

Record sales;  
robust  
earnings (p3)



Dead Sea  
production  
assured (p8)



New focus  
on Specialty  
Fertilizers (p16)

Eco-friendly  
portfolio  
expands (p24)

# A BREAK OUT YEAR FOR ICL

## CORPORATE PROFILE 2011



*Creating a Better World*

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# 2011 IN A SNAPSHOT

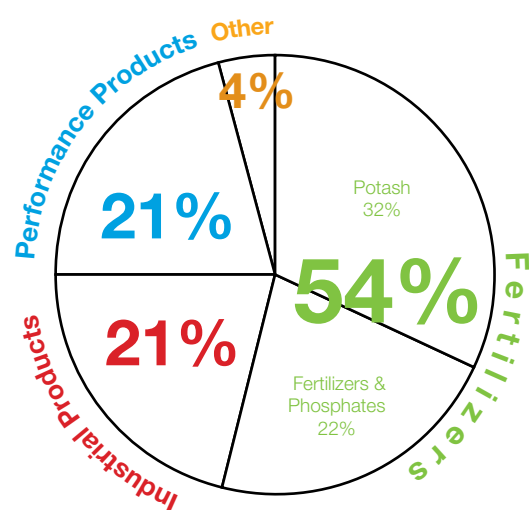
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ICL is a global fertilizer and specialty chemicals company. We have almost 12,000 employees throughout the world and generated revenues of \$7.1 billion in 2011.

**2011 was a breakthrough year whose record results rounded out a full decade of exceptional growth for ICL.** Our success reflects the steady execution of long-term strategies that have proven their ability to generate consistent growth and shareholder value despite the continuous change and volatility of world markets.

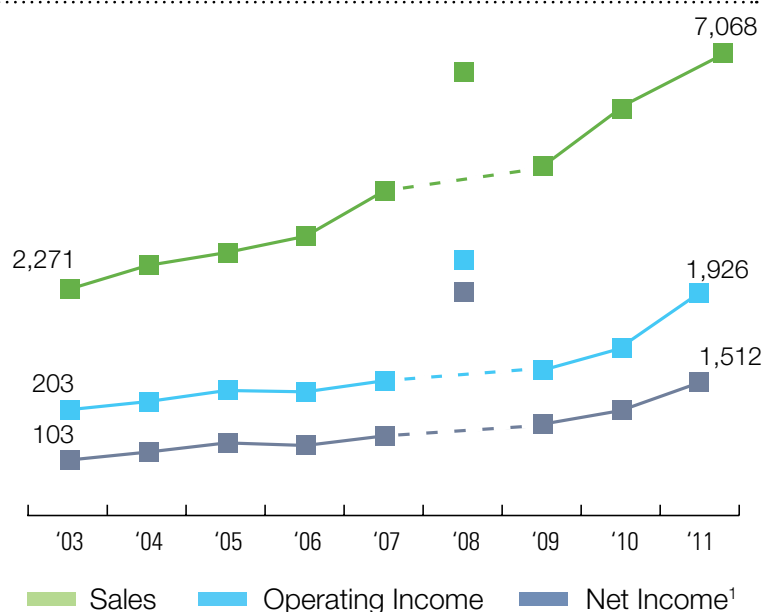
In this review, we have illustrated our strategies in motion by highlighting some of the many accomplishments that we achieved during 2011.

## Segment Sales



Based on 2011 external sales

## Revenues, Operating Profit, Net Income (\$ millions)



2003-2006 figures are based on Israeli GAAP  
2007-2011 figures are based on IFRS

## Selected Financial Data (in \$ millions)

	2011	2010	2009
Sales	7,067.8	5,691.5	4,554.3
Operating Income	1,926.0	1,346.1	938.2
Net Income <sup>1</sup>	1,511.8	1,024.7	770.4
Cash Flow from Operating Activities	1,269.4	1,537.0	1,199.7
EBITDA <sup>2</sup>	2,190.2	1,572.1	1,225.9
ROE <sup>3</sup>	53.1%	38.0%	29.5%
ROIC <sup>4</sup>	33.5%	21.4%	19.4%
Dividend Yield <sup>5</sup>	5.9%	7.0%	3.9%

- To the equity-holders of the company.
- Net income plus net financing expenses, taxes, minority interest, depreciation and amortization, excluding extraordinary or one-time events.
- Return on Equity = Net income / Shareholders' Equity, average.
- Return on Invested Capital = (Operating Income x (1-0.20)) / (Trade Receivables + Inventory - Trade Payables + Property, Plant & Equipment, net), average.
- Calculated according to market capitalization based on average share price adjusted for dividends.

# FROM OUR CHAIRMAN AND CEO

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From almost every perspective, 2011 was a breakthrough year for ICL. Financially, our revenues reached a record level above \$7 billion, giving us a net profit of \$1.5 billion, second only to the outstanding year we had in 2008.

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Strategically, we completed acquisitions on three continents, enabling us to broaden our downstream product portfolio, expand our reach into fast-growing markets and further diversify our offerings. And equally important, in December we entered into a landmark agreement with the State of Israel, achieving certainty regarding our future production activities at the Dead Sea.

These developments are the natural outgrowth of strategies we have been executing for more than a decade. Working on multiple fronts, we have transformed ICL from a conglomeration of separate enterprises into a highly profitable, focused, global, vertically-integrated company with a proven capacity to flourish in all market cycles. Perhaps the clearest indicator of our success is our market cap, which has risen from \$1 billion in 2001 to \$14 billion today.

