



Delek Group Announces Consolidated Results for the Third Quarter and First Nine Months of 2009

November 30, 2009

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Nine month net income reaches NIS 440 million; third quarter net income of NIS 60 million

Tel Aviv, November 29, 2009 - Delek Group Ltd. (TASE: DLEKG.TA, OTCQX: DGRLY) (hereinafter: "Delek Group" or "The Group") announced today reported its results for the three and nine month periods ended September 30, 2009. The full financial statements are available on Delek Group's website at: www.delek-group.com.

Financial Highlights

- **Nine-month net income reached NIS 440 million; Third quarter net income contributed NIS 60 million**
- **Declared additional NIS 33 million dividend for the quarter; NIS 210 million issued in dividends for the first 9 months of 2009 (excluding the issuance of Delek Real Estate shares);**
- **Successfully raised \$1.5bn in new capital so far in 2009 significantly strengthening the balance sheet;**

Results Summary

Group revenues for the first nine months of 2009 totaled NIS 31.8 billion, compared with NIS 39.3 billion in the same period in 2008. Group revenues in the third quarter of 2009 amounted to NIS 11.9 billion, compared with NIS 13.0 billion in the third quarter of 2008. The decrease in revenues was primarily as a result of lower gasoline sales in Israel, Europe and the United States, as well as the lower price of oil and lower revenues from the US refinery which only restarted operations towards the end of the second quarter.

Net income for the first nine months showed significant improvement reaching NIS 440 million, compared with a net loss of NIS 371 million in the same period in 2008. Net income in the third quarter showed similar improvements reaching NIS 60 million, compared with a net loss of NIS 612 million reported in the third quarter of 2008.

Group total assets as of September 30, 2009, amounted to NIS 80.9 billion, compared with NIS 76.7 billion as of December 31, 2008. Delek has raised and restructured a total of NIS 1.5 billion, all of which is long-term.

Mr. Asaf Bartfeld, CEO of Delek Group commented, "2009 has so far been a substantial turnaround year for the Delek Group. Our assets continue to provide increasing returns and we are unleashing the substantial potential inherent across the whole Group. Our results are a testimony that we emerged the global financial crisis a stronger and more focused Company. The recent, and highly over-subscribed capital raises that we have completed, amounting to almost NIS 1.5bn this year, have significantly improved and strengthened the Group's balance sheet. The average maturity of our debt is much longer-term and a third of our debt is now not CPI linked, diversifying our risk. I am very gratified by the faith the investment community has in our activities and potential. It positions us for continued long-term growth with an increased ability to invest in the areas that we can provide most value and garner the highest return on investment. Our leading portfolio of assets, focused mainly on the energy and infrastructure sector, paired with our strong financial standing, enables us to continue to build on our current success over the coming quarters."

Mr. Asaf Bartfeld, continued, "As we move into 2010, we have many reasons for optimism; in our energy sector, the commercialization of natural gas from Tamar is drawing ever closer, and we are very excited with its potential especially following the increased Gross Mean Resource estimate received at the beginning of the quarter. Furthermore our existing producing gas reservoir, Yam Tethys, had its strongest quarter in terms of net income in its history. In addition, I am proud of the strong increase in market share in Israel that our automotive business has achieved in the past year reaching 28% as well as the strong improvement in the performance of our financial service assets. Finally, the expected closing of the sale of the majority of our holdings in the HOT cable company at a premium and the resulting additional cash flow of NIS 400 million proves that by our continued focus on our core businesses and the continued creation of value, we expect to remain successful, sharing the rewards with our shareholders."

