Delek Group Announces Consolidated Results for the Third Quarter and First Nine Months of 2011

Tel Aviv, November 29, 2011, 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, 2011. The full financial statements will be available in English on Delek Group's website at: www.delek-group.com.

FINANCIAL HIGHLIGHTS OF THE NINE MONTH 2011 PERIOD

- **Net income of NIS 451 million compared with net income of NIS 302 million in the same period last year;**
- **Group operating profit grew to NIS 2.1 billion, a 90% increase compared with NIS 1.1 million in the same period last year**
- **Delek Group distributed a dividend of NIS 100 million for the third quarter;**
- **Strong improvement at US Oil Refineries and in Oil & Gas Israeli E&P sectors**

Group revenues for the first nine months of 2011 were NIS 42.4 billion, a 39% increase compared with NIS 30.4 billion in the same period of 2010. The increase was primarily due to the consolidation of Lion Oil by Delek US and the consolidation of Delek France by Delek Europe, as well as the increase in the quantity sold at the refinery in Tyler Texas and an increased contribution from the downstream energy assets.

Net income in the first nine months of 2011 totaled NIS 451 million, and grew 49% compared with a net income of NIS 302 million in the same period of 2010. Net income increased primarily due to the improvement at the Delek US oil refinery as well as the Oil and Gas exploration and production activities.

Group total assets as of September 30, 2011, amounted to NIS 96 billion, compared with NIS 92 billion as of December 31, 2010.

Commented Mr. Bartfeld, CEO of Delek Group, "Even against the background of weakening macroeconomic conditions in the local market as well as uncertainties in the local and global markets, we were able to maintain our ongoing operations at the same strong levels, while demonstrating an impressive 324% growth in net income during the quarter. The solid results in the third quarter, can be attributed to the broad scope of our businesses, that allow us to diversify our risks. We have approximately NIS 1.5bn in liquid assets, most of which is not attached to any collateral, which very much testify to the financial strength and stability of the Delek Group."

MAIN BUSINESS HIGHLIGHTS

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

	9M 2011	9M 2010	Q3 2011	Q3 2010	FY 2010
US Fuel Sector Operations	408	(32)	193	(30)	(213)
Oil and Gas Exploration and Gas Production Sector	165	95	68	43	64
Delek Europe	19	82	17	13	69
Israeli Fuel Sector Operations	16	50	(2)	16	48
Road services in the UK	(13)	-	8	-	-
Insurance and Finance Operations	3	181	(4)	59	188
Automotive Operations	9	190	(39)	60	195
Capital Gains & Others	(156)	(264)	(101)	(128)	1,350
Net Income attributed Group's shareholders	**451**	**302**	**140**	**33**	**1,701**

* Parts of the above table have been extracted from Delek Group's Third Quarter 2011 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.

UPSTREAM ENERGY

The Oil and Gas Exploration Sector. Delek Energy is a public company (TASE: DLEN.TA) and is 86.9% held as of end-Q3 2011. The activities in Israel are carried out through Delek Drilling LP and Avner Oil Exploration LP which are partners in *Yam Tethys* (together with Delek Investments), *Dolphin, Tanin, Noa*, *Tamar and Leviathan* as well as holding additional exploration licenses in Israel. Delek Energy recently sold its oil and gas assets in the United States and its main focus remains its Israeli E&P activities.

Yam Tethys; A number contracts totalling in excess of $400 million, were signed in the past 9 months for *Yam Tethys* gas. Contracts were signed with Oil Refineries Ltd., Hadera Paper and Delek Ashkelon. A second platform is to be constructed at *Yam Tethys*.

Dolphin*,* The first stage of the *Dolphin 1* drilling work, using the Sedco drill rig, was successfully completed in September. By the start of October, the Pride North America drill rig had arrived at the site. Following repairs to the drill rig's Riser System, the rig renewed its drilling work at the *Dolphin 1* site, which is expected to be complete by the beginning of December 2011.

Tanin, On August 30, the limited partnerships approved an exploration drill of the *Tanin* site. A budget of $50 million was approved for the exploration.