These results owe much to our steady execution of a long-term vision focused on extending our reach, improving our efficiency and taking advantage of opportunities arising from favorable market trends. Our decisions to continually expand our production capacity, to stockpile

inventory during periods of weak demand, to diversify our mineral resources, to undertake global expansion and to pursue downstream markets – all while investing heavily in safety and environmental protection – have continually strengthened our operations, enabling us to deliver significant growth despite volatile markets. As a result, this consistent implementation of our strategy has led directly to our record sales and high profit margins.

The diverse activities that we carried out in 2011, as described in this profile, are good illustrations of the multi-dimensional strategies that have driven our success.

- Having decided to expand our focus on the emerging specialty fertilizers market, we acquired **Everris** (previously, Scotts Global Pro) and **Fuentes Fertilizantes**, the leading specialty fertilizers producer in Spain, while also expanding our holdings in **NU3**, the world's largest manufacturer of soluble NPK components. These strategic moves have transformed us into one of the largest global players in the Specialty Fertilizers industry.



**Mr. Akiva Mozes**  
President & CEO



**Mr. Nir Gilad**  
Chairman of the Board

- To expand our downstream capabilities and marketing reach in the Americas, we acquired Mexico-based **Cosmocel Quimica**, a manufacturer of functional food ingredients, and **Halox**, a U.S. producer of specialty phosphate products.
- To diversify our global sources of minerals, we scaled up our potash mining at **Iberpotash** and initiated mining of **CPL's** vast North Sea reserves of **polyhalite**, an organic fertilizer. We are the first company in the world to mine polyhalite commercially.
- Perhaps most important, our landmark agreement with the State of Israel eliminates uncertainty regarding our future production activities at the Dead Sea and related special taxes for the foreseeable future. Our willingness to meet the government's challenging demands - especially our agreement to bear the lion's share of the project's financial and operational burden and to double our potash royalty rates on sales above 1.5 million tons per year - demonstrates just how seriously we regard our responsibility to our workers, the communities in which we operate and to environmental protection.

As we move forward, we have never been more excited about ICL's prospects. Our efforts of the past have built the company into a powerhouse that is benefiting from the world's strongest growth trends. We are proud that our products enhance global food supplies, clean the air, purify and multiply global water resources, and protect the world's growing population. But the best is still ahead. We see new areas in which we would like to expand, and many new ways in which we can help alleviate difficult global challenges. We are excited by the many changes made possible by new technologies and an increased

environmental awareness, and continue to research new, eco-friendly directions in specialty fertilizers, flame retardants, water treatment, battery storage and other areas.

We thank our employees, shareholders, customers and suppliers for their important role in helping us to reach this exciting juncture in ICL's history, and look forward to reporting continued progress in the year ahead.

