



Israel Corp. Reports Results for the Third Quarter of 2015

Tel Aviv, November 25, 2015. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its quarterly results for the period ending September 30, 2015.

Company Structure Following January Strategic Separation

Following a strategic separation of its holdings in January 2015, IC is a holding company providing focused exposure to well-positioned and mature assets in the Natural Resources industry. It has a 46.0% shareholding¹ in Israel Chemicals (NYSE: ICL, TASE: ICL), a leading specialty minerals company and a 37.1% shareholding in Bazan Group (TASE: ORL), Israel’s largest integrated refining and petrochemicals company.

Company Strategy Following January Strategic Separation

As part of its new strategy, IC seeks to distribute cash dividends while maintaining a balanced capital structure, and is considering the possibility of separating its stake in Bazan. As such, during the third quarter of 2015, IC announced and distributed its first cash dividend to shareholders, post its strategic separation, amounting to \$100 million.

IC views its holding in ICL as a strategic holding, and will refrain from making investments in any new companies.

Selected Third Quarter 2015 Financial Figures:

IC’s consolidated net income for the third quarter of 2015 was \$76 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 third quarter 2015 net income was \$59 million, compared to \$94 million in the third quarter of 2014.

Bazan’s contribution to IC’s third quarter 2015 net income was \$7 million, compared to \$3 million in the third quarter of 2014.

At the IC headquarters level, financing expenses, administrative and general expenses were \$25 million for the third quarter of 2015, compared to \$46 million for the third quarter of 2014.

Profits from fair market value changes of the options related to the collar transaction² were \$47 million.

¹ Approximately 46.0% on a voting rights basis and 48.9% on an issued share capital basis.

² 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 of 90%, and the counter parties will benefit from an increase in the share price of ICL shares above an average of 130%.



Tax expenses were \$9 million for the third quarter of 2015, compared to \$7 million for the third quarter of 2014.

Debt Balances and Liquidity at the IC Headquarters Level

As of September 30, 2015, total financial liabilities were \$1,905 million, and investments in liquid assets amounted to \$338 million.

Net debt as of September 30, 2015 totaled \$1,514 million (which includes the impact of the fair value of derivatives transactions, decreasing the economic value of the financial liabilities in an amount of \$53 million, of which \$51 million is related to the collar transaction), compared with a net debt balance of \$1,441 million as of June 30, 2015.

ICL related collar loan balance was \$199 million and \$197 million on September 30, 2015 and June 30, 2015 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). 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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³ Approximately 46.0% on a voting rights basis and 48.9% on an issued share capital basis.