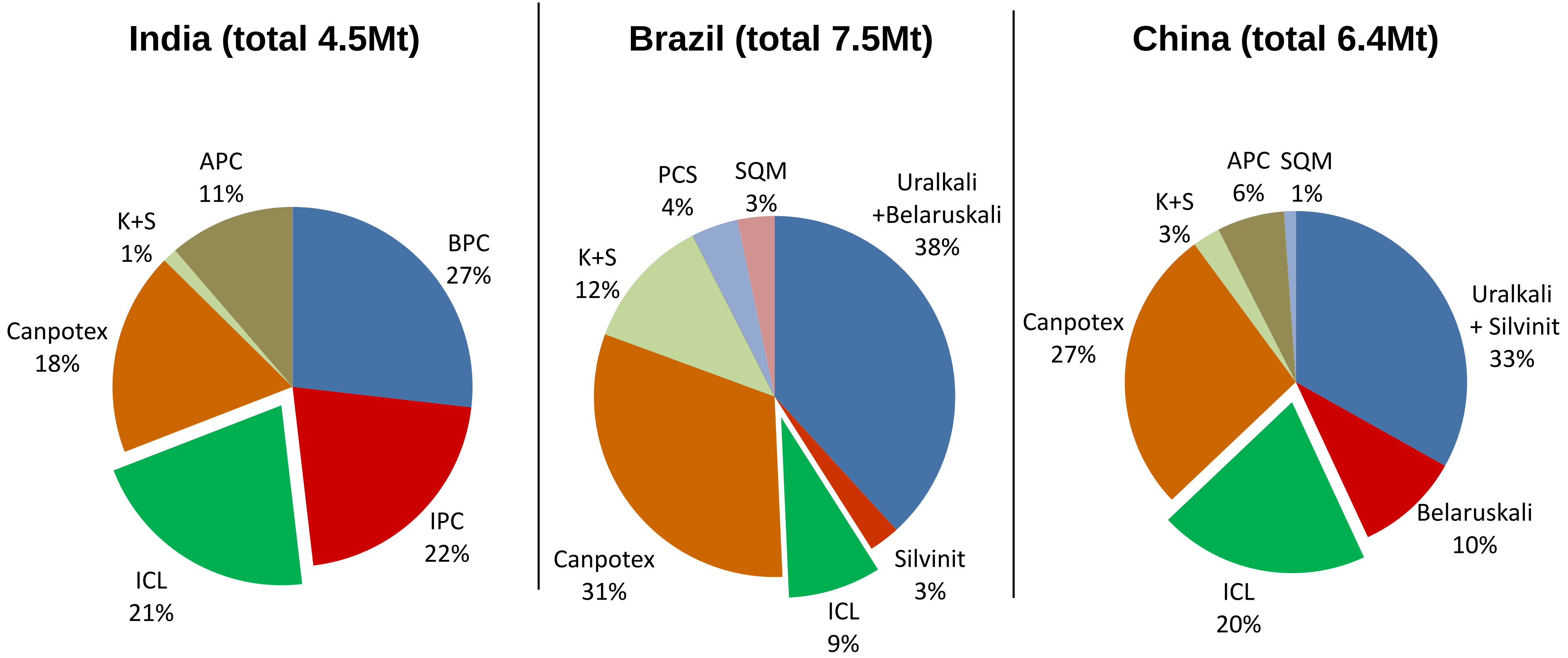
China (total 5.2Mt)



*** Out of imports in 2010, in million metric tons (MT)**

Sources: China Fertilizer Weekly Market Report, Sindicaro Da Industria DE Adubose Corretivos Agricolas No Estado De Sao Paulo, Company estimates

ICL's Potash Market Share* in 2011 Increasing in the Fast Growing Emerging Markets



