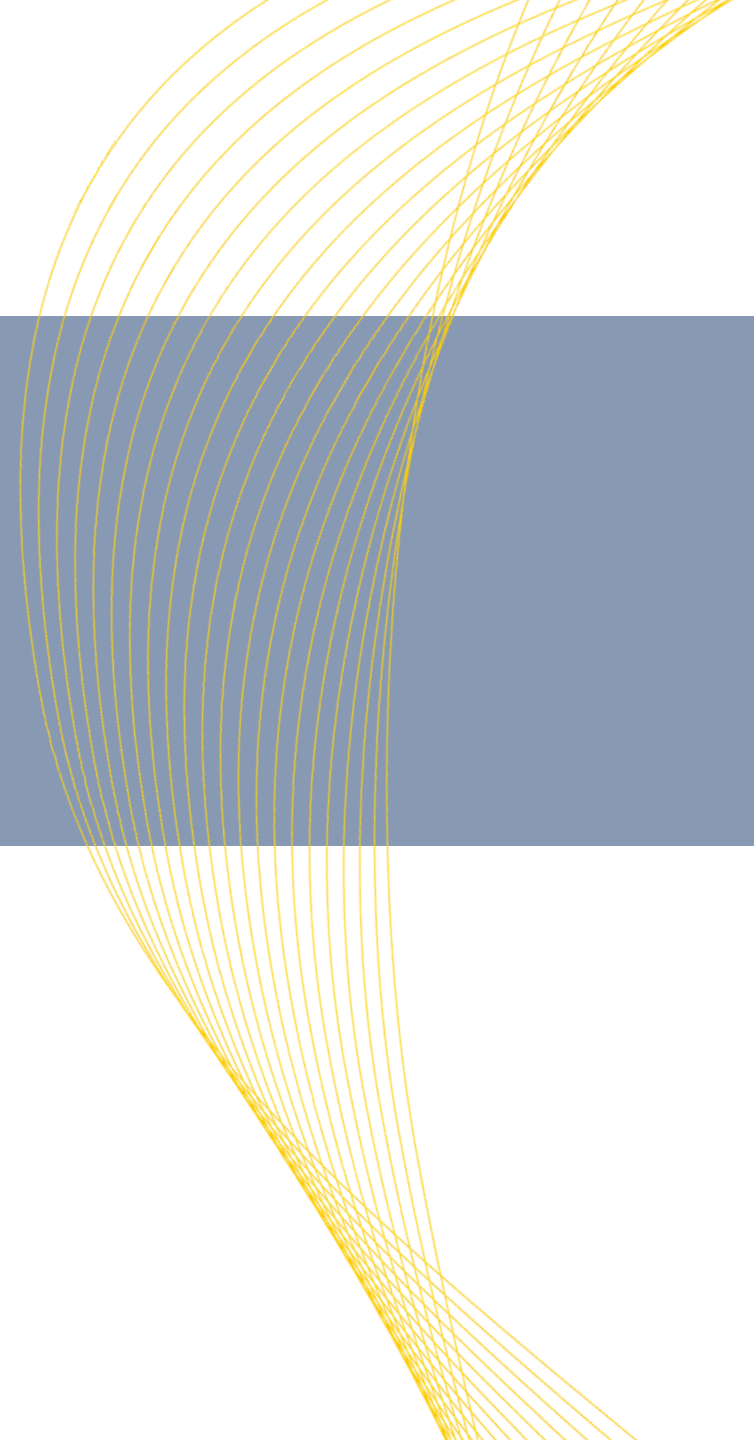




*Israel Corp.*

## Company Overview

2015



# Important Legal Notes

Receipt of the information delivered or to be delivered to you by Israel Corporation Ltd. is subject to the following:

The information delivered or to be delivered to you does not constitute an offer or a recommendation to do any transaction in Israel Corporation Ltd. securities and/or any of its affiliates ("IC Group"). Although our shares may be bought and sold on the Tel Aviv Stock Exchange (TASE) at any time, they do not constitute trade out of Israel, neither in the United States nor elsewhere and this presentation does not constitute an offer or investment advice to any U.S. or other public at this time. If we ever do so, our offer will only be made by a prospectus or a registration statement conforming with the requirements of U.S. or any other applicable law.

