Delek Group Announces Consolidated Results for the Fourth Quarter and Full Year of 2010

Tel Aviv, March 31, 2011 Delek Group Ltd. (TASE: DLEKG , OTCQX: DGRLY) (hereinafter: "Delek Group" or "The Group") announced today its results for the three and twelve month period ending December 31, 2010. The full financial statements will be available in English on Delek Group's website at: www.delek-group.com.

FULL YEAR 2010 HIGHLIGHTS

- **Net income at a historic high at approximately NIS 1.7 billion compared with NIS 864 million last year, following significant capital gains during the year;**
- **Net income for the fourth quarter of NIS 1.4 billion compared to NIS 424 million in the same period last year**
- **Delek Group sold 22% of Delek Automotive generating a capital gain of approximately NIS 2 billion**
- **Delek Europe completed the acquisition of 410 gas stations, 300 convenience stores and 3 terminals from BP France**
- **The world's largest natural gas discovery in the past decade, Leviathan was found off the coast of Israel, and has a gross mean resource of 16 TCF**
- **Delek Group announced a dividend of NIS 200 million for the quarter culminating in a full year 2010 dividend of approximately NIS 1.1 billion, the highest full year dividend issued in Delek Group's history**

Group revenues for the full year 2010 were NIS 44.5 billion, a 15% increase compared with NIS 38.7 billion in 2009. The increase in revenues was primarily as a result of increased sales at the refinery in Tyler, Texas compared with last year which was closed for the majority of the first half of the year for renovations following a fire, as well as due to the increase in the price of gasoline during 2010 compared with that of 2009.

Operating profit for the full year of 2010 totaled NIS 1.23 billion, a 6% increase over NIS 1.15 billion in the same period in 2009. The improvement in the operating profit was due to increases in operating profit at the European gas station business and the Insurance and Finance operations.

Net income for the full year 2010 totaled NIS 2.0 billion, a 63% improvement compared with a net income of NIS 1.2 billion in 2009. The strong improvement was primarily due to post-tax capital gains amounting to NIS 1.8 billion, from the sale of 22% of the Company's holdings in Delek Automotive.

Group total assets as of December 31, 2010, amounted to NIS 92 billion, compared with NIS 84 billion as of December 31, 2009. During 2010, Delek Group successfully raised and restructured a total of NIS 1.6 billion in debt, all of which is long-term.

Mr. Asaf Bartfeld, CEO of Delek Group commented, "2010 was our best year in terms of profit since the Company's founding 60 years ago. The discovery of the 16 TCF natural gas reservoir at Leviathan, capped off a very eventful for year for the Delek Group. In addition, our energy team is focused on the development and commercialization of the Tamar field, which is on target for production for the first half of 2013. In recent months, the Delek Group also completed a number of important acquisitions including all the BP gas stations in France, the remaining 75% of Road Chef in the UK and control of the Lion Oil refinery in the US. As we move into 2011, during the first quarter we also realized a capital gain of NIS 177 million from the sale of 1.2% of Noble Energy Inc shares and as of today, we still continue to hold a further 1.5% of Noble Energy."

Continued Mr. Bartfeld, "Our ongoing success and the validation of our strategy is clear from the tremendous shareholder value we have created. Much of these gains, we are sharing with our shareholders, through our total distribution of NIS 1.1 billion in dividends for 2010. Looking ahead, we will proactively continue to pursue new opportunities in our energy and infrastructure division. At the same time, we are working diligently to realize the value in our existing assets, particularly on further developing and bringing to market the natural gas in Leviathan and Tamar, while continuing further exploration of the licenses."

MAIN BUSINESS HIGHLIGHTS

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

	FY 2010	FY 2009	Q4 2010	Q4 2009
Delek Europe	69	49	(13)	3
Israeli Fuel Sector Operations	48	82	(2)	12
US Fuel Sector Operations	(59)	27	(26)	(54)
Write-down of Lion Oil Holdings	(154)	-	(154)	-
Oil and Gas Exploration	64	23	(31)	3
Insurance and Finance Operations	188	181	7	70
Automotive operations[1]	195	250	10	78
Others and Capital Gains	1,350	242	1,626	312
Net Income	**1,701**	**864**	**1,417**	**424**

* Parts of the above table have been extracted from Delek Group's Full Year and Fourth Quarter 2010 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.
(1) On October 20, 2010, Delek Group sold 22% of Delek Automotive. Following the transaction Delek Group holds 33% of Delek Automotive and has ceased its exclusive control of Delek Automotive, and therefore ceased to consolidate this investment in the financial results.

ENERGY & INFRASTRUCTURE

The Oil and Gas Exploration, and Gas Production sector. Oil and gas exploration activities contributed NIS 556 million in revenue for 2010, compared with revenue of NIS 450 million in 2009. The 24% increase was primarily as a result of the changed conditions and an increase in sale price, based on agreements signed with the Israel Electric Company ("IEC") and Israel Chemicals at the end of December 2009. The amount of gas supplied in the period, 3.2 BCM, was higher than that supplied in 2009, 2.9 BCM, driven by increased demand by the IEC. In addition, during the second quarter the IEC power station "Tzafit" was connected to the natural gas pipeline.

Net income for 2010 was NIS 62 million compared to a net income of NIS 23 million in 2009.

At the end of December, a significant natural gas discovery, the largest in a decade globally, was reported at the Leviathan field. The average potential of the natural gas resources available for production (gross mean resources) was found to be approximately 16 TCF, spread across an area of approximately 325km^2 and therefore more appraisal wells are being dug in order to further evaluate the scope of gas reserves in the Leviathan field.

The drilling at Levithan-1 is continuing as planned towards secondary targets, including testing for oil reserves. The results of the drill to the deep layers, whose probability of success are relatively low, are expected to be received within the coming months.