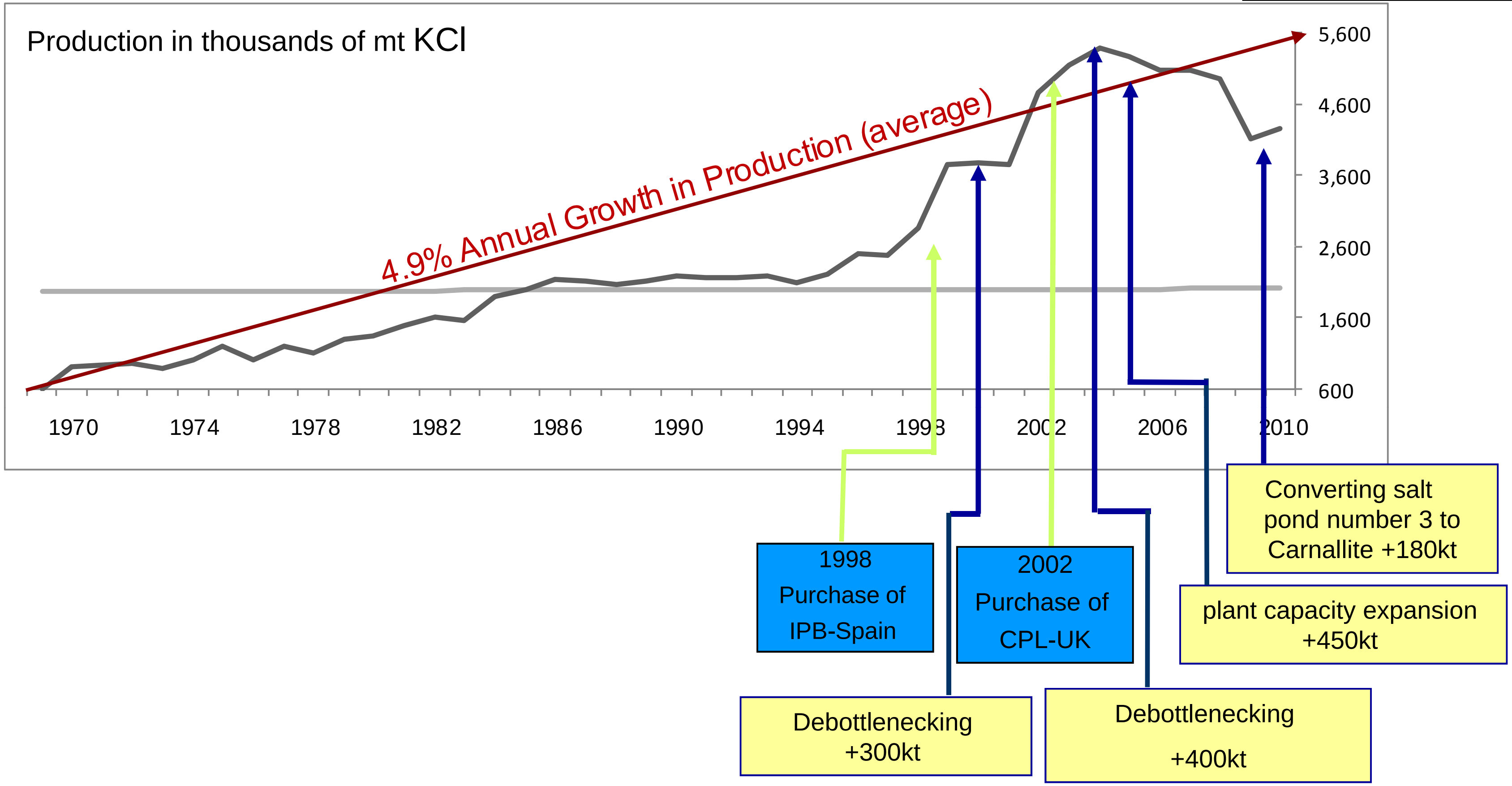
* Out of imports in 2011, in million metric tons (MT)

Sources: China Fertilizer Weekly Market Report, Sindicaro Da Industria DE Adubose Corretivos Agricolas No Estado De Sao Paulo, Company estimates

Potash - ICL Increased Production Capacity Over the Years by Acquisitions & Debottlenecking

Potash: An addition of 1.15 mt (final products) at Sodom since 1998 (+77%) in addition to the acquisitions in Europe.

