



## Israel Corp. Reports Results for the Third Quarter of 2017

**Tel Aviv, November 22, 2017.** Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its third quarter results for the period ending September 30, 2017.

### **Selected Financial Figures for the Third Quarter of 2017:**

IC’s consolidated net income for the Third quarter of 2017 was \$42 million compared with a net loss of \$209 million in the third quarter of 2016.

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 third quarter of 2017 was \$40 million, compared with a net loss of \$166 million in the third quarter of 2016.

Bazan’s contribution to IC’s net income for the third quarter of 2017 was \$24 million, compared with \$1 million in the third quarter of 2016.

At the IC headquarters’ level, financing, administrative and general and other expenses were \$24 million for the third quarter of 2017, compared with \$33 million for the third quarter of 2016.

Profit from fair market value changes of the options, related to the collar transaction<sup>1</sup> was \$5 million for the third quarter of 2017.

### **Debt Balances and Liquidity at the IC Headquarters Level**

As of September 30, 2017, total financial liabilities were \$2,153 million, and investments in liquid assets amounted to \$791 million<sup>2</sup>.

Net debt as of September 30, 2017 totaled \$1,279 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 \$46 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 \$37 million. Net debt with no change compared with the balance as of June 30, 2017.

The ICL related collar loan balance was \$148 million and \$163 million as of September 30, 2017 and June 30, 2017 respectively.

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<sup>1</sup> 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.

<sup>2</sup> Including \$150 million as a short term loan to ICL



### **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%<sup>3</sup> 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.

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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<sup>3</sup> c.46% on a voting rights basis and c.48% on an issued share capital basis, as of September 30, 2017.