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FORM 6-K

Kenon Holdings Ltd. - KEN

Filed: December 06, 2016 (period: December 06, 2016)

Report of foreign issuer rules 13a-16 and 15d-16 of the Securities Exchange Act

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF A FOREIGN ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

December 6, 2016

Commission File Number 001-36761

Kenon Holdings Ltd.

**1 Temasek Avenue #36-01
Millenia Tower
Singapore 039192**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

EXHIBITS 99.1 AND 99.2 TO THIS REPORT ON FORM 6-K ARE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-201716) OF KENON HOLDINGS LTD. AND IN THE PROSPECTUSES RELATING TO SUCH REGISTRATION STATEMENT.

Exhibits

- 99.1 Press Release, dated December 6, 2016: Kenon Holdings Publishes its Third Quarter 2016 Results
- 99.2 Unaudited Q3 2016 Financial Information of Kenon, IC Power and Qoros and Unaudited Reconciliation of Certain non-IFRS Financial Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KENON HOLDINGS LTD.

Date: December 6, 2016

By: /s/ Yoav Doppelt
Name: Yoav Doppelt
Title: Chief Executive Officer



Kenon Holdings Reports Third Quarter 2016 Results and Additional Updates

Singapore, December 6, 2016. Kenon Holdings Ltd. (NYSE: KEN, TASE: KEN) announces its results for the third quarter of 2016, as well as additional updates.

Key Highlights

IC Power

- IC Power's net income attributable to Kenon for the first nine months and third quarter of 2016 was \$7 million and nil, respectively, as compared to \$38 million and \$8 million in the first nine months and third quarter of 2015, respectively.
- IC Power's net income attributable to Kenon (excluding finance expenses due to intercompany loan owing to Kenon) for the first nine months and third quarter of 2016 was \$16 million and \$4 million, respectively.¹
- IC Power's EBITDA² for the first nine months and third quarter of 2016 was \$312 million and \$124 million, respectively, as compared to \$254 million and \$79 million in the first nine months and third quarter of 2015, respectively.
- IC Power's distribution segment generated revenues of \$142 million, net income of \$10 million and EBITDA of \$22 million for the third quarter of 2016.
- In August 2016, the three generating units of CDA, a 510 MW hydroelectric plant in Peru, commenced commercial operations.

Discussion of Results for Q3 2016

Kenon's consolidated results of operations from its operating companies essentially comprise the consolidated results of IC Power Pte. Ltd. ("IC Power"). The results of Qoros Automotive Co., Ltd. ("Qoros") and ZIM Integrated Shipping Ltd. ("ZIM") are reflected under results from associates.

See Exhibit 99.2 of Kenon's Form 6-K dated December 6, 2016 for summary Kenon unaudited consolidated financial information; summary IC Power unaudited consolidated financial information; the definition of IC Power's EBITDA (which is a non-IFRS measure) and for a reconciliation to IC Power's, and each of its segments', net income; summary operational information of each of IC Power's generation businesses; summary unaudited financial information for each of IC Power's businesses; and summary Qoros unaudited consolidated financial information.

IC Power

IC Power's segments are Generation and Distribution. IC Power's Generation business is further segmented by geography: Peru, Israel, Central America and Other.

The following discussion of IC Power's results of operations is derived from IC Power's consolidated financial statements.

¹ Net income excluding finance expenses due to intercompany loans owing to Kenon is a non-IFRS measure. IC Power's finance expenses due to intercompany loans owing to Kenon were \$9 million and \$4 million in the first nine months and third quarter of 2016, respectively.

² EBITDA is a non-IFRS measure. See Exhibit 99.2 of Kenon's Form 6-K dated December 6, 2016 for the definition of IC Power's EBITDA and a reconciliation to IC Power's, and each of its segments', net income.

Summary Unaudited Financial Information of IC Power by Segment³

	Three Months Ended September 30, 2016						
	(in USD millions) (unaudited)						
	Generation				Distribution	Adjustments	Total
	Peru	Israel	Central America	Other1	Guatemala		
Revenues	140	95	83	42	142	—	502
Cost of Sales ²	83	71	65	28	108	—	355
Net Income	11	7	—	(25)	10	2	5
EBITDA	60	23	15	4	22	—	124
	Three Months Ended September 30, 2015						
	(in USD millions) (unaudited)						
	Generation				Distribution	Adjustments	Total
	Peru	Israel	Central America	Other1	Guatemala		
Revenues	114	89	92	41	—	—	336
Cost of Sales ²	71	68	74	29	—	—	242
Net Income	11	5	6	(11)	—	2	13
EBITDA	39	20	15	5	—	—	79

1. IC Power's Other segment includes the results of certain of IC Power's generation assets. In addition, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including amortization of purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.

2. Excludes depreciation and amortization.

- *Revenues*—\$502 million in Q3 2016, as compared to \$336 million in Q3 2015. This increase was primarily due to the acquisition of IC Power's distribution business in January 2016, as well as the commencement of commercial operations of Kanan (Central America segment (Panama)) in April 2016, Samay I (Peru segment) in May 2016, and CDA (Peru segment) in August 2016;
- *Cost of sales*—\$355 million in Q3 2016, as compared to \$242 million in Q3 2015, primarily as a result of the items stated above with respect to the increase in revenues;
- *Net income*—\$5 million in Q3 2016, as compared to \$13 million in Q3 2015. The decrease in net income was primarily due to the decrease in the net income of the Central America segment and higher finance expenses in IC Power's holding companies (Other segment), including \$4 million of finance expenses related to the \$220 million of notes issued by IC Power to Kenon in connection with the reorganization of IC Power in March 2016. These decreases were partially offset by the contribution of IC Power's distribution business, which was acquired in January 2016; and
- *EBITDA*—\$124 million in Q3 2016, as compared to \$79 million in Q3 2015. The increase in Q3 2016 was primarily the result of a \$23 million increase in the EBITDA of IC Power's generation business during Q3 2016, driven by the commencement of commercial operations of CDA, Samay I and Kanan in 2016, and the \$22 million EBITDA contribution from IC Power's distribution business.

IC Power's EBITDA for the nine months ended September 30, 2016 was \$312 million, as compared to \$254 million in the nine months ended September 30, 2015.

A discussion of revenues, cost of sales, net income and EBITDA for IC Power's generation business by segment for Q3 2016, as compared to Q3 2015 is as follows:

³ In March 2016, Kenon announced an internal restructuring pursuant to which its subsidiary IC Power Pte. Ltd., which was a holding company with no material assets, acquired I.C. Power Asia Development Ltd., which held interests in power generation and distribution assets. As a result, IC Power Pte. Ltd. is now the parent holding company of I.C. Power Asia Development Ltd. (formerly I.C. Power Ltd.) and the results of IC Power for Q3 2015 are the results of IC Power Asia Development Ltd.

Generation - Peru Segment

Entity	Three Months Ended September 30, 2016				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
			(\$ millions)		
Kallpa	75	\$ 105	\$ 70	\$ 40	\$ 12
Samay I	75	15	7	6	(2)
CDA	75	20	6	14	1
TOTAL		\$ 140	\$ 83	\$ 60	\$ 11

Entity	Three Months Ended September 30, 2015				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
			(\$ millions)		
Kallpa	75	\$ 114	\$ 71	\$ 39	\$ 13
Samay I	75	—	—	—	(1)
CDA	75	—	—	—	(1)
TOTAL		\$ 114	\$ 71	\$ 39	\$ 11

- *Revenues*—\$140 million in Q3 2016, as compared to \$114 million in Q3 2015, primarily as a result of the commencement of operations of CDA and Samay I. This increase was partially offset by a \$9 million decrease in Kallpa's revenues, primarily due to a decrease in Kallpa's average selling price, mainly due to the current oversupply of capacity in the Peruvian power generation market, which has created downward pressure on energy and capacity prices;
- *Cost of sales*—\$83 million in Q3 2016, as compared to \$71 million in Q3 2015, primarily as a result of the cost of sales recorded by Samay I and CDA;
- *Net income*—\$11 million in Q3 2016 and Q3 2015. The result reflects an increase in operating income as a result of the commencement of commercial operations of CDA and Samay I, which was offset by an increase in net finance expenses of CDA (\$7 million) and Samay I (\$6 million), primarily due to the cessation of capitalization of the finance expenses of CDA and Samay I upon their commencement of commercial operations in 2016; and
- *EBITDA*—\$60 million in Q3 2016, as compared to \$39 million in Q3 2015, primarily as a result of (1) the commencement of commercial operations of CDA and Samay I and (2) a \$7 million payment received in connection with the early termination of a Kallpa power purchase agreement ("PPA") in August 2016.

