



Addressing Essential Needs for Life

Nomura Global Chemical Industry Leaders Conference

Venice, March 21-22, 2013



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Company Basics

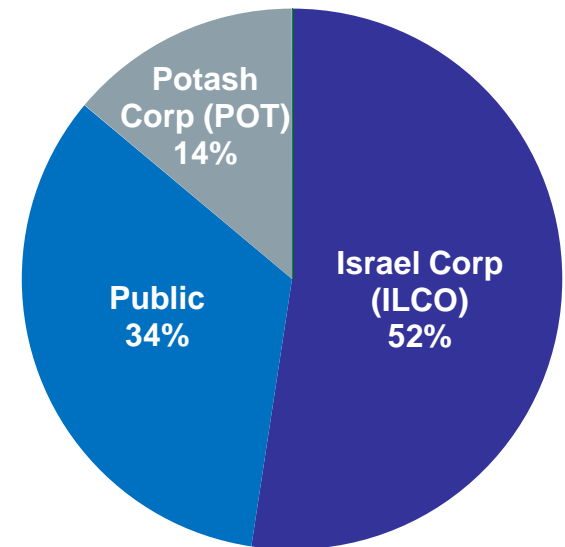


From Basic Minerals to Downstream Products and Performance Solutions





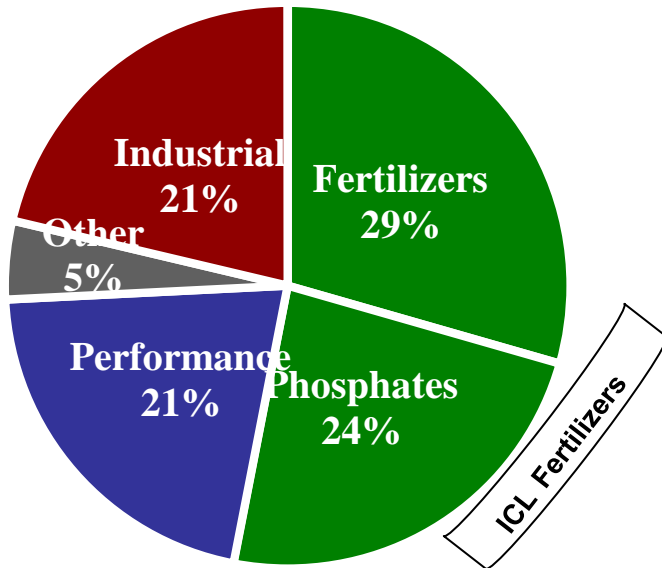
- A global manufacturer of fertilizers & specialty chemicals. Headquartered in Israel, worldwide operations.
- 2012 revenues: US\$ 6.6 billion; Net Income: US\$ 1.3 billion.
- About 46% of revenues derived from production activities outside of Israel; ~95% of sales occur outside of Israel.
- 12,280 employees as of December 2012.
- Trading: Tel-Aviv Stock Exchange (TASE: ICL).
- Market cap*: ~\$16.3 billion
- Dividend yield: 2012: 6.4%; Decade average: 5.2%.



ICL Shareholders

* As of March 14 , 2013

Integrated Portfolio Across Segments – From Basic Materials to Downstream Products



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

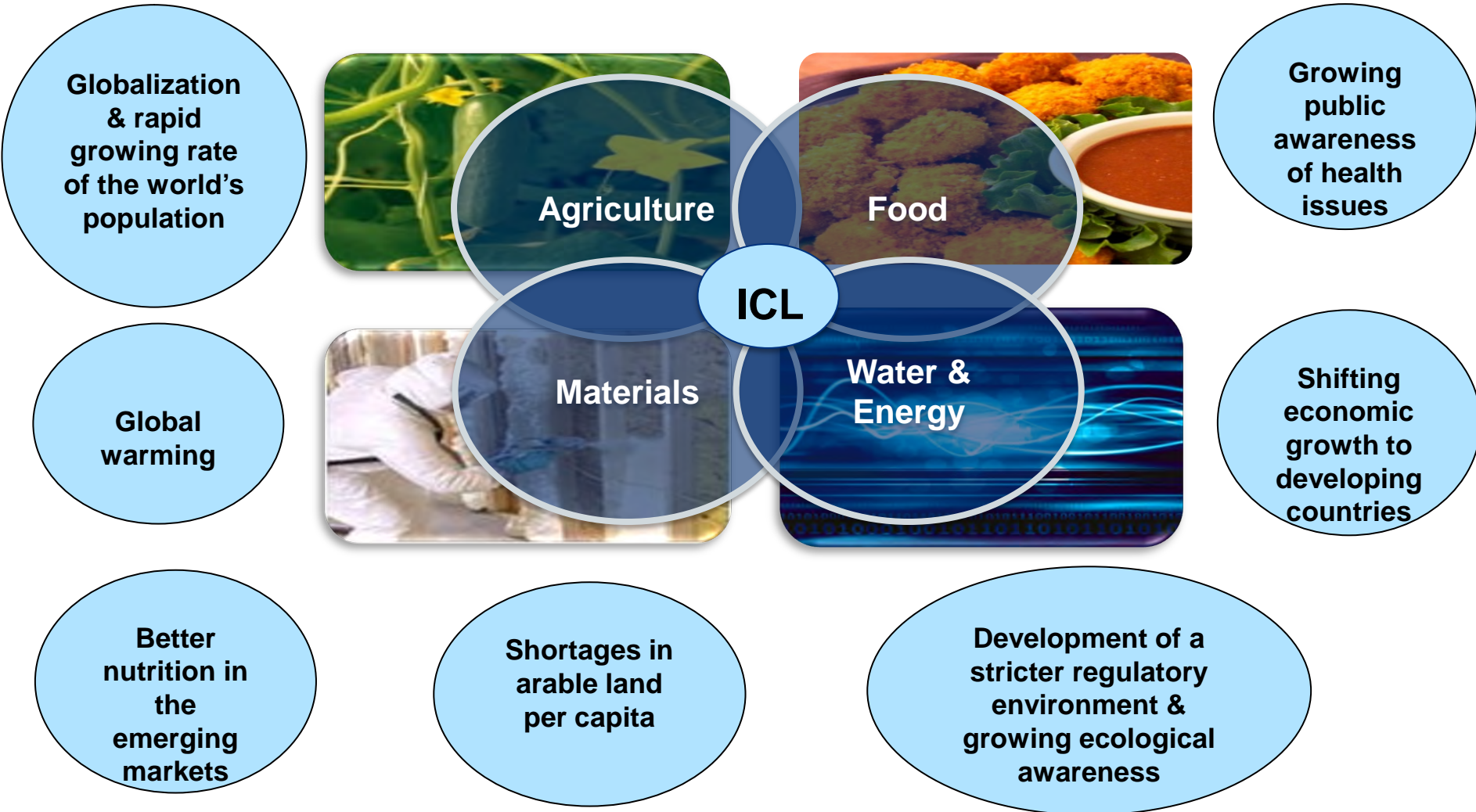
Elemental Bromine, Bromine & Organophosphorus Flame Retardants, Various Bromine Compounds, Chlorine-based Biocides, Magnesia Products

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 2012 sales

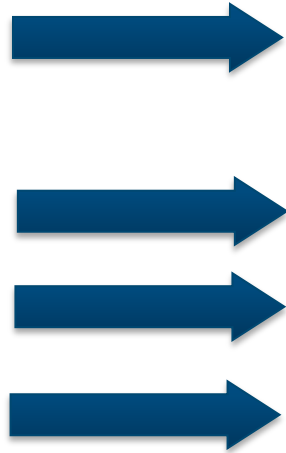
An Essential Needs Company, Contributing to Humanity's Core Necessities in Agriculture, Food, Materials & Energy



Access to Vast, Low Cost Natural Resources



The Dead Sea (Israel)



Potash



Polyhalite



Bromine

Magnesium

Salts



Iberpotash (Spain) & CPL (England)



The Negev Desert (Israel)



Phosphates



Peat Mining Sites (UK)

Dead Sea Potash - Unique Solar driven Technology and Open Air Storage



Evaporation
Process



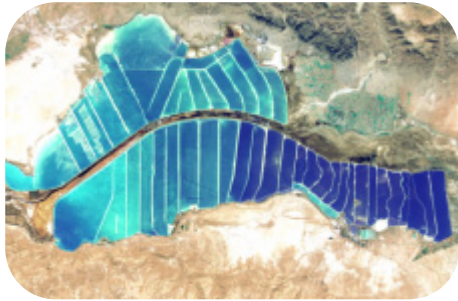
Dredging
Operation



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 CO₂ emissions to the atmosphere.*