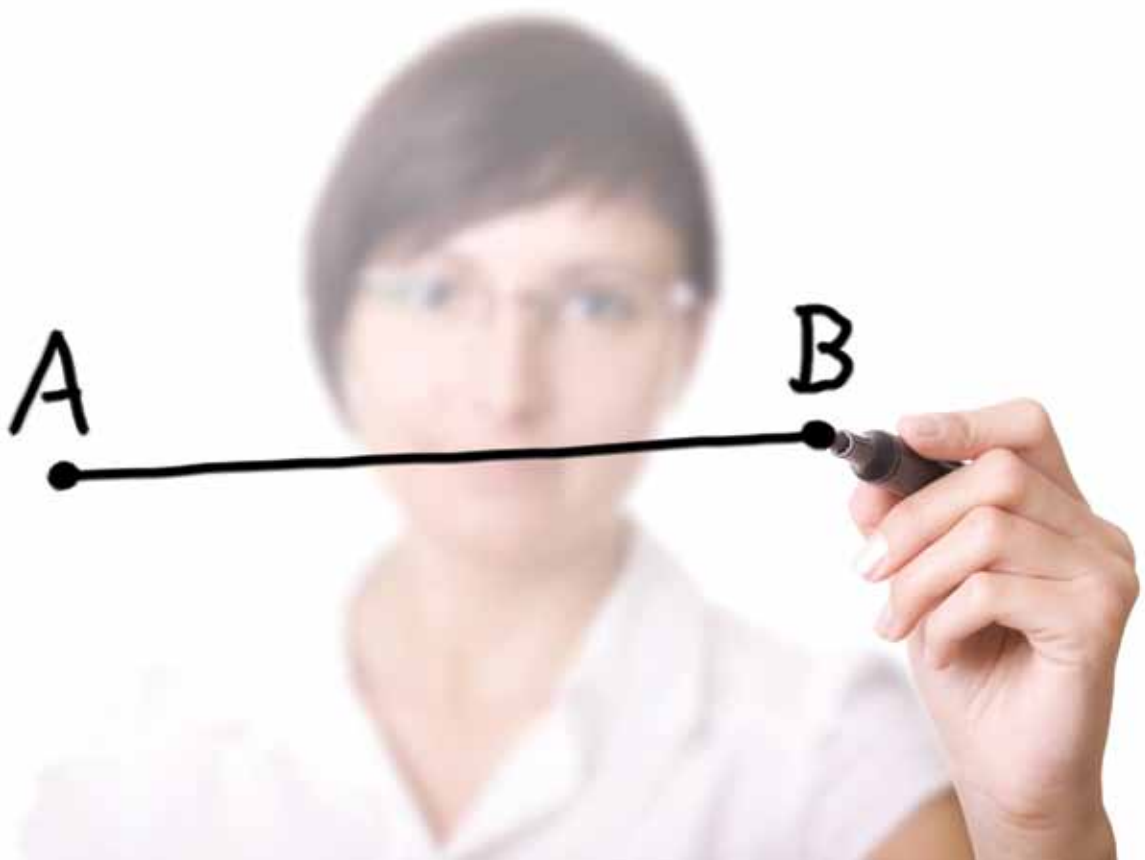
Yours truly,

**Mr. Akiva Mozes**  
President & CEO

**Mr. Nir Gilad**  
Chairman of the Board

*In January, Mr. Akiva Mozes notified ICL's Board of Directors of his intention to retire after 37 years of working for the Company, including 13 years as its President and CEO. Mr. Mozes has not set the date of his retirement, and has agreed to continue serving as CEO while the Board of Directors conducts its process of identifying and naming a successor. The Board has nominated a committee to establish criteria for identifying a new CEO and to review the suitability of candidates.*

# STRATEGIES FOR ACHIEVING STEADY GROWTH IN A GLOBAL, VOLATILE ECONOMY



## Securing and broadening our mineral resources

We benefit from differentiating access to plentiful sources of concentrated minerals. To broaden our advantage, we continually expand our production capacity and diversify our offerings.



## Moving downstream with new products & services

By expanding into downstream markets driven by global trends, we diversify our revenue streams and protect ourselves against downturns in any one market.



## Extending our reach in fast-growing markets

By creating products, sales and service organizations that target the needs of rapidly growing regions, we create strong new revenue streams for ICL.



## Expanding our environmental landscape

- We invest to expand our portfolio of eco-friendly products for large markets and to replace existing products being phased out.
- By making our operations more eco-friendly, we create efficiencies and reduce our impact on the environment.



# SECURING & BROADENING OUR MINERAL RESOURCES

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One of ICL's key differentiating advantages is its favorable access to diverse sources of high-quality minerals.

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**In 2011 we protected and extended this advantage through a number of activities, including:**

- Entering into a landmark agreement with the State of Israel achieving certainty regarding our future production activities at the Dead Sea.
- Starting the next-stage expansion of our potash facilities at the Dead Sea.
- Initiating the consolidation and expansion of our potash mining operations in Spain.
- Launching the mining of polyhalite using our existing infrastructure in England
- Acquiring peat mines in England.

~8% 33%

**ICL PRODUCES:  
~8% OF THE WORLD'S POTASH AND  
33% OF THE WORLD'S BROMINE.**

# SECURING OUR DEAD SEA ACTIVITIES

.....  
In December 2011, ICL agreed to carry out the landmark Salt Harvesting Project, a permanent solution for stabilizing the water level in Pond 5 (Southern Basin of the Dead Sea) and providing certainty regarding our future production activities at the Dead Sea.  
.....



## The process:

Floating dredgers will dredge the salt.

The salt will flow through a floating pipe to shore.

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## The Salt Harvesting Project:

The project will be carried out over 6 years by ICL's Dead Sea Works, and thereafter annually, at a total cost of NIS 3.8 billion\* through 2030, 80% of which will be borne by ICL. When added to the present value of the dividend which ICL paid to the Israeli government in 1992 that was earmarked for the purpose of financing a solution to the rising level of the water in Pond #5, the Company will have covered, in effect, nearly 100% of the project cost.

\* present value 7%

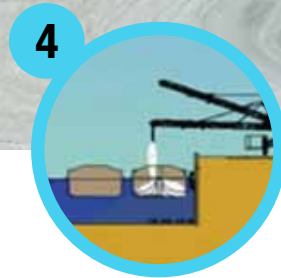
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- The level of Pond #5 will be stabilized at approximately 1.2 meters above its current level. The Pond's dikes will be raised and strengthened, and the water level will be kept constant at its new, stabilized level via ongoing salt dredging and maintenance.
- 16 million cubic meters of salt will be harvested each year.
- The first round of dredging is expected to begin in 2016.

# A RESPONSIBLE APPROACH THAT BENEFITS INDUSTRY, TOURISM AND NATURE



The dry salt will be transported on a 36km conveyor to a terminal.



At the terminal, the salt will be loaded onto barges.



The barges will return the salt to the Dead Sea's Northern Basin.

# INITIATION OF POLYHALITE MINING



In 2011, ICL's subsidiary Cleveland Potash began mining the vast reserves of high-quality polyhalite that lay 150 meters below its existing Boulby potash seam at ~1,000 meters depth in the North Sea.

ICL is the first in the world to mine polyhalite commercially, and expects to ramp up production to 600 kt per year by 2015.

Polyhalite is an organic fertilizer with a mineral structure consisting of 14%  $K_2O$ , 50%  $SO_3$ , 7%  $MgO$  and and a

