INNOPHOS PRESENTATION AT OPPENHEIMER 7TH ANNUAL INDUSTRIALS CONFERENCE

EDITED TRANSCRIPT

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PARTICIPANTS

Corporate Participants

Randolph Gress – Chairman, President & Chief Executive Officer

MANAGEMENT DISCUSSION SECTION

[Starts Abruptly]

Randolph Gress, Chairman, President & Chief Executive Officer

...the fast-growing clear fortified beverage market. However, phosphates are also good sources of magnesium and potassium, particularly in sports beverages to provide the electrolytes important to rehydration. The other key benefit that is common to our entire product range is that phosphates typically deliver these very important functional or nutritional properties at a very low cost. They usually represent a small percentage of the end product cost.

I focus primarily on consumer-oriented applications, but we also have some very attractive industrial end markets a few examples of which are shown here. There is attractive growth opportunity in these, too, particularly our asphalt modification products which are based on unique Innophos IP and manufacturing knowhow.

If you ever viewed our financial performance over the past five years since we have been public, you have seen very strong delivery on all key financial measures. Keys to this success and I believe to our ongoing success are the three top drivers here.

Firstly, our market leadership position in North America where we have around 35% share and where the top two competitors have around two-thirds of the market. Secondly, the strength of our product ranges, as I've described, and thirdly, the strength of our customer relationships. We work with practically all the major food companies in the world and typically our relationships span multiple decades and they're built on both our longstanding track record and more recent success and innovation with both being recognized throughout the industry.

The strength of our strategic market position is key to our growth ambition. We have put a significant focus on developing our product range to be well-positioned in support of consumer trends. I've talked already about the benefits of our products in providing much needed mineral fortification to consumers and supply a fast-growing segment of the market. We are also the best positioned in our industry to take advantage of the trend to reduce sodium with the leading range of phosphates enabling customers to reduce sodium content from sodium phosphate or other sodium sources without affecting taste or functionality.

Product innovation we believe will be an important source of our future growth. Geographic expansion will be, as well. I mentioned that our spinoff from Rhodia left us with primarily a North American footprint. Since then, we have increased our sales outside of our producing countries from less than 10% of our Specialty Phosphates to around 20% today.

However, our market position in key regions such as Asia Pacific is significantly less than in North America, and we view both market share growth and strong participation in these higher growth regions as contributing to our long-term growth potential.

Overall, therefore, our ambition is to grow at twice our market rate of growth. We estimate market growth on a global basis to be around 2% to 3%. Higher rates of growth are seen in emerging markets in the high single digits with a more modest growth in established markets, and we think 2% to 3% overall is a good overall view.

Innovation and geographic growth we view as having the potential to add a further 1% to 2% each, and so our ambition is to grow volumes 4% to 6% per annum over the next several years.

That leads me to my overall goals for our company. By combining the volume growth I have mentioned with the belief that we can continually improve the margins we earn over that volume base, I believe we should be able to achieve the operating income growth of 7% to 10% through 2015 in our Specialty Phosphate business.

Assuming our assumptions are correct, the capital expenditure requirements to support that growth will be no more than our existing D&A rate. We will aim to make strong conversion of operating income growth into cash flow generation.

We outlined these goals for the first time towards the end of 2011, and so far in 2012, we believe we are on track to achieve them for this year as well as for the long term, as you may have seen in our first quarter results.

We also believe we can deliver further growth and good returns on investments from our bolt-on acquisition strategy. There are two key drivers behind our acquisition targeting. The first is opportunities to expand our geographic presence in Specialty Phosphates by acquiring companies in higher-growth regions. The second and broader field of opportunity is extending our product range beyond strictly phosphate chemistry to products that deliver similar benefits and similar applications where we feel we can add value through having a broader range of solutions to our customers' needs.

Our acquisition of Kelatron in November of last year was a very strong fit against these criteria, and early performance post-acquisition is very encouraging. Kelatron significantly strengthens nutritional benefits I was mentioning of our existing product line, adding a range of what we call micronutrients to our existing strengths in macronutrients such as calcium. With a strong balance sheet, as you will see shortly, our capital allocation priorities are to invest in the growth of our business, both organically and through acquisitions. Most of our acquisition targets are in the sub $50 million purchase price range, and as you can see on this slide, we plan to spend $40 million on capital expenditures per year over the next few years, a rate roughly double our maintenance level of expenditure. We expect high double-digit returns on our organic investments, and we target a minimum return above cost of capital for acquisitions. We believe we can fund both growth ambitions and continue prudently increasing cash flow returns to shareholders through further increases in the dividend. As we have done in the past, when appropriate, stock repurchases will also be used to support shareholder value.

Before I conclude with the summary of our recent financial performance, let me say a few words on our other segment, GTSP. As I mentioned earlier, GTSP is important to our overall business model because of the value it creates for our co-product production, but is not a focus of the business and requires only modest resource investment. GTSP is also likely to be more variable in its performance than the Specialty Phosphate business, as we are subject to prevailing trends in the phosphate fertilizer industry including fertilizer prices which have varied quite sharply over the last few years.

Over the long term, we believe it should earn a healthy double-digit margin on those co-product sales. In times of rising prices, it will earn more as it did last year; and in periods of following prices, it will earn less as it did in the first quarter 2012 until raw material costs come back in line with selling prices. But these quarterly variations will, we believe, average out and are expected to be of significantly reduced magnitude than experienced in the past for reasons I will comment on shortly.