Bromine: Lowest Cost, Virtually Unlimited Reserves



**Sea Water
(China, India, Japan)**

g/l 0.05

**Underground Wells
(China)**

g/l 0.2

**Brine Wells
(USA* and Russia)**

g/l 2-6

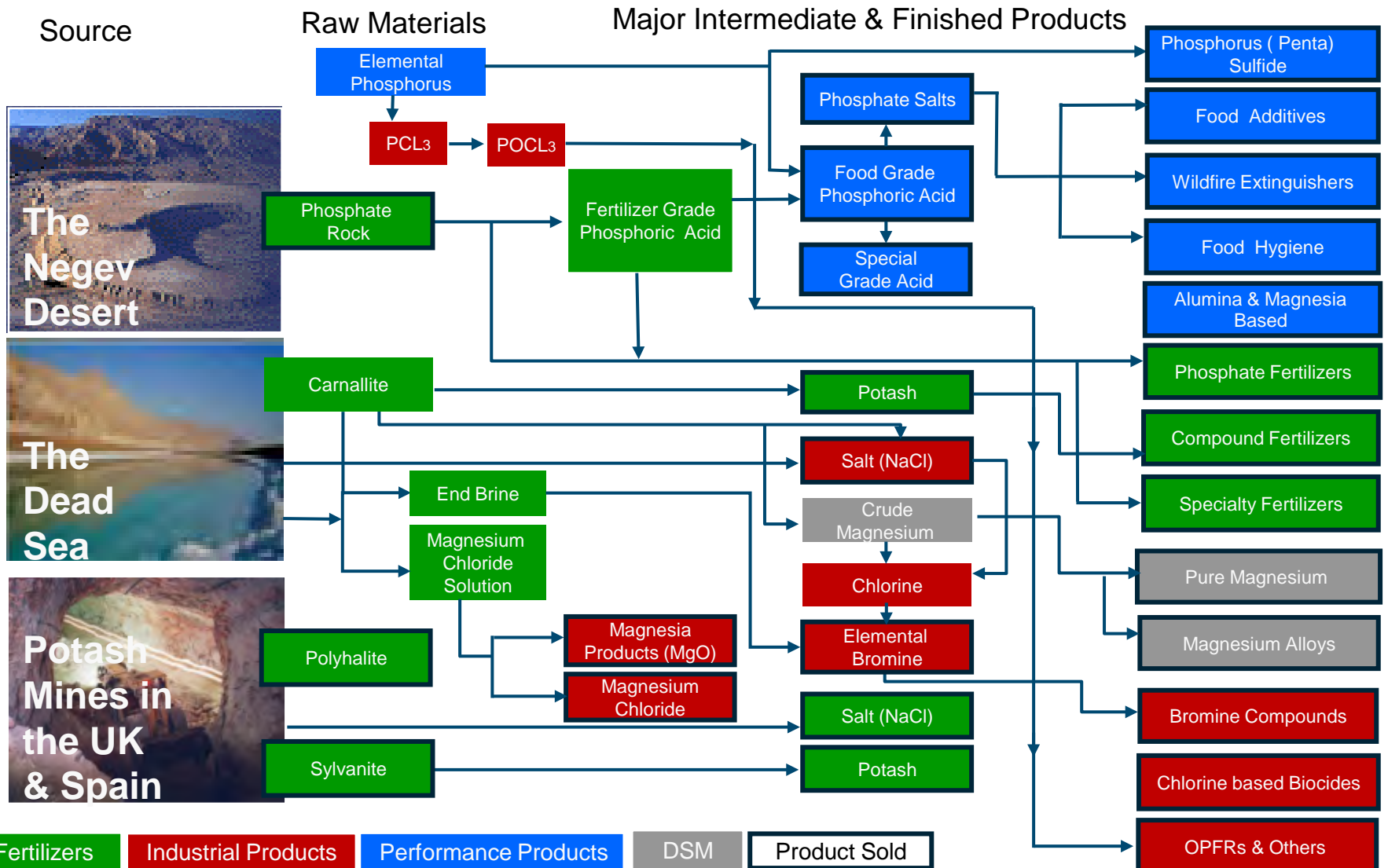
Dead Sea Brine

**Most Concentrated Source of Bromine
in the World**

g/l 10-12

* Arkansas – brine wells of Chemtura & Albemarle

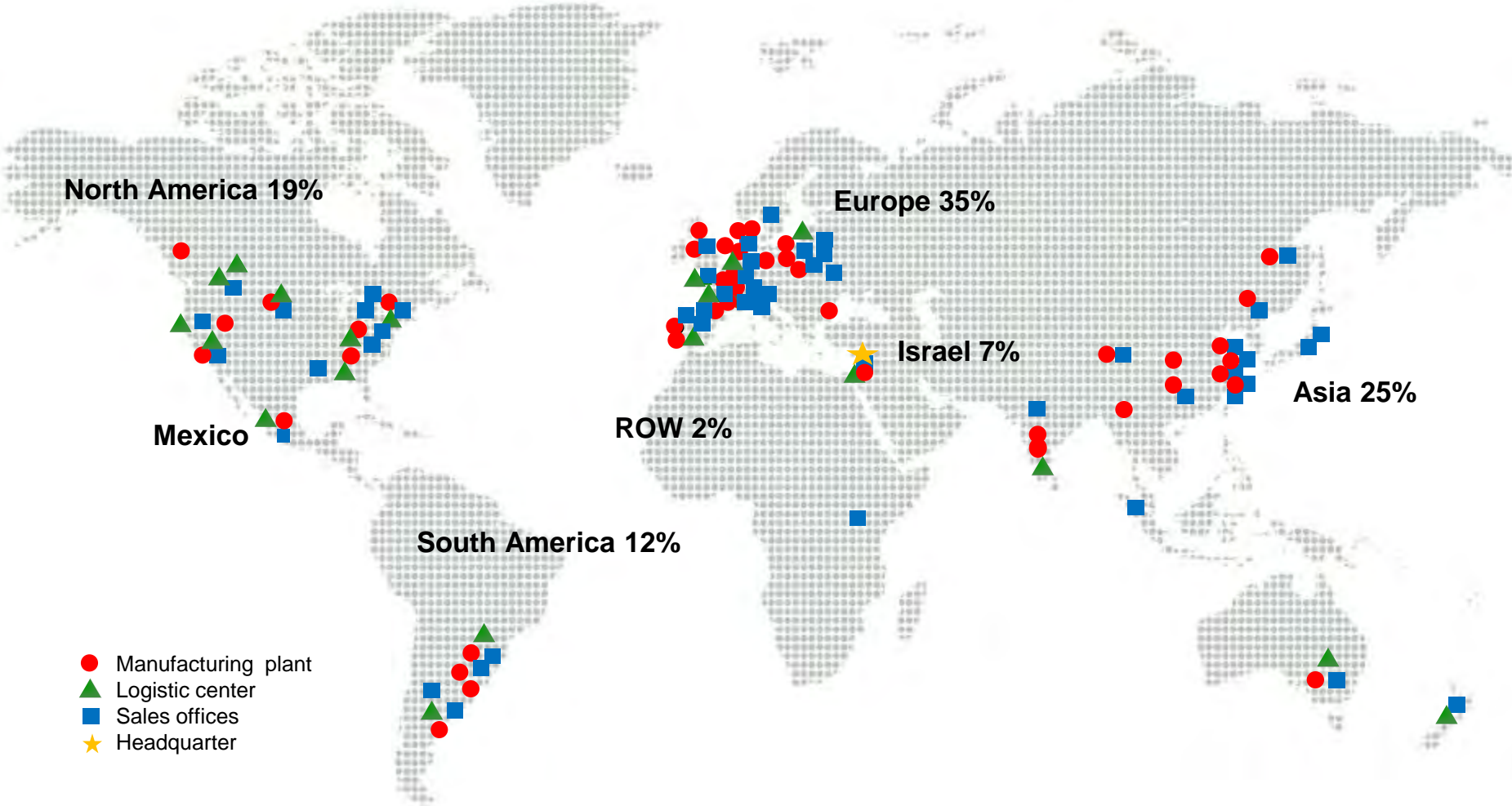
Vertical Integration With High Utilization of By-Products & Waste Products



Strong Global Presence & Logistical Advantages



Sales by Geography (2012)



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

#1 in phosphorus-based flame retardants

#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 sales

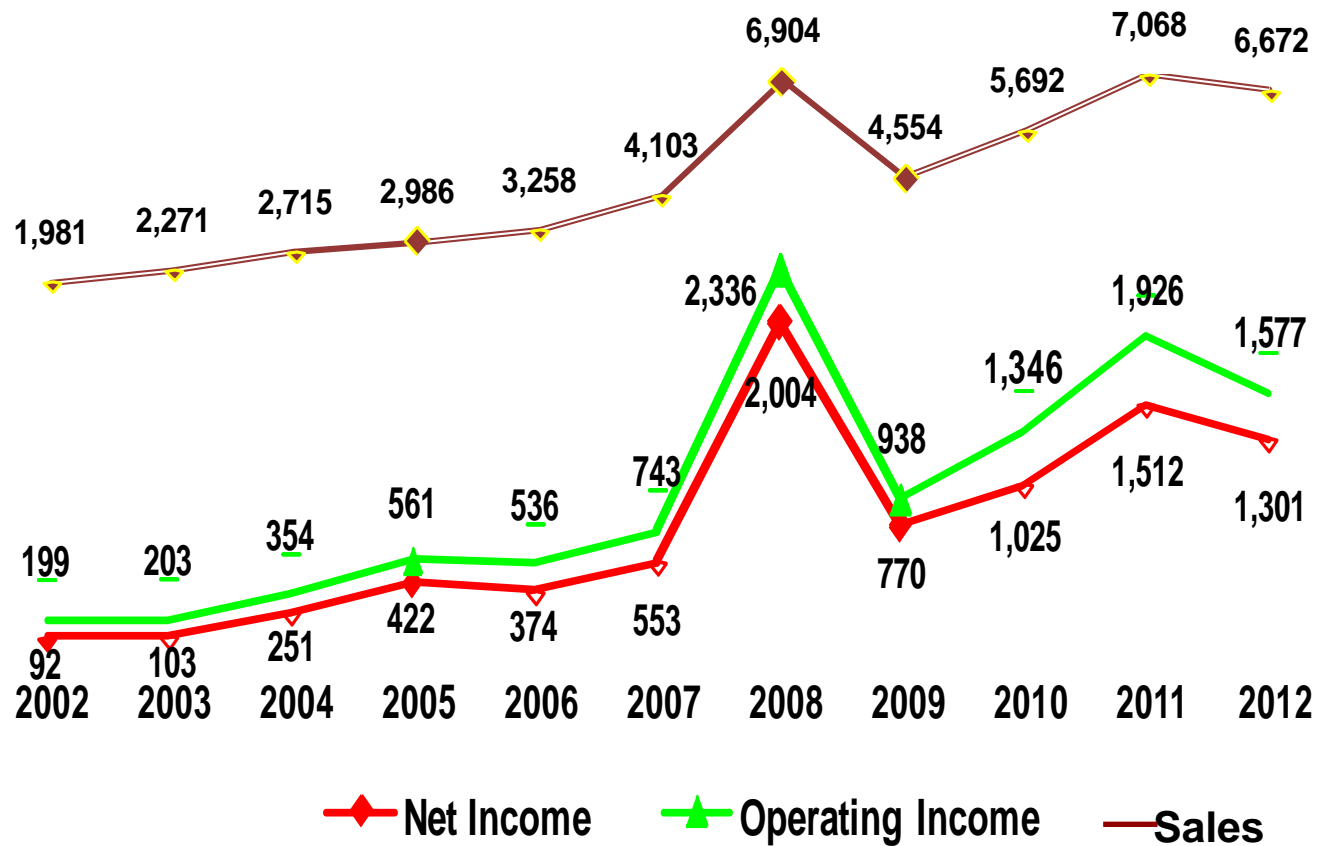
#2 Western world magnesium production, and...