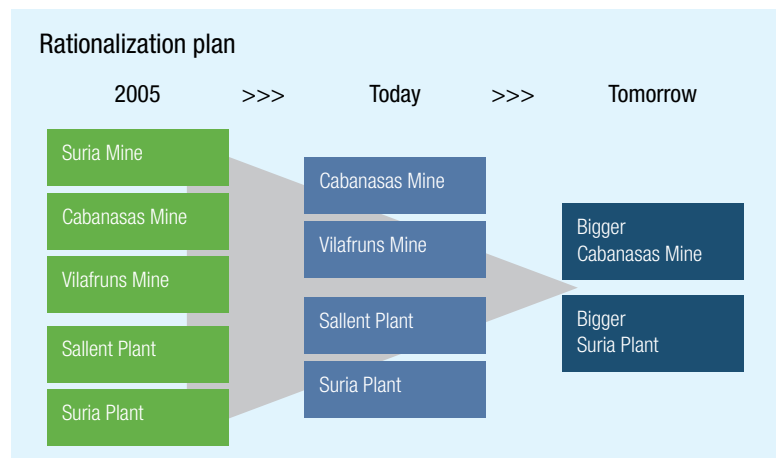
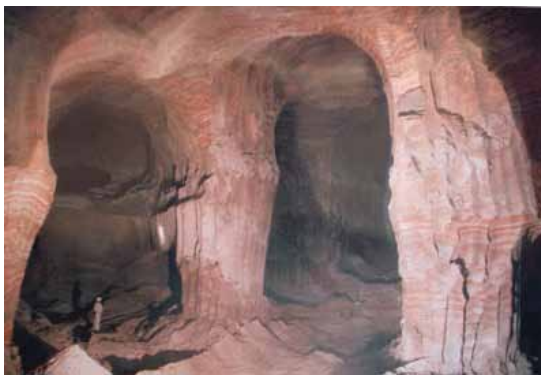
maximum of 3% chloride. It is ideal for use on sulfur-depleted lands, and particularly suited for chlorine-sensitive crops, such as premier fruits, vegetables, coffee, etc. It can be used as a raw material in both compound fertilizers and blends.



# RATIONALIZATION OF IBERPOTASH MINES

In 2011, ICL's subsidiary, Iberpotash, began carrying out a mining and processing upgrade efficiency program designed to expand its Suria/Cabanastas center and to phase out its Villafruns/Sallent center. The first phase of the program will cost €160 million.

The project calls for increasing Cabanastas' capacity to produce fertilizer- and technical-grade potash. It also specifies the building of new technologically advanced plants to manufacture vacuum and de-icing salt from potash manufacturing by-products. All plants will have a superior environmental profile in terms of energy usage, water consumption, emissions and by-products.



# €160M

COST OF FIRST PHASE OF MINING AND PROCESSING UPGRADE AT ICL'S IBERPOTASH UNIT IN SPAIN



**MOVING  
DOWNSTREAM  
WITH NEW  
PRODUCTS  
& SERVICES**



# No. 1

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To help us capitalize on our back-integration to mineral, we continually expand our downstream activities, especially in markets whose growth is being propelled by long-term global trends.

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Success in downstream markets requires us to establish enhanced support and formulation capabilities near our customers in Europe, North America, Latin America and the Far East.

In 2011, we initiated a new focus on the fast-growing specialty fertilizers industry while continuing to build out our local service capabilities for the food processing, paper, paints and coatings and other industries.

#### ICL'S POSITIONING IN DOWNSTREAM MARKETS:

- #1 in organophosphorus flame retardants
- #1 in soluble fertilizers and controlled & slow release fertilizers
- #1 producer of pure phosphoric acid
- #1 in specialty phosphates
- #1 in fire safety products
- #1 in PK fertilizers (compound potash & phosphate)
- #1 in bromine-based drilling fluids for the oil and gas industry
- Major player in specialty fertilizers & specialty chemical niche markets

# NEW FOCUS ON SPECIALTY FERTILIZERS

In a world with more mouths to feed from less land and water resources – and with increasing awareness of environmental protection - farmers throughout the world are increasing their use of advanced agricultural techniques and specialty fertilizers. As a result, global sales of specialty fertilizers are growing at 5%-8% per year, compared with 3%-4% for conventional products.

During 2011, ICL carried out acquisitions to transform itself into a Specialty Fertilizers leader:

- **Everris (formerly Scotts Global Pro)**: a leading Specialty Fertilizer company with sales and support teams on 5 continents, manufacturing plants in the US and Europe, a broad portfolio of branded products and proprietary technologies.
- **Fuentes**: Spain's largest specialty fertilizer company, with production facilities in the center of Spain's agricultural areas, as well as warehouses, port facilities and logistics centers in southern and eastern Spain.



- **Nutrisi Holdings (50%)**: owner of 50% of NU3 (partnership with Yara), the world's largest manufacturer of soluble NPK fertilizer components.

**NOW, ICL SPECIALTY FERTILIZERS HAS BECOME A SEGMENT WITH:**

- ~\$650M in annual sales
- One of the Specialty Fertilizer industry's largest global sales & support organizations
- Broad portfolio of unique, branded products & proprietary technologies



## FOOD INGREDIENTS & HYGIENE SOLUTIONS

ICL is a leading global provider of innovative solutions that meet growing global regulations and concern for all aspects of food processing and preparation. Through activities carried out in 2011, ICL expanded its product and further expanded its local support capabilities:

- **ACQUISITION OF COSMOCEL**, a Mexican manufacturer of phosphate-based functional food ingredients and specialty chemicals for the bakery, dairy and beverage industries.
- **LAUNCH OF SALONA™**, a natural Dead Sea mineral used in food processing as a low-sodium replacement for salt.

# WATER TREATMENT SOLUTIONS & SERVICES

ICL provides customized water treatments for a wide variety of industrial and institutional industries, including power plants, oil refineries, chemical plants, paper companies, steelworks and waterworks. ICL's offerings include brominated biocides for pre-treatment, treatment, de-contamination and re-use of wastewater. For example, ICL's joint venture with Angang Industry Group provides comprehensive water treatment solutions to Ansteel Group, the second largest steel producer in China.