Stage 11 – to add up to 500kt by 2015



Rationalization and Expansion Plan Started in 2011 at Iberpotash (Spain)

Final Goal: Create a single production site based on a high-grade mine (Cabanasas):

- 1.1M tonnes/yr potash output (1.05M fertilizer grade and 50K technical grade)
- 630K tonnes/yr compacting capacity
- 1.5M tonnes/yr vacuum salt
- 500K tonnes/yr de-icing salt

The Suria/Cabanasas center will be expanded and the Vilafruns/Sallent center will be moth-balled

Polyhailite at Cleveland Potash (England)

- Polyhalite:
  A natural mineral considered to be an organic fertilizer with 14% K_2O, 50% SO_3, 7% MgO & Chlorine<2%
- Vast reserves:
  over 1 billion tonnes at over 90% purity (i.e. 140M tonnes of low-chlorine potash)
- Easy accessibility:
  150 meters below the potash seam in the shallowest part of the mine
- Favorable minerology:
  thick ore layer = easy processing, easy mining
- Existing infrastructure: shafts, conveyor belts, railway, skilled mining labor and downstream processing capabilities

Phosphates –
Mined from the Negev Desert in Israel

3 Open Pit Mines

Restored Mine

<u>Potential Production Capacity (bulk products):</u>

Phosphate rock: ~4.5 million tonnes

Phosphoric acid: ~550 thousand tonnes

Phosphate & compound fertilizers (TSP, SSP, NPKs): ~1.9 million tonnes

<u>Bulk production sites:</u> Rotem (IS), Amsterdam (ND), Ludwigshafen (GE)

In addition: Specialty fertilizers, animal feed additives

ICL has Become a Global Leader in Specialty Fertilizers Following Recent Acquisitions

<u>Core Businesses</u>

WSF
(MKP, MAP)

Liquid & Soluble
NPKs

<u>Acquisitions in 2011</u>

Everris
(Scotts Global Pro)
WSF, CRF, SRF

Fuentes
WSNPKs, Liquids

Nutrisi (50%)
PG Mix, WSNPKs

ICL SPECIALTY FERTILIZERS

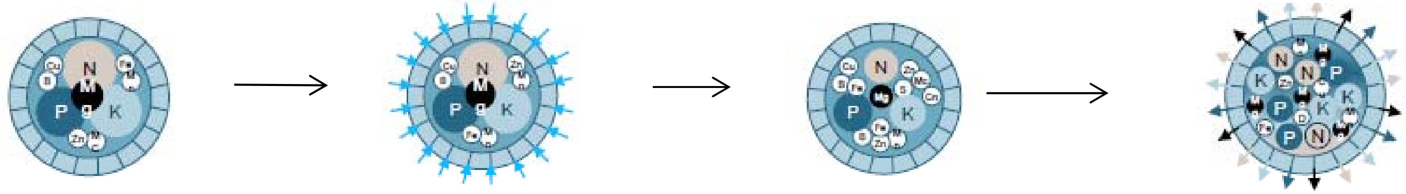
*Business of : ~$650M **Sales***
~ 700 employees
one of the industry's leading players

* <u>WSF</u>= Water Soluble Fertilizers; <u>WSNPK</u>= Water Soluble compound fertilizers; <u>CRF</u>= Controlled Released Fertilizers; <u>SRF</u>= Slow Released Fertilizers

ICL Global Leadership in Specialty Fertilizers

- **Contributes to faster growth (est. 5%-8% per annum)**
- **Enriches ICL's product portfolio** with the market's leading brands
- **Expands ICL's technological capabilities** with unique technologies