Generation - Israel Segment

Entity	Three Months Ended September 30, 2016				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
			(\$ millions)		
OPC	80	\$ 84	\$ 62	\$ 22	\$ 7
AIE	100	11	9	1	—
TOTAL		\$ 95	\$ 71	\$ 23	\$ 7

Entity	Three Months Ended September 30, 2015				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
			(\$ millions)		
OPC	80	\$ 86	\$ 65	\$ 20	\$ 5
AIE	100	3	3	—	—
TOTAL		\$ 89	\$ 68	\$ 20	\$ 5

- *Revenues*—\$95 million in Q3 2016, as compared to \$89 million in Q3 2015, primarily as a result of an \$8 million increase in revenues from AIE (which was acquired in August 2015). The increase was partially offset by a \$2 million decrease in OPC's revenues due to a decrease in OPC's average selling price;
- *Cost of sales*—\$71 million in Q3 2016, as compared to \$68 million in Q3 2015, primarily as a result of a \$6 million increase in cost of sales from AIE (reflecting a full quarter of operations), offset by a \$3 million decrease in OPC's cost of sales as a result of a decrease in the volume of energy purchased and a decrease in natural gas prices. The natural gas price formula in OPC's supply agreement is subject to a floor price, which OPC began to pay in November 2015 as a result of previous declines in the EA generation component tariff;
- *Net income*—\$7 million in Q3 2016, as compared to \$5 million in Q3 2015; and
- *EBITDA*—\$23 million in Q3 2016, as compared to \$20 million in Q3 2015, due to the contribution from the consolidation of AIE and lower cost of sales at OPC.

Generation - Central America Segment

Entity (Country)	Three Months Ended September 30, 2016				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
				(\$ millions)	
ICPNH (Nicaragua)	61-65	23	17	5	—
Puerto Quetzal (Guatemala)	100	13	13	4	2
Nejapa (El Salvador)	100	21	16	2	1
Cenέργica (El Salvador)	100	8	3	2	1
Guatemel (Guatemala) ¹	100	2	1	—	—
Kanan (Panama)	100	16	15	2	(4)
TOTAL		\$ 83	\$ 65	\$ 15	\$ —

Entity (Country)	Three Months Ended September 30, 2015				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
				(\$ millions)	
ICPNH (Nicaragua)	61-65	29	19	8	3
Puerto Quetzal (Guatemala)	100	31	28	2	—
Nejapa (El Salvador)	100	26	22	3	2
Cenέργica (El Salvador)	100	6	5	2	1
Guatemel (Guatemala) ¹	—	—	—	—	—
Kanan (Panama)	100	—	—	—	—
TOTAL		\$ 92	\$ 74	\$ 15	\$ 6

1. In January 2016, IC Power acquired Guatemel, an electricity trading company, as part of its acquisition of its distribution businesses. However, Guatemel's results are included within IC Power's generation business as a result of its business line.

- *Revenues*—\$83 million in Q3 2016, as compared to \$92 million in Q3 2015, primarily as a result of (1) an \$18 million decrease in the revenues of Puerto Quetzal, due to the expiration of a short-term PPA (\$11 million) and a decrease in Puerto Quetzal's average energy and capacity selling prices due to a decrease in heavy fuel oil ("HFO") prices (\$7 million) and (2) a \$6 million decrease in the revenues of ICPNH, primarily as a result of lower energy generation in its wind farms due to lower wind levels (\$3 million) and a decrease in its thermal plants' average energy selling prices due to a decrease in HFO prices (\$2 million) and (3) a \$5 million decrease in the revenues of Nejapa, due to a decline in energy selling prices and a decline in the volume of energy sold by Nejapa. These decreases were partially offset by a \$16 million contribution of revenues by Kanan, which commenced commercial operations in April 2016;

- *Cost of sales*—\$65 million in Q3 2016, as compared to \$74 million in Q3 2015, primarily as a result of (1) a \$15 million decrease in Puerto Quetzal's cost of sales due to a decrease in the price of HFO and a decrease in the volume of fuel consumption and (2) a \$6 million decrease in cost of sales of Nejapa due to a decrease in fuel costs, as a result of a reduction in the volume of energy generated and a decline in the price of HFO. These effects were partially offset by the cost of sales recorded by Kanan;
- *Net income*—nil in Q3 2016, as compared to \$6 million in Q3 2015, primarily as a result of the decrease in ICPNH's margins, as discussed above, and the net loss of Kanan, due to depreciation expenses; and
- *EBITDA*—\$15 million in Q3 2016 and Q3 2015. The increase in EBITDA as a result of the commencement of commercial operations of Kanan was offset by the reduction in ICPNH's margins.

Generation - Other Segment

Entity (Country)	Three Months Ended September 30, 2016				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
		(\$ millions)			
COBEE (Bolivia)	100	8	4	3	—
Central Cardones (Chile)	87	3	1	3	—
Colmito (Chile)	100	5	5	—	1
CEPP (Dominican Republic)	97	9	7	1	1
JPPC (Jamaica)	100	13	9	2	1
Surpetroil (Colombia)	60	2	2	(1)	(1)
RECSA (Guatemala) ¹	100	1	—	(1)	—
IC Power Distribution Holdings (non-operating holdco)	100	—	—	—	(2)
Inkia & Other (non-operating holdco)	100	1	—	(2)	(16)
IC Power & Other (non-operating holdco)	100	—	—	(1)	(9)
TOTAL		\$ 42	\$ 28	\$ 4	\$ (25)

Entity (Country)	Three Months Ended September 30, 2015				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
		(\$ millions)			
COBEE (Bolivia)	100	8	5	3	—
Central Cardones (Chile)	87	3	—	2	—
Colmito (Chile)	100	5	4	—	(1)
CEPP (Dominican Republic)	97	11	8	2	2
JPPC (Jamaica)	100	11	11	—	(1)
Surpetroil (Colombia)	60	2	1	—	—
RECSA (Guatemala) ¹	—	—	—	—	—
IC Power Distribution Holdings (non-operating holdco)	—	—	—	—	—
Inkia & Other (non-operating holdco)	100	1	—	1	(8)
IC Power & Other (non-operating holdco)	100	—	—	(3)	(3)
TOTAL		\$ 41	\$ 29	\$ 5	\$ (11)

1. In January 2016, IC Power acquired RECSA, an electricity transmission company, as part of its acquisition of its distribution businesses. However, RECSA's results are included within IC Power's generation business as a result of its business line.

- *Revenues*—\$42 million in Q3 2016, as compared to \$41 million in Q3 2015, primarily as a result of a \$2 million increase in revenues of JPPC due to an increase in capacity revenues;
- *Cost of sales*—\$28 million in Q3 2016, as compared to \$29 million in Q3 2015;
- *Net loss*—\$25 million in Q3 2016, as compared to \$11 million loss in Q3 2015, primarily due to (1) \$4 million of finance expenses related to the \$220 million of notes issued by IC Power to Kenon in connection with the reorganization of IC Power in March 2016, (2) \$2 million of finance expenses relating to the bridge loan used to finance IC Power's acquisition of its distribution business and (3) \$3 million of finance expenses related to the Inkia bonds due 2021, resulting from the cessation of capitalization of finance expenses upon the commencement of CDA's commercial operations; and
- *EBITDA*—\$4 million in Q3 2016, as compared to \$5 million in Q3 2015.

Distribution Segment

Entity	Three Months Ended September 30, 2016				
	Ownership Interest (%)	Revenues	Cost of Sales	EBITDA	Net Income
		(\$ millions)			
DEORSA	93	\$ 62	\$ 48	\$ 9	\$ 4
DEOCSA	91	80	60	13	6
TOTAL		\$ 142	\$ 108	\$ 22	\$ 10

Capital Expenditures

IC Power's capital expenditures were \$33 million in Q3 2016, including \$21 million in capital expenditures for maintenance of existing facilities (which included spending of \$7 million at Energuate) and \$11 million in capital expenditures on projects under construction, consisting of CDA (\$9 million) and AIE (\$2 million).

Liquidity and Capital Resources

As of September 30, 2016, IC Power had cash and cash equivalents of \$380 million, plus short-term deposits and restricted cash of \$84 million, interest bearing financial liabilities of \$3,085 million (excluding \$229 million of debt (including interest) owed to Kenon), and net interest bearing financial liabilities (a non-IFRS financial measure, which is defined as interest bearing financial liabilities minus cash and short-term deposits and restricted cash) of \$2,621 million.

In October 2016, IC Power prepaid its \$75 million note payable to Kenon (which was part of the \$220 million of notes issued by IC Power to Kenon connection with the reorganization of IC Power in March 2016).

Business Developments

Completion of the CDA Project

In August 2016, the three generating units of CDA, a 510 MW hydroelectric plant located in Peru, commenced commercial operations. CDA is the largest hydroelectric plant built in Peru in the last 40 years. Construction of the plant required over four-and-a-half years to complete, and as of September 30, 2016, IC Power had invested \$957 million in the development of the project.

