Delek Group Announces Consolidated Results for the Fourth Quarter and Full Year of 2009

Tel Aviv, March 26, 2010 Delek Group Ltd. (TASE: DLEKG , OTC: DLEKG) (hereinafter: "Delek Group" or "The Group") announced today its results for the three and twelve month period ending December 31, 2009. The full financial statements will be available in English on Delek Group's website March 28, 2010 at: www.delek-group.com.

FULL YEAR 2009 HIGHLIGHTS

- **Significant natural gas reserves discovered in the Tamar field in the process of being commercialised;**
- **Return to profitability in all sectors with particularly strong improvement in the financial sector;**
- **Full year net income reached NIS 869 million; fourth quarter net income of NIS 424 million;**
- **Successfully raised NIS1.5bn in new capital in 2009 significantly strengthening the balance sheet;**
- **Delek Group distributed a total of NIS 460 million in dividends for the year;**

Group revenues for the full year 2009 were NIS 43.4 billion, a 6% decrease compared with NIS 46.2 billion in 2008. Revenues for the fourth quarter of 2009 increased 58% reaching NIS 11.6 billion, compared to NIS 7.3 billion in the same period last year. 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. This was partially offset by an improvement in income from investments in the insurance and finance sectors.

Net income for the full year 2009 totaled NIS 869 million, a significant improvement compared with a net loss of NIS 542 million in 2008. Net income for the fourth quarter of 2009 totaled NIS 424 million, a significant improvement compared with a net loss of NIS 1,438 million in the fourth quarter of 2008 (these results do not include the real estate sector that was distributed in dividend in kind in March 2010). Net income increased due to an improvement across all sectors, in particular the financial and insurance sector, as well as a number of significant capital gains.

Capital gains at the Group level amounted to NIS 518 million for the full year 2009, generated mainly from the sale of the majority of the Company's holdings in HOT Communications and the sale of shares in Delek Energy, amongst other equity sales.

Group total assets as of December 31, 2009, amounted to NIS 84.3 billion, compared with NIS 76.6 billion as of December 31, 2008. During 2009, Delek Group successfully raised and restructured a total of NIS 1.5 billion in debt, all of which is long-term.

Mr. Asaf Bartfeld, CEO of Delek Group commented, "2009 started in the midst of a global crisis, and ended as one of the most successful years in our history. The strong results that we reported today, are as a direct consequence of the correct strategic actions that were taken by the management of Delek Group and its subsidiaries throughout the past year to navigate the downturn. The Group and its subsidiaries have strongly improved profitability across the board and all sectors emerged 2009 in profit. We have continued to strengthen our net asset value, and can demonstrate significant solidity of our balance sheet strength across the Group