



Delek Group Announces Consolidated Results for the Third Quarter and Nine Months 2007

November 28, 2007



Tel Aviv, November 28, 2007 - Delek Group Ltd. (TASE: DLEKG) (hereinafter: "Delek Group" or "The Group") announced today that Mr. Alan Gelman, today reported its results for the three and nine-month periods ending September 30, 2007. The full financial statements are available on Delek Group's website at: www.delek-group.com

Main Highlights (compared with comparable period in 2006)

- Net income third quarter up 85% reaching NIS 388 million and for nine months totalled NIS 1,146 million
- Energy and automotive sectors showed strong growth, offset by weaker insurance sector primarily resulting from bearish capital markets
- Declared NIS 160 million dividend for third quarter 2007 in addition to NIS 430 million paid out in 2007

Net income for the third quarter of 2007 increased 85% reaching NIS 388 million, compared with NIS 210 million for the third quarter last year. Net income for the three months included a NIS 86 million capital gain following the sale of 39% of Amisragas, a NIS 101 million capital gain following the issue of Delek USA shares, and a NIS 70 million capital gain following the Initial Public Offering of Delek – the Israel Fuel Company on the Tel Aviv Stock Exchange all during the third quarter of 2007.

Net income for the nine months of 2007 totalled NIS 1,146 million, compared with NIS 1,230 million in the same period last year. Net income for the nine months included, in addition to the capital gains recorded during the quarter, NIS 53 million, representing the Delek Group's share in the capital gain recorded following the Initial Public offering of Delek Group Real Estate on the London Stock Exchange and the approximate NIS 143 million gross capital gain following the sale of the Company's 12.2% shareholding in Menora Insurance Company in the first quarter of 2007. This was offset by the NIS 58 million one-time expense recorded following the abandoning of the two drills in Guinea Bissau. Net income for the nine months last year included a substantial NIS 625 million capital gain following the IPO of Delek USA, Inc. and the capital gains recorded following private placements in subsidiaries.

Mr. Asaf Bartfeld, CEO of Delek Group commented on the results, "This quarter we continued to show strong performance, both in our holdings, and in identifying opportunities for capital raising in our companies. On the business side, the fuel sectors, in both the US and Israel, showed healthy performance this quarter, despite the weaker refining margins, while the automotive sector continues to generate strong growth as we introduce new vehicles to the local market. The real estate sector shows healthy performance contributing a higher net income to our bottom line. These strong performers were offset primarily by the implications of the weaker capital market on the value of our insurance sector's investments."

"This quarter we also continued to identify growth and expansion opportunities at both the corporate and holding level. We listed Delek, the Israeli Fuel Company, on the Tel Aviv Stock Exchange, we issued additional shares of Delek USA in order to finance the 35% acquisition of Lion Oil, and we also completed the acquisition of the fuel stations in Europe establishing a new sector this quarter, European Fuel Operations. Altogether we are very pleased with our growth this quarter, despite the challenging environments, as well as our ability to continue to identify and execute on our expansion and value enhancing strategy," **concluded Mr. Bartfeld.**

Mr. Alan Gelman, CFO and Deputy CEO of Delek Group added, "We continue to enhance our financial strength, and just after the end of the quarter raised, in October 2007, an additional NIS 1 billion from the local capital markets by means of a debenture issue. These debentures, were once again raised at favorable interest rates, and were ranked AA by Maalot – Israel's Securities Rating Company, a Standard and Poor's Affiliation. Finally, once again our strong financial performance enabled us to declare a NIS 160 million dividend for the quarter, bringing the total dividend distributed for the year to date to NIS 590 million."

Main Business Highlights for the Third Quarter and Nine Months

Contribution of Principal Operations to Net Profit* (NIS millions)

	7-9/2007	7-9/2006	1-9/2007	1-9 2006	2006
US Fuel Sector Operations	102	80	371	301	337
Israeli Fuel Sector Operations*	40	5	75	13	25
Oil and Gas Exploration	41	50	75	77	108
Oil Exploration Expenses*	-	-	(58)	-	-
Automotive Operations	59	40	186	112	151

Real Estate Operations	25	18	107	147	235
Insurance and Finance Operations*	(80)	27	93	53	109
Capital Gains on Sale of Amisragas**	86	-	86	-	-
Capital Gains & Others*	115	(10)	211	527	548
Net Income	388	210	1,146	1,230	1,513

* Parts of this have been extracted from Delek Group's nine months 2007 Directors Report. Please review the full report available on the Group's website www.delek-group.com to view the notes for each of the items above.

** 39% of Amisragas, one of Israel's largest LPG gas retailer's was sold by Delek- the Israel Fuel Company, during the third quarter 2007

Energy & Infrastructure: Delek USA (NASDAQ: DK; Delek Group holds 74% end-Q3 2007): Net income for the nine months 2007 totalled NIS 472 million, a 25% increase compared with NIS 377 million in the same period last year. Net income for the third quarter of 2007 totalled NIS 125 million, a 13% increase compared with NIS 111 million in the same period last year. These stronger results follow the higher contribution of the marketing segment, as well as increased merchandise sales in the retail segment. These were offset by the negative impact of the increase in crude prices prevailing throughout the refining sector during the quarter. In August 2007, Delek USA acquired approximately 35% of Lion Oil, a private company operating a 75,000 bpd refinery in El Dorado, Arkansas, for \$88.4 million in cash, and issued 3.7% of its share capital to TransMontaigne, wholly-owned by Morgan Stanley Capital Group Inc. Consequently, the Group holds 74% of Delek USA and recorded a net capital gain of NIS 101 million following the issue of the share capital.