Update on the Construction of the AIE Plant

AIE is constructing a 140 MW co-generation power plant in Israel. IC Power expects that the total cost of completing the AIE plant will be approximately \$250 million (including the \$16 million consideration for the acquisition of AIE). As of September 30, 2016, AIE had invested an aggregate of \$37 million in the project.

Construction of the AIE plant commenced in June 2016, and the plant is expected to commence commercial operations by early 2019. As of September 30, 2016, AIE had completed approximately 17% of the project.

Update on Samay I Plant

In July 2016, all of the units of the Samay I plant were declared unavailable to the system due to damage to the shafts in three of the plant's four units. IC Power has developed a plan to repair the units, and in October 2016, one of the units was declared available to the system. IC Power expects that the remaining units will be operational during the first quarter of 2017. Samay I continues to receive payments under its PPA, but such payments are subject to adjustments depending on the amount of time the plant is unavailable when called for dispatch. In Q3 2016, Samay I was subject to (negative) revenue adjustments of approximately \$2.5 million as a result of Samay I's unavailability.

Update on Energuate Tax Claims

In July 2016, the Guatemalan Tax Administrator (the “SAT”) issued a claim against DEORSA and DEOCSA for back taxes for the years 2011 and 2012. In August 2016, the court hearing the SAT complaint ordered DEORSA and DEOCSA to pay \$17 million in alleged back taxes immediately, plus interest and fines. The combined amount of interest and fines for these years is estimated to be between \$17 million and \$24 million; however, the final amount is still under discussion with the SAT, and is expected to be established at a court hearing scheduled for late December 2016.

In light of the SAT’s actions, and in order to avoid the initiation of complaints by the SAT concerning the tax years 2013, 2014 and 2015 and any resulting fines and interest, upon instruction of the SAT, DEORSA and DEOCSA revised their tax returns for these years and paid \$31 million, corresponding to alleged back taxes and interest for those years. The total payments described above (covering 2011 through 2015) are estimated to be in the range of \$65 million to \$72 million in the aggregate (of which \$48 million was paid by the end of Q3 2016), depending on the amount of interest and fines for 2011 and 2012.

Proposed Reduction in EA Tariff

The Electricity Authority (Israel) (the “EA”, formerly the PUAE) power generation component tariff forms the basis for OPC’s prices under its PPAs.

On September 8, 2015, the EA published a final decision, which reduced the generation component tariff by approximately 12% to NIS 265.2 per MWh. In October 2016, the EA published a draft decision regarding a further reduction of the generation component tariff. If the draft decision is approved at a public hearing to be held in December 2016, the generation component tariff will be further reduced by approximately 8% from NIS 265.2 per MWh to NIS 242.9 per MWh. The natural gas price formula in OPC’s supply agreement is subject to a floor mechanism and, as a result of previous declines in the generation component tariff, OPC began to pay the ultimate floor price in November 2015. Therefore, the decline in the generation component tariff to be considered at the December 2016 public hearing, if confirmed, and any further declines in the generation component tariff would not result in a corresponding decline in OPC’s natural gas expenses, and therefore would lead to a greater decline in OPC’s margins, which would have a negative effect on OPC’s results of operations.

Qoros⁴

The following discussion of Qoros’ results of operations below is derived from Qoros’ consolidated financial statements.

Revenues

Revenues increased by RMB214 million (\$32 million), or 54%, to RMB607 million (\$91 million) in Q3 2016, as compared to RMB393 million (\$59 million) in Q3 2015, primarily resulting from a 59% increase in car sales to 5,833 cars in Q3 2016 from 3,667 cars in Q3 2015.

Cost of Sales

Cost of sales increased by RMB379 million (\$57 million), or 85%, to RMB824 million (\$124 million) in Q3 2016, as compared to RMB445 million (\$67 million) in Q3 2015, primarily resulting from the increase in the number of cars sold in Q3 2016 as compared to sales in Q3 2015, as well as an increase in amortization of capitalized research and development costs and an increase in depreciation of property, plant and equipment.

Selling and Distribution Expenses

Selling and distribution expenses decreased by RMB39 million (\$6 million), or 36%, to RMB69 million (\$10 million) in Q3 2016, as compared to RMB108 million (\$16 million) in Q3 2015, primarily resulting from a cost management program (“CMP”), which entailed a reduction in advertising, marketing and promotion expenses.

⁴ Convenience translations of RMB amounts into US Dollars use a rate of 6.7:1.

Administrative Expenses

Administrative expenses decreased by RMB53 million (\$8 million), or 33%, to RMB107 million (\$16 million) in Q3 2016, as compared to RMB160 million (\$24 million) in Q3 2015, primarily resulting from the CMP referenced above, which entailed a reduction in personnel expenses and other administrative expenses.

Net Finance Costs

Net finance costs decreased by RMB75 million (\$11 million), or 55%, to RMB61 million (\$9 million) in Q3 2016, as compared to RMB136 million (\$20 million) in Q3 2015, primarily as a result of a RMB33 million (\$5 million) reduction in interest expense in Q3 2016, as compared to Q3 2015 and a RMB42 million (\$6 million) foreign exchange loss in Q3 2015.

Loss for the Period

For the reasons set forth above, loss for the period decreased by RMB37 million (\$6 million), or 8%, to RMB465 million (\$70 million) in Q3 2016, as compared to RMB502 million (\$75 million) in Q3 2015.

Liquidity

As of September 30, 2016, Qoros had total loans and borrowings (excluding shareholder loans) of RMB5.6 billion (\$840 million). Also as of September 30, 2016, Qoros had current liabilities (excluding shareholder loans) of RMB3.9 billion (\$585 million), including trade and other payables of RMB2.6 billion (\$390 million) and current assets of RMB1.3 billion (\$195 million), including cash and cash equivalents of RMB103 million (\$15 million). Qoros actively manages its trade payables, accrued expenses and other operating expenses in connection with the management of its liquidity requirements and available resources.

Qoros' principal sources of liquidity are cash flows received from financing activities, including long-term loans, short-term facilities and inflows received in connection with equity contributions or convertible or non-convertible shareholder loans, as well as cash flows received from car sales. Qoros has drawn substantially all of the available amounts under its existing long term credit facilities and will require additional financing, including the renewal or refinancing of its working capital facilities, to fund its continued development and operations.

Kenon's major shareholder, Ansonia Holdings Singapore B.V. ("Ansonia"), and Wuhu Chery each made loans of approximately \$50 million to Qoros in Q2 2016. In September 2016, Ansonia provided additional loans of RMB150 million (\$22 million) to Qoros, and Wuhu Chery provided loans to Qoros in the same amount and on similar conditions. These loans were made to support Qoros' ordinary course working capital requirements. The terms of these loans are described in Kenon's Reports on Form 6-K furnished to the SEC on April 22, 2016, June 29, 2016 and September 7, 2016.

Qoros is continuing to seek additional financing for its operations. Consistent with Kenon's strategy to support Qoros and its fundraising efforts, but also to refrain from material "cross-allocation" (i.e., investing returns from one business into another), Kenon is actively exploring possible transactions that will provide further support to Qoros, while not increasing, and seeking to reduce, Kenon's exposure to Qoros.

Business Updates

Car Sales

In Q3 2016, Qoros' sales increased by approximately 59% to 5,833 cars, as compared to 3,667 cars in Q3 2015.

In October 2016, Qoros' sales increased by approximately 86% to 2,610 cars, as compared to 1,403 cars in October 2015.

Dealerships

As of September 30, 2016, Qoros had a network of 105 dealerships, of which 5 were in pre-sales mode. As of September 30, 2016, Qoros had also entered into memorandums of understanding for 6 additional dealerships, and had 9 additional dealerships under construction and design.

Qoros 3 GT Launch

In November 2016, Qoros launched the Qoros 3 GT, a crossover sedan. The Qoros 3 GT was debuted at the Guangzhou Auto Exhibition in November 2016.

China Car Market Conditions

According to China Association of Automobile Manufacturers, cumulative passenger car wholesales recorded year-on-year growth of approximately 28% in Q3 2016. The growth in passenger car wholesales was due, in part, to a Chinese central government tax policy to incentivize domestic car sales by reducing invoice prices by approximately 4.25% between October 1, 2015 and December 31, 2016. All of Qoros' passenger cars were eligible for this tax cut. If the tax policy is not extended beyond December 31, 2016, when it is scheduled to expire, this may affect the sales performance of Qoros, as well as the entire China passenger car market.

Discussion of ZIM's Results for Q3 2016

ZIM carried approximately 622 thousand TEUs in Q3 2016, representing 7% growth as compared to Q3 2015, in which ZIM carried approximately 581 thousand TEUs. In Q3 2016, ZIM's revenues decreased by \$105 million, or 14%, to \$644 million in Q3 2016, compared to \$749 million in Q3 2015, primarily due to an approximately 21% decline in ZIM's average revenue per TEU carried, as a result of a decline in industry container freight rates. ZIM's net loss attributable to ZIM's owners in Q3 2016 was \$39 million, as compared to net income of \$11 million in Q3 2015.

