



Israel Corp. Reports its Fourth Quarter and Annual Results for 2015

Tel Aviv, March 31, 2015. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its fourth quarter and annual results for the period ending December 31, 2015.

Selected Fourth Quarter and Annual 2015 Financial Figures:

IC’s consolidated net income for 2015 was \$440 million and \$50 million for the fourth quarter.

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

ICL’s contribution to IC’s consolidated 2015 net income was \$249 million compared with \$240 million in 2014. In the fourth quarter of 2015, ICL contributed net income of \$47 million, compared with \$42 million in the fourth quarter of 2014.

Bazan’s contribution to IC’s 2015 net income was \$83 million compared with a net loss of \$42 million in 2014. In the fourth quarter of 2015, Bazan contributed net income of \$5 million, compared with net loss of \$47 million in the fourth quarter of 2014.

At the IC headquarters’ level, financing expenses, administrative and general expenses were \$110 million for 2015, compared to \$146 million for 2014. For the fourth quarter of 2015, the financing expenses, administrative and general expenses were \$28 million, compared with \$45 million for the fourth quarter of 2014.

Profits from the fair market value changes of the options, related to the collar transaction¹ were \$82 million for 2015 and \$28 million for the fourth quarter of 2015.

Tax income for 2015 was \$152 million, compared with tax expenses of \$14 million for 2014. For the fourth quarter of 2015, tax income was \$1 million, compared with tax expense of \$3 million for the fourth quarter of 2014.

Debt Balances and Liquidity at the IC Headquarters Level

As of December 31, 2015, total financial liabilities were \$2,102 million, and investments in liquid assets amounted to \$557 million².

Net debt as of December 31, 2015 totaled \$1,466 million (which includes the impact of the fair value of the collar transaction, decreasing the economic value of the financial liabilities in the amount of \$81 million and the fair value of derivatives transactions, increasing the economic

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

² Including \$92 million as collateral

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value of the financial liabilities in the amount of \$2 million), compared with a net debt of \$1,514 million as of September 30, 2015 (which includes the impact of the fair value of the collar transaction, decreasing the economic value of the financial liabilities in the amount of \$51 million and the fair value of derivatives transactions, decreasing the economic value of the financial liabilities in the amount of \$2 million).

The ICL related collar loan balance was \$202 million and \$199 million on December 31, 2015 and September 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) (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.

During January 2016, S&P Maalot published an affirmation of IC's ‘ilA+’ rating and a revision of rating outlook from stable to 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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³ Approximately 46.0% on a voting rights basis and 48.9% on an issued share capital basis.