Looking at our overall business performance over the last five years, you can see strong results on every metric. Sales have grown at around 12% compound annual growth rates since 2007 and this despite the decline in the STPP business over this time period.

Margins have improved significantly as we have shifted the business mix, transformed the supply chain and successfully priced to the value we deliver and that, together with the deleveraging of our balance sheet, has delivered the very strong EPS performance you see here.

You can also see the very consistent operating income margin in our Specialty Phosphate business since 2010 despite a steeply inflationary raw material environment. This is in contrast to the 2007 to 2009 period when we saw more variable margins, so let me now explain what drove the prior variability and why that variability is no longer characteristic of our business.

This graph shows our Specialty Phosphates operating income per ton sold index to the beginning of the time period shown. What happened in 2008? Well, it was a combination of two things. Firstly, rapidly rising fertilizer prices which in turn led market raw material prices to increase significantly. We successfully raised our selling prices in line with market raw material prices. However, our own contract prices for raw materials at the time were largely fixed on an annual basis with prices for 2008 having been set per contract terms before the market escalation began. We had the very strong margin expansion you can see in 2008.

In 2009, conditions reversed. Market raw material prices quickly fell back but our contract prices reset to the high 2008 levels leading to an equally quick margin contraction and severe difficulties in our Mexico business, which was uneconomic on raw materials in 2009. Since early 2010, market raw materials prices have been again on the rise, more than doubling over the last two years. However, this time you do not see the same margin volatility, and the reason is we have reworked those raw material contracts so that 75% of our spend varies with about a three-month lag to market conditions.

We have continued through the last two years with our excellent track record of increasing prices in line with market raw material conditions. However, our actual raw material costs now stay more in line with market conditions, and we have substantially eliminated the risk of a year like 2009 reoccurring.

Before I conclude, a quick word on our balance sheet. Here also, you can see the substantial progress we have made over the last few years reducing our debt to significantly less than one times EBITDA and improving our after tax return on invested capital to close to 20%.

Let me conclude by recapping the key points which I think make Innophos a great business with a promising future. I have talked to our growth potential and the opportunities that our innovation programs and our geographic growth strategy present. You have seen the significant improvement we have made in our margins, and I hope you understand we have largely eliminated the volatility seen in earlier years.

From here forward, we think we can steadily improve margins given the value of our products and the strength of our product mix. We have a very strong position in an attractive industry with high barriers to entry, and I believe we are well-positioned for the future. We will continue to invest in this area to ensure we retain and extend our competitive advantage here.

Finally, we plan to use our strong cash flow both to reinvest in the business at attractive returns and also provide attractive cash returns to shareholders, all of which I hope makes our story one of the more compelling investment theses you will hear today.

Thank you for your time and interest. And now I'll take your questions.

QUESTION AND ANSWER SECTION

<Q>: Randy, you've started making some international investments in Asia, for example. Maybe an update there?

<A – Randolph Gress – Innophos Holdings, Inc.>: Yes. As Ed said, we are investing in Asia. We have an investment and a blend operation going on in China. We expect to commission that operation in the second half of this year. It won't contribute much to the overall performance for this year but expect it to strongly support our growth in other geographies going forward into next year.

<Q>: With oil prices coming down does that affect the competitive outlook at all, particularly Chinese competitors. I mean do you produce on the [ph] wet acid (0:14:00) method to Chinese competitors who are much more energy intensive? Where's sort of the cutout point where they factor in again?

<A – Randolph Gress – Innophos Holdings, Inc.>: I really don't think the oil prices are – have much of an impact and especially in the relative competitive dynamics. As you said, the Chinese have a different production process there based on elemental phosphorus. Certainly it's a high energy intensive reduction process, but they're under pressure from the energy but also from an environmental standpoint. For the most part, that's a business that's consolidating and there's been some shutdowns in the phosphorus, but overall don't see that having a significant impact for us.

<Q>: In Mexico you've really had to reinvent that business and you've transitioned much of your portfolio away from technical grade products, less emphasis on the by-product fertilizers as well, to more food grade and higher value applications. How far along is that process in Mexico and also expanding margins in your Mexico operations?

<A – Randolph Gress – Innophos Holdings, Inc.>: For the Mexican facility, we have transitioned. I think first, as I stated, with the overall supply chain and diversifying the rock source, but what I talked about was with the STPP business being more than 50% of that output, we've invested and achieved more than doubling of capacity in the food grade phosphoric acid side of things and we've also debottlenecked and invested in the food salts in Mexico; so, quite proud of the transition that we've made in Mexico.

As far as margins first quarter, we had operating income in the 12% range and I think that's kind of a good base from which continued investment and growth and improving our product mix, we should be able to build upon and improve from there. Tough to get to the U.S. margin level, but still very satisfied with what we've achieved in Mexico.

<Q>: And on the fertilizer side, have prices started to rebound there? That was an area – although it's a much smaller percentage of your portfolio, it was down in the first quarter. Has that turned around?

<A – Randolph Gress – Innophos Holdings, Inc.>: Sure. With the decline in the fertilizer price, we did have a negative impact on our GTSP sales. Again, GTSP as a co-product, is 11% of our overall revenue, so it's a necessary co-product as a part of our production. As far as where we were with the raw material prices coming up and then the fertilizer prices dropping and even dropping further than we expected in the first quarter, we did have a negative but in the second quarter we expect to pretty much move to a breakeven with some recovery there in the fertilizer pricing.

Any other questions? Well, thank you for your interest.

Unidentified Participant

Thank you, Randy.

Randolph Gress, Chairman, President & Chief Executive Officer

Thanks. Thanks, Ed.