The Controlled Release (CRF) Concept



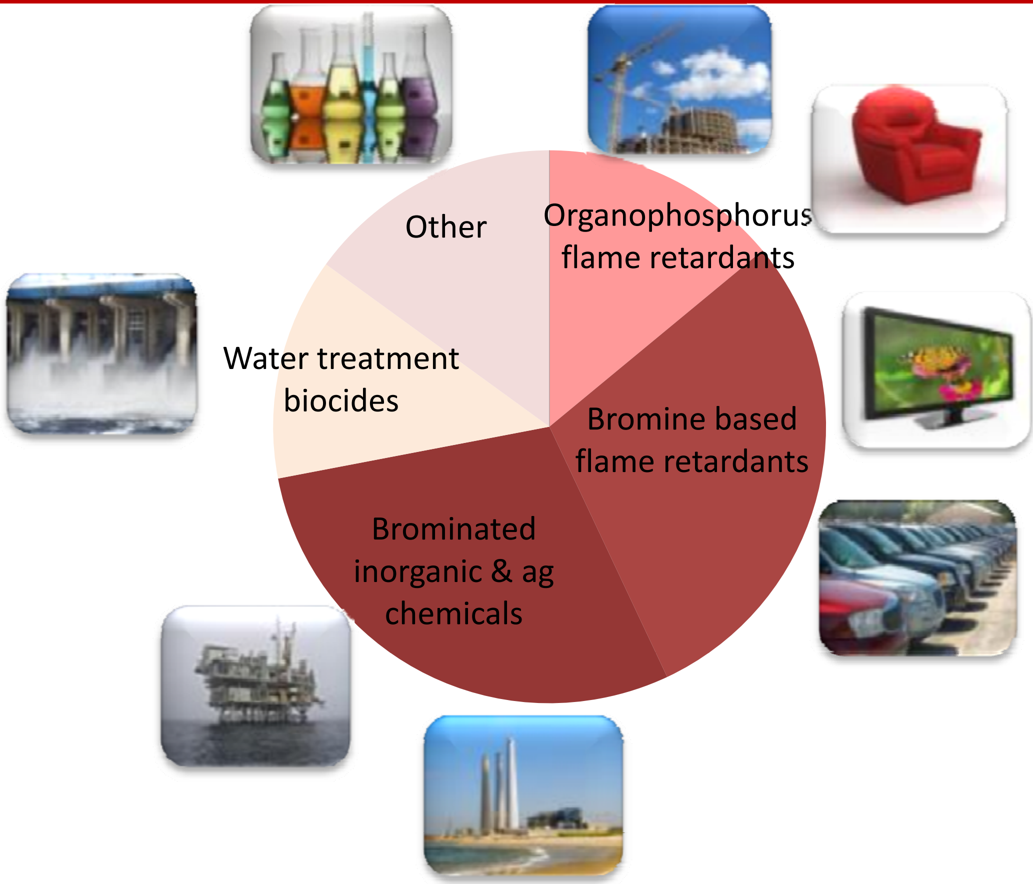
1. NPK granules are partially coated with an elastic polymer
2. After application, water enters through the pores
3. The nutrients are dissolved in the water, resulting in a concentrated nutrient solutions
4. Controlled nutrient release over 3, 6, 9 or 12 mos

- **Extends ICL's fertilizer business downstream** to the end-user
- **Creates a platform for geographical expansion in specialty fertilizers**
- **Enables ICL to bring additional environmentally-friendly products** to global agricultural markets

