



Israel Corp. Reports Results for the Second Quarter of 2016

Tel Aviv, August 17, 2016. Israel Corporation Ltd. (TASE: ILCO) (“IC”) today announced its quarterly results for the period ending June 30, 2016.

Selected Second Quarter 2016 Financial Figures

IC’s consolidated net income for the second quarter of 2016 was \$81 million, compared with \$43 million in the second 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 second quarter 2016 net income was \$59 million, compared with \$37 million in the second quarter of 2015.

Bazan’s contribution to IC’s second quarter 2016 net income was \$32 million, compared with \$41 million in the second quarter of 2015.

At the IC headquarters' level, financing expenses, administrative and general expenses were \$17 million for the second quarter of 2016, compared with \$39 million for the second quarter of 2015.

Second quarter profit from the fair market value changes of the options related to the ICL collar transaction¹ as of quarter end, were \$13 million.

Tax expense was \$3 million for the second quarter of 2016, compared with income of \$6 million for the second quarter of 2015.

Debt Balances and Liquidity at the IC Headquarters’ Level

As of June 30, 2016, total financial liabilities were \$2,271 million, and investments in liquid assets amounted to \$839 million.

Net debt as of June 30, 2016 totaled \$1,351 million. This figure includes the impact of the fair value of the collar transaction, decreasing the economic value of the financial liabilities by \$89 million and the fair value of derivative transactions increasing the economic value of the financial liabilities by \$8 million. This is compared with a net debt balance of \$1,536 million as of March 31, 2016.

The ICL related collar loan balance was \$207 million on June 30, 2016 and \$205 million on March 31, 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 of 90%, and the counter parties will benefit from an increase in the share price of ICL shares above an average of 130%.



On May 26, 2016 IC completed the successful issuance of two new debentures. These were series 10 in NIS and series 11 linked to USD, based on a shelf prospectus published on May 5, 2016, with a net amount raised of \$305 million.

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.

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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² Approximately 46.0% on a voting rights basis and 48.8% on an issued share capital basis.