In recent years, the container shipping industry has experienced instability as a result of prolonged global economic crises, reduced market demand, increased capacity and increased uncertainty due to the realignment of global alliances. The container shipping industry has continued to experience an imbalance of supply and demand in 2016, as market demand for shipping remained weak, while new vessel capacity was added to the market. The excess capacity has resulted in historically low freight rates across various major trade zones. The impact on net income from the declines in freight rates has been partially offset by the current relatively low price of bunker, one of ZIM's significant costs. A continuation of the trend of low freight rates could negatively affect ZIM's business, financial position and ability to comply with its financial covenants.

ZIM publishes its results on its website. For more information, see www.ZIM.com. This website, and any information referenced therein, is not incorporated by reference herein.

Additional Kenon Updates

Kenon's (Unconsolidated) Liquidity and Capital Resources

As of September 30, 2016, cash, gross debt, and net debt⁵ (a non-IFRS financial measure, which is defined as gross debt minus cash) of Kenon (unconsolidated) were \$64 million, \$220 million and \$156 million, respectively.

⁵ Kenon's gross debt and net debt do not include Kenon's back-to-back guarantee obligations in respect of Qoros' indebtedness, discussed herein.

Kenon has fully drawn its \$200 million credit facility from Israel Corporation Ltd. As of September 30, 2016, \$200 million, plus interest and fees of approximately \$20 million, was outstanding under the facility.

In October 2016, IC Power prepaid in full its \$75 million note to Kenon (which note was part of the \$220 million of notes issued by IC Power to Kenon in connection with the reorganization of IC Power in March 2016). The proceeds that Kenon received are intended to provide Kenon with additional cash resources in light of its liquidity position and its obligations under its back-to-back guarantees of Qoros' indebtedness.

Kenon has provided back-to-back guarantees to Chery in respect of Chery's guarantees of certain Qoros indebtedness. Set forth below is an overview of the guarantees provided by Kenon in respect of Qoros' indebtedness:

Date Granted	Qoros Credit Facility	Kenon Guarantee Amount
Spin-Off / November 2015	RMB3 billion credit facility	RMB750 million (\$112 million) ¹
May / November 2015	RMB700 million EXIM Bank loan facility	RMB350 million (\$52 million) (plus interest and fees of up to RMB60 million (\$9 million) ²
Total		RMB1,100 million (\$165 million) (plus certain interest and fees)^{1,2}

1. In the event that Chery's liability under its guarantee exceeds RMB1.5 billion (\$225 million), Kenon has committed to negotiate with Chery in good faith to find a solution so that Kenon's and Chery's liabilities for the indebtedness of Qoros under this credit facility are equal in proportion.
2. In the event that Chery is obligated under its guarantee of the EXIM Bank loan facility to make payments that exceed Kenon's obligations under the guarantee, Kenon and Chery have agreed to try to find an acceptable solution, but without any obligation on Kenon to be liable for more than the amounts set forth in the table above.

Appointment of Director to Kenon Board of Directors

In November 2016, Antoine Bonnier was appointed to the board of directors of Kenon.

Investors' Conference Call

Kenon's management will host a conference call for investors and analysts on December 6, 2016. To participate, please call one of the following teleconferencing numbers:

US:	1-888-281-1167
UK:	0-800-051-8913
Israel:	03-918-0688
Singapore:	3158-3851
International:	+65-3158-3851

The call will commence at 9:00 am Eastern Time, 6:00 am Pacific Time, 2:00 pm UK Time, 4:00 pm Israel Time and 10:00 pm Singapore Time.

About Kenon

Kenon is a holding company that operates dynamic, primarily growth-oriented businesses. The companies it owns, in whole or in part, are at various stages of development, ranging from established, cash-generating businesses to early stage development companies. Kenon's businesses consist of:

- IC Power (100% interest) – a leading owner, developer and operator of power generation and distribution facilities in the Latin American, Caribbean and Israeli power markets;
- Qoros (50% interest) – a China-based automotive company;
- ZIM (32% interest) – an international shipping company; and
- Primus Green Energy, Inc. (91% interest) – an early stage developer of alternative fuel technology.

Kenon's primary focus is to grow and develop its primary businesses, IC Power and Qoros. Following the growth and development of its primary businesses, Kenon intends to provide its shareholders with direct access to these businesses, when we believe it is in the best interests of its shareholders for it to do so based on factors specific to each business, market conditions and other relevant information. Kenon intends to support the development of its non-primary businesses, and to act to realize their value for its shareholders by distributing its interests in its non-primary businesses to its shareholders or selling its interests in its non-primary businesses, rationally and expeditiously. For further information on Kenon's businesses and strategy, see Kenon's publicly available filings, which can be found on the SEC's website at www.sec.gov. Please also see <http://www.kenon-holdings.com> for additional information.

Caution Concerning Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to statements about (i) with respect to IC Power, the expected cost and timing of the completion of IC Power's AIE project, the expected timing of the repair of the Samay I units and such units being operational, the expected timing of court hearings in connection with the Energuate tax claim and the expected amounts payable in respect of this claim, and proposed reduction to the EA generation component tariff, including the expected timing of such reduction and the effect on IC Power's business, (ii) with respect to Qoros, statements with respect to Qoros' liquidity requirements and sources of funding and plans to continue to seek financing, (iii) with respect to ZIM, statements about expected trends in the container shipping industry, (iv) with respect to Kenon, Kenon's expected use of the proceeds from IC Power's repayment of the \$75 million note, Kenon's intention to explore possible transactions to further support Qoros and its fundraising efforts, while not increasing, and seeking to reduce, Kenon's exposure to Qoros, and Kenon's strategy to refrain from material cross-allocation, and (v) other non-historical matters. These statements are based on Kenon's management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Kenon's control, which could cause the actual results to differ materially from those indicated in such forward-looking statements. Such risks include (i) with respect to IC Power, risks relating to IC Power's failure to complete the construction of the AIE project on a timely basis, within expected budget, or at all, risks relating to IC Power's ability to repair the Samay I units on a timely basis, or at all, and legal and regulatory risks, particularly in connection with the Energuate tax claim, including timing for final resolution and total amount to be paid in respect of such claim and with respect to the proposed changes EA generation component tariff, the ultimate amount determined to be payable, (ii) with respect to Qoros, risks related to government policies relating to the Chinese passenger car market, changes in events and circumstances with respect to Qoros and Kenon and other, and Qoros' ability to secure the funding it requires to meet its expenses and liquidity requirements, (iii) with respect to ZIM, developments in the container shipping industry and freight rates, (iv) with respect to Kenon, changes in events and circumstances with respect to Kenon and whether Kenon enters into transactions to further support Qoros and its fundraising efforts, while not increasing, and seeking to reduce, Kenon's exposure to Qoros, and the terms of such transactions, and (v) other risks and factors, including those risks set forth under the heading "Risk Factors" in Kenon's Annual Report on Form 20-F filed with the SEC and other filings. Except as required by law, Kenon undertakes no obligation to update these forward-looking statements, whether as a result of new information, future events, or otherwise.

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**Unaudited Q3 2016 Financial Information of Kenon, IC Power and Qoros and Unaudited
Reconciliation of Certain non-IFRS Financial Information**

Table of Contents

Appendix A: Summary Kenon unaudited consolidated financial information

Appendix B: Summary IC Power unaudited consolidated financial information

Appendix C: Definition of IC Power's EBITDA and non-IFRS reconciliation

Appendix D: Summary operational information of IC Power's generation assets

Appendix E: Unaudited financial information of IC Power's businesses

Appendix F: Summary Qoros unaudited consolidated financial information

Appendix A

Kenon Holdings Ltd and subsidiaries Unaudited condensed consolidated statements of financial position

	September 30 2016	December 31 2015
	\$ Millions	
Current assets		
Cash and cash equivalents	451	384
Short-term investments and deposits	85	309
Trade receivables, net	254	123
Inventories	87	50
Other current assets	62	45
Income tax receivable	17	4
Total current assets	956	915
Non-current assets		
Investments in associated companies	247	369
Deposits, loans and other receivables, including financial instruments	108	88
Tax and interest recoverable	48	—
Property, plant and equipment, net	3,524	2,960
Intangible assets	359	147
Deferred taxes, net	21	3
Total non-current assets	4,307	3,567
Total assets	5,263	4,482

Kenon Holdings Ltd and subsidiaries
Unaudited condensed consolidated statements of financial position, continued