ICL Industrial Products

From Minerals of the Dead Sea to New Products and ‘Green’ Applications

ICL Industrial Products



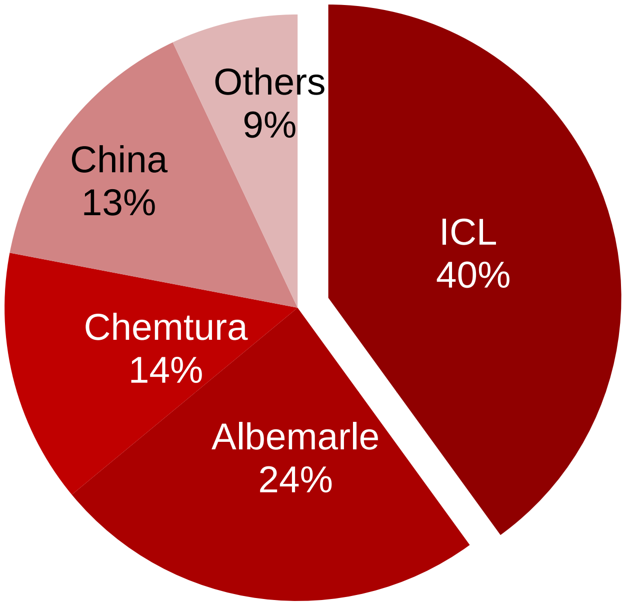
Segment Sales - 2010: $ 1,313 Million

1-9/2011: $1,178 Million

Based on 2010 external sales

World's Leader in Elemental Bromine

Breakdown of Global Bromine Capacity

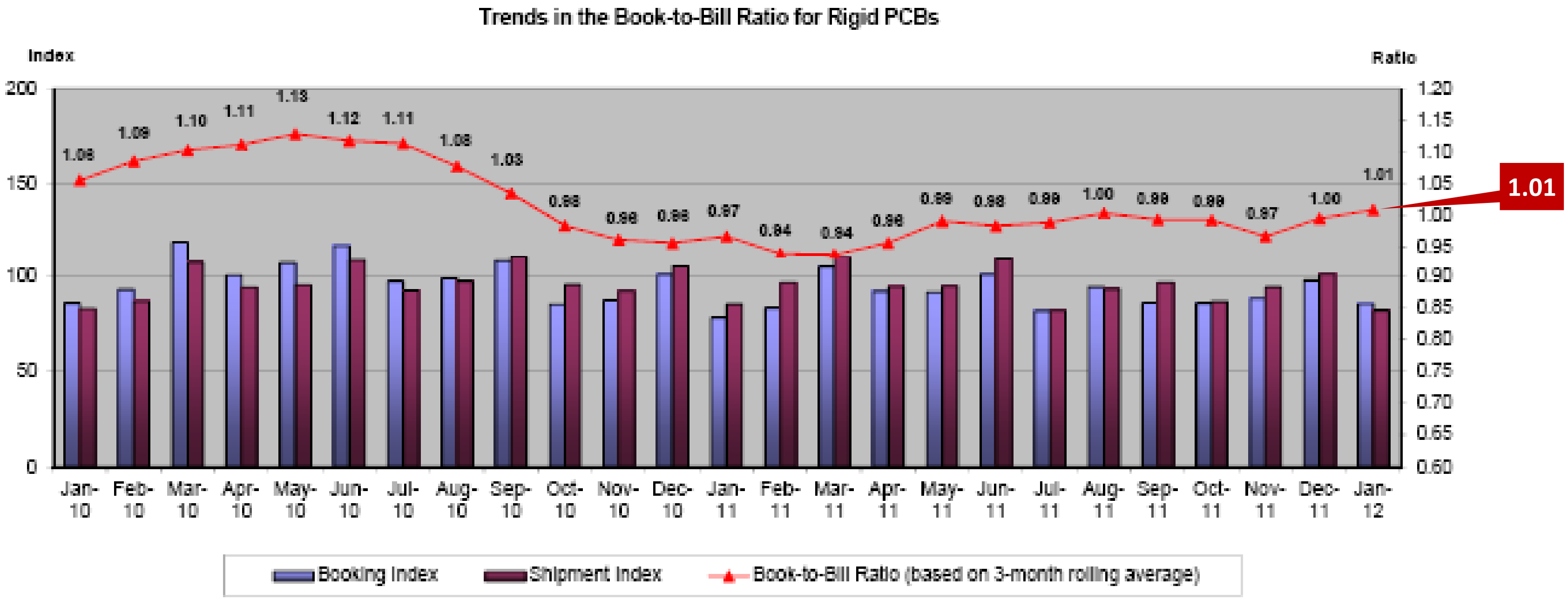


Global Bromine Market in 2011 ~600Kt

- ✓ **ICL is the largest elemental-bromine producer in the world (capacity 280kt/y)**
- ✓ **ICL is one of the 3 leading players in the bromine-compounds industry**
- ✓ **Largest transportation capacity (fleet of iso-containers)**
- ✓ **Advanced R&D (Israel, US) developing eco-friendly products**
- ✓ **Strong HSE (health, safety, environment)**