Major player in specialty fertilizers & specialty chemical niche markets

Leading Market Positions & Balanced Portfolio Counterbalance External Headwinds



\$ millions



* 2002-2006 figures are based on Israeli GAAP, 2007-2012 are based on IFRS

Company & Market Updates



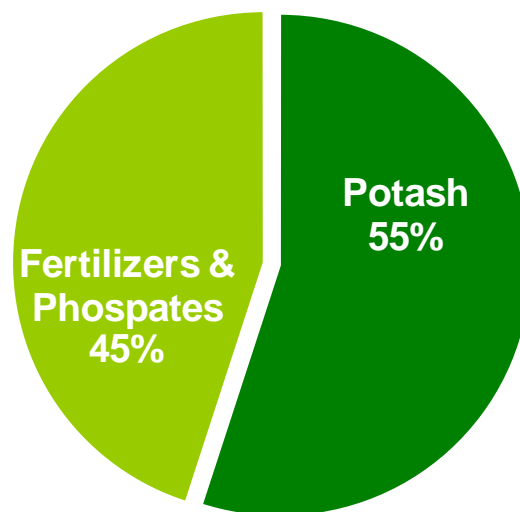
ICL Fertilizers



Meeting the Challenge of Growing Demand for Food



ICL Fertilizers: A Variety of Commodity & Specialty Fertilizers



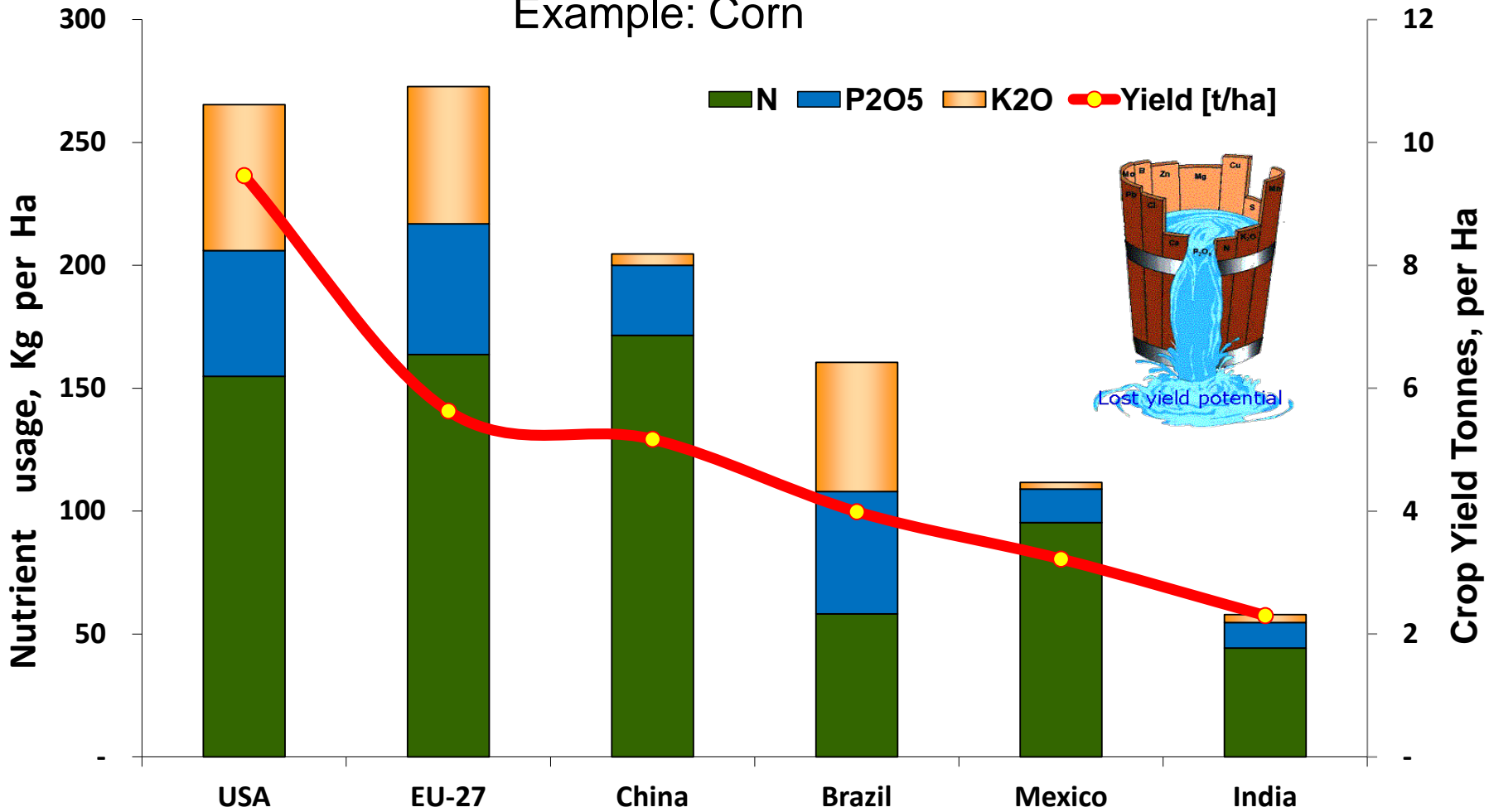
Segment Sales - 2012: \$ 3.5 Billion

Based on 2012 external sales

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

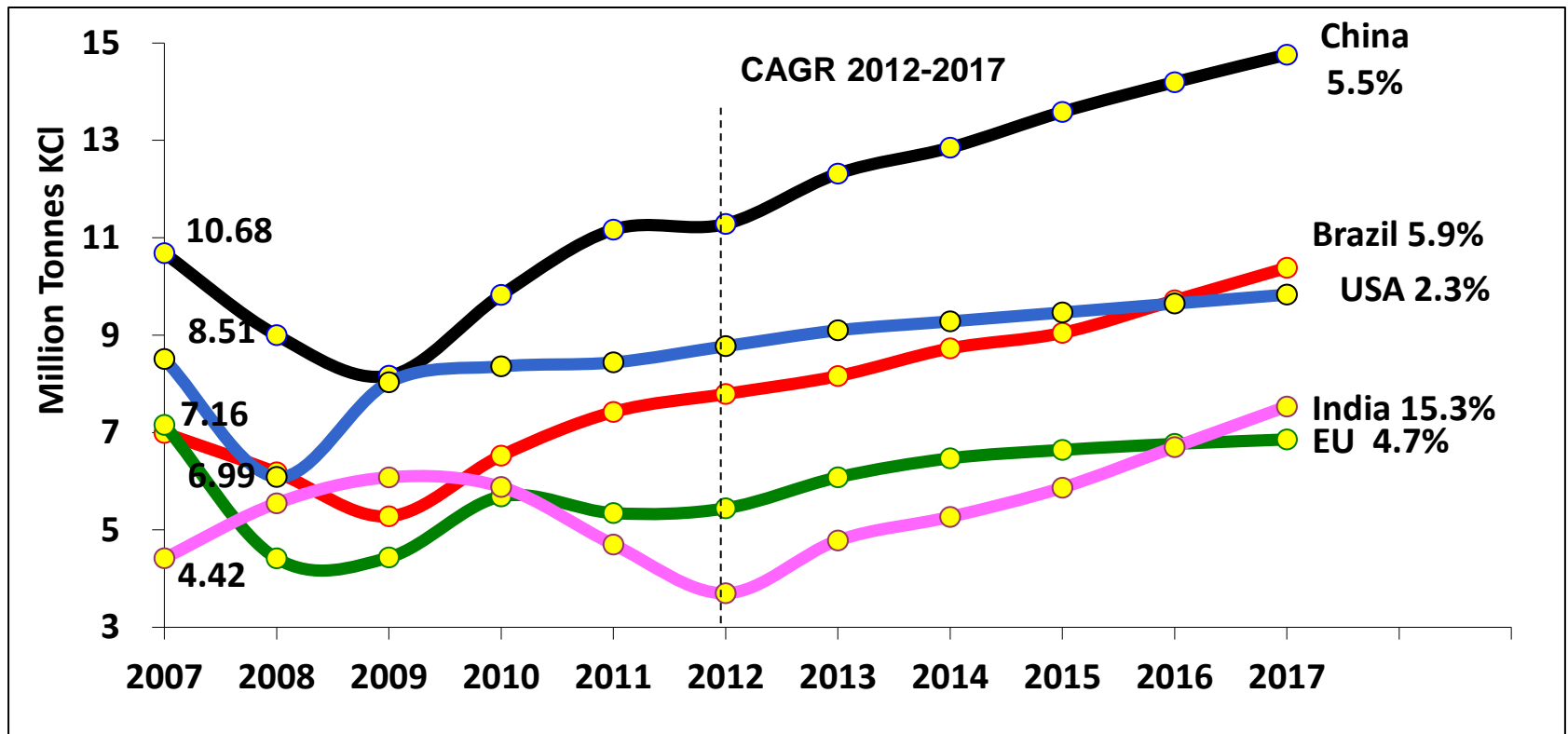


Example: Corn



Source: USDA, IFA

Potash Demand in the Medium Term: Accelerated Growth from a Low Base

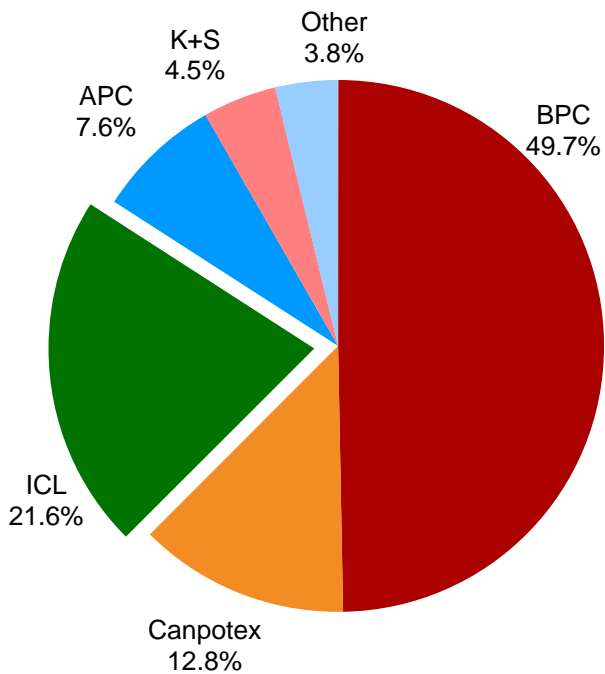


Source: FertEcon Potash Outlook 2012-3 (Dec. 2012)

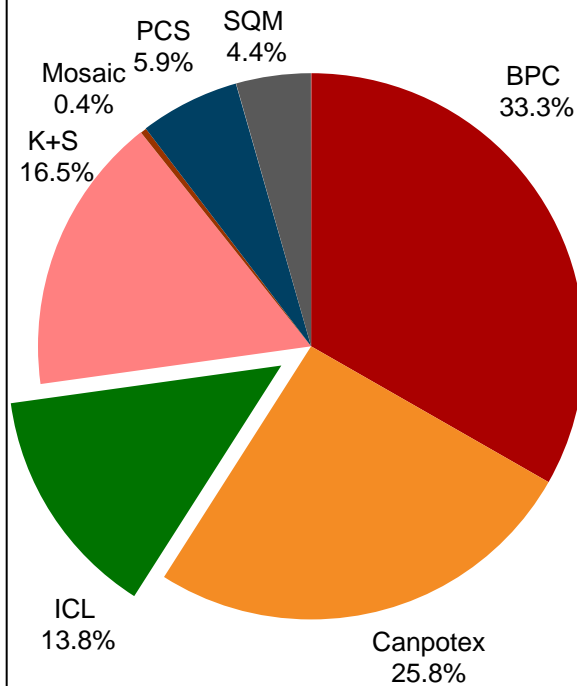
ICL's 2012 Potash Market Share Is Consistent with its Strategy to Benefit from the Fast Growing Emerging Markets



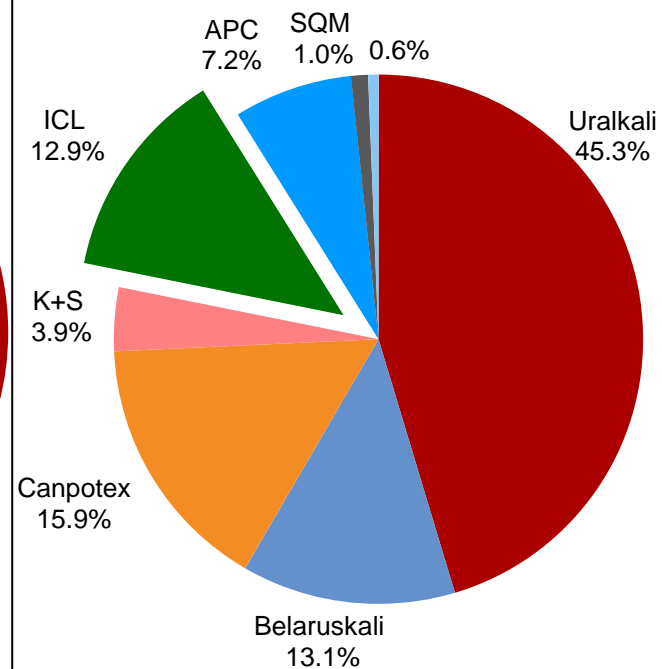
India imports (total 3.4Mt)



Brazil imports (total 7.3Mt)



China imports (total 6.3Mt)



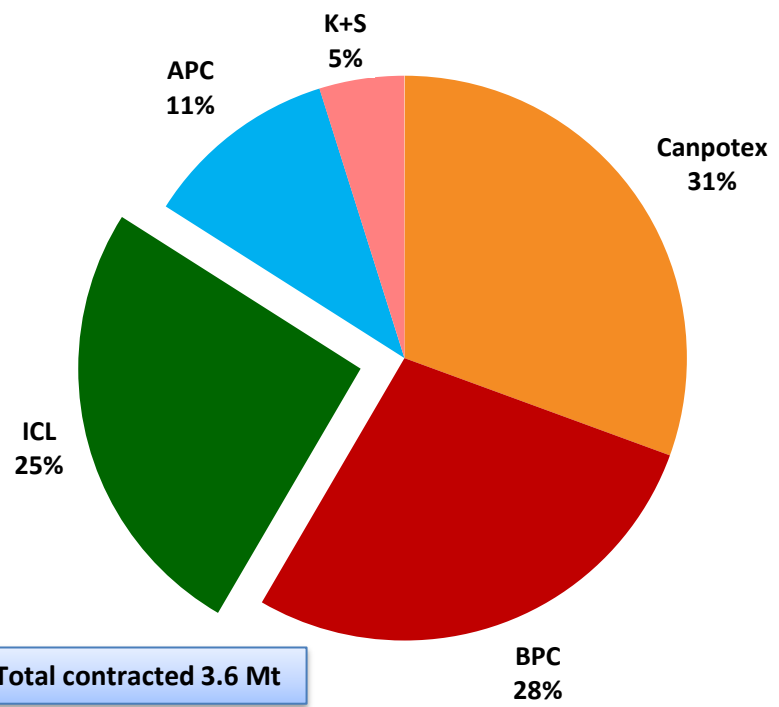
Sources: China Fertilizer Weekly Market Report, Sindicaro Da Industria DE Adubose Corretivos Agricolas No Estado De Sao Paulo, Company estimates

* India, China & Brazil imports for January—December 2012

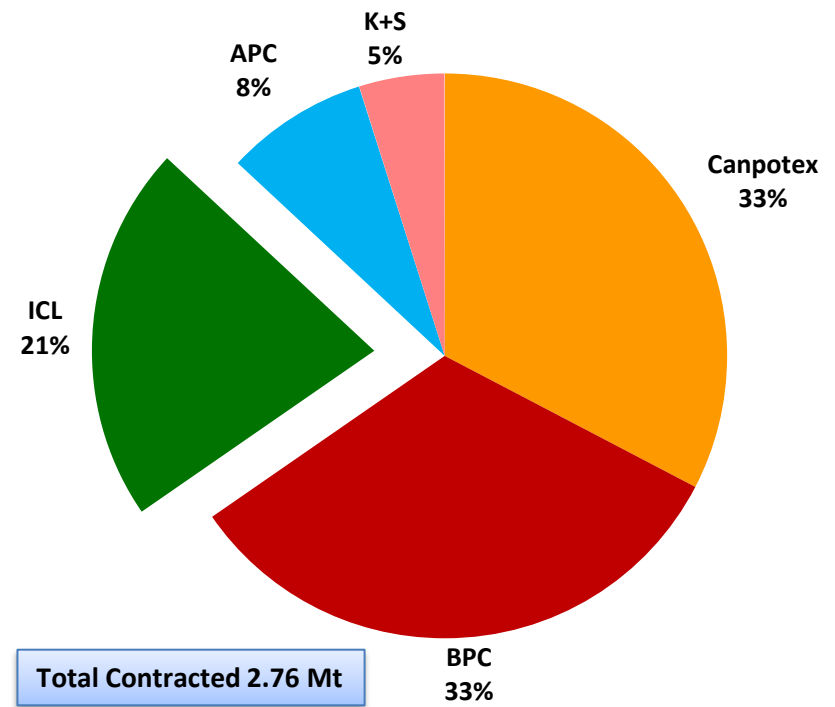
ICL Maintained its Potash Market Share in China & India based on 2013 Seaborne Contracts



India



China



• Source: Companies announcements through March 17.