Israeli Fuel Sector Operations: Delek – the Israel Fuel Company Ltd. (TASE: DLKIS; Delek Group holds 89% end-Q3 2007): net income for the nine months totalled NIS 191 million, a substantial increase compared NIS 37 million in the same period last year. Net income for the third quarter increased substantially reaching NIS 149 million, compared with NIS 8 million in the third quarter last year, this includes a non-recurring capital gain of approximately NIS 90 million from the sale of 39% in Amisragas. The higher net income in both periods follows improved gross margin, lower operating expenses, and overall operating efficiencies.

On July 31, 2007, Delek Israel completed the acquisition of the fuel distribution and storage operations of the Israeli Pi Gliot Oil Terminals and Pipes Ltd. for an approximate total of NIS 820 million. In August 2007, previously wholly-owned Delek Israel completed an IPO on the Tel Aviv Stock Exchange raising NIS 940 million, generating a capital gain of approximately NIS 70 million for the Group. Subsequently, the Group holds 88.89% of Delek Israel. In September 2007, Delek Israel completed the sale of 39% of gas retailer Amisragas for \$67.5 million (NIS 272 million), recording a capital gain of NIS 86 million during the third quarter on the transaction.

Oil and Gas Exploration, and Gas Production, Operations: The Oil and Gas Exploration, and Gas Production, sector generated an NIS 17 million net income in the nine months of 2007, this includes a NIS 58 million expense recorded following the abandoning of the two drills in Guinea Bissau. Net income for the nine months, excluding this one-time expense totalled NIS 75 million, compared to a NIS 77 million net income in the nine months 2006. Net income for the quarter totalled NIS 41 million, compared to NIS 50 million in the third quarter last year.

Real Estate Operations: Delek Real Estate (TASE: DLKR; Delek Group holds 67.9% end-Q3). Delek Real Estate's net income for the third quarter totalled NIS 33 million, a 27% increase from the NIS 26 million net income in the third quarter last year. Net income for the nine months of 2007 totalled NIS 158 million compared with NIS 207 million in the nine months of 2006. The lower net income primarily follows the change in accounting treatment of certain real estate assets resulting from the change in DGRE's shareholding in certain foreign entities. Resulting from this change, the accounting treatment is now aligned to similar companies in the group, recording holdings under the cost base, as opposed to previously adopted fair market value.

Insurance and Financial Services: The activities of this segment are primarily conducted through Delek Capital, as well as two insurance companies; Israeli insurance company, Phoenix Holdings Ltd. (TASE: PHOE), and general US insurer, Republic Companies, Inc. held through wholly-owned Delek Finance US Inc. The insurance and financial services sector contributed NIS 93 million to the Group's net income in the nine months of 2007, compared to NIS 53 million in the first nine months of 2006. The sector contributed a NIS 80 million net loss for the quarter, compared with a NIS 27 million net income in the third quarter of 2006. The substantial decline in the contribution this quarter follows the sharp decline in income from investments, primarily following the bearish capital markets, the weakening of the US Dollar against the Israeli Shekel, and the increase in the Israeli Consumer Price Index from the beginning of the year, compared to 2006.

Automotive Operations: Delek Automotive Systems Ltd. (TASE: DLEA; Delek Group holds 55.4% end-Q3 2007): Delek Automotive Systems' net income for the nine months of 2007 totalled NIS 323 million, a 55% increase compared with NIS 208 million in the nine months last year. Net income for the third quarter increased 42 % reaching NIS 102 million, compared to NIS 72 million in the third quarter last year. The higher net income in both the quarter and nine-months follows the change in the mix of vehicles sold during the periods, compared to last year, as well as currency fluctuations.

Benelux Fuel Operations: In August 2007, Delek Benelux B.V., an indirectly owned subsidiary of the Group, completed the acquisition of three foreign companies concentrating Chevron Global Energy Inc.'s marketing operations in the Benelux countries. These include 869 fuelling stations, mostly under the Texaco brand. Commencing from the third quarter of 2007, the results of these activities were consolidated in the Group's financial statements. Delek Benelux generated a net income of approximately NIS 13 million in the third quarter of 2007 for months of operation August and September

Dividend Distribution

On November 28, 2007, the Board of Directors of Delek Group declared a cash dividend distribution for the third quarter of 2007 to the amount of approximately NIS 160 million (NIS 13.7 per share) to the shareholders on record as of 19th December 2007. This dividend is in addition to the NIS 430 million dividends paid out to date this year. The ex-date is 20th December 2007 and the dividend will be paid on 3rd January 2008.

Conference Call Details

The Company will be hosting a conference call today, November 29, 2007, at 10:00 am ET. On the call, management will review and discuss the

results and will be available to answer investor questions. To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 5 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 888 668 9141 UK Dial-in Number: 0 800 051 8913

Israel Dial-in Number: 03 918 0692 International Dial-in Number: +972 3 918 0692

at: 10:00am Eastern Time, 7:00am Pacific Time, 3:00pm UK Time, 5:00pm Israel Time

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