Main Business Highlights

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

	FY 2008	Q1 –Q3 2008	Q1-Q3 2009	Q3 2008	Q3 2009
US Fuel Sector Operations	1	73	81	27	(14)
Israeli Fuel Sector Operations	62	85	70	31	9
Delek Europe	44	63	42	10	(2)

Restructuring expenses at Delek Europe	(81)	-	-	-	-
Oil and Gas Exploration	65	59	20	40	52
Oil Exploration Expenses	(74)	(46)	-	(7)	-
Automotive Operations	288	300	172	110	65
Insurance and Finance Operations	(482)	(144)	96	(167)	13
Capital Gains & Others	(365)	(321)	(36)	(228)	(63)
Net Income (loss) excluding the Real Estate Activities	(542)	69	445	(184)	60
Real Estate activities	(1,267)	(440)	(5)	(428)	-
Net income (loss) attributed to the Group's shareholders	(1,809)	(371)	440	(612)	60

* Parts of the above table has been extracted from Delek Group's Third Quarter 2009 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.

Energy & Infrastructure

The Oil and Gas Exploration, and Gas Production sector. At the beginning of the third quarter, the partners in the drilling at the Tamar field received a third party reserve report, showing the amount of 2P (proved and probably) reserves of natural gas to be as high as approximately 7.7 TCF (or approximately 218 BCM) at the Tamar Field. Delek Group has approximately 16% of indirect rights to the Tamar well.

Oil and gas exploration activities contributed NIS 325 million in revenue for the first nine months of 2009, compared with revenue of NIS 351 million in the same period in 2008. Oil and gas exploration activities contributed NIS 152 million in revenue for the third quarter of 2009, compared with revenue of NIS 141 million in the same period in 2008.

Net income for the first nine months of 2009 was NIS 14 million, as compared to net income of NIS 13 million in the same period last year. Net income for the third quarter of 2009 was NIS 51 million, as compared to net income of NIS 33 million in the same period last year. The improvement in the third quarter financial results, was due to increased revenues from sales of natural gas to the Israeli Electric Corporation (hereinafter: "IEC") due to the new pricing and conditions, as contracted with the IEC from July 1st, 2009.

Delek USA (NYSE: DK; Delek Group holds 74% end-Q3 2009): Revenue in the first nine months of 2009 was NIS 7.2 billion, compared with NIS 14.5 in the same period of last year. Revenue in the third quarter of 2009 was NIS 3.2 billion, compared with NIS 5.1 in the same period of last year. Net income in the first nine months of 2009 amounted to NIS 113 million compared with a net income of NIS 103 million in the same period in 2008. Net loss in the third quarter of 2009 amounted to NIS 21 million compared with a net income of NIS 41 million in the same period in 2008.

In the Company's refining segment, third quarter results were adversely impacted by a significant decline in the 5-3-2 Gulf Coast crack spread in the period. Within the retail segment, same-store sales trends signalled improving business conditions in the Company's core South-Eastern markets during the third quarter, as both fuel gallons sold and merchandise sales increased above levels reported in the third quarter 2008.

The results throughout 2009 benefited from the receipt of gross insurance proceeds mostly as a result of business interruption whilst the refinery was shut due to a fire which occurred at the end of 2008. In May 2009, Delek US completed the rebuilding of the unit damaged in the fire and the refinery resumed operation. The discretionary upgrades and capital improvements made in connection with the rebuild process, position the company to take advantage of a more flexible crude slate, as refining economics allow.

Delek – the Israel Fuel Company Ltd. (TASE: DLKIS.TA; Delek Group holds 77.4% end-Q2 2009): Revenue in the first nine months of 2009 was NIS 3.1 billion, compared with NIS 4.9 in the same period of last year. Revenue in the third quarter of 2009 was NIS 1.2 billion, compared with NIS 1.9 in the same period of last year. Net income in the first nine months of 2009 amounted to NIS 84 million compared with a net income of NIS 102 million in the same period in 2008. Net income in the third quarter of 2009 amounted to NIS 7 million compared with a net income of NIS 33 million in the same period in 2008.

The lower revenues levels in the quarter were primarily as a result of the lower average gasoline prices as well as lower sales in the direct marketing sector due to the economic slowdown compared with the same period last year. In addition, there was an impact on revenues due to a reduction in exposure to the direct marketing sector through a more selective and careful approach. However, it should be noted that this effect was somewhat compensated by an increase in sales at convenience stores as well as increased sales in gasoline for commercial enterprises.