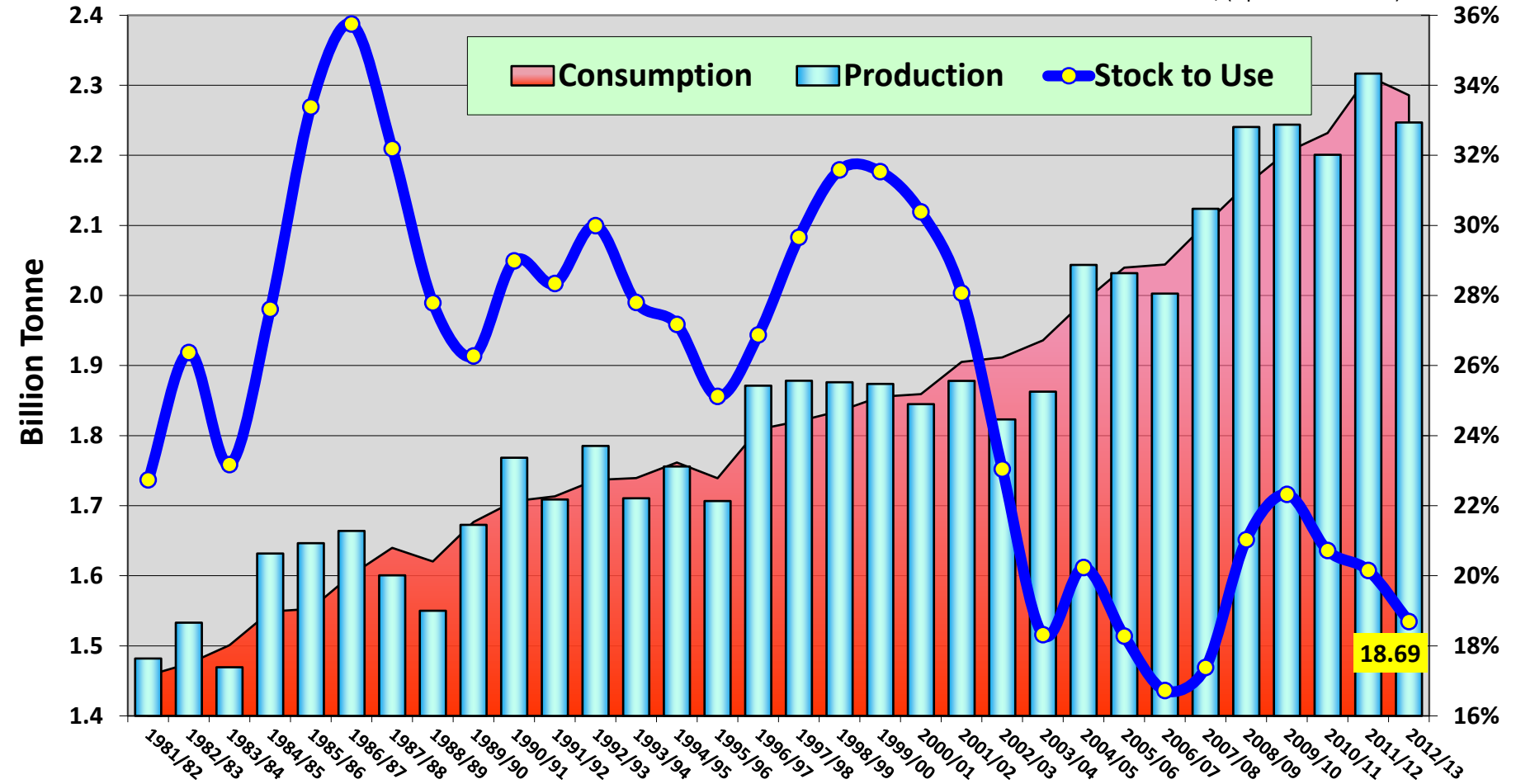
Low Levels of World Grain Stocks & Stock-to-Use Ratio Signal a Need for More Crops & Fertilizers



Stocks of Grains and Pulses

Barley, corn, millet, mixed grain, oats, rice, rye, sorghum & wheat

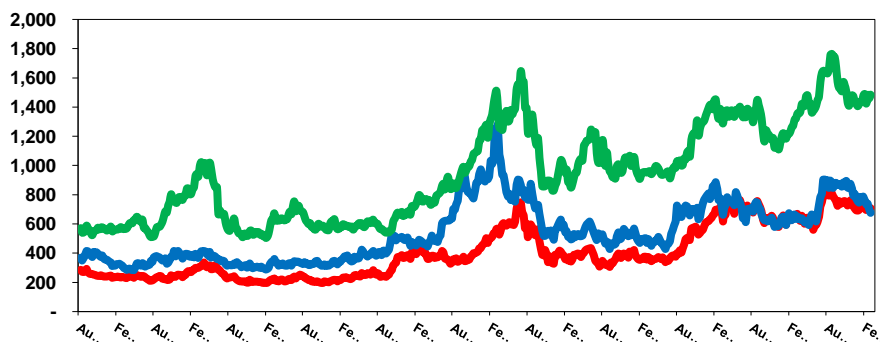
Sources: USDA, (Update Mar. 2013)



High Farm Commodity Prices May Support High Fertilizer Prices

Cents/ bushel

Grain Prices: 1997-2013



Soybean

14.75

Wheat

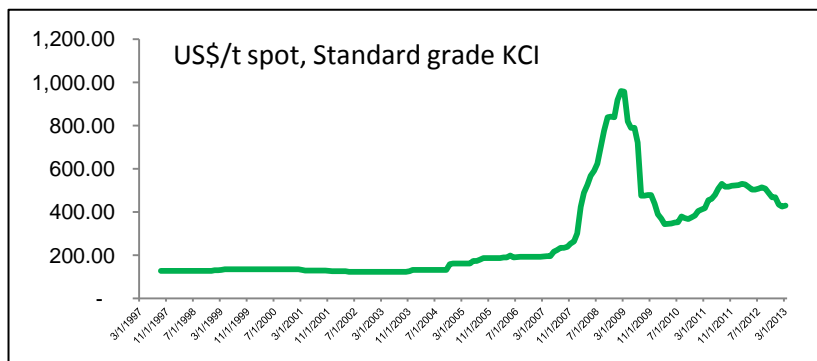
7.07

Corn

7.41

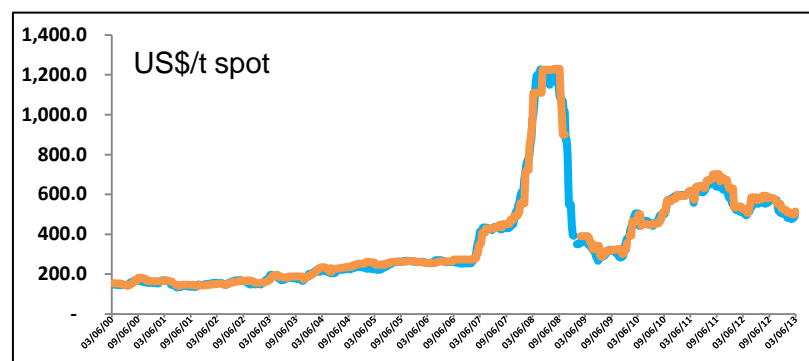
Source: USDA, CBOT as of March 2013

Potash Prices (1997-2013)



FOB Vancouver

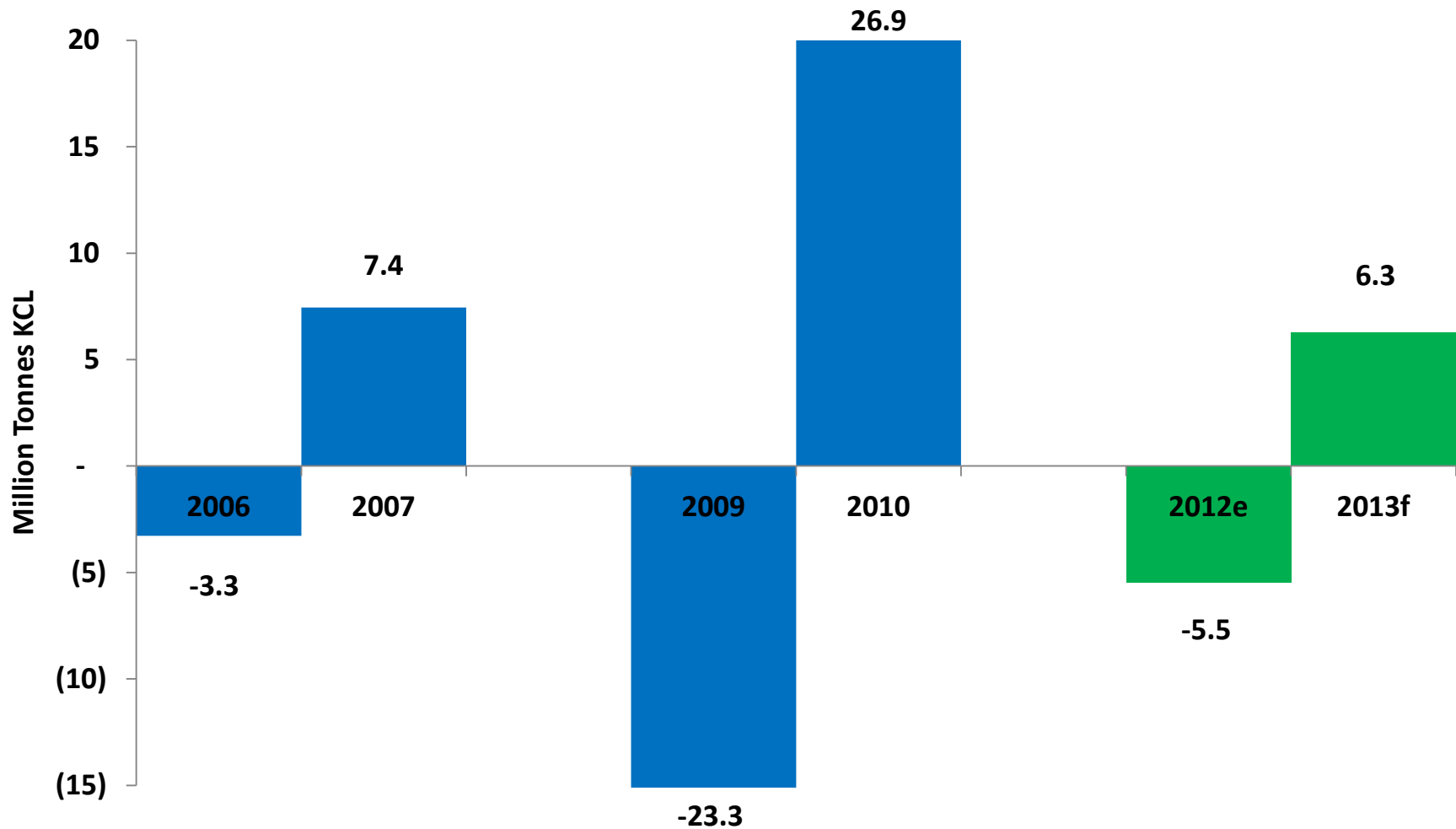
Phosphate Prices (1997-2013)



DAP US Gulf TSP N. Africa

Sources: Fertilizer Week and Fertecon (March 2013)

