



Israel Corp. Reports Results for Fourth Quarter and 2017

Tel Aviv, March 22, 2018. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its fourth quarter and annual results for the period ending December 31, 2017.

Selected Financial Figures for the Fourth Quarter and Annual 2017:

\$m	Q4/17	Q4/16	2017	2016
ICL	74	16	174	(59)
Bazan	22	13	82	60
Amortization of excess cost	(3)	(2)	(13)	(9)
G&A, financing and other expenses at IC headquarter level	(20)	(22)	(97)	(105)
Gain (loss) from re-measurement to fair value of collar ¹ options	8	(8)	(7)	(5)
Tax expenses of IC headquarters	-	6	(4)	2
Net Profit (loss) to company's shareholders	81	3	135	(116)

On March 22, 2018, IC announced a cash dividend to shareholders amounting to \$120 million. The record date is April 8, 2018 and the payment date is April 23, 2018.

Debt Balances and Liquidity at the IC Headquarters Level

As of December 31, 2017, total financial liabilities were \$2,058 million, and investments in liquid assets amounted to \$719 million (excluding the loan balance, principal and accrued interest, given to Kenon Holdings at an amount of \$240m. The loan was classified as current asset and was repaid in full on January 2018).

Net debt as of December 31, 2017 totaled \$1,246 million. The net debt includes the impact of the fair value of the collar transaction, which decrease the economic value of the financial liabilities in the amount of \$47 million. The net debt also includes the fair value of derivatives transactions, which decrease the economic value of the financial liabilities in the amount of \$46 million. As of September 30, 2017, the net debt was \$1,279m.

The ICL related collar loan balance was \$128 million and \$148 million as of December 31, 2017 and September 30, 2017 respectively.

¹ During September 2014, IC entered into a financial transaction in relation to 36.2 million shares of ICL. Under its framework, IC will receive protection from a decrease in the price of ICL shares below an average price, which is set at a level of 90% of the US public offering price of ICL, and the counterparties will benefit from an increase in the share price of ICL shares above an average price, which is set at a level of 130% of the US public offering price of ICL.



IC Total Assets, Net

\$m	31/12/2017
Assets	
ICL (~587m shares ² , market value)	2,361
Bazan (~1,058m shares, market value)	505
Total Public Assets	2,866
Loan to Kenon (repaid on 2/1/18) ³	240
Total Assets	3,106
IC's Net Debt ⁴	1,165
Total Assets, net	1,941

About Israel Corporation

Israel Corporation Ltd. (TASE: ILCO) (“IC”) is a holding company providing focused exposure to well positioned mature assets in the natural resources industry through its c.46% shareholding in Israel Chemicals (NYSE: ICL, TASE: ICL) and its c.33% shareholding in the Bazan Group (TASE: ORL) (also known as Oil Refineries). IC is publicly traded on the Tel Aviv Stock Exchange under the ticker ILCO and is a TA-35 index constituent.

IC is rated iIA/Stable by Standard & Poor’s Maalot. On March 13, 2018, Standard & Poor’s Maalot affirmed credit rating of iIA to IC existing bond series and assigned an iIA rating for new series issuance of up to NIS 400m par value.

For further information on IC, see IC’s publicly available filings which can be found on the Tel Aviv Stock Exchange website at <http://maya.tase.co.il>.

Please also see IC company website <http://www.israelcorp.com> for additional information.

Convenience Translation

The financial information found in this press release is an English summary based on the original Hebrew financial statements and is solely for the convenience of the reader. The binding version is the original in Hebrew.

Forward Looking Statements

This press release may contain forward-looking statements which may not materialize and are subject to risks and uncertainties that are not under the control of IC, which may cause actual results to differ materially from those contained in the disclosures.

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² c.46% on a voting rights basis and c.47.6% on an issued share capital basis, as of December 31, 2017.

³ As announced by IC on January 2, 2018 Kenon Holdings Ltd. repaid in full the loan (principal and interest) provided to it by IC in an amount of \$240m

⁴ Excluding loan and options related to the Collar transaction in an net amount of \$81m