Delek Europe. Revenues in the first nine months of 2009 amounted to €1.4 billion, compared with €2.1 billion in the same period last year. Revenues in the third quarter of 2009 amounted to €492 million, compared with €729 million in the same period last year. The lower revenue level was primarily due to the lower average price of gasoline in the period compared with last year.

During the first nine months of 2009, Delek Europe recorded a profit of €8 million, compared with a net profit of €12 million in the same period last year.

During the third quarter of 2009, Delek Europe recorded breakeven results, compared with a net profit of €2 million in the same period last year.

Automotive Operations

Delek Automotive Systems Ltd. (TASE: DLEA.TA; Delek Group holds 55% end-Q3 2009): The company increased its market share to 28% of the Israeli car market in third quarter of 2009, compared with 23% in the third quarter of last year. The company also began successfully selling the new popular Mazda-3 model car in July of this quarter.

The company's revenues totalled NIS 3.4 billion in the first 9 months of 2009, compared with NIS 4.2 billion in the same period of last year, the decreasing stemming from the general economic slowdown.

However, the company's revenues increased to NIS 1.5 billion in the third quarter of 2009 compared with 1.4 billion in the same period of last year. The increase was driven by a growth in unit sales, due to the increased market share which Delek Automotive enjoyed in the third quarter. The company sold 13,481 units in the quarter (out of a total of 46 thousand cars sold in Israel) compared with 12,234 (out of a total of 51 thousand cars sold in Israel) in the same period last year.

Net income at Delek Automotive in the first nine months of 2009 reached NIS 305 million compared to a net income of NIS 525 million shekels in the same period last year. The decrease in net income is primarily due to the lower number of units sold. Net income at Delek Automotive in the third quarter of 2009 reached NIS 112 million compared to a net income of NIS 193 million shekels in the same period last year. The decrease in third quarter net income was primarily due to fluctuations in currency exchange rates.

Insurance and Financial Services

The activities of this segment are primarily conducted through two insurance companies; Israeli insurance company, Phoenix Holdings Ltd. (TASE: PHOE.TA), and general US insurer, Republic Companies, Inc. that is an indirectly wholly owned subsidiary.

The insurance and financial services sector contributed NIS 96 million to the Group's net income in the first nine months of 2009, compared to a loss contribution of NIS 44 million in the same period last year. In the third quarter, the contribution was NIS 13 million, compared to a net loss NIS 167 million in the same period of last year. The improved results were due to the significant improvement in the capital market environment in Israel since the beginning of 2009.

Dividend Distribution

On November 29, 2009, the Board of Directors of Delek Group declared a cash dividend distribution for the third quarter of 2009 in the amount of approximately NIS 33 million (approximately NIS 2.91 per share) to the shareholders on record as of December 21, 2009. The ex-date is December 22, 2009 and the dividend will be paid on January 5, 2010.

Conference Call Details

The Company will be hosting a **conference call in English** on **Tuesday, December 1, 2009 at 10:00am ET, 3:00pm UK time, 5:00pm Israel time**. On the call, CEO Asaf Bartfeld, CFO Barak Mashraki and Head of Investor Relations, Dalia Black, will review and discuss the results, and will be available to answer your questions.

To participate, please call one of the following teleconferencing numbers: US: 1 800 994 4498, UK: 0 800 917 4613, Israel: 03 918 0666.

About The Delek Group

Delek Group is the leading energy & infrastructure group based out of Israel with investments in upstream & downstream energy, water desalination and power plants globally. In addition, Delek is the number one importer & distributor of vehicles in Israel and owns insurance assets in Israel and the US. Earlier this year, Delek Group, through its subsidiaries, discovered significant quantities of high quality natural gas off the coast of Israel. Delek Group sales reached 48 billion Israeli shekel in 2008.

For more information on Delek Group please visit www.delek-group.com

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