Potash Shipments – Strong Recovery following Slower Years

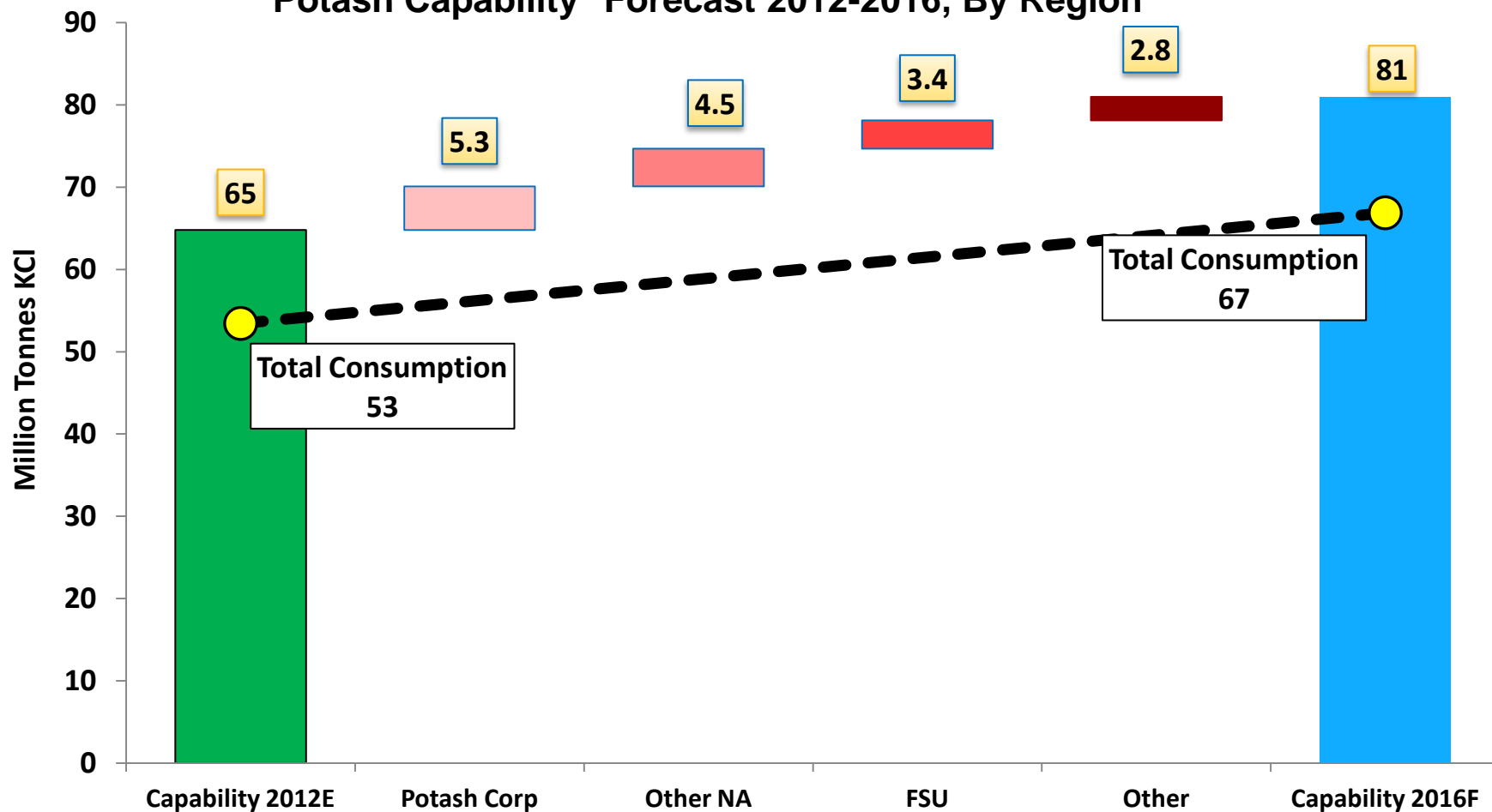


Source: FertEcon Potash Outlook 2012-3 (Dec. 2012)

Most of the Additional Potash Capability in the Medium Term Will Come from Existing Players



Potash Capability* Forecast 2012-2016, By Region



* Potash capability – 90% of potential capacity.

Source: Company Reports, FertEcon, ICL calculations

Transforming ICL's Potash Operations to Improve Competitiveness – Major Projects at Dead Sea Works (Israel)



Expanding Capacity (Stage 11)

- Increasing the annual production capacity of the potash plants in Sodom.
- Benefit from the project to begin in 2015.

Pond no.5 Dikes' Solidification

- Construction of a new partition in the middle of the dike to minimize seepage, as well as raising the dike by 1 meter.
- Total cost - \$475 million to be spent over 2011-2014.



Pond no. 5 Salt Dredging Project

- ICL established the "Meshivim" division to execute the project.
- ICL will finance 80% of the salt dredging costs estimated at ILS ~3 billion in PV.

Environmentally Friendly Power Plant in Sodom

- 250 MW capacity to serve the plant's growing needs for steam and electricity.
- Cogeneration Power Plant based on natural gas (dual-fuel).
- Total cost - \$320 million. To be completed in 2H2015.

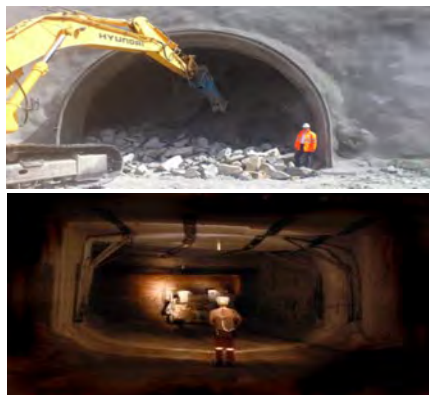


Pumping Station P-9

- Replacing the existing main pumping station P-88.



Transforming ICL's Potash Operations to Improve Competitiveness - Iberpotash (Spain) & CPL (England)



Phoenix Project – Phase 1 (Spain)

Create a single production site based on a high-grade mine (Cabanajas):

- From two mines and plants to one mine and plant with similar capacity.
- 0.75M tonnes/yr vacuum salt.
- Utilizing economies of scale to reduce costs.
- Total cost: €160 million. To be completed in 2014.
- Phase 2:
 - ✓ Increasing MOP annual output to 1.1 million tonnes:
 - ✓ Increasing vacuum salt annual capacity to 1.5 million tonnes.

Poly
sulphate



A new multinutrient sulphate fertiliser
from Cleveland Potash Ltd

Polyhalite (Polysulphate™) at CPL (England):

The first company in the world to market this new product.

- A natural fertilizer with 14% K₂O, 50% SO₃, 7% MgO & Chlorine <2%.
- Vast reserves – 1 billion tonnes. Easy accessibility, Favorable mineralogy.
- Using existing infrastructure.
- First sales in 2012.

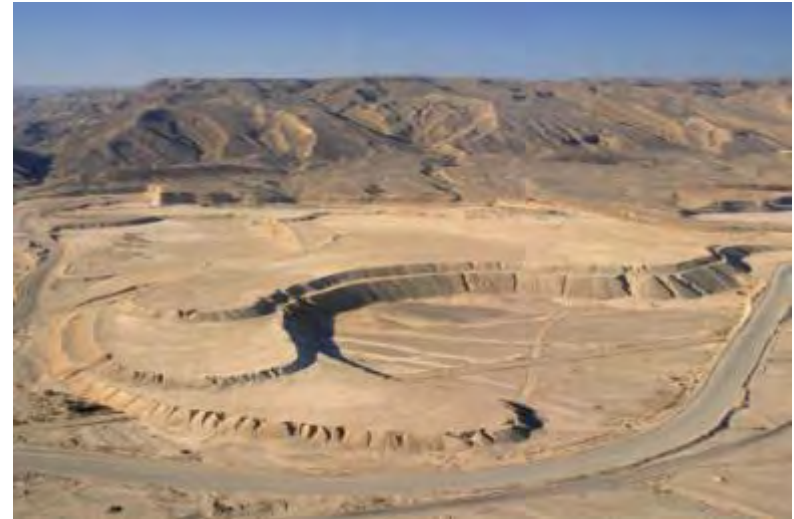
Phosphates – Mined from the Negev Desert in Israel



3 Open Pit Mines



Restored Mine



Potential Production Capacity (bulk products):

Phosphate rock: ~4.5 million tonnes

Phosphoric acid: ~550 thousand tonnes

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

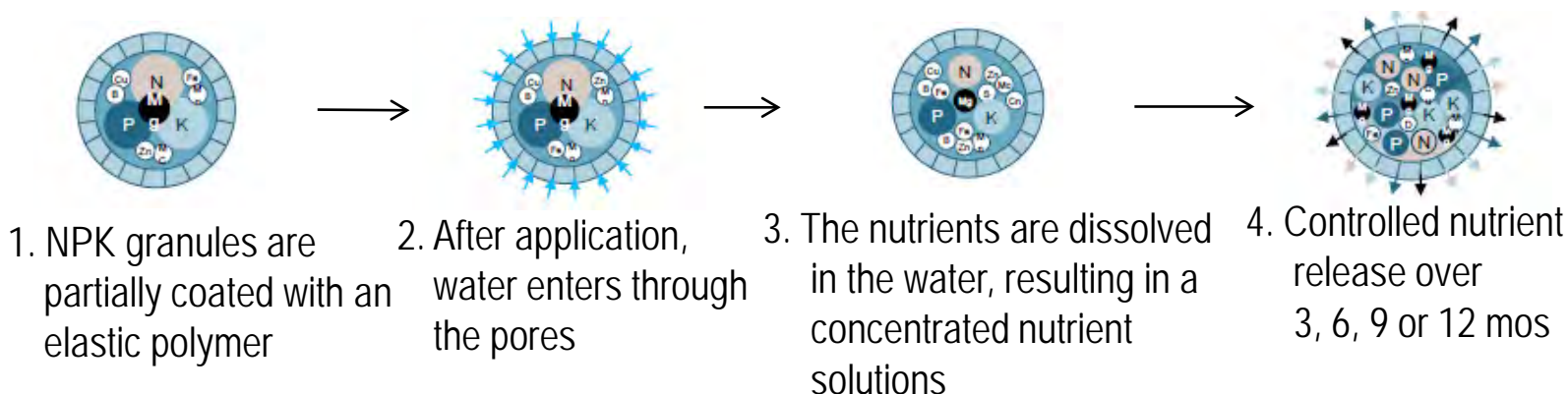
Bulk production sites: Rotem (IS), Amsterdam (ND), Ludwigshafen (GE)

In addition: Specialty fertilizers, animal feed additives

ICL is One of the Global Leaders in Specialty Fertilizers

- **Faster growing markets** (5%-8% per annum)
- **Environmentally-friendly products to global agricultural market: WSNPK, CRF, SRF, MKP, MAP & liquids** for the specialty agriculture, ornamental horticulture and turf markets
- **Unique coating technologies:**

The Controlled Release (CRF) Concept



- **Extends ICL's fertilizer business downstream and creates a platform for geographical expansion**
- **Strong advantages: wide and strong sales force and Best-in-Class R&D and technology**