	September 30 2016	December 31 2015
	\$ Millions	
Current liabilities		
Loans and debentures	364	353
Trade payables	336	145
Other payables, including derivative	97	109
Deposits from customers	67	—
Financial guarantees	160	—
Provisions	1	41
Income tax payable	18	5
Total current liabilities	1,043	653
Non-current liabilities		
Loans	2,102	1,675
Loan from related party	46	—
Debentures	839	656
Derivative instruments	37	36
Deferred taxes, net	205	138
Financial guarantees	—	34
Other non-current liabilities	57	27
Total non-current liabilities	3,286	2,566
Total liabilities	4,329	3,219
Equity		
Share capital	1,267	1,267
Translation reserve	(16)	(17)
Capital reserve	—	2
Shareholder Transaction Reserve	23	—
Accumulated losses	(556)	(191)
Equity attributable to owners of the Company	718	1,061
Non-controlling interests	216	202
Total equity	934	1,263
Total liabilities and equity	5,263	4,482

Kenon Holdings Ltd and subsidiaries
Unaudited condensed consolidated statements of profit or loss

	For the Nine Months ended		For the Three Months ended	
	September 30	September 30	September 30	September 30
	2016	2015*	2016	2015*
	\$ Millions		\$ Millions	
Revenue	1,383	992	502	336
Cost of sales and services (excluding depreciation)	(999)	(655)	(354)	(242)
Depreciation	(116)	(82)	(45)	(28)
Gross profit	268	255	103	66
Selling, general and administrative expenses	(113)	(73)	(41)	(25)
Impairment of investment in associated company	(72)	—	—	—
Dilution gains from reductions in equity interest held in associates	—	33	—	—
Gain from distribution of dividend in kind	—	210	—	210
Other income	17	6	10	—
Other expenses	(3)	(2)	(2)	(1)
Operating profit	97	429	70	250
Financing expenses	(137)	(92)	(51)	(39)
Financing income	11	8	3	2
Financing expenses, net	(126)	(84)	(48)	(37)
Provision of financial guarantees	(130)	—	(1)	—
Share in losses of associated companies, net of tax	(153)	(98)	(45)	(34)
(Loss)/profit before income taxes	(312)	247	(24)	179
Income taxes	(40)	(47)	(19)	(9)
(Loss)/profit for the period	(352)	200	(43)	170
Attributable to:				
Kenon's shareholders	(366)	179	(48)	165
Non-controlling interests	14	21	5	5
(Loss)/profit for the period	(352)	200	(43)	170
Basic/Diluted (loss)/profit per share attributable to Kenon's shareholders (in dollars):				
Basic/Diluted (loss)/profit per share	(6.81)	3.72	(0.90)	3.16

Kenon Holdings Ltd and subsidiaries
Unaudited condensed consolidated statements of cash flows

	For the Nine Months ended	
	September 30 2016	September 30 2015
	S Millions	
Cash flows from operating activities		
(Loss)/Profit for the period	(352)	200
Adjustments:		
Depreciation and amortization	126	89
Financing expenses, net	126	84
Share in losses of associated companies, net of tax	153	98
Gain from changes in interest held in associates	—	(33)
Gain from distribution of dividend in kind	—	(210)
Financial guarantees	130	—
Impairment of investment in associated company	72	—
Bad debt expense	16	—
Other capital (gains)/loss, net	15	3
Share-based payments	1	—
Income taxes	40	47
	327	278
Change in inventories	(35)	—
Change in trade and other receivables	(51)	32
Change in trade and other payables	(10)	(12)
Change in provisions and employee benefits	(41)	(34)
	190	264
Income taxes paid, net	(81)	(28)
Dividends received from investments in associates	—	4
Net cash provided by operating activities	109	240

Kenon Holdings Ltd and subsidiaries
Unaudited condensed consolidated statements of cash flows, continued

	For the Nine Months ended	
	September 30 2016	September 30 2015
	S Millions	
Cash flows for investing activities		
Short-term deposits and loans, net	237	59
Business combinations, less cash acquired	(206)	(9)
Investment in associated company	(111)	(129)
Acquisition of property, plant and equipment	(229)	(418)
Acquisition of intangible assets	(6)	(13)
Interest received	4	7
Payment of consideration retained	(2)	(3)
Sale of securities held for trade and available for sale, net	17	7
Net cash used in investing activities	(296)	(499)
Cash flows from financing activities		
Dividend paid to non-controlling interests	(24)	(8)
Proceeds from issuance of shares to holders of non-controlling interests in subsidiaries	9	5
Issuance of long-term loans and debentures	766	297
Repayment of long-term loans and debentures	(404)	(85)
Purchase of non-controlling interest	—	(20)
Short-term credit from banks and others, net	30	(12)
Contribution from parent company	—	34
Payment of consent fee	(10)	—
Bond issuance expenses	(28)	—
Interest paid	(89)	(67)
Net cash provided by financing activities	250	144
Increase/(Decrease) in cash and cash equivalents	63	(115)
Cash and cash equivalents at beginning of the period	384	610
Effect of exchange rate fluctuations on balances of cash and cash equivalents	4	(9)
Cash and cash equivalents at end of the period	451	486

Information regarding reportable segments

Information regarding activities of the reportable segments are set forth in the following table.

	I.C. Power*		Qoros****	Other	Adjustments	Total
	Generation**	Distribution***				
	\$ Millions					
For the nine months ended September 30, 2016:						
Total sales	<u>1,001</u>	<u>382</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,383</u>
Adjusted EBITDA****	<u>253</u>	<u>59</u>	<u>—</u>	<u>(17)</u>	<u>—</u>	<u>295</u>
Depreciation and amortization	115	10	—	1	—	126
Financing income	—	(6)	—	(14)	9	(11)
Financing expenses	112	20	—	14	(9)	137
Other items:						
Impairment of investment in associated company	—	—	—	72	—	72
Provision of financial guarantees	—	—	—	130	—	130
Share in (profits)/losses of associated companies	<u>—</u>	<u>—</u>	<u>107</u>	<u>46</u>	<u>—</u>	<u>153</u>
	<u>227</u>	<u>24</u>	<u>107</u>	<u>249</u>	<u>—</u>	<u>607</u>
Profit/(loss) before taxes	26	35	(107)	(266)	—	(312)
Income taxes	<u>30</u>	<u>10</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40</u>
Profit/(loss) for the period from continuing operations	(4)	25	(107)	(266)	—	(352)

* The total assets and liabilities of I.C. Power are \$4.97 billion and \$4.13 billion at September 30, 2016, respectively.

** Includes holding company.

*** Operating since January 22, 2016.

**** Associated company.

***** Adjusted EBITDA is a non-IFRS measure. Adjusted EBITDA is an important measure used by us, and our businesses, to assess financial performance. Adjusted EBITDA is also used by our competitors, ratings agencies, financial analysts and investors to assess the financial performance of companies within our and our businesses' industries. Adjusted EBITDA presents limitations that impair its use as a measure of each entity's profitability since it does not take into consideration certain costs and expenses that result from each entity's business that could have a significant effect on each entity's profit for the period from continuing operations, such as financial expenses, taxes, depreciation, capital expenses and other related charges.

	I.C. Power Generation*/**	Qoros***	Other	Adjustments	Total
	\$ Millions				
For the nine months ended September 30, 2015:					
Sales to external customers	987	—	—	—	987
Intersegment sales	5	—	—	—	5
	992	—	—	—	992
Elimination of intersegment sales	(5)	—	—	5	—
Total sales	987	—	—	5	992
Adjusted EBITDA****	299	—	9	—	308
Depreciation and amortization	88	—	1	—	89
Financing income	(7)	—	(1)	—	(8)
Financing expenses	85	—	7	—	92
Other items:					—
Gain from distribution of dividend in kind	—	—	(210)	—	(210)
Share in losses (income) of associated companies	—	114	(16)	—	98
	166	114	(219)	—	61
Profit/(loss) before taxes	133	(114)	228	—	247
Income taxes	47	—	—	—	47
Profit/(loss) for the period from continuing operations	86	(114)	228	—	200

* The total assets and liabilities of I.C. Power are \$4.0 billion and \$3.0 billion at September 30, 2015, respectively.

** Revised.

*** Associated company.

**** Adjusted EBITDA is a non-IFRS measure.

Information regarding reportable segments (Cont'd)

	I.C. Power*		Qoros****	Other	Adjustments	Total
	Generation**	Distribution***				
	\$ Millions					
For the three months ended September 30, 2016:						
Total sales	361	141	—	—	—	502
Adjusted EBITDA****	103	21	—	(6)	—	118
Depreciation and amortization	44	4	—	—	—	48
Financing income	3	(4)	—	(6)	4	(3)
Financing expenses	46	7	—	2	(4)	51
Other items:			—			
Impairment of investment in associated company	—	—	—	—	—	—
Provision of financial guarantees	—	—	—	1	—	1
Share in (profits)/losses of associated companies	—	—	36	9	—	45
	93	7	36	6	—	142
Profit/(loss) before taxes	10	14	(36)	(12)	—	(24)
Income taxes	15	4	—	—	—	19
Profit/(loss) for the period from continuing operations	(5)	10	(36)	(12)	—	(43)

* The total assets and liabilities of I.C. Power are \$4.97 billion and \$4.13 billion at September 30, 2016, respectively.

