Delek Group Announces Consolidated Results for the First Nine Months of 2012

Tel Aviv, November 29, 2012, Delek Group Ltd. (TASE: DLEKG, OTCQX: DGRLY) (hereinafter: "Delek Group" or "The Group") announced today its results for the three and nine month period ended September 30, 2012. The full financial statements will be available in English on Delek Group's website at: www.delek-group.com.

FIRST NINE MONTHS 2012 HIGHLIGHTS

- **Group operating profit of NIS 2.3 billion, an increase of 10% compared with NIS 2.1 billion in the same period last year;**
- **Net income reached NIS 243 million for the nine month period and NIS 93 million for the third quarter;**
- **Delek Group sold shares amounting to 13.9% of its subsidiary Delek US and totalling NIS 815 million**
- **Delek Group announced a dividend of NIS 65 million for the third quarter of 2012.**

Group revenues for the first nine months of 2012 were NIS 53.5 billion, a 26% increase compared with NIS 42.3 billion in the first nine months of 2011. The increase was primarily due to the Lion Oil refinery operations which were consolidated in the corresponding period last year for only five months. In addition the increase in revenues was also due to the rise in fuel prices, which led to an increase in refinery revenues as well as an increased contribution from the downstream energy assets; Delek Europe, Delek Israel and Delek US. In the third quarter of 2012, group revenues were NIS 18.9 billion, a 24% increase compared with NIS 15.2 billion in the third quarter of 2011.

Net income in the first nine months of 2012 totaled NIS 243 million compared with a net income of NIS 451 million in the first nine months of 2011. In the first nine months of 2011, net income included NIS 348 million in capital gains from the sale of Noble Energy shares. Net income in the third quarter of 2012 totaled NIS 93 million compared with NIS 140 million in the third quarter of 2011.

Group total assets as of September 30, 2012, amounted to NIS 120 billion, compared with NIS 108 billion as of December 31, 2011.

Commented Mr. Bartfeld, CEO of Delek Group, "Our net profit for the third quarter together with the gain from the sale of our holdings in Delek US, which increased our shareholders' equity totaled to NIS 301 million. Delek US shares sold in addition to Delek US shares sold in the fourth quarter have greatly improved the cash levels at the Company. These transactions are proof of our financial flexibility and our ability to realize the inherent value in our assets. As of September 30, 2012, the Group has more than NIS 2.4 billion in Cash and cash equivalents"

MAIN BUSINESS HIGHLIGHTS

CONTRIBUTION OF PRINCIPAL OPERATIONS TO NET INCOME* (NIS MILLIONS)

	9M 2012	9M 2011	Q3 2012	Q3 2011	FY 2011
US Fuel Sector Operations	546	408	232	193	378
Oil and Gas Exploration	(6)	165	(31)	68	199
Delek Europe	66	19	26	17	12
Israeli Fuel Sector Operations	13	16	15	(2)	9
Road services in the UK	1	(13)	8	8	(23)
Insurance and Finance Operations	61	3	46	(4)	(48)
Automotive Operations	27	9	(1)	(39)	19
Capital Gains & Others	(465)	(156)	(202)	(101)	2,064
Net Income attributed Group's shareholders	**243**	**451**	**93**	**140**	**2,610**

* Parts of the above table have been extracted from Delek Group's First Nine Months 2012 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

Oil and Gas Exploration Sector Highlights. The activities in Israel are carried out mainly through Delek Energy Ltd., Delek Drilling LP & Avner Oil Exploration LP, of which Delek Group has a controlling share.

Yam Tethys; A significant decline in natural gas production due to the depletion of the "Mari B" reservoir continued. However, its impact was minimised in the third quarter of 2012, through the increasing natural gas production from the Noa and Pinnacles reservoirs. Yam Tethys' project operator, Noble Energy Mediterranean, is producing natural gas from the "Mari B" at a rate of production that is designed to continuously maintain the reservoir production capacity, while maintaining the integrity of the production facilities of the Yam Tethys project.