In 2011, ICL's Medentech business unit, which develops cost-effective water disinfection solutions, obtained US Environmental Protection Agency (EPA) registration for Aquatabs, the world's leading brand of water purification tablets. This registration opens the lucrative US market to Aquatabs sales.



# DOWNSTREAM PHOSPHATE SPECIALTIES

During 2011, ICL Performance Products acquired the Halox Division of the Hammond Group to expand its portfolio of specialty phosphate products for the paint and coatings industry.

# \$650M

ANNUAL SALES OF ICL SPECIALTY  
FERTILIZERS FOLLOWING 2011  
ACQUISITIONS OF EVERRIS (FORMERLY  
SCOTTS GLOBAL PRO) AND FUENTES

# 500

R&D EMPLOYEES DEVELOPING CUSTOM  
SOLUTIONS AND NEW, SUSTAINABLE  
PRODUCTS & APPLICATIONS AT ICL'S IMI  
INSTITUTE IN ISRAEL AND BUSINESS  
UNITS WORLDWIDE

# 99.9999%

BACTERIA KILLED OF MEDENTECH'S FDA  
APPROVED AQUATABS, THE WORLD'S #1  
WATER PURIFICATION TABLET

A close-up photograph of a person's hands, wearing white gloves and a blue jacket, holding a large bundle of harvested rice stalks. The background is a soft-focus field of rice plants under bright, natural light. The overall color palette is dominated by greens and yellows, with the blue of the jacket providing a strong contrast.

# EXTENDING OUR REACH IN FAST- GROWING MARKETS

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China, India, Brazil and other developing regions have been experiencing extraordinary economic expansion over the past few years. To capitalize on their growth, ICL continues to expand its global manufacturing, distribution, sales and support capabilities.

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55%

OF ICL'S PERSONNEL ARE BASED  
OUTSIDE OF ISRAEL

43.5%

OF ICL'S SALES ARE OF PRODUCTS  
MANUFACTURED OUTSIDE OF ISRAEL

# EXPANDING ICL'S PRESENCE IN CHINA

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China has been a focus for ICL's potash sales for more than a decade. In 2011, ICL's potash sales to Chinese customers reached a record of 1.25 million tons.

ICL is establishing a growing network of manufacturing, sales and support capabilities throughout China. Recent projects and activities include:

- Establishment of the **BKG/Angang Steel - Partnership** for the provision of water purification services for steel plants
- Building of a **thermoplastic waste recycling center**
- Building of a **Rhenoflex "waste-free" production line**
- Erecting a new plant for the manufacture of **bromine-based biocides** for water treatment
- Expanding our capacity to manufacture **phosphate salt food additives**
- Establishing the **marketing and service network** for our **hygiene and disinfection business**