** Includes holding company.

*** Operating since January 22, 2016.

**** Associated company.

***** Adjusted EBITDA is a non-IFRS measure.

	I.C. Power				
	Generation**/**	Qoros***	Other	Adjustments	Total
	\$ Millions				
For the three months ended September 30, 2015:					
Total sales	336	—	—	—	336
Adjusted EBITDA****	79	—	(9)	—	70
Depreciation and amortization	30	—	—	—	30
Financing income	(2)	—	—	—	(2)
Financing expenses	28	—	11	—	39
Other items:					
Gain from distribution of dividend in kind	—	—	(210)	—	(210)
Share in losses (income) of associated companies	—	40	(6)	—	34
	56	40	(205)	—	(109)
(Loss)/profit before taxes	23	(40)	196	—	179
Income taxes	9	—	—	—	9
(Loss)/profit for the period from continuing operations	14	(40)	196	—	170

* The total assets and liabilities of I.C. Power are \$4.0 billion and \$3.0 billion at September 30, 2015, respectively.

** Revised.

*** Associated company.

**** Adjusted EBITDA is a non-IFRS measure.

Information regarding associated companies

	Carrying amounts of investment in associated companies		Equity in the net (losses) / earnings of associated companies			
	as at		for the nine months ended		for the three months ended	
	September 30	December 31	September 30	September 30	September 30	September 30
	2016	2015	2016	2015	2016	2015
	\$ Millions		\$ Millions		\$ Millions	
ZIM	80	201	(47)	17	(9)	5
Tower	—	—	—	(1)	—	—
Qoros	158	159	(107)	(114)	(36)	(40)
Others	9	9	1	—	—	1
	<u>247</u>	<u>369</u>	<u>(153)</u>	<u>(98)</u>	<u>(45)</u>	<u>(34)</u>

Appendix B**IC Power's Unaudited Consolidated Statement of Income**

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2016	2015	2016	2015
	(\$ millions)			
Consolidated Statements of Income				
Continuing Operations				
Sales	1,383	991	502	336
Cost of sales (excluding depreciation and amortization)	(999)	(700)	(355)	(242)
Depreciation and amortization	(116)	(82)	(44)	(28)
Gross profit	268	209	103	66
General, selling and administrative expenses	(96)	(49)	(36)	(18)
Other expenses	(2)	(1)	(2)	—
Other income, net	17	3	11	1
Operating income	187	162	76	49
Financing expenses, net	(126)	(79)	(52)	(26)
Income before taxes from continuing operations	61	83	24	23
Taxes on income	(40)	(35)	(19)	(10)
Net income (loss) from continuing operations	21	48	5	13
Net income from discontinued operations, net of tax	—	4	—	—
Net income (loss) for the period	21	52	5	13
Attributable to:				
Equity holders of the company	7	38	—	8
Non-controlling interest	14	14	5	5

Summary Data from IC Power's Unaudited Consolidated Statement of Cash Flows

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2016	2015	2016	2015
	(\$ millions)			
Cash flows provided by operating activities	\$ 127	\$ 264	\$ 72	\$ 133
Cash flows (used in) investing activities	(202)	(377)	(25)	(36)
Cash flows provided by (used in) financing activities	91	—	97	(63)
Increase (decrease) in cash and cash equivalents	16	(113)	144	34
Cash and cash equivalents at the end of the period	380	461	380	461

Summary Data from IC Power's Unaudited Consolidated Statement of Financial Position

	As at		
	September 30, 2016	September 30, 2015	December 31, 2015
	(\$ millions)		
Total financial liabilities ¹	\$ 3,085	\$ 2,444	\$ 2,565
Total monetary assets ²	(464)	(610)	(662)
Total equity attributable to the owners	619	822	826
Total assets	4,966	3,983	4,091

1. Includes debt with financial institutions, excluding financial instruments.
2. Includes cash and cash equivalents, short-term deposits and restricted cash.

Appendix C

IC Power's EBITDA

This press release, including the financial tables, presents IC Power's EBITDA, a financial metric considered to be "non-IFRS." Non-IFRS financial measures should be evaluated in conjunction with, and are not a substitute for, IFRS financial measures. The non-IFRS financial information presented herein should not be considered in isolation from or as a substitute for operating income, net income or per share data prepared in accordance with IFRS.

For the periods presented below, IC Power defines "EBITDA" for each entity as net income (loss), before depreciation and amortization, financing expenses, net and income tax expense (benefit). EBITDA is not recognized under IFRS or any other generally accepted accounting principles as measures of financial performance and should not be considered as a substitute for net income or loss, cash flow from operations or other measures of operating performance or liquidity determined in accordance with IFRS. EBITDA is not intended to represent funds available for dividends or other discretionary uses because those funds may be required for debt service, capital expenditures, working capital and other commitments and contingencies. EBITDA presents limitations that impair its use as a measure of IC Power's profitability since it does not take into consideration certain costs and expenses that result from IC Power's business that could have a significant effect on IC Power's net income, such as financial expenses, taxes, depreciation, capital expenses and other related charges.

Both "EBITDA" and "Net Debt" are important measure used by IC Power, and its businesses, to assess financial performance. These measures are also used by IC Power's competitors, ratings agencies, financial analysts and investors to assess the financial performance of companies within IC Power's industry. IC Power's management believes that the disclosure of EBITDA and Net Debt provides transparent and useful information to investors and financial analysts in their review of IC Power's, or its subsidiaries' and associated companies', operating performance and in the comparison of such operating performance to the operating performance of other companies in the same industry or in other industries that have different capital structures, debt levels and/or income tax rates.

Set forth below is a reconciliation of IC Power's, and each of its segments', net income to EBITDA for the periods presented. Other companies may calculate EBITDA differently, and therefore this presentation of EBITDA may not be comparable to other similarly titled measures used by other companies.

Nine Months Ended September 30, 2016							
(in USD millions) (unaudited)							
	Generation				Distribution	Adjustments	Total
	Peru	Israel	Central America	Other ¹	Guatemala		
Net income (loss) for the period	30	15	1	(56)	25	6	21
Depreciation and amortization ²	43	20	28	28	13	(7)	125
Financing expenses, net	44	14	9	45	14	—	126
Income tax expense	18	2	6	3	10	1	40
EBITDA	135	51	44	20	62	—	312

1. In addition to the results of certain of IC Power's generation assets, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.
2. Includes depreciation and amortization expenses from general, selling and administrative expenses.

Three Months Ended September 30, 2016							
(in USD millions) (unaudited)							
	Generation				Distribution	Adjustments	Total
	Peru	Israel	Central America	Other ¹	Guatemala		
Net income (loss) for the period	11	7	—	(25)	10	2	5
Depreciation and amortization ²	18	7	10	10	5	(2)	48
Financing expenses, net	21	7	2	19	3	—	52
Income tax expense (benefit)	10	2	3	—	4	—	19
EBITDA	60	23	15	4	22	—	124

1. In addition to the results of certain of IC Power's generation assets, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.
2. Includes depreciation and amortization expenses from general, selling and administrative expenses.

	Nine Months Ended September 30, 2015					
	(in USD millions) (unaudited)					
	Generation				Adjustments	Total
	Central					
	Peru	Israel	America	Other ¹		
Net income (loss) for the period	29	18	16	(17)	6	52
Depreciation and amortization ²	38	18	16	23	(7)	88
Financing expenses, net	30	20	8	21	—	79
Income tax expense	20	7	5	2	1	35
EBITDA	117	63	45	29	—	254

1. In addition to the results of certain of IC Power's generation assets, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.
2. Includes depreciation and amortization expenses from general, selling and administrative expenses.

	Three Months Ended September 30, 2015					
	(in USD millions) (unaudited)					
	Generation				Adjustments	Total
	Peru	Israel	Central America	Other ¹		
Net income (loss) for the period	11	5	6	(11)	2	13
Depreciation and amortization ²	13	6	4	9	(2)	30
Financing expenses, net	10	7	3	6	—	26
Income tax expense (benefit)	5	2	2	1	—	10
EBITDA	39	20	15	5	—	79

1. In addition to the results of certain of IC Power's generation assets, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.
2. Includes depreciation and amortization expenses from general, selling and administrative expenses.