Delek US (NYSE: DK; Delek Group holds 72.6% end-2010): Revenues in 2010 were NIS 14.0 billion compared with NIS 10.4 billion in 2009, an increase of 35%. The increase in sales was due to the higher number of days that the Tyler refinery was in operation in 2010, compared with 2009. In 2009, the refinery was offline for the majority of the first half of the year for renovations and improvements following a fire at the end of 2008. In addition, the higher level of revenues was also due to the increased oil prices in 2010 compared with 2009.

Net loss in 2010 was NIS 290 million compared with a net income of NIS 33 million in the same period in 2009. During 2009, the Delek US has an insurance income amounting to NIS 419 million. During the fourth quarter of 2010, the Delek US' holdings in Lion Oil were written-down, contributing a loss of NIS 154 million to Delek Group.

Gulf Coast refining economics improved during the fourth quarter when compared to the prior year period, driven by elevated gasoline and distillate margins, particularly during the month of December. The Gulf Coast 5-3-2 crack spread averaged $8.09 per barrel during the fourth quarter 2010, versus $4.50 per barrel in the fourth quarter 2009. In Delek US' retail segment, same-store merchandise sales increased as food service and private label sales initiatives continued to gain momentum.

In March 2011, Delek US agreed to acquire 53.7% of the share equity of Lion Oil Company. This is in addition to 34.6% interest that Delek US already held in Lion Oil from 2007, bringing Delek US' total equity ownership in Lion Oil to 88.3%. Upon becoming the new majority shareholder, Delek US will assume operational control and management of the Lion Oil refinery and certain related assets.

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 77% end-2010): Revenues in 2010 were NIS 5.2 billion compared with 4.3 billion last year. This increase was due primarily to the increase in fuel prices, an increase in real terms of the quantities of gasoline sold to commercial enterprises, an increase in sales at the Menta convenience stores and an increase as a result of the consolidation for the first time of the direct marketing segment.

Net income in 2010 amounted to NIS 56 million compared with a net income of NIS 90 million in the same period in 2009.

Delek Europe. As of the end of 2010, Delek Europe is an operator of 1,250 gas stations, 959 convenience stores, 419 carwashes, and holdings in 5 terminals, across the Benelux and French region. On October 1, 2010 Delek Europe concluded the acquisition of the fuel marketing activities and convenience stores activities of BP France for approximately €209 million. The results of 2010 include the activities of Delek France only starting from the fourth quarter.

Revenues in 2010 were NIS 13.1 billion compared with NIS 10.7 billion in 2009. The revenue increase was partially offset due to the reduced average exchange rate of the euro against the shekel during the reporting period. The consolidation of the acquired activities in the fourth quarter contributed NIS 1.1 billion to revenues.

Net income in 2010 was NIS 72 million, compared with a net income of NIS 33 million in 2009.

Excluding the contribution from the acquired activities, there was an improvement in the revenues and margins, driven by an increase in quantities sold, an improvement in the gross profitability in the gasoline sector and growth in the convenience store sector.

INSURANCE AND FINANCIAL SERVICES

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

The insurance and financial services sector contributed NIS 188 million to the Group's net income in the year, compared to a net income of NIS 181 million in the same period last year.

Phoenix reported continued improvements across all sectors of its activities, with emphasis on private insurance. The company reported an increase in net profit amounting to NIS 309 million in 2010, compared to NIS 227 million last year.

Republic Companies also reported an improvement in net profit amounting US$19 million in the year, compared with US$6 million, in 2009.

AUTOMOTIVE OPERATIONS

Delek Automotive Systems Ltd. (TASE: DLEA.TA; Delek Group holds 33% end-2010): Delek Automotive is the exclusive distributor of Mazda and Ford in Israel.

Revenues in 2010 reached NIS 4.6 billion compared with NIS 4.7 billion in 2009. Delek Automotive sold 42,711 cars in 2010 out of a total of 221,010 cars sold in the country during the year, representing a 25% year-over-year growth in total cars sold. Delek Automotive currently holds a market share of approximately 19%. Net income at Delek Automotive in 2010 reached NIS 428 million compared to a net income of NIS 434 million in 2009.

In October, Delek Investments, a wholly-owned subsidiary of the Delek Group, sold 22% of the issued share capital of Delek Automotive to Gil Agmon, CEO of Delek Automotives for approximately NIS 1 billion, based on the price of NIS 50 per share. With the completion of this transaction, Gil Agmon holds 38% of Delek Automotive while Delek Investments directly holds 33% of Delek Automotive, and Delek Investments has thus ceased its exclusive control of Delek Automotive. Due to this sale, Delek Group recorded a capital gain of approximately NIS 1.8 billion (post tax).

DIVIDEND DISTRIBUTION

On March 31, 2011, the Board of Directors of Delek Group declared a cash dividend distribution for the fourth quarter of 2010 in the amount of approximately NIS 200 million (approximately NIS 17.579 per share) to the shareholders on record as of 12 April 2011. The ex-date is 13 April 2011 and the dividend will be paid on 28 April, 2011.

The total amount of dividend declared for the year 2010 amounted to approximately NIS 1.1 billion.

CONFERENCE CALL DETAILS

The Company will be hosting its quarterly conference call to discuss its **fourth quarter and full year 2010 results** on Monday, April 4, 2011. Management will also be available to answer investor questions. To participate, please call one of the following teleconferencing numbers:

US: 1 888 407 2553, UK: 0 800 917 9141 and Israel: 03 918 0610 at 9am Eastern Time, 2pm UK Time, 4pm Israel Time.

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 45 billion Israeli shekels in 2010.

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

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