



## Israel Corp. Reports Results for the First Quarter of 2016

**Tel Aviv, May 19, 2016.** Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its quarterly results for the period ending March 31, 2016.

### **Selected First Quarter 2016 Financial Figures:**

IC’s consolidated net income for the first quarter of 2016 was \$9 million, compared with \$271 million in the first quarter of 2015.

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

ICL’s contribution to IC’s first quarter 2016 net income was \$32 million, compared with \$106 million in the first quarter of 2015.

Bazan’s contribution to IC’s first quarter 2016 net income was \$14 million, compared with \$30 million in the first quarter of 2015.

At the IC headquarters’ level, financing expenses, administrative and general expenses were \$34 million for the first quarter of 2016, compared with \$18 million for the first quarter of 2015.

First quarter loss from the fair market value changes of the options related to the ICL collar transaction<sup>1</sup> as of quarter end, were \$7 million.

Tax income was \$5 million for the first quarter of 2016, compared with \$154 million for the first quarter of 2015.

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

As of March 31, 2016, total financial liabilities were \$2,072 million, and investments in liquid assets amounted to \$460 million.

Net debt as of March 31, 2016 totaled \$1,536 million (which includes the impact of the fair value of the collar transaction and the fair value of derivative transactions, decreasing the economic value of the financial liabilities by \$75 million and \$1 million respectively), compared with a net debt balance of \$1,466 million as of December 31, 2015.

The ICL related collar loan balance was \$205 million on March 31, 2016 and \$202 million on December 31, 2015.

On May 4, 2016 the IC’s Board of Directors authorized IC’s management to examine the feasibility of offering and listing on the Tel Aviv Stock Exchange two new series of bonds.

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



### **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%<sup>2</sup> 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-25 index constituent.

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

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>2</sup> Approximately 46.0% on a voting rights basis and 48.9% on an issued share capital basis.