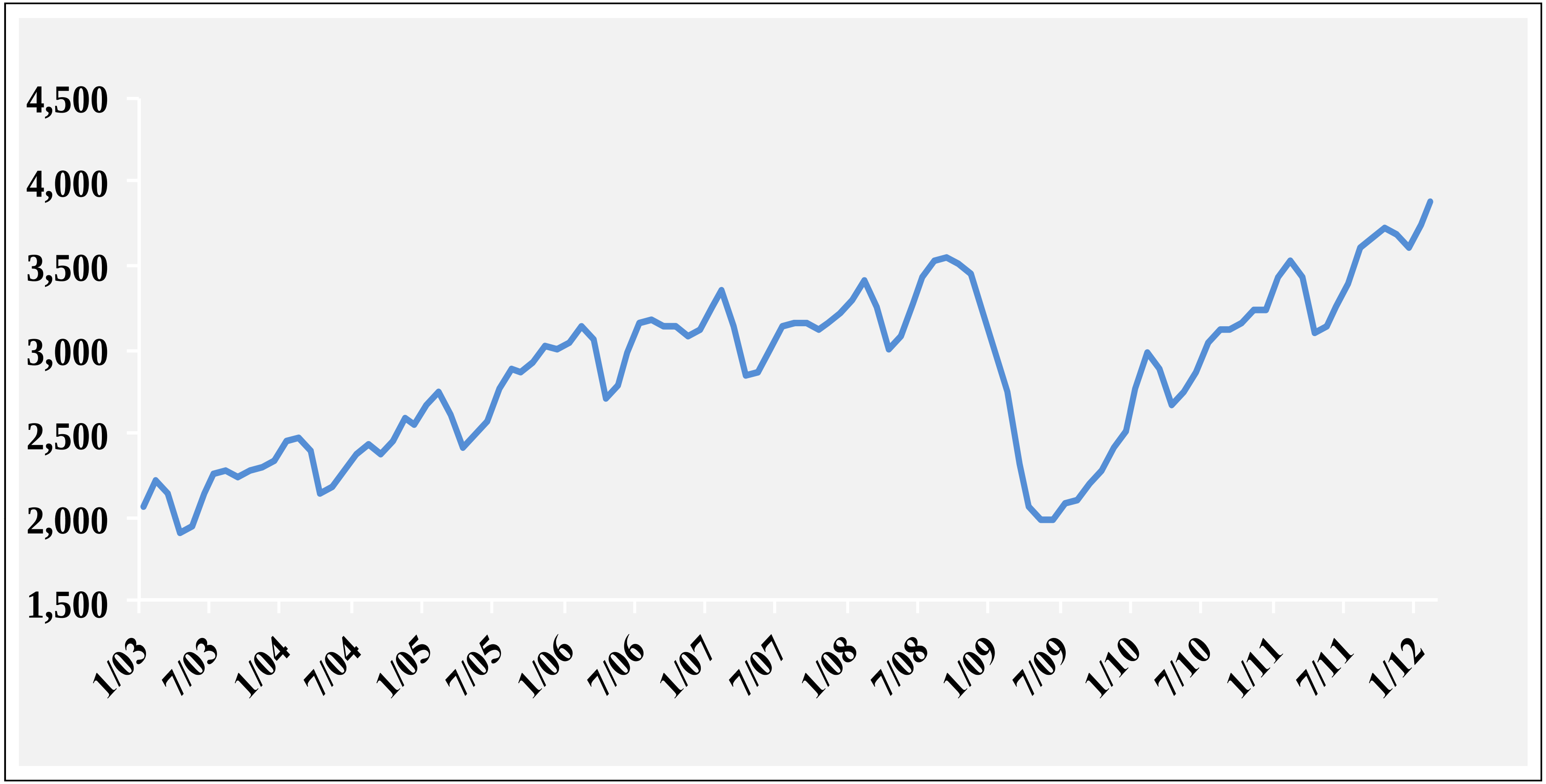
Sources: US Bureau of Mines, Arkansas Oil & Gas Commission publications, ICL estimates.