***Tamar,* a 9.7 TCF natural gas discovery off the coast of Israel** remains on track for production in the first half of 2013. Following the implementation of the requested changes by the Public Utility & Electricity Antitrust Authority, the Tamar partners have signed amendments to the agreements with the Israel Electric Company as well as many of the other natural gas consumers in Israel including Hadera Paper, Ramat Negev Energy, Ashdod Energy and Dalia Power Energies. In addition, the partners signed a take or pay agreement to supply natural gas to Dorad Energy of up to a total of 11.2 BCM. In August 2012, all conditions were met to enable the Group's gas subsidiaries to begin withdrawal of the $800 million project financing facility.

Leviathan,* a 16.7 TCF natural gas discovery off the coast of Israel*. The Ensco 5006 rig completed the planned work for sealing the Leviathan 2 evaluation drill. The estimated total cost of the work thus far was $85 million (at 100% of the rights). There was also an additional cost of $23 million (100%) for surveying and monitoring. It should be noted that the partnerships are covered with control of well insurance which includes all the above work with a limited liability of up to $200 million per case. The Leviathan partners have received a refund from the insurance companies for the work implemented so far.

The Leviathan #4 appraisal well started in November and is expected to last for approximately 4 months at an estimated budget of $110 million (100%). The Leviathan natural gas field is spread over a wide area and therefore it requires a number of appraisal wells. It should also be noted that Leviathan 4 is expected to be used in future for production drilling, as part of the future development plan of Leviathan. The expected depth of the well is approximately 1,600 meters, and the planned final drilling depth is approximately 5,300 meters beneath sea level.

Finally, as part of the Leviathan strategic process, a proposal to acquire 30% of the rights in Leviathan was received in September from Woodside Petroleum Ltd. It should be noted that this offer together with the other offers received are subject to, among other things, various conditions such as due diligence and additional information that may be a basis for negotiation.

Karish 1 Prospect; In November, the partners announced a new 2 TCF prospect at the “Karish 1” area in the Alon C license. A seismic survey by Netherland Sewell & Associates Ltd. gave a best estimate of the unrisked gross prospective gas resource of 2.02 TCF with a 50% geologic probability of success. The low estimate is 1.07 TCF (90% geologic probability of success) and the high estimate is 3.38 TCF (10% geologic probability of success).

Liquefied Natural Gas Project; In November, the Pre-FEED stage of the Tamar and Dalit floating liquefied natural gas project (FLNG) was completed. The Tamar partners began the second FEED phase. LNG production is expected to be up to 3 Million Metric Tonne Per Annum (MMTPA). Daewoo Shipbuilding & Marine Engineering Co. Ltd. (DSME) signed an agreement with Levant LNG Marketing and Pangea LNG BV for the completion of the FEED stage. DSME will carry out the costs of FEED and the Tamar partners will contribute a total amount of $15 million (100%). The agreement is for two years, or until the date of the final investment decision of the FLNG project, whichever is earlier.

Gas Production Summary; During the first 9 months of 2012, revenues from the sale of oil and gas reached NIS 611 million compared with NIS 572 million in the same period, last year. The increase in revenues was due primarily to the consolidation of Avner starting from the first quarter in 2012.

Net loss from the sector for the first nine months of 2012 was NIS 6 million, as compared to a net income of NIS 165 million in the same period during of 2011. The decline in profit during the reporting period compared to last year was due to the above-mentioned decline at the “Mari B” reservoir. However, this moderated in the third quarter as natural gas supply increased from the Noa and Pinnacles reservoirs. In addition, depreciation and amortization expenses relating to the development of these assets were recorded in the third quarter for the first time.

Delek US (NYSE: DK; Delek Group holds 53% end-Q3 2012): Revenues in the first nine months of 2012 were NIS 25.3 billion compared with NIS 18.3 billion in the first nine months of 2011. The growth was due to the consolidation of the Lion Oil refinery in El Dorado, as well as due to the increase in the price of oil which affected sales in both the refining and marketing segment, and in fuelling stations. The results of the third quarter also benefited from a benchmark Gulf Coast 5-3-2 crack spread that averaged $29.96 per barrel during the third quarter 2012. This was similar to third quarter 2011 and an improvement from $25.42 during the second quarter 2012.

