



Israel Corp. Reports Results for the Fourth Quarter and 2016

Tel Aviv, March 29, 2017. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its fourth quarter and annual results for the period ending December 31, 2016.

Selected Fourth Quarter and Annual 2016 Financial Figures:

IC’s consolidated net income for the fourth quarter of 2016 was \$3 million compared with \$50 million in the fourth quarter of 2015. For 2016, IC’s net loss was \$116 million compared with a net income of \$440 million for 2015.

As a holding company, IC’s consolidated financial results are impacted mainly by the results of its portfolio companies: ICL (TASE: ICL, NYSE: ICL) and Bazan (TASE: ORL).

ICL’s contribution to IC’s consolidated net income for the fourth quarter of 2016 was \$16 million, compared with \$47 million in the fourth quarter of 2015. In 2016, ICL contributed a net loss of \$59 million compared with a net income of \$249 million in 2015.

Bazan’s contribution to IC’s net income for the fourth quarter of 2016 was \$13 million, compared with \$5 million in the fourth quarter of 2015. In 2016, Bazan contributed a net income of \$60 million compared with \$83 million in 2015.

At the IC headquarters’ level, financing, administrative and general and other expenses were \$22 million for the fourth quarter of 2016, compared with \$28 million for the fourth quarter of 2015. For 2016, the financing, administrative and general and other expenses were \$105 million, compared with \$110 million for 2015.

Loss from fair market value changes of the options, related to the collar transaction¹ was \$8 million for the fourth quarter of 2016 and \$5 million for 2016.

Debt Balances and Liquidity at the IC Headquarters Level

As of December 31, 2016, total financial liabilities were \$2,195 million, and investments in liquid assets amounted to \$746 million².

Net debt as of December 31, 2016 totaled \$1,379 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 \$74 million. The net debt also includes the fair value of derivatives

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.

² Including \$75 million as collateral



transactions, which increase the economic value of the financial liabilities in the amount of \$4 million. This is compared with a net debt of \$1,368 million as of September 30, 2016.

The ICL related collar loan balance was \$198 million and \$208 million as of December 31, 2016 and September 30, 2016 respectively.

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 46.0%³ shareholding in Israel Chemicals (NYSE: ICL, TASE: ICL) and its 37.1% 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.

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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³ Approximately 46.0% on a voting rights basis and 48.65% on an issued share capital basis.