Noa**;** Development of the *Noa* reserve is geared to allow for additional supplies of natural gas to the Israeli market, primarily to customers who have signed natural gas supply agreements with the partnership, until the start of natural gas supplies from *Tamar*. The development program included two diagonal extraction drillings - *Noa 2* and *Noa 3* - to a planned vertical depth of 1,880 meters. Both exploration drillings were held using the Homer drill rig and were successfully completed in September and at a cost significantly less than was budgeted. Completion work on the "Noa North" reserve's development project is expected to begin during the first half of 2012.

Tamar; *Tamar* remains on track for production at the beginning of 2013. Construction has been initiated on two sixteen-inch undersea gas pipelines leading from *Tamar* to the *Yam Tethys Mari-B* platform, in order to link *Tamar* to the existing pipeline to the onshore terminal at Ashdod.

Leviathan; The Sedco express drill concluded its work at the *Tamar* field and arrived at the *Leviathan 3* site in October, replacing the Pride North America rig following technical issues. Drilling at the *Leviathan 3* exploratory well is expected to conclude shortly, after which the Sedco Express drill is expected to take part in up to two additional exploratory drillings. Following that, the Sedco Express is expected to return to the *Tamar* area, to finalize the drilling work there. In addition, it should be noted that the operator of the drilling, Noble, plans to return to and complete the *Leviathan 1* drilling work in 2012.

Gas Production Summary*.* During the first nine months of 2011, revenues from oil and gas E&P sector, reached NIS 572 million compared with NIS 418 million in the same period, last year. The growth was due to a large increase in the quantity of gas sold, amounting to 3.4 BCM in the nine month period, versus 2.4 BCM in the same period last year. The sharp increase were primarily due to sales to the Israel Electric Company which were increased due to continued interruptions of supply by their other gas supplier, EMG.

Net income from the sector for first nine months of 2011 was NIS 165 million, as compared to a net income of NIS 95 million in the same period in 2010. Profit from the sale of the oil and gas assets in the United States during the second quarter of 2011 also contributed to net income.

DOWNSTREAM ENERGY

Delek US (NYSE: DK; Delek Group holds 68% end-Q3 2011): Revenues in the first nine months of 2011 were NIS 18.3 billion compared with NIS 10.4 billion in the first nine months of 2010. The growth was primarily due to the consolidation of the refinery in El Dorado in the past two quarters. It was also due to an increase in the average number of barrels sold per day in Tyler as well as the increase in the price of oil which affected sales in both the refining and marketing segment, and in filling stations.

Net profit in the first nine months of 2011 was NIS 603 million compared with a net loss of NIS 44 million in the same period in 2010.

In April 2011, Delek US increased its holdings of its stake in Lion Oil to 88.3%, assuming operational control and management of the Lion Oil refinery. In October 2011, Delek US acquired the remaining equity interest from a consortium of private investors, bringing its ownership up to 100%. Lion Oil owns and operates an 80,000 barrel per day, 9.0 complexity refinery located in El Dorado, Arkansas, as well as crude oil transportation systems and associated product pipelines, and three light product distribution terminals located in Memphis and Nashville, Tennessee and El Dorado, Arkansas. Lion Oil also owns and operates an asphalt distribution terminal located in El Dorado, Arkansas.

Delek – the Israel Fuel Company Ltd. (TASE: DLKIS.TA; Delek Group holds 86.9% end-Q3 2011): Revenues in the first nine months of 2011 were NIS 4.7 billion compared with NIS 3.8 billion in the first nine months of last year. This increase was due primarily to the increased average price of gasoline during the period compared with that of last year, as well as an increase in sales of the direct marketing segment.

Net income in the first nine months of 2011 amounted to NIS 25 million compared with a net income of NIS 72 million in the same period in 2010. The reduction in net income was mainly due to an increase in operating expenses compared with those of the first nine months of last year. In particular, third quarter results were significantly impacted by the lowering of fuel marketing margins by the ministry of infrastructure on September 1, 2011. Delek Israel has taken steps in order to mitigate the effects.