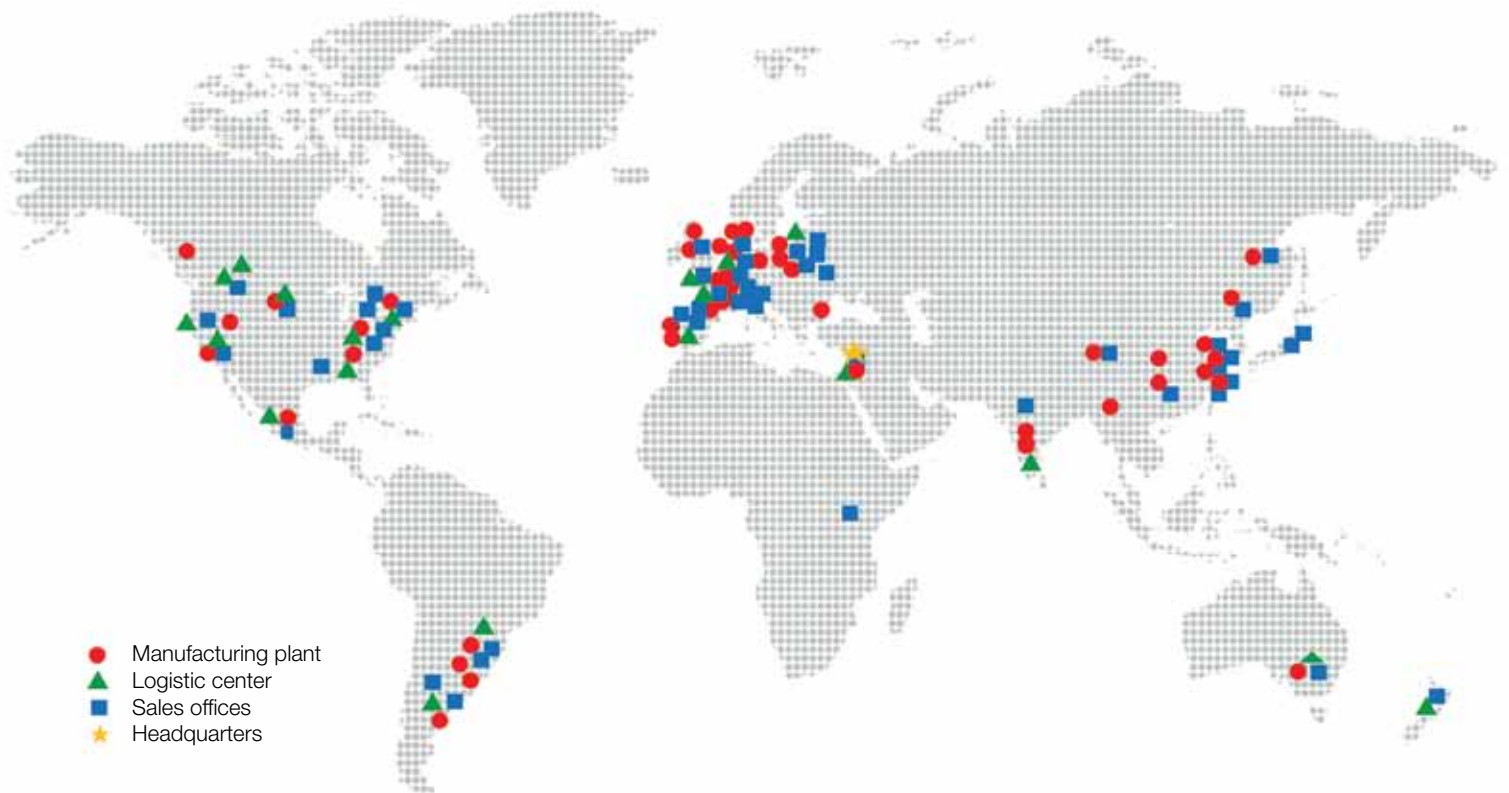
# INDIA: A NEW CENTER OF ICL'S GROWTH

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ICL recently established a regional office in Gurgaon to coordinate all of ICL's Indian business activities and to provide centralized support for local business development, marketing and administrative requirements. ICL's key activities in India during 2011 included:

- Completion of potash supply agreement totaling a record 1.4 million tons
- Expansion of the manufacturing capacity of Zuari Rotem Specialty Fertilizers' soluble fertilizer manufacturing plant, with plans to build two additional plants



# ACQUISITIONS EXPAND GLOBAL SALES, SERVICE & LOGISTICS CAPABILITIES

- **EVERRIS:** gave ICL Specialty Fertilizers a highly-trained sales and support organization with 220 employees in the US, Europe and the Far East
- **FUENTES:** gave ICL Specialty Fertilizers warehouses and logistics centers throughout Spain, and a platform for the launch of operations in Northern Africa
- **COSMOCEL:** expanded ICL Performance Product's sales and local support capabilities in Mexico



# EXPANDING OUR ENVIRONMENTAL LANDSCAPE



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Environmental awareness is driving massive change throughout the chemical industry. Evolving regulations and industrial preferences are creating a need for new, more eco-friendly products, while also dictating a new agenda for managing every aspect of product development and organizational behavior.

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ICL is committed unconditionally to sustainable development and environmental awareness. We believe these principles are the key to our future success and the long-term efficiency and sustainability of our operations.

**OUR ENVIRONMENTAL ACTIVITIES FOCUS ON TWO AREAS:**

- **PRODUCT PORTFOLIO:** We invest heavily to expand our portfolio eco-friendly product offerings, and to create replacement products for offerings being phased out.
- **OPERATIONS:** To make our company as eco-friendly as possible, we are fully committed to evaluating – and, where necessary, to changing - all of our internal processes. These activities reduce our environmental footprint and increase the efficiency of all our operations.

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# BROADENING ICL'S ECO- FRIENDLY PORTFOLIO

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## NEW FLAME RETARDANTS

As one of the Flame Retardants (FR) industry's leading suppliers, ICL is taking a proactive approach to environmental protection. During 2011, we expanded our portfolio of next-generation of polymeric FRs through the launch of FR122P for insulation foams, while also extending our Brominated Epoxy Polymers and Polyquel™ product lines.

## MERQUEL FOR MERCURY EMISSIONS CONTROL

During 2011, we began to ramp up our sales of Merquel™, our groundbreaking product for reducing the mercury emissions of coal-based power stations.

## POLYHALITE

During 2011, we became the world's first company to launch commercial mining of polyhalite, an organic fertilizer for chlorine-sensitive crops and sulfur-depleted regions.