Recent Improvement in the Electronic Industry Might Support Stronger FR Sales Boosted by Lower Chinese Supply



Source: IPC Association, Semiconductor Equipment and Materials International (SEMI), March 2012)

Worldwide Oil & Gas Rig Count – A Significant Increase from 2009 Lows



Source: Baker Hughes Rig Count, February 2012

Growth Driven by Global Megatrends, Stricter Regulations & Innovation

Significant potential in mercury emission reduction in coal-fired power plants & cement factories (primarily in the US* & China)

Emissions control

Mercury removal: bromine based Merquel™ product line

Water scarcity

- Climate change & increasing demand
- Aquatabs™

Fire safety higher standards

- The new Polyquel™ product line
- "Green" construction
- New regulations

Growing population

Intermediates for agro, food and pharma

*** A tax credit for burning "Refined Coal" (section 45) for electricity generation is in place (10 years). EPA Federal regulation (to reduce mercury emission by ~91%) expected in 2014/5. Many states have already started implementation.**

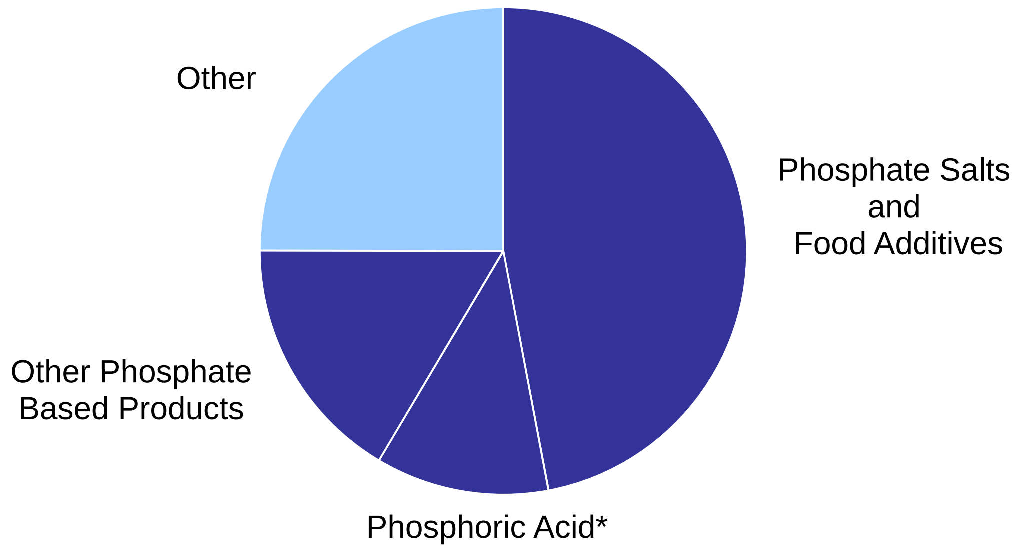
Medentech

2009 acquisition of Medentech, world leader in end-user drinking water treatment, to serve as a platform for growth