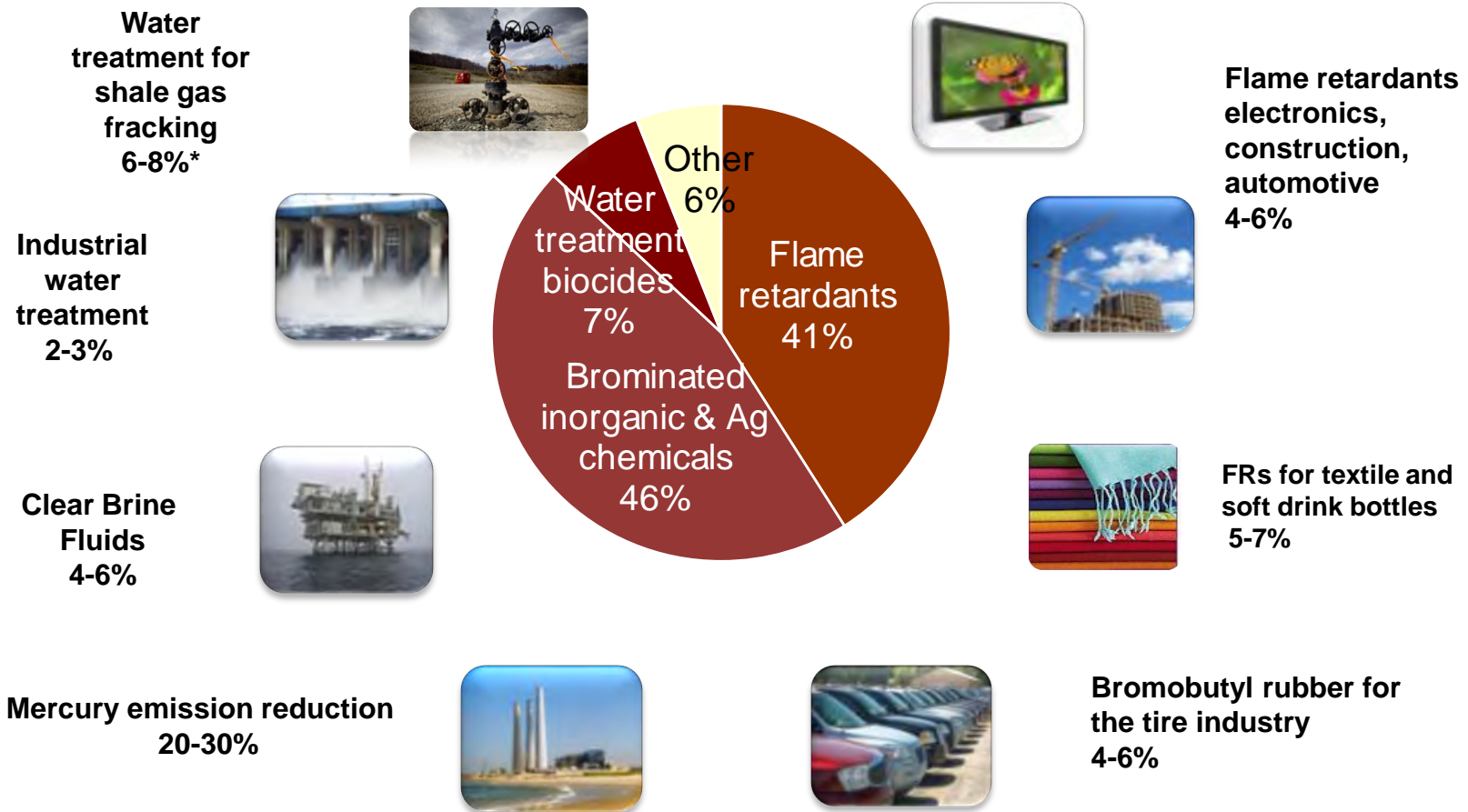
ICL Industrial Products



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

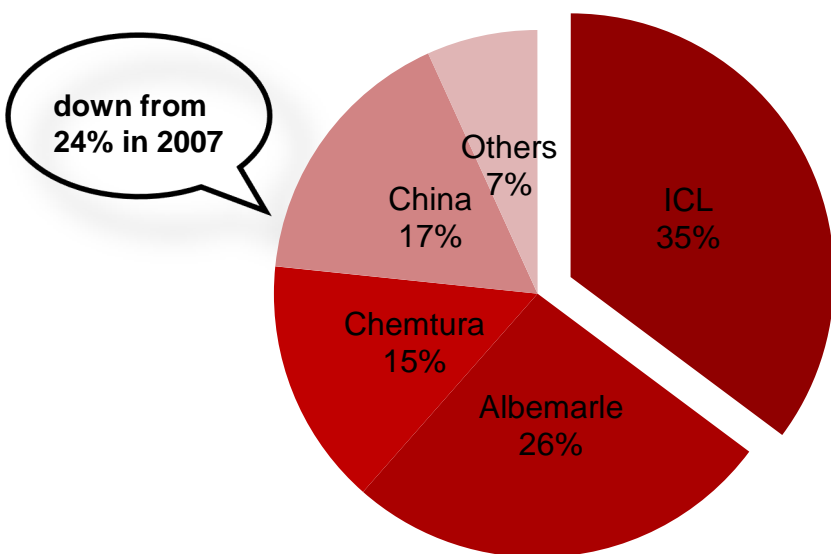


ICL Industrial Products & End Markets



Segment Sales - 2012: \$ 1.4 Billion

Based on 2012 external sales ; * Expected growth rate.
 Source: Electronics: Prismark study August 2012 ; Construction and automotive: AMI consulting study August 2012



- ✓ **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)**

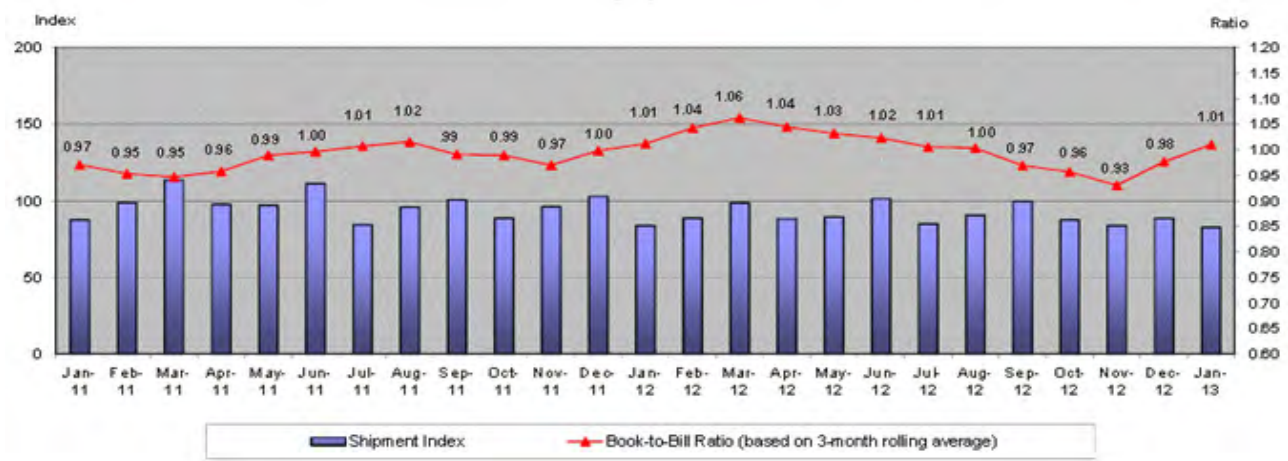
**Global Bromine Market
in 2012 ~520Kt**

Ongoing Slowdown in the Electronics Industry Dampens Demand for FRs



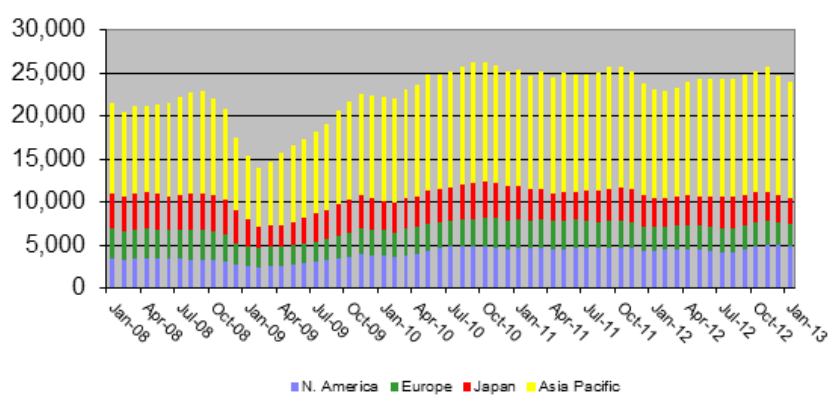
Source: IPC Association, SIA – Semiconductors Industry Association, The Bishop Report

Book-to-Bill Ratio for the North American Rigid PCB

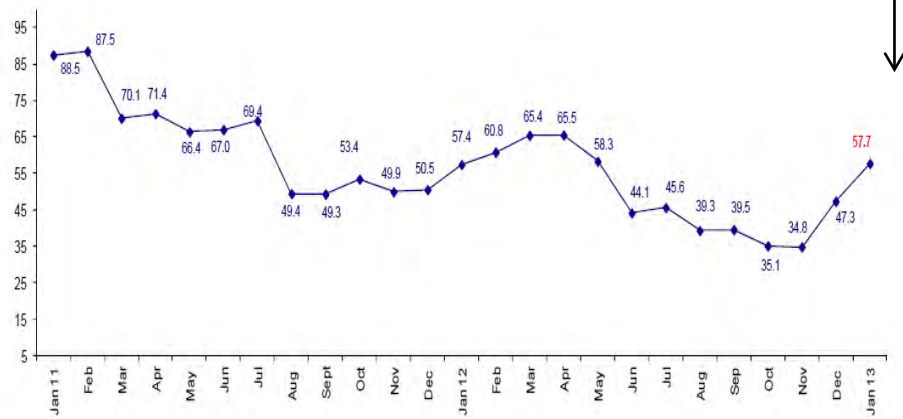


A change in trend?

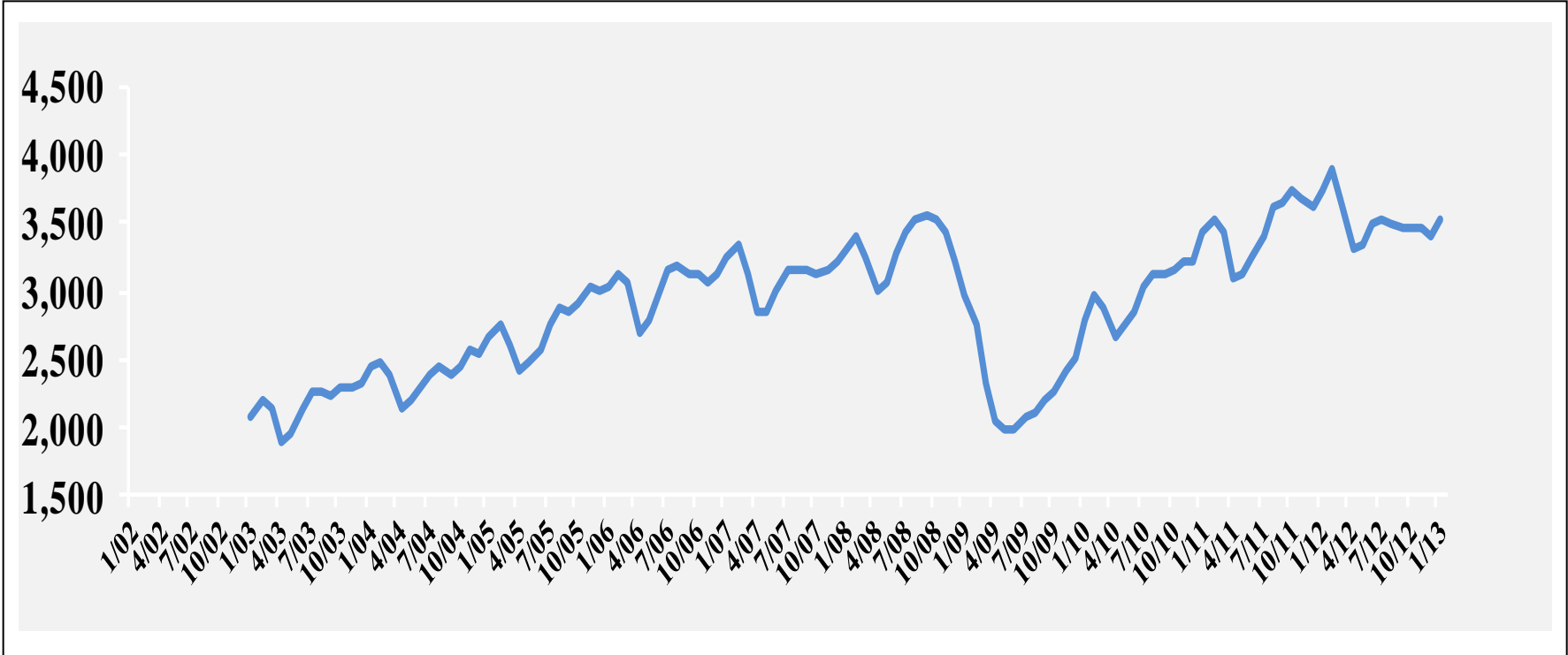
Bishop World Connectors Confidence Index



Global Semiconductors Shipments (\$ million)



Strong Increase in Oil & Gas Drilling Worldwide Strengthened Demand for Bromine Products



Source: Baker Hughes Rig Count, February 2013

Growth Driven by Global Megatrends, Stricter Regulations & Innovation



Regulation & Energy

Fire Safety
Oil & gas drillings
Shale gas
Future pipeline

Increased demand for usable water

Water treatment biocides
Industrial & waste water treatment
Drinking & farm animal water purification
Clearon Bleach Tablets

Growing population & standard of living

Intermediates for agro, food and pharma

Growing environmental awareness

Merquel for Mercury emission
Green FR product lines – Polyquel™, FR122P,
Halogen-free & low VOCs (Volatile organic compounds)
FR for flexible polyurethane

Major opportunities:

green FR products, phosphorous FRs, Merquel™, bromine based biocides for the shale gas industry.