Net profit in the first nine months of 2012 was NIS 842 million compared with a net profit of NIS 603 million in the first nine months of 2011. The improved profitability was due to the increased gross margins in the El Dorado refinery as well as the operation of the Tyler Refinery at the peak capacity of over 60,000 barrels per day during the third quarter.

On July 12, Delek US’s wholly-owned subsidiary, Delek Logistics Partners, LP, filed a registration statement with the SEC relating to a proposed initial public offering. On November 4, Delek Logistics Partners, LP, issued the pricing of its initial public offering of 8,000,000 common units in addition to 1,200,000 common units for the over-allotment, representing limited partner interests in Delek Logistics at $21.00 per unit. The common units began trading on the New York Stock Exchange on November 2, 2012 under the ticker symbol DKL. Delek Logistics was formed by Delek US to own, operate, acquire and construct crude oil and refined products logistics and marketing assets. Following the offering Delek US’s stake in Delek Logistic is 37.6%.

During the third quarter, Delek Group sold approximately 10.2% of the outstanding shares of Delek US in two tranches of 3 million shares, for a total of approximately US$147.6 million. Following the sale the Group held approximately 57% of the outstanding shares of Delek US.

The excess of the carrying value of the investment cost (net of the related tax effect of approximately NIS 64 million) in the amount of approximately NIS 208 million was recorded in the third quarter of 2012 as an increase in shareholders' equity attributable to shareholders of the Company.

In November, the Company sold an additional 2.2 million shares or 3.7% of the Delek US for approximately $57 million. Following this sale, Delek Group holds approximately 53% of Delek US.

The excess of the carrying value of the investment cost (net of related tax effect of approximately NIS 26 million) was in the amount of approximately NIS 78 million and will be recorded in the fourth quarter of 2012 as an increase in shareholders' equity attributable to shareholders of the Company.

Delek – the Israel Fuel Company Ltd. (TASE: DLKIS.TA; Delek Group holds 87% end-Q3 2012): Revenues in the first nine months of 2012 were NIS 5.0 billion compared with NIS 4.7 billion in the same period last year, representing an increase of 5%. This increase was due to the rise in the average price of gasoline during the period compared with that of last year, an increase in sales of the direct marketing segment and an increase in sales at the Menta convenience store.

Net income in the first nine months of 2012 was NIS 24 million, compared with a net income of NIS 25 million in the first nine months of 2011. Delek Israel’s results were impacted by the lowering of fuel marketing margins between the comparable reporting periods. Delek Israel has and continues to take steps in order to mitigate the effects.

Delek Europe (Delek Group holds 80% end-Q3 2012) Revenues in the first nine months of 2012 were NIS 12.3 billion compared with NIS 11.9 billion in the same period last year, an increase of 3.4%. Net income in the first nine months of 2012 was NIS 68 million, compared with a net income of NIS 20 million in the first nine months of 2011. The increase was due to the increased price of gasoline compared with that of last year, as well as increased sales at its convenience stores however this was offset by a decrease in the quantity of fuel sold.

Roadchef (fully held by Delek Group). Roadchef’s revenue in the first nine months of 2012 was NIS 1.042 billion versus NIS 909 million in the first nine months of last year, an increase of 15%. Net profit for Roadchef was NIS 1 million in the first nine months of 2012 versus a net loss NIS 13 million in the first nine months of last year.

INSURANCE AND FINANCIAL SERVICES

The activities of this segment are primarily conducted through two insurance companies; Israeli insurance company, Phoenix Holdings Ltd. (TASE: PHOE) of which Delek Group holds 55%, and general US insurer, Republic Companies, Inc. that is a wholly owned subsidiary.