Appendix D

Summary of IC Power's Operating Generation Assets

The following table sets forth summary operational information regarding each of IC Power's operating generation companies as of September 30, 2016 by geographical segment:

Segment	Country	Entity	Ownership Interest (%) (Rounded)	Fuel	Installed Capacity (MW) ¹	Proportionate Capacity ²	Type of Asset
Peru	Peru	Kallpa	75	Natural Gas	1,063 ³	797	Greenfield ³
	Peru	Samay I ⁴	75	Natural Gas and Diesel	616	462	Greenfield
	Peru	CDA	75	Hydroelectric	510	383	Greenfield
Israel	Israel	OPC		Natural Gas and Diesel	440	352	Greenfield
	Israel	AIE	100	Natural Gas ⁵	18	18	Acquired
Central America	Nicaragua	Corinto		HFO			Acquired
			65		71	46	
	Nicaragua	Tipitapa Power	65	HFO	51	33	Acquired
	Nicaragua	Amayo I	61	Wind	40	24	Acquired
	Nicaragua	Amayo II	61	Wind	23	14	Acquired
	Guatemala	Puerto Quetzal	100	HFO	179	179	Acquired
	El Salvador	Nejapa	100	HFO	140	140	Original Inkia Asset
	Panama	Kanan	100	HFO	92	92	Greenfield
Other	Bolivia	COBEE	100	Hydroelectric, Natural Gas	228	228	Original Inkia Asset
	Chile	Central Cardones	87	Diesel	153	133	Acquired
	Chile	Colmito	100	Natural Gas and Diesel	58	58	Acquired
	Dominican Republic	CEPP	97	HFO	67	65	Original Inkia Asset
	Jamaica	JPPC	100	HFO	60	60	Original Inkia Asset
	Colombia	Surpetroil	60	Natural Gas	31	19	Acquired / Greenfield ⁶
	Panama	Pedregal ⁷	21	HFO	54	11	Original Inkia Asset
					<u>3,894</u>	<u>3,114</u>	

- Reflects 100% of the capacity of each of IC Power's assets, regardless of IC Power's ownership interest in the entity that owns each such asset.
- Reflects the proportionate capacity of each of IC Power's assets, as determined by IC Power's ownership interest in the entity that owns each such asset.
- Kallpa's plants were developed as projects constructed on unused land with no need to demolish or remodel existing structures, or greenfield projects, in four different stages between 2005 and 2012, resulting in 870 MW of installed capacity. In addition, Kallpa acquired Las Flores' power plant in 2014, adding 193 MW to Kallpa's capacity.
- In July 2016, all of the Samay I plant's units were declared unavailable to the system due to damage to the shafts in three of the plant's four units. IC Power has developed a plan to repair the units, and in October 2016, one of the units was declared available to the system. IC Power expects that the remaining units will be operational during the first quarter of 2017.
- AIE also holds a conditional license for the construction of a cogeneration power station in Israel. This station is being developed as a greenfield project (at an expected cost of \$250 million, including the acquisition price of AIE), based upon a plant with 140 MW of capacity. Construction commenced in June 2016 and commercial operations are expected to commence by early 2019.
- When initially acquired by us, Surpetroil had a capacity of 15 MW. Surpetroil's capacity has increased to 31 MW as a result of IC Power's completion of various greenfield projects.
- Although Pedregal is located in Central America, it is a minority investment. Therefore, from an income statement perspective, it is not part of the Central America segment and Pedregal is only reflected in IC Power's share in income of associated companies.

Appendix E

Summary Unaudited Financial Information of IC Power's Subsidiaries and Associated Company

Entity	Three Months Ended September 30, 2016						
	Ownership Interest (%)	Sales	Cost of Sales	EBITDA ¹	Outstanding Debt ²	Net Debt ³	
	(\$ millions)						
GENERATION							
Peru segment							
Kallpa	75	\$105	\$ 70	\$ 40	\$ 415	\$ 384	
Samay I	75	15	7	6	339	316	
CDA	75	20	6	14	597	569	
Israel segment							
OPC	80	84	62	22	380	319	
AIE	100	11	9	1	—	(14)	
Central America segment							
ICPNH ⁴	61-65	23	17	5	91	80	
Puerto Quetzal ⁵	100	13	13	4	18	14	
Nejapa ⁶	100	21	16	2	4	(8)	
Cenέργica	100	8	3	2	1	(1)	
Guatemel	100	2	1	—	—	(1)	
Kanan	100	16	15	2	55	52	
Other segment							
COBEE	100	8	4	3	70	52	
Central Cardones	87	3	1	3	35	33	
Colmito	100	5	5	—	17	15	
CEPP	97	9	7	1	11	7	
JPPC ⁷	100	13	9	2	6	4	
Surpetroil ⁸	60	2	2	(1)	2	1	
RECSA	100	1	—	(1)	5	4	
Holdings ⁹							
IC Power Distribution Holdings	100	—	—	—	119	119	
Inkia & Other ¹⁰	100	1	—	(2)	448	368	
IC Power & Other ¹¹	100	—	—	(1)	164	18	
DISTRIBUTION							
DEORSA	93	62	48	9	122	115	
DEOCSA	91	80	60	13	186	175	
TOTAL		\$502	\$ 355	\$ 124	\$ 3,085	\$2,621	

1. "EBITDA" for each entity for the period is defined as net income (loss) before depreciation and amortization, finance expenses, net and income tax expense (benefit).
2. Includes short-term and long-term debt and excludes loans and notes owed to Kenon.
3. Net debt is defined as total debt attributable to each of IC Power's subsidiaries, excluding debt owed to Kenon, minus the cash and short term deposits and restricted cash of such companies. Net debt is not a measure of liabilities in accordance with IFRS. The tables below set forth a reconciliation of net debt to total debt for IC Power's subsidiaries.
4. Through ICPNH, IC Power indirectly holds 65% interests in Corinto and Tipitapa Power and 61% interests in Amayo I and Amayo II.
5. Figures include Puerto Quetzal and Poli watt Limited (one of IC Power's subsidiaries that performs administrative functions and maintains certain licenses on behalf of Puerto Quetzal).
6. Figures include amounts related to Nejapa's branch and main office.
7. Figures include JPPC and Private Power Operator Ltd. (IC Power's subsidiary that employs JPPC's employees and performs administrative-related functions).
8. Figures include Surpetroil and Surenergy S.A.S ESP (IC Power's subsidiary that performs administrative functions and maintains certain licenses on behalf of Surpetroil).
9. In addition to the results of certain of IC Power's generation assets, IC Power's Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies, including purchase price allocations recorded in connection with IC Power's acquisition of Energuate, which allocations were recorded by Inkia, one of IC Power's intermediate holding companies.
10. Outstanding debt includes \$448 million for Inkia.
11. Includes \$12 million of IC Power's outstanding debt, \$56 million of ICPI's debt and \$96 million of Overseas Investment Peru's debt.

The following tables set forth a reconciliation of income (loss) to EBITDA for IC Power's subsidiaries for Q3 2016:

	Kallpa	CDA	Samay I	OPC	AIE	ICPNH	Puerto Quetzal
	(\$ millions)						
Net income (loss)	\$ 12	\$ 1	\$ (2)	\$ 7	\$ —	\$ —	\$ 2
Depreciation and amortization	12	3	3	7	—	3	1
Finance expenses, net	8	7	6	6	1	2	—
Income tax expense (benefit)	8	3	(1)	2	—	—	1
EBITDA	\$ 40	\$ 14	\$ 6	\$ 22	\$ 1	\$ 5	\$ 4

	Nejapa	Cenέργica	Kanan	Guatamel	COBEE	Central Cardones	Colmito
	(\$ millions)						
Net income (loss)	\$ 2	\$ 1	\$ (4)	\$ —	\$ 1	\$ —	\$ 1
Depreciation and amortization	—	—	5	—	1	1	—
Finance expenses, net	—	—	—	—	1	1	(1)
Income tax expense	2	1	1	—	—	1	—
EBITDA	\$ 2	\$ 2	\$ 2	\$ —	\$ 3	\$ 3	\$ —

	CEPP	JPPC	Surpetroil	RECSA	IC Power Distribution Holdings	Inkia & Other	IC Power & Other
	(\$ millions)						
Net income (loss)	\$ 1	\$ 1	\$ (1)	\$ —	\$ (2)	\$ (16)	\$ (9)
Depreciation and amortization	—	1	—	(1)	—	7	—
Finance expenses, net	—	—	—	—	2	8	8
Income tax expense (benefit)	—	—	—	—	—	(1)	—
EBITDA	\$ 1	\$ 2	\$ (1)	\$ (1)	\$ —	\$ (2)	\$ (1)

	DEOCSA	DEORSA	IC Power Total
	(\$ millions)		
Net income (loss)	\$ 6	\$ 4	\$ 5
Depreciation and amortization	3	2	48
Finance expenses, net	2	1	52
Income tax expense	2	2	19
EBITDA	\$ 13	\$ 9	\$ 124

The tables below set forth a reconciliation of net debt to total debt for IC Power's subsidiaries as of September 30, 2016.