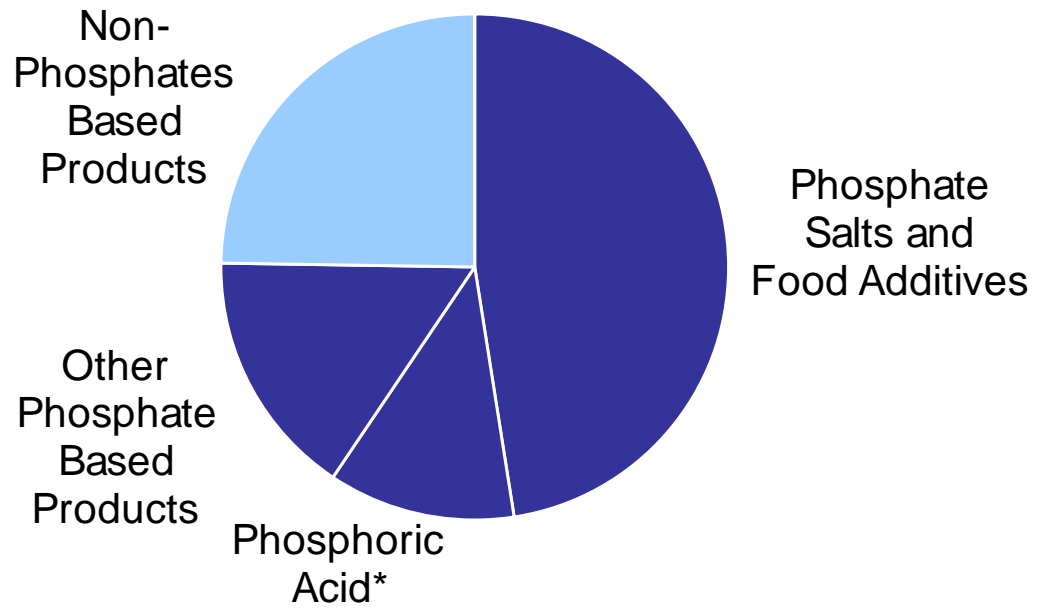
ICL Performance Products



Global Leader in Specialty Phosphates



ICL Performance Products: Phosphate Downstream Applications



- 76% phosphate & phosphorus-based products
- 24% other

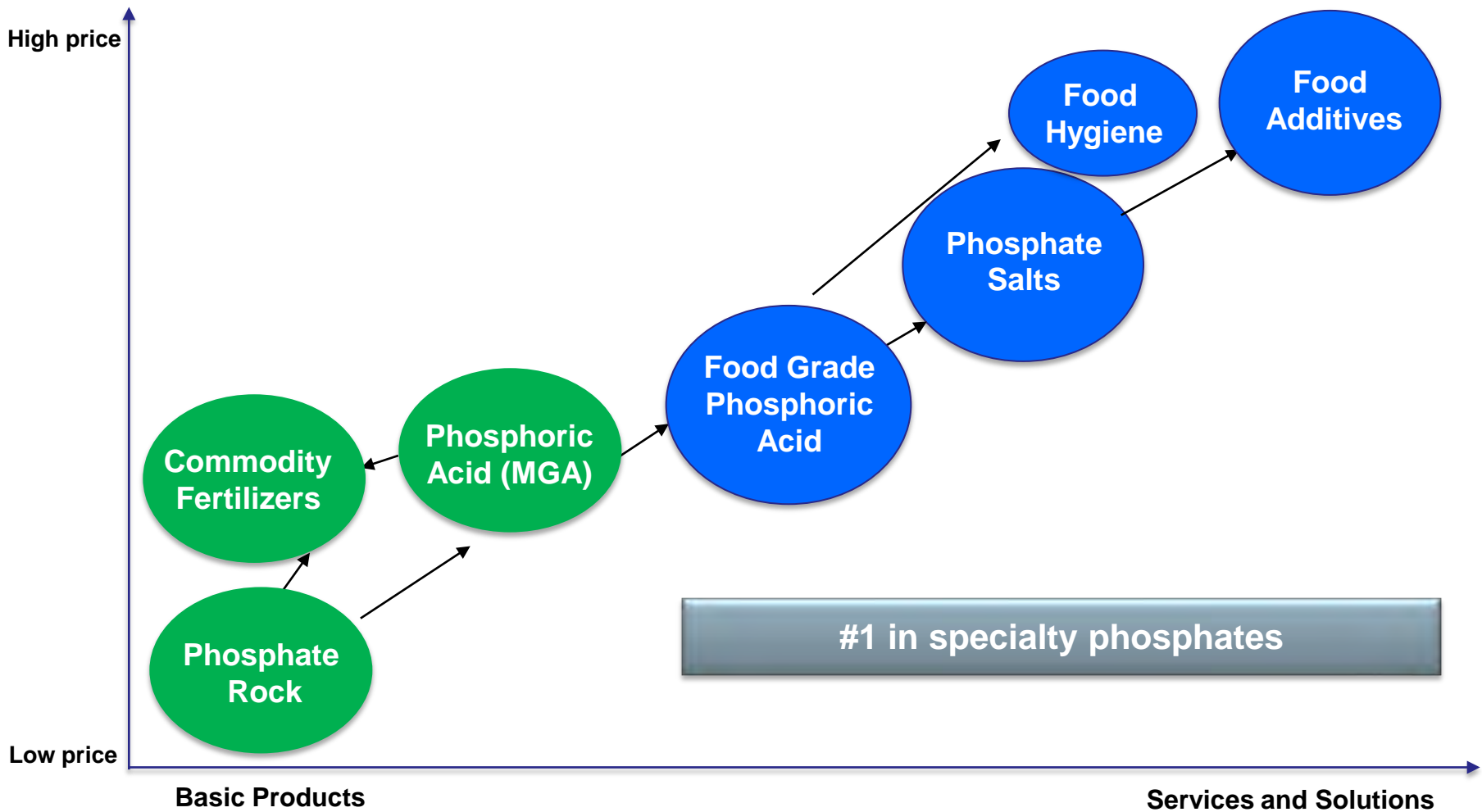
Segment Sales - 2012: \$1.4 Billion

* Food, technical & electronic grade acids
Based on 2012 external sales

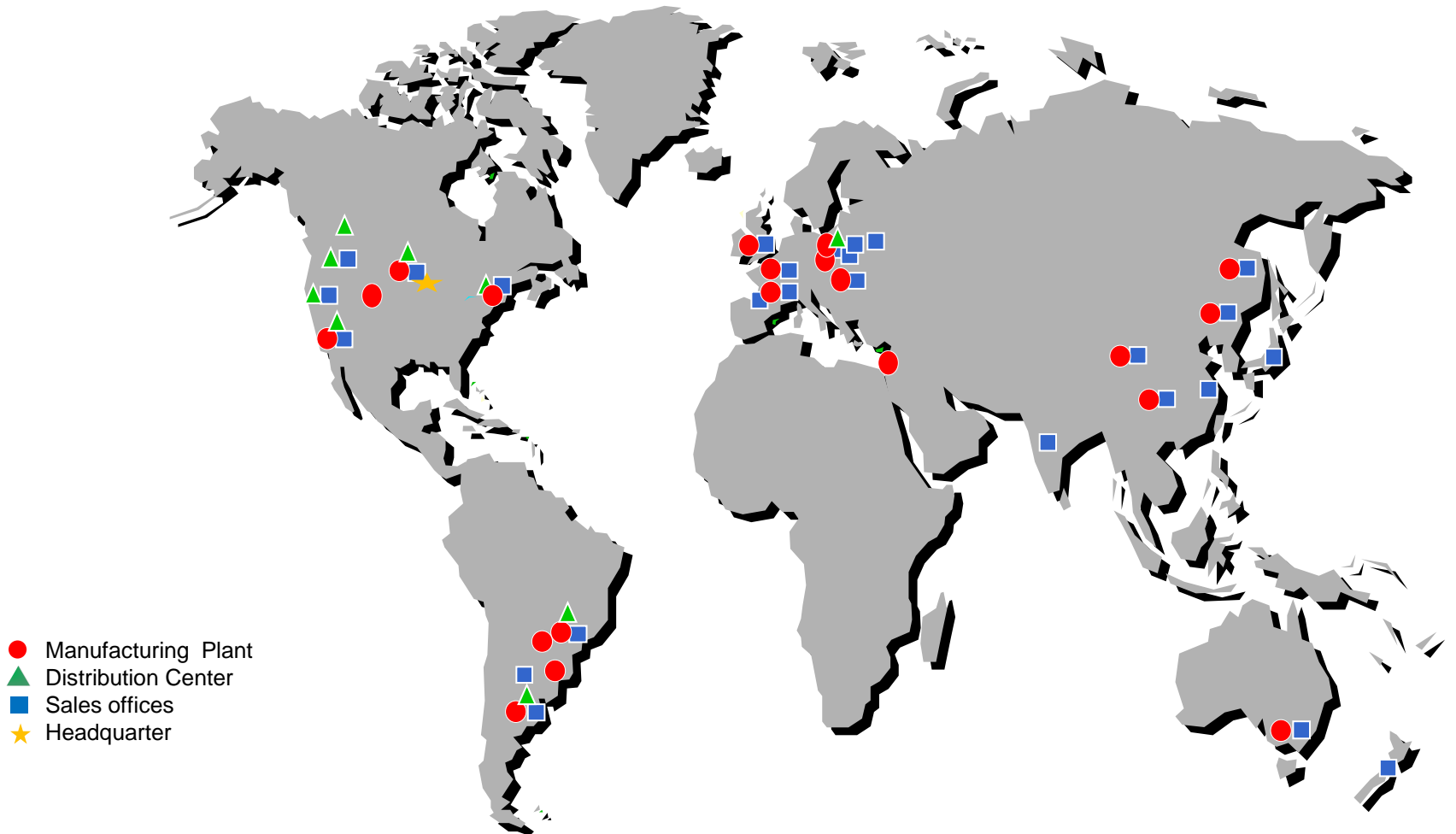
The Most Vertically Integrated Specialty Phosphates Company



From Raw Materials to Downstream Products & Services



Worldwide Presence



- Manufacturing Plant
- ▲ Distribution Center
- Sales offices
- ★ Headquarter

Leading Market Positions in the P2O5 Value Chain Enable ICL PP to Benefit from Major Mega Trends

Growing population & standard of living

Processed food
Hygiene
Health care

Increased demand for usable water

Industrial & waste water treatment
Drinking water

Growing environmental awareness/global warming

Fire safety

#1 In purified and specialty phosphoric acid



3-5%*

#1 In food phosphate specialties



3-4%

Technical phosphate specialties - #1 Worldwide in glassy phosphates



2-3%

#1 In wildfire retardants

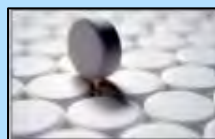


Event driven

Hygiene services



Health care intermediates



Water & paper treatment



* Expected growth rate, ICL's estimates

Financial Information



Strong Financial Position Enables ICL to Take Advantage of Business Opportunities



