



Israel Corp. Reports Results for the Second Quarter of 2017

Tel Aviv, August 16, 2017. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its second quarter results for the period ending June 30, 2017.

Selected Financial Figures for the Second Quarter of 2017:

IC’s consolidated net income for the second quarter of 2017 was \$5 million compared with \$81 million in the second 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 second quarter of 2017 was \$27 million, compared with \$59 million in the second quarter of 2016.

Bazan’s contribution to IC’s net income for the second quarter of 2017 was \$28 million, compared with \$32 million in the second quarter of 2016.

At the IC headquarters’ level, financing, administrative and general and other expenses were \$30 million for the second quarter of 2017, compared with \$17 million for the second quarter of 2016.

Loss from fair market value changes of the options, related to the collar transaction¹ was \$14 million for the second quarter of 2017.

On June 19 2017, IC sold 128 million shares of Bazan, constituting approximately 4% of Bazan’s issued share capital, on a fully diluted basis, for a total consideration of approximately \$56 million (net of selling costs). Following the sale IC holds 33.08% in Bazan. As a result of the sale, IC recorded a capital loss of approximately \$3 million during the second quarter.

Debt Balances and Liquidity at the IC Headquarters Level

As of June 30, 2017, total financial liabilities were \$2,189 million, and investments in liquid assets amounted to \$820 million².

Net debt as of June 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 \$45 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 \$45 million. This is compared with a net debt of \$1,348 million as of March 31, 2017.

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 \$150 million as a short term loan to ICL



The ICL related collar loan balance was \$163 million and \$179 million as of June 30, 2017 and March 31, 2017 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 33.08% 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 48.2% on an issued share capital basis, as of June 30, 2017.