



Israel Corp. Reports Results for the First Quarter of 2015

Tel Aviv, May 27, 2015. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its quarterly results for the period ending March 31, 2015.

First Quarter Strategic Separation of Holdings

In January 2015, IC completed a strategic separation, spinning off some of its holdings into a separate entity known as Kenon (NYSE:KEN, TASE:KEN) and issuing it as a pro-rata dividend to IC shareholders.

Following this strategic separation, IC is now a holding company providing focused exposure to well-positioned and mature assets in the Natural Resources industry through its 46.2%¹ shareholding in Israel Chemicals (NYSE:ICL, TASE:ICL), a leading specialty minerals company and its 37.1% shareholding in Bazan Group (TASE:ORL), Israel’s largest integrated refining and petrochemicals company.

IC’s current strategy is to maintain a transparent value proposition through its holding of two publicly listed companies and by making no investments in new corporations.

IC will seek to distribute cash dividends while maintaining a balanced capital structure and is considering the possibility of separating its stake in Bazan.

Selected First Quarter 2015 Financial Figures:

IC’s consolidated net income for first quarter 2015 was \$271 million.

As a holding company, IC’s consolidated financial results are impacted by the results of its portfolio companies ICL and Bazan.

ICL’s contribution to IC’s first quarter 2015 net income was \$106 million, compared to \$(2) million in the first quarter of 2014.

Bazan’s contribution to IC’s first quarter 2015 net income was \$30 million, compared to \$3 million in the first quarter of 2014.

At the corporation headquarters level, financing expenses, administrative and general expenses were \$12 million, for the first quarter of 2015, compared to \$20 million for the first quarter of 2014.

Headquarters level tax income was \$154 million for the first quarter of 2015, which includes a \$162 million tax refund resulting from the distribution of dividends in connection to the January strategic separation, compared to a \$6 million tax expense for the first quarter of 2014.

¹ Approximately 46.2% on a voting rights basis and 49% on an issued share capital basis.



Debt Balances and Liquidity at the IC Headquarters Level

As of March 31, 2015, total financial liabilities totaled \$2,185 million, which includes the impact of the fair value of derivatives transactions.

As of March 31, 2015, investments in liquid assets amounted to \$754 million.

Net debt as of March 31, 2015 totaled \$1,431 million (or \$1,237 million when adjusting for the \$194 million value of the ICL related collar loan), compared with net debt balances of \$1,133 million (or \$941 million when adjusting for the \$192 million value of the ICL collar loan) as of December 31, 2014 and \$1,382 million as of March 31, 2014.

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 46.2%² shareholding in Israel Chemicals (NYSE:ICL, TASE:ICL) and its 37.1% shareholding in the Bazan Group (TASE:ORL). IC is publicly traded on the Tel Aviv Stock Exchange under the ticker ILCO and is a TA-25 index constituent.

IC is rated by S&P Maalot [il]A+/Stable.

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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