



Israel Corp. Reports Results for the Third Quarter of 2016

Tel Aviv, November 30, 2016. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its quarterly results for the 3 month period ending September 30, 2016.

Selected Third Quarter 2016 Financial Figures

IC’s consolidated net loss for the third quarter of 2016 was \$209 million, compared with a net profit of \$76 million in the third 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 third quarter 2016 net loss was a net loss of \$166 million, compared with a net profit of \$59 million in the third quarter of 2015.

Bazan’s contribution to IC’s third quarter 2016 net profit was \$1 million, compared with \$7 million in the third quarter of 2015.

At the IC headquarters’ level, financing expenses, administrative and general and other expenses were \$33 million for the third quarter of 2016, compared with \$25 million for the third quarter of 2015.

Third quarter loss from the fair market value changes of the options related to the ICL collar transaction¹ as of quarter end, were \$3 million.

Tax expense was \$6 million for the third quarter of 2016, compared with \$9 million for the third quarter of 2015.

Debt Balances and Liquidity at the IC Headquarters’ Level

As of September 30, 2016, total financial liabilities were \$2,276 million, and investments in liquid assets amounted to \$814 million.

Net debt as of September 30, 2016 totaled \$1,368 million. The net debt includes the impact of the fair value of the collar transaction, which decreased the economic value of the financial liabilities by \$87 million. The net debt also includes the fair value of derivative transactions, which decreased the economic value of the financial liabilities by \$7 million. This is compared with a net debt balance of \$1,351 million as of June 30, 2016.

The ICL related collar loan balance was \$208 million on September 30, 2016 and \$207 million on June 30, 2016.

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.



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%² 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 November 2016, S&P Maalot downgraded IC's credit rating to ‘iIA’-/Stable from ‘iIA’+/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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² Approximately 46.0% on a voting rights basis and 48.8% on an issued share capital basis.