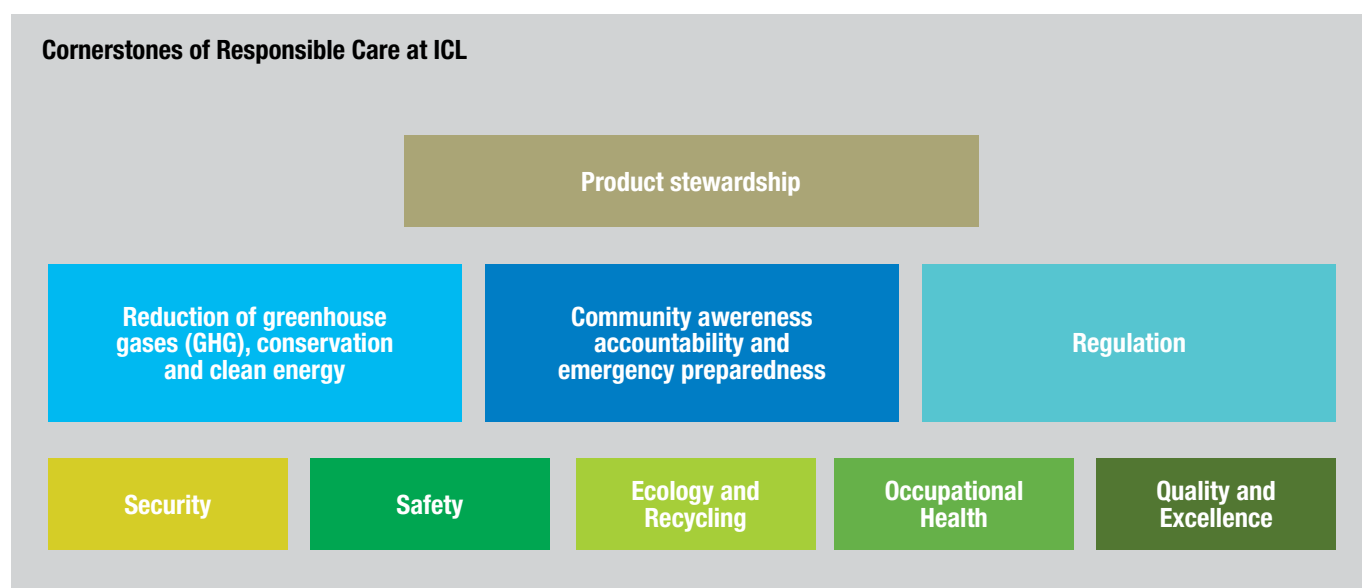
# SUSTAINABILITY THROUGHOUT THE PRODUCT LIFECYCLE

## RESPONSIBLE CARE

In 2008, we became a signatory to the **Responsible Care Global Charter**, the chemical industry's global initiative aimed at driving continuous improvement in health, safety and environmental (HSE) performance. All of our companies have taken upon themselves the implementation of Responsible Care principles. These include responsibility for life-cycle management of our

products ("Product Stewardship"), from development and manufacture, to delivery to the customer site, through usage and disposal. In this way, we help meet the world's growing need for essential chemicals and products while also contributing to the long-term sustainability of the planet.

### Cornerstones of Responsible Care at ICL



## GREEN CHEMISTRY

ICL invests heavily to design and develop chemical products and processes that reduce or eliminate the use and generation of hazardous substances. It operates in strict conformance with the Chemical Industry's 13 principles of Green Chemistry, which are aimed at reducing waste, reducing accidents and minimizing the negative environmental impact associated with the use of chemical substances.



# FAR-REACHING OPERATIONAL INITIATIVES

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## CARBON FOOTPRINTING

ICL is part of the Carbon Disclosure Leadership Index created by the Carbon Disclosure Project (CDP), an independent not-for-profit organization. ICL is the only Israeli company that reports according to the CDP's high standards, and achieved CDP's score of 90 (out of 100) for the scope and quality of its reporting. From 2008-2010, ICL decreased carbon dioxide emissions at its Israeli manufacturing plants by 37%. These plants contribute 80% of ICL's total greenhouse gas emissions.

During 2011, the Company continued to make progress with the carbon footprinting of its products. Beginning with potash and elemental bromine, the measurement now includes over 30 company products.

## ADOPTION OF VECAP

ICL Industrial Products has adopted the VECAP - Voluntary Emissions Control Action Program as part of its efforts to reduce the environmental emissions associated with flame retardants (FRs) throughout the product lifecycle, from design to disposal.

## REGISTRATION UNDER REACH

ICL continues to prepare its products for registration according to the EU's REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) regulations. This regulation is gradually replacing 40 existing directives regarding the protection of health and the environment.

## CONTROLLING AIR QUALITY

The preservation of air quality at ICL's production sites is one of the Company's central environmental goals. The Company has prepared a comprehensive master plan for controlling fugitive emissions in full compliance with guidelines established by the Israeli Ministry of Environmental Protection. ICL is also preparing to comply with Israel's recently-enacted new Clean Air Law, and has achieved a 75% reduction in NOx emissions, a 26% reduction in PM emissions and 38% reduction in SOx emissions since 2008.

## REDUCING WASTEWATER

ICL is making significant progress in its efforts to reduce the wastewater produced from its manufacturing activities. For example, at its BK Guilini plant in France, a 90% reduction in wastewater was achieved by using the waste created from one process as an input for another. Company-wide, ICL has reduced its volume of wastewater by 18% since 2008.

## BUILDING GREEN

All construction and major renovations of ICL buildings are performed according to green building principles. ICL buildings are being designed to save energy and water, use natural lighting, recycle products and improve air quality and noise pollution. In addition, construction processes incorporate sustainable practices such as using reusable materials for construction, separating building waste and recycling materials removed from old buildings.



**Product Stewardship -  
All stages of product life management, from  
development through the end of the product life cycle**

In 2011 an office building constructed by ICL Fertilizers' Dead Sea Works using environmentally friendly construction methods was recognized by the Standards Institute of Israel as an outstanding environmentally-friendly building. In addition, ICL Performance Products' BKG's Food Business Unit completed a 3,700 sqm. state-of-the-art green Logistics Center in Ladenburg, Germany.

## TRANSITIONING TO CLEAN ENERGY

ICL's production sites in Israel are converting to the use of natural gas from fuel oil and diesel, an effort which will reduce its fuel oil usage from 250,000 tons to 80,000 tons per year. In 2010, ICL Fertilizers' Dead Sea Works completed the transition, and during 2011-2012 its Rotem Amfert plant is expected to switch to natural gas. ICL also operates two cogeneration plants in Israel with a combined capacity of 160MW per hour. These plants use excess steam from the electricity generation process to produce thermal energy for other industrial uses.

## ADVANCING PRODUCT STEWARDSHIP

For several years, ICL Fertilizers' Rotem Amfert has been integrating novel Product Stewardship methodologies into its operations, a program which earned it recognition in 2011 from the International Fertilizer Association (IFA).

## REDUCING WORK ACCIDENTS

ICL has made significant progress toward its goal of zero work accidents worldwide. Over the past five years, accidents declined by over 40%, and during 2011, four business units achieved a perfect zero accident record. ICL's success derives from investment in employee education, safety and health measures in strict compliance with international and local industry standards.