ICL Performance Products

Global Leader in Specialty Phosphates

ICL Performance Products:
Phosphate Downstream Applications



- 75% phosphate & phosphorus-based products
- 25% other

Segment Sales - 2010: $1,340 Million

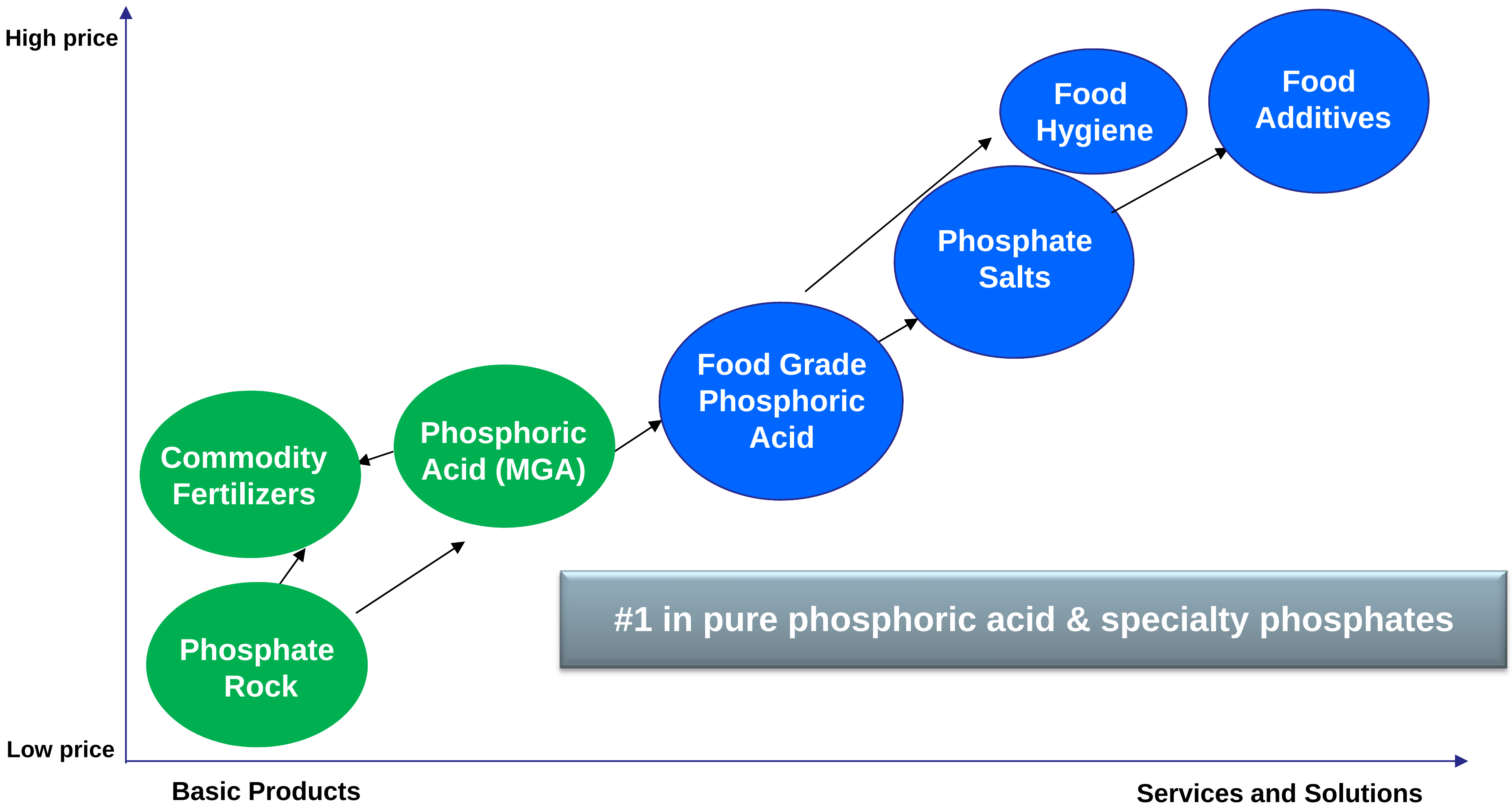
1-9/2011: $1,162 Million

* Food, technical & electronic grade acids

Based on 2010 external sales

The Most Vertically Integrated Specialty Phosphates Company

From Raw Materials to Downstream Products & Services



Back-Integrated through Tailored Solutions

Phosphate Rock

Purified Phosphoric Acid

Israel

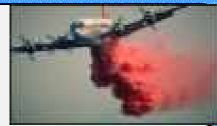
Back Integration

Functional Food Ingredients

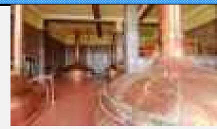
Phosphate Technical Specialties

Electronic Grade Phosphoric Acid

Wildfire Safety



Hygiene Services



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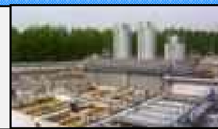

Global (mainly in the US & Germany)

Value Added Applications

Summary:
Well Positioned to Achieve Sustainable Growth

- Access to vast, low cost natural resources
- Proven competencies and execution capabilities
- Global footprint with strong infrastructure
- Well-positioned segments with high barriers to entry
- Strong fundamentals of our markets
- New market drivers and opportunities
- Dedicated to sustainability and HSE

With the salt dredging & potash royalties issues resolved, ICL is well positioned for future development & sustainability

ICL:

Committed to Responsible Value Creation

Thank you

www.icl-group.com

Solar Evaporation Ponds at the Dead Sea – Evaporation Pond No.5