Certain statements in this presentation, the information delivered and/or other oral and written statements made by Israel Corporation Ltd. and any of its affiliates, officers, advisors and employees ("IC Group Officers") from time to time, are forward-looking statements, including, but not limited to, those that discuss strategies, goals, developments, outlook or other non-historical matters; or projected revenues, income, returns or other financial measures. These forward-looking statements may not materialize and are subject to risks and uncertainties not under the control of Israel Corp. and its subsidiaries which may cause actual results to differ materially from those contained in the statements, including, among others, the following: (a) the changes in worldwide economic and political conditions that impact, inter alia, on interest and foreign exchange rates, (b) the extent to which IC Group Officers are able to successfully integrate acquisitions and/or implement business strategies, (c) the extent to which IC Group Officers are able to achieve savings from its various plans, (d) new legislation and regulation applicable to IC Group, government funding or program approvals affecting IC Group and/or products being developed or sold under government programs, (e) cost and delivery performance under various contracts, or (f) other risks and uncertainties not under the control of Israel Corp. or its subsidiaries. IC Group cautions you that the above list of important factors is not comprehensive. For your convenience, we refer you to filings that we have made with the TASE. They may discuss new or different factors that may cause actual results to differ materially from this information.

IC Group Officers do not undertake any obligation to update any information provided by it. IC Group Officers make no warranty of any kind with respect to the information provided by it. Furthermore, IC Group Officers shall not be liable for any damage (direct or indirect) which may arise in connection with such information or any detail contained therein.

Some of the market and industry information is based on independent industry publications or other publicly available information, while other information is based on internal studies. IC Group Officers cannot assure you as to the accuracy or completeness of this information.

**Recipients and/or viewers are cautioned to consider all of the above mentioned risks and uncertainties and to not place undue reliance on such information.**

All the non-financial information in this presentation is presented on an aggregate group basis, not taking into account any minority share in the companies and/or assets.

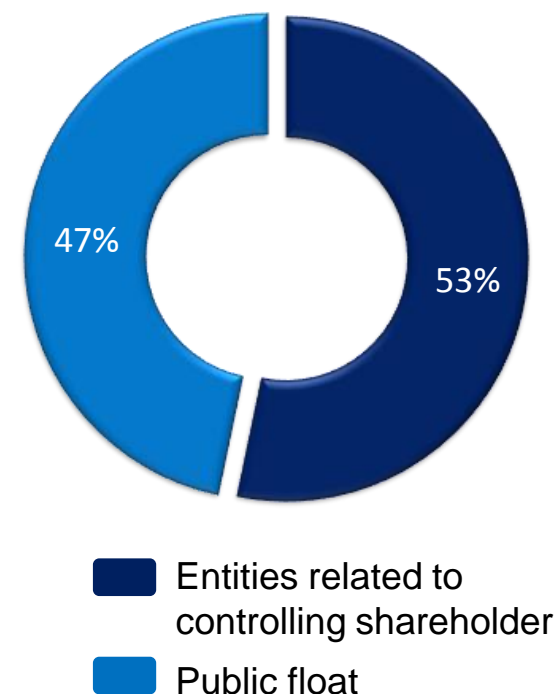
The information provided by IC Group Officers is provided solely as a convenience. In any case of any discrepancy between the information contained herein and the information contained in the official reports of the Company to the Israeli Securities Authority and the Tel Aviv Stock Exchange, the information recorded in such official reports shall prevail.

**Information herein is based on Israel Corp 2015 annual financial statements ; Israel Corp, Israel Chemicals and Bazan are expected to release their financial statements for March 31, 2016 by the end of May 2016 as required by law**

# Israel Corp. at a Glance

- Holding company providing focused exposure to well positioned mature assets in the Natural Resources industry
- Completed Strategic Separation in January 2015
- Among the largest companies traded on the TASE (ticker: ILCO.TA); market cap of approx. \$1.4bn<sup>1</sup>
- Credit rating: il/A+/Negative (S&P Maalot)<sup>2</sup>

## Israel Corp. Ownership<sup>3</sup>



1. As of May 4, 2016

2. January 26, 2016

3. Source: Tel Aviv Stock Exchange filing, as of April 24, 2016; Excluding 72k of shares held by a wholly owned subsidiary of Israel Corp

# Financial Position and Equity Story

## Financial Position

- As of 2015, the total financial liabilities of Israel Corp<sup>1</sup> amounted to about \$2.1bn<sup>2</sup>.
- As of 2015, the investments of Israel Corp<sup>1</sup> in liquid assets amounted to about \$557 million<sup>3</sup>.
- The net debt of Israel Corp<sup>1</sup> as of 2015 was about \$1.47bn.

## Focused exposure to Natural Resources industry

- Focused exposure to well positioned mature assets in the sector of fertilisers and refining:
  - ICL – leading specialty minerals company
  - Bazan – Israel's largest integrated refining and petrochemical complex

## Transparent value proposition to shareholders

- Transparent value proposition through holding of two publicly listed companies
- No investments in new corporations

1. Including Israel Corp wholly owned subsidiaries

2. Including a liability of \$202m as a result of a financial transaction in which Israel Corp transferred 36.2m of ICL shares to financial institutions which in return provided a loan to Israel Corp; The fair value of the options in the financial transaction, economically reduces the liabilities by about \$81 million; The balance of the fair value of the currency SWAP and interest transactions, economically increases the liabilities by the amount of about \$2 million.