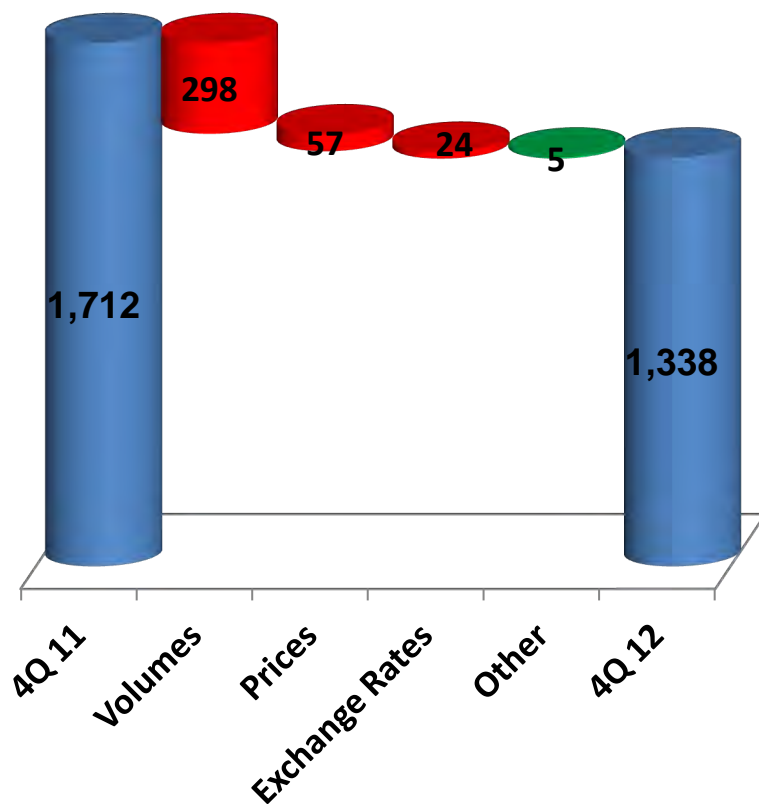
Q4 2012 and 2012 Financials



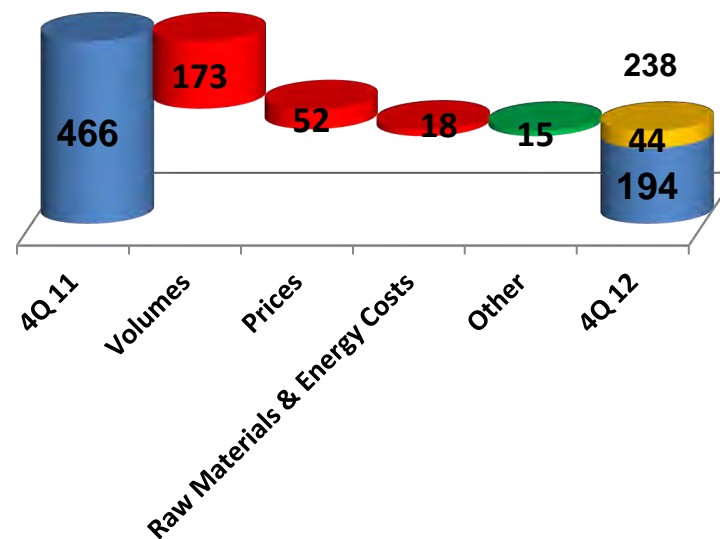
<i>\$ millions</i>	Q4 11	Q4 12	% change Vs. Q4 11	2011	2012	% change VS. 2011
Sales	1,712.4	1,338.1	(21.9%)	7,067.8	6,672.2	(5.6%)
Gross profit	775.4	507.1	(34.6%)	3,155.7	2,757.2	(12.6%)
Gross margin	45.3%	37.9%		44.6%	41.3%	
Operating income	466.5	194*	(58.4%)	1,926.0	1,576.5*	(18.1%)
Operating margin	27.2%	14.5%		27.2%	23.6%	
Net income to the Company's shareholders	369.6	209.5	(43.3%)	1,511.8	1,300.5	(14%)

* Includes a one time expense associated with early retirement plans, in the amount of \$55 million, which was recognized during the fourth quarter of 2012 . Also includes one time gain, associated with VAT refund in the amount of \$ 11 million, which was received by a foreign subsidiary during the fourth quarter of 2012.

Sales



Operating Profit



- **2012: SOLID RESULTS & STRONG OPERATING CASH FLOW DESPITE SIGNIFICANT MACROECONOMIC HEADWINDS.**
- **Q4: DELAYS IN SHIPMENTS** in China and India affected results negatively.
- **FERTILIZERS**
 - ✓ **Q4:** a slight increase in Phosphate & Fertilizers revenue, due primarily to the consolidation of companies acquired in 2011. Lower potash revenues due to lower sales volumes.
 - ✓ **Q1 2013: ICL SIGNED SIGNIFICANT NEW POTASH SUPPLY AGREEMENTS** in India and China, maintaining its high market share. Strong start in Brazil and SE Asia.
 - ✓ **SOLID GRAIN MARKET FUNDAMENTALS:** low grain inventories and relatively high crop commodity prices are generating robust profits for farmers and a strong incentive to apply fertilizers.

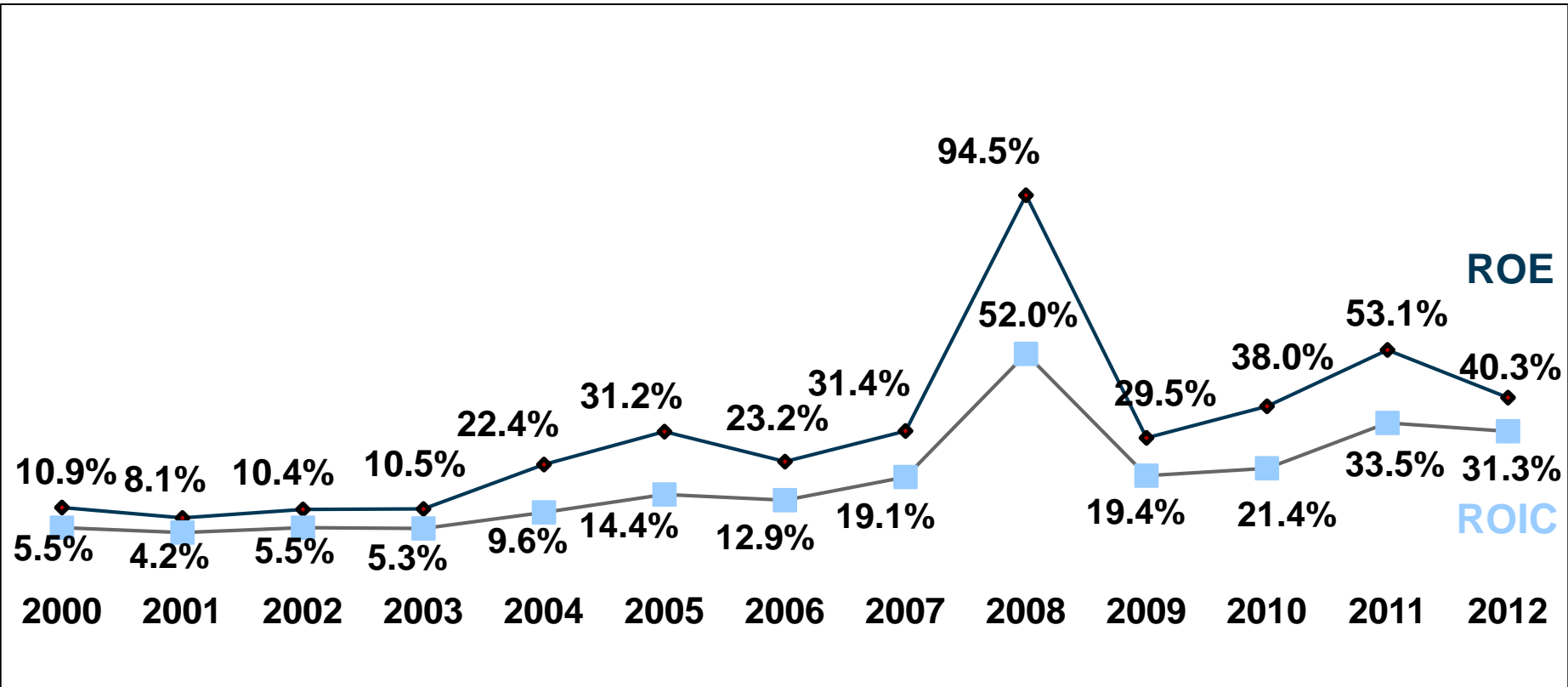
- **SPECIALTY CHEMICALS BUSINESSES WERE AFFECTED BY GLOBAL ECONOMIC UNCERTAINTY**
 - ✓ **INDUSTRIAL PRODUCTS** : soft demand for FR's for the electronics & construction industries, countered partially by strong sales & new applications in the energy and water markets for other brominated products.
 - ✓ **PERFORMANCE PRODUCTS**: solid volumes in North America partially offset lower volumes in Europe.

Q4: volumes in the European market improved whereas customers reduced inventories significantly in December in the U.S.

Sales in the beginning of 2013 indicate no further deterioration of the market.

ICL PP recently acquired Thermphos' P2S5 business to support its global platform in the fuel additives market.

Strong Returns



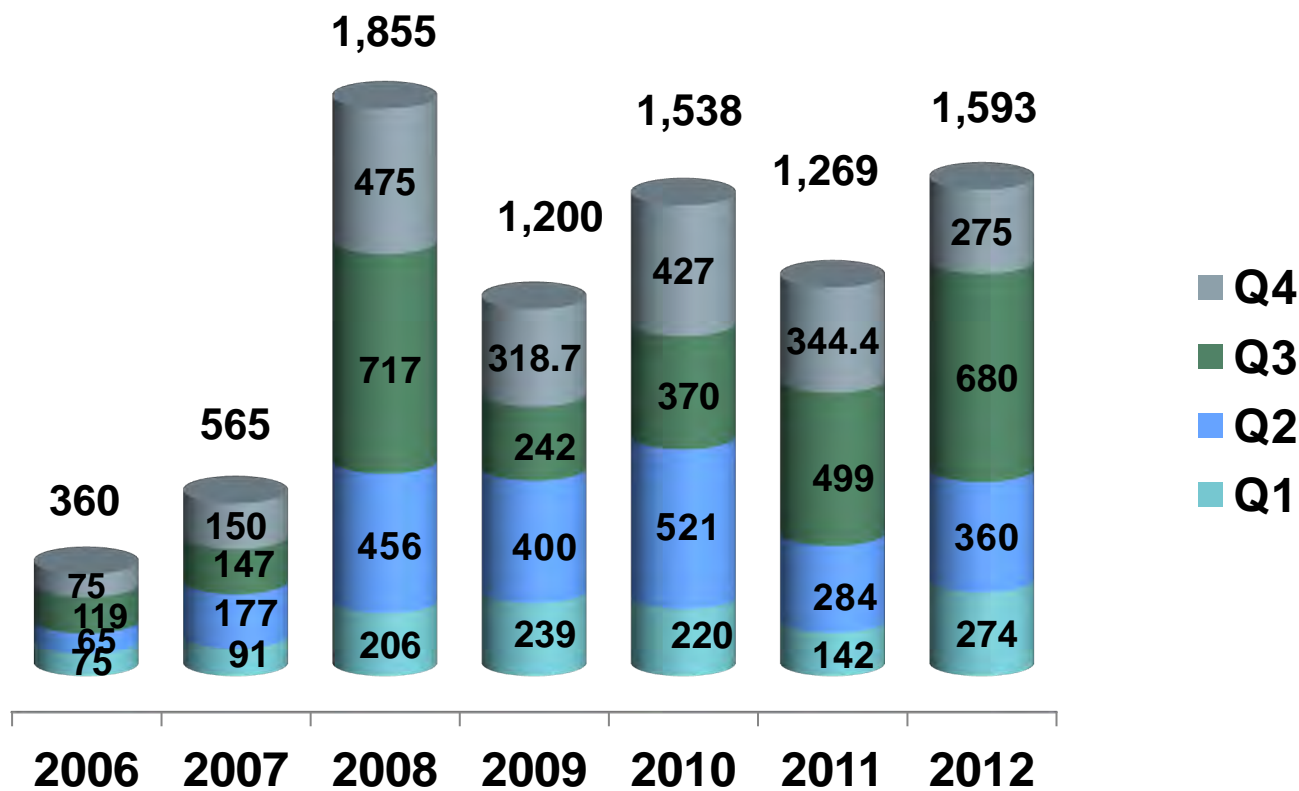
2000-2006 figures are based on Israeli GAAP, 2007-2012 are based on IFRS

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

Very Strong Annual Cash Flow Delivery

\$ millions



* 2006 figures are based on Israeli GAAP, 2007-2012 are based on IFRS



More than a Decade of High Dividend Yields

• Calculated according to market capitalization based on average share price adjusted for dividends. Dividends attributed to profits of that year.

Dividend policy:

Up to 70% of net income in quarterly payments

<i>Year</i>	<i>Dividend Yield*</i>
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	5.9%
2012	6.4%

Dividend Payments for 2012

Q1: \$200 million announced on May 23, 2012

Q2: \$285 million announced on August 15, 2012

Q3: \$276 million announced on November 21, 2012

Q4: \$147 million announced on March 13, 2013

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 long-term 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

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