Delek Europe (Delek Group holds 80% end-Q3 2011)**.** Revenues in the first nine months of 2011 were NIS 11.9 billion compared with NIS 7.4 billion in the same period last year. The first nine months of 2010 do not include the activities of Delek France which only started contributing in the fourth quarter of 2010. The inclusion of Delek France, contributed NIS 3.7 billion during the first nine months of 2011. In addition, the increase in revenue was due to the higher price of gasoline compared with that of last year as well as growth in its sales at its convenience stores.

Net income in the first nine months of 2011 was NIS 20 million, compared with a net income of NIS 86 million in the first nine months of 2010. The reduction in net income compared with last year, was due to an increase in operating expenses at the gas stations operated by the company.

Roadchef (fully held by Delek Group). RoadChef Ltd. is an operator of 21 motorway services areas across the UK. Delek Group acquired the remaining 75% of Roadchef, becoming a fully owned subsidiary in the first quarter of 2011. In August 2011, Roadchef acquired First Motorways company strengthening its UK portfolio, adding two major sites.

Roadchef's revenue in the first nine months of 2011 was NIS 909 million. Net loss for Roadchef was reduced to NIS 13 million in the first nine months of 2011. In the third quarter of 2011, Roadchef reported a net income of NIS 8 million.

INSURANCE AND FINANCIAL SERVICES

The activities of this segment are 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 3 million to the Group's net income in the first nine months of 2011, compared to a contribution of NIS 181 million in the same period last year.

Phoenix reported net profit amounting to NIS 126 million in the first nine months of 2011, compared to NIS 239 million in the same period last year. This was primarily due to lower equity market returns in the period compared with the same period last year.

Republic Companies reported a net loss amounting to US$25 million in the first nine months of 2011, compared with a net profit of US$12 million, in the same period last year. The loss was primarily due to after tax losses of US$30 million because of damage caused by adverse spring weather including hurricanes in the States in which Republic operates.

DIVIDEND DISTRIBUTION

On November 29, 2011, the Board of Directors of Delek Group declared a cash dividend distribution for the third quarter of 2011 in the amount of approximately NIS 100 million (or NIS 8.7895 per share) to shareholders on record as of December 18, 2011. The ex-date is December 19, 2011 and the dividend will be paid on January 3, 2012.

CONFERENCE CALL DETAILS

The Company will be hosting a **conference call in English** on November 30, 2011 at 4:30pm Israel time, 9:30am 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: 1 888 407 2553
UK Dial-in Number: 0 800 917 5108
ISRAEL Dial-in Number: 03 918 0650
INTERNATIONAL Dial-in Number: +972 3 918 0650
At:
9:30am Eastern Time, 2:30pm UK Time, 4:30pm 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

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 over 43 billion Israeli shekel in 2010.

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

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Delek Group Income Statement (NIS Millions)

	9M 2011	9M 2010	Q3 2011	Q3 2010	FY 2010
Revenue	42,362	30,385	15,215	11,735	42,804
Cost of revenue	35,841	25,576	12,759	10,143	36,217
Gross profit	**6,521**	**4,809**	**2,456**	**1,592**	**6,587**
Sales, marketing and operating expenses – gas stations	3,040	2,523	1,071	848	3,502
General and administrative expenses	1,406	1,242	452	449	1,772
Other income (expenses), net	27	42	(56)	-	(88)
Profit from operating activities	**2,102**	**1,086**	**877**	**295**	**1,225**
Financing income	484	247	57	56	271
Financial expenses	(1,454)	(1,055)	(456)	(405)	(1,655)
Profit (loss) after financing	**1,132**	**278**	**478**	**(54)**	**(159)**
Profit (loss) from realization of investments in associates and others, net	60	-	62	-	(4)
Group's equity in profits (losses) of associates and partnerships, net	66	148	(17)	65	156
Profit (loss) before income tax	**1,258**	**426**	**523**	**11**	**(7)**
Income tax	467	152	245	11	178
Profit (loss) from continuing operations	**791**	**274**	**278**	**-**	**(185)**
Profit from discontinued operations	**-**	**320**	**-**	**100**	**2,139**
Profit	**791**	**594**	**279**	**100**	**1,954**
Attributable to:					
Company shareholders	451	302	140	33	1,701
Non-controlling interest	340	292	138	67	253
	791	**594**	**278**	**100**	**1,954**

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