3. The amounts are invested in short-term deposits and about \$92 million thereof are deposited as collateral to certain loans

# Pure Play Exposure to Natural Resources Industry



46%<sup>1</sup> stake: approx. US\$2.6bn market value  
(Israel Corp share)  
**Controlling shareholder**

37.1% stake: approx. US\$0.4bn market value  
(Israel Corp share)  
**Partner to the joint control agreement**



(TASE:ICL, NYSE:ICL)



## Sector: Fertilisers & Engineered Materials

- ✓ Leading potash producer – no 6 worldwide
- ✓ World's largest producer of bromine and specialty phosphates
- ✓ Global reach with fully integrated and diversified value chain
- ✓ Disciplined capital allocation strategy



BAZAN GROUP  
(TASE:ORL)



## Sector: Refining & Petrochemicals

- ✓ One of the largest and most complex refineries in East Mediterranean
- ✓ Leading player in Israel
- ✓ Strategically positioned with access to natural gas, crude oil supply and fast growing markets
- ✓ Fully integrated on-site petrochemicals business

Note: All market values as of May 4, 2016

1. 46.0 % of voting rights and 48.9% of issued share capital

Information herein is based on Israel Corp 2015 annual financial statements ; Israel Corp, Israel Chemicals and Bazan are expected to release their financial statements for March 31, 2016 by the end of May 2016 as required by law



# Israel Chemicals (TASE: ICL, NYSE: ICL)

## Overview

- A leading specialty minerals company that operates a unique, integrated business model, adding value to customers in three end-markets: agriculture, food and engineered materials
- Dual listed on TASE and NYSE; market cap of approx. \$5.7bn<sup>1</sup>
- International investment grade rating: BBB/Negative (S&P, Fitch)
- ~13,550 employees worldwide<sup>2</sup>
- Three primary business activities:
  - **Fertilizers** – serving the agriculture market. Potash & phosphate based bulk, compound and specialty fertilizers
  - **Industrial Products** – serving the Engineered Materials market. Elemental bromine, bromine derivatives and other specialty chemicals
  - **Performance Products** – specialty phosphates including food additives, phosphoric acids and phosphate salts

## Competitive Advantages

- **Unique portfolio of mineral assets.**
- **Leading positions in markets with high barriers to entry:**
  - **Fertilizers** – potash: #2 in Western Europe and #6 worldwide; PK fertilizers (compound potash & phosphate): #1 in Western Europe
  - **Elemental Bromine** – #1 global producer with ~40% of total global production capacity
  - **Specialty Phosphates** – top 2 worldwide
- **Strategically located production and logistic assets**
- **Diversification into higher value-added specialty products leveraging ICL's backward integrated value chain business model**

## Summary Financials Results\*

\$ Millions	FY2015	FY2014	FY2013	FY2012 <sup>a</sup>
Revenue	5,405	6,111	6,272	6,471
Operating Income	765	758	1,101	1,554
Net Income	509	464	819	1,300
Adj. Net Income <sup>b</sup>	699	695	1,012	1,339
EBITDA	1,361 <sup>c</sup>	1,345 <sup>c</sup>	1,569	1,946

\* As presented in ICL financial statements

a. Restated – retrospective application of IFRS new accounting standards

b. After elimination of non-recurring effects

c. During FY2014 and FY2015 ICL reported adjusted EBITDA



1. As of May 4, 2016 (TASE)

2. As of December 31, 2015



## Overview

- Leading refinery in Eastern Mediterranean and Israel's largest integrated refining & petrochemicals complex
- Traded on the TASE; market cap of approx. \$1.1bn<sup>1</sup>
- Refining capacity of 9.8m tons/year (197k barrels/day) & a Nelson Complexity Index of 9.0
- On-site petrochemicals integration & capacity:
  - Polymers – raw materials for plastics industry; ~800k tons/yr
  - Aromatics – raw materials for chemicals and plastics industry; ~580k tons/yr
  - Basic Oils – used in machinery oils and waxes; ~70k tons/yr

## Summary Financials Results\*

\$ Millions	FY 2015	FY 2014	FY 2013	FY 2012
Revenue	5,491	9,328	9,995	9,673
Operating profit (loss)	404	63	44	(90)
Net profit (loss)	225	(93)	(167)	(198)
Adj. EBITDA**	677	421	262	117

\* As presented in Bazan's financial statements

\*\*Net of accounting impact



1. As of May 4, 2016

# Thank You