The insurance and financial services sector contributed NIS 61 million to the Group’s net income in the first nine months 2012, compared to a contribution of NIS 3 million in the same period last year.

Phoenix reported net profit amounting to NIS 114 million in the first nine months of 2012, compared to NIS 127 million last year. This improvement was due to improved equity market returns in the reported period compared to last year.

Republic Companies reported a net income amounting to US$1 million in the first nine months of 2012, compared with a net loss of US$ 25 million, in the first nine months of last year. Republic’s results were affected by adverse weather conditions including hail storms in the States in which Republic operates. However, Republic recorded gains from sale of financial investments for a total of US$ 21.5 million in the first nine months of 2012, compared with profits totalling insignificant amounts in the same period last year.

DIVIDEND DISTRIBUTION

On November 28, 2012, the Board of Directors of Delek Group declared a cash dividend distribution for the third quarter of 2012 in the amount of approximately NIS 65 million (approximately NIS 5.7131 per share) to the shareholders on record as of December 12, 2012 and the dividend will be paid on December 24, 2012.

CONFERENCE CALL DETAILS

The Group will be hosting a **conference call in English** on December 2, 2012 at 5:30pm Israel time, 3:30pm UK time and 10:30am Eastern Time. Management will also 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: 1 866 860 9642
UK Dial-in Number: 0800 404 8418
ISRAEL Dial-in Number: 03 918 0687
INTERNATIONAL Dial-in Number: +972 3 918 0687
At:
10:30am Eastern Time, 3:30pm UK Time, 5:30pm Israel Time

On the call, CEO Asaf Bartfeld, CFO Barak Mashraki will review and discuss the results, and will be available to answer your questions.

About The Delek Group

The Delek Group, Israel's dominant integrated energy company, is the pioneering leader of the natural gas exploration and production activities that are transforming the Eastern Mediterranean's Levant Basin into one of the energy industry's most promising emerging regions. Having discovered Tamar and Leviathan, two of the world's largest natural gas finds since 2000, Delek and its partners are now developing a balanced, world-class portfolio of exploration, development and production assets with total gross natural gas resources discovered since 2009 of approximately 33 TCF.

Delek is Israel's largest and sole domestic supplier of natural gas. In addition, Delek has built an extensive network of global downstream assets, including 1,900 gas stations and convenience stores in the U.S., Europe and Israel; petroleum refineries in the U.S. with 140,000 barrel per day of nameplate production; and pipelines and storage facilities in the US, Europe and Israel. Delek also holds significant interests in leading water desalination, power generation, insurance and automotive companies.

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

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Delek Group Income Statement (NIS Millions)

	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Revenue	53,513	42,362	18,867	15,215	59,159
Cost of revenue	46,540	35,841	16,246	12,759	50,903
Gross profit	**6,973**	**6,521**	**2,621**	**2,456**	**8,256**
Sales, marketing and operating expenses – gas stations	3,096	3,040	1,067	1,071	4,157
General and administrative expenses	1,567	1,406	528	452	1,884
Other income (expenses), net	(11)	27	17	(56)	(602)
Profit from operating activities	**2,299**	**2,102**	**1,043**	**877**	**1,613**
Financing income	231	484	54	57	626
Financial expenses	(1,479)	(1,454)	(523)	(456)	(1,951)
Profit (loss) after financing	**1,051**	**1,132**	**574**	**478**	**288**
Profit (Loss) from realization of investments in associates and others, net	30	60	(4)	62	3,749
Group's equity in profits (losses) of associates and partnerships, net	109	66	(2)	(17)	(223)
Profit (loss) before income tax	**1,190**	**1,258**	**568**	**523**	**3,814**
Income tax	583	467	331	245	558
Profit	**607**	**791**	**237**	**278**	**3,256**
Attributable to:					
Company shareholders	243	451	93	140	2,610
Non-controlling interest	364	340	144	138	646
	607	**791**	**237**	**278**	**3,256**

The notes are an integral part of the financial statement and can be found at www.delek-group.com