	Kallpa	CDA	Samay I	OPC	AIE	ICPNH	Puerto Quetzal	Nejapa	Cenέργica	Kanan
	(\$ millions)									
Total debt	\$ 415	\$ 597	\$ 339	\$ 380	\$ —	\$ 91	\$ 18	\$ 4	\$ 1	\$ 55
Cash	31	28	23	61	14	11	4	12	2	3
Net Debt	\$ 384	\$ 569	\$ 316	\$ 319	\$ (14)	\$ 80	\$ 14	\$ (8)	\$ (1)	\$ 52

	Guatemala	COBEE	Central Cardones	Colmito	CEPP	JPPC	Surpetroil	RECSA	IC Power Distribution Holdings	Inkia & Other
	(\$ millions)									
Total debt	\$ —	\$ 70	\$ 35	\$ 17	\$ 11	\$ 6	\$ 2	\$ 5	\$ 119	\$ 448
Cash	1	18	2	2	4	2	1	1	—	80
Net Debt	\$ (1)	\$ 52	\$ 33	\$ 15	\$ 7	\$ 4	\$ 1	\$ 4	\$ 119	\$ 368

Entity	Three Months Ended September 30, 2015					
	Ownership Interest (%)	Sales	Cost of Sales	EBITDA ¹	Outstanding Debt ²	Net Debt ³
				(\$ millions)		
Peru segment						
Kallpa	75	\$114	\$ 71	\$ 39	\$ 419	\$ 393
<i>Assets in advanced stages of construction</i>						
CDA	75	—	—	—	535	481
Samay I	75	—	—	—	246	225
Israel segment						
OPC	80	86	65	20	402	179
AIE (Hadera)	100	3	3	—	—	—
Central America segment						
ICPNH ⁴	61-65	29	19	8	101	83
Puerto Quetzal ⁵	100	31	28	2	19	10
Nejapa ⁶	100	26	22	3	—	(28)
Cenérnica	100	6	5	2	—	(3)
<i>Asset in advance stages of construction</i>						
Kanan	100	—	—	—	—	—
Other segment						
COBEE	100	8	5	3	72	52
Central Cardones	87	3	—	2	44	43
Colmito	100	5	4	—	17	15
CEPP	97	11	8	2	25	(5)
JPPC ⁷	100	11	11	—	6	—
Surpetroil ⁸	60	2	1	—	2	2
Holdings⁹						
Inkia & Other ¹⁰	100	1	—	1	447	305
IC Power & Other ¹¹	100	—	—	(3)	109	82
Total		\$336	\$ 242	\$ 79	\$ 2,444	\$1,834

1. “EBITDA” for each entity for the period is defined as net income (loss) before depreciation and amortization, finance expenses, net and income tax expense (benefit).
2. Includes short-term and long-term debt and excludes loans and notes owed to Kenon.
3. Net debt is defined as total debt attributable to each of IC Power’s subsidiaries, excluding debt owed to Kenon, minus the cash and short term deposits and restricted cash of such companies. Net debt is not a measure of liabilities in accordance with IFRS. The tables below set forth a reconciliation of net debt to total debt for IC Power’s subsidiaries.
4. Through ICPNH, IC Power indirectly holds 65% interests in Corinto and Tipitapa Power and 61% interests in Amayo I and Amayo II.
5. Figures include Puerto Quetzal and Poliwatt Limited (one of IC Power’s subsidiaries that performs administrative functions and maintains certain licenses on behalf of Puerto Quetzal).
6. Figures include amounts related to Nejapa’s branch and main office.
7. Figures include JPPC and Private Power Operator Ltd. (IC Power’s subsidiary that employs JPPC’s employees and performs administrative-related functions).
8. Figures include Surpetroil and Surenergy S.A.S ESP (IC Power’s subsidiary that performs administrative functions and maintains certain licenses on behalf of Surpetroil).
9. In addition to the results of certain of IC Power’s generation assets, IC Power’s Other segment also includes expenses and other adjustments relating to its headquarters and intermediate holding companies.
10. Outstanding debt includes \$447 million for Inkia.
11. Includes \$12 million of IC Power’s outstanding debt and \$97 million of ICPI’s debt.

The following tables set forth a reconciliation of income (loss) to EBITDA for IC Power's subsidiaries for Q3 2015:

	Kallpa	CDA	Samay I	OPC	ICPNH	Puerto Quetzal	Nejapa
	(\$ millions)						
Net income (loss)	\$ 13	\$ (1)	\$ (1)	\$ 5	\$ 3	\$ —	\$ 3
Depreciation and amortization	13	—	—	6	2	1	—
Finance expenses, net	8	1	1	7	3	—	—
Income tax expense (benefit)	5	—	—	2	—	1	—
EBITDA	\$ 39	\$ —	\$ —	\$ 20	\$ 8	\$ 2	\$ 3

	Cenέργica	Kanan	COBEE	Central Cardones	Colmito	CEPP
	(\$ millions)					
Net income	\$ 1	\$ —	\$ 1	\$ —	\$ (1)	\$ 2
Depreciation and amortization	—	—	1	1	1	—
Finance expenses, net	—	—	1	1	—	(1)
Income tax expense	1	—	—	—	—	1
EBITDA	\$ 2	\$ —	\$ 3	\$ 2	\$ —	\$ 2

	JPPC	Surpetroil	Inkia & Other	IC Power & Others	Total
	(\$ millions)				
Net income (loss)	\$ (1)	\$ —	\$ (8)	\$ (3)	\$ 13
Depreciation and amortization	1	1	3	—	30
Finance expenses, net	1	(1)	5	—	26
Income tax expense (benefit)	(1)	—	1	—	10
EBITDA	\$ —	\$ —	\$ 1	\$ (3)	\$ 79

The tables below set forth a reconciliation of net debt to total debt for IC Power's subsidiaries as of September 30, 2015.

	Kallpa	CDA	Samay I	OPC	ICPNH	Puerto Quetzal	Nejapa	Cenέργica	Kanan
	(\$ millions)								
Total debt	\$ 419	\$ 535	\$ 246	\$ 402	\$ 101	\$ 19	\$ —	\$ —	\$ —
Cash	26	54	21	223	18	9	28	3	—
Net Debt	\$ 393	\$ 481	\$ 225	\$ 179	\$ 83	\$ 10	\$ (28)	\$ (3)	\$ —

	COBEE	Central Cardones	Colmito	CEPP	JPPC	Surpetroil	Inkia & Other	ICP& Other	Total
	(\$ millions)								
Total debt	\$ 72	\$ 44	\$ 17	\$ 25	\$ 6	\$ 2	\$ 447	\$ 109	\$ 2,444
Cash	20	1	2	30	6	—	142	27	610
Net Debt	\$ 52	\$ 43	\$ 15	\$ (5)	\$ —	\$ 2	\$ 305	\$ 82	\$ 1,834

Appendix F**Summary of Qoros' Unaudited Condensed Consolidated Statement of Profit or Loss for the Nine Months and Three Months ended September 30, 2016**

<i>In millions of RMB</i>	<i>For the nine months ended</i>		<i>For the three months ended</i>	
	<i>30 September 2016</i>	<i>30 September 2015</i>	<i>30 September 2016</i>	<i>30 September 2015</i>
Revenue	1,719	1,054	607	393
Cost of sales	(2,176)	(1,130)	(824)	(445)
Gross Loss	(457)	(76)	(217)	(52)
Other income	66	34	35	25
Research and development expenses	(123)	(201)	(41)	(51)
Selling and distribution expenses	(266)	(358)	(69)	(108)
Administrative expenses	(312)	(411)	(107)	(160)
Other expenses	(12)	(61)	(5)	(20)
Results from operating activities	(1,104)	(1,073)	(404)	(366)
Finance income	49	—	—	—
Finance costs	(300)	(312)	(61)	(136)
Net finance cost	(251)	(312)	(61)	(136)
Loss for the period	(1,355)	(1,385)	(465)	(502)

Summary of Qoros' Unaudited Condensed Consolidated Statement of Financial Position

<i>In millions of RMB</i>	<i>At 30 September 2016</i>	<i>At 31 December 2015</i>
Assets		
Property, plant and equipment	4,299	4,275
Intangible assets	4,571	4,657
Prepayments for purchase of equipment	12	59
Lease prepayments	201	204
Trade and other receivables	92	92
Equity-accounted investee	2	2
Non-current assets	9,177	9,289
Inventories	203	245
VAT recoverable	829	833
Trade and other receivables	101	43
Prepayments	20	36
Pledged deposits	24	113
Cash and cash equivalents	103	257
Current assets	1,280	1,527
Total assets	10,457	10,816
Equity		
Paid-in capital	10,425	8,332
Accumulated losses	(9,491)	(8,136)
Total equity	934	196
Liabilities		
Loans and borrowings	4,270	4,660
Deferred income	422	169
Provision	45	21
Non-current liabilities	4,737	4,850
Loans and borrowings	2,193	2,829
Trade and other payables	2,552	2,616
Deferred income	41	325
Current liabilities	4,786	5,770
Total liabilities	9,523	10,620
Total equity and liabilities	10,457	10,816