# MAKING A DIFFERENCE



ICL believes that it has an ethical duty to contribute to the communities in which it operates. It takes a proactive approach to fulfilling its responsibilities, providing substantial support for programs ranging from Afternoon Clubs for school children to healthcare and educational frameworks and more. ICL's Management believes that good corporate citizenship mandates personal involvement as well as financial assistance.

ICL's 2011 investments in community-related programs totaled NIS18 million.

#### MAJOR ICL RECIPIENT PROGRAMS:

- Flagship program: Afternoon Clubs for Children at Risk – 60 branches throughout Israel staffed by volunteers from ICL and Israel Corp, reaching hundreds of children
- HSE Community Forums
- Assistance to Bedouin Communities
- Educational initiatives in partnership with the Weizmann Institute, the Technion & the Interdisciplinary Center (Herzelia)
- Support for Soroka Hospital, Beer Sheva
- Support for a number of organizations that operate in Israel's south, the area in which many of ICL's workers live and work, including: Inbal (association for children that have suffered from sexual abuse), Maslan (shelter for battered women), Alut (association for autistic children), Akim (association for the mentally handicapped), Alyn (hospital for physically handicapped children), and Yated (association for children with Downe's Syndrome)
- Support for Israel Cancer Association's Hosan Center, Arad
- Association for the Transport of Disabled to Sports Competitions



### Important Notes

The information in this document is based upon certain sections from ICL's 2011 Annual Report. You are advised to review the entire report as filed with the Israeli Securities Authority and the Tel Aviv Stock Exchange (TASE) on the MAGNA site. A translation for your convenience of this report is on our internet site at: <http://www.icl-roup.com/INVESTORINFORMATION/Pages/FinancialReports.aspx>.

For details regarding adjustments you should refer to the full documentation as published.

The binding version is the Hebrew publication. You should not assume that the information contained herein is accurate as of any date other than the date of this document. We are not providing you with any investment, legal, business or tax advice. All statements, other than statements of historical facts included in this document, may be forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Such forward looking information involves risks and uncertainties, including those referred to in the company's 2011 Annual Report referred above. Some of the market and industry data contained in this document are based on independent industry publications or other publicly available information, while other information is based on internal studies and/or estimates. Although we believe that these sources and our internal data are reliable, as of their respective dates, the information contained in them has not been independently verified, we cannot assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained in this document and beliefs and estimates based on such data, may not be reliable. © ICL 2012

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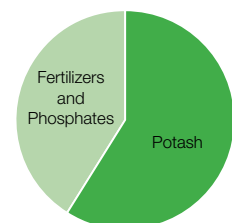
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# ICL OPERATIONS

## FERTILIZERS

- **2011 Revenues:** \$4.1 billion\*
- **% of ICL Revenues (external sales):** 54%
- **Operating Income:** 1,403.4 million
- **Revenues by product segment (external sales):** 60% potash; 40% fertilizers and phosphates
- **Market Leader:** 6th largest potash producer in the world; largest producer of PK fertilizers worldwide and in Europe
- **Major Markets:** India, Brazil, China, Europe and Israel

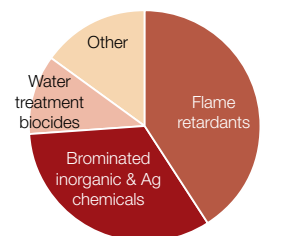


Based on 2011 external sales

\* including \$262 million in internal sales

## INDUSTRIAL PRODUCTS

- **2011 Revenues:** \$1.5 billion\*
- **% of ICL Revenues (external sales):** 21%
- **Operating Income:** \$297.7 million
- **Market Leader:** (40% of global production capacity), #1 producer of organophosphorus FRs; leadership position in brominated FRs
- **Major Markets:** Western Europe, US, China, Japan and Taiwan

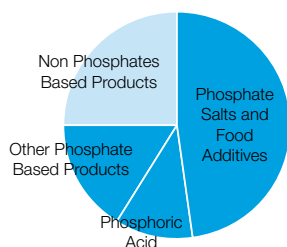


Based on 2011 external sales

\* including \$15 million in internal sales

## PERFORMANCE PRODUCTS

- **2011 Revenues:** \$1.5 billion\*
- **% of ICL Revenues (external sales):** 21%
- **Operating Income:** \$192.9 million
- **Market Leader:** #1 worldwide in glassy phosphates and specialty phosphate blends; #2 in potassium phosphates; in Europe, #2 in dairy and farm hygiene and #3 in total food hygiene; in the Americas, leading marketer of food phosphates; #1 in merchant industrial phosphoric acid sales, electronic-grade specialty phosphoric acids & wildfire safety products
- **Major Markets:** Europe, North and South America, Asia



Based on 2011 external sales

\* including \$64 million in internal sales

## ADDITIONAL ACTIVITIES

### DEAD SEA MAGNESIUM

- **Products:** pure magnesium and magnesium alloys used primarily by the aluminum, titanium, steel and automotive industries
- **Market Leadership:** one of the Western world's two major magnesium producers
- **Major markets:** US and Western Europe

### IDE TECHNOLOGIES LTD.\*

- **Products:** advanced desalination solutions based on proprietary thermal and membrane technologies
- **Market leadership:** during the past 40 years, IDE has built over 400 desalination facilities in 40 countries, including some of the world's largest SWRO (Sea Water Reverse Osmosis) plants
- **Major markets:** Europe, Asia, Americas

\*owned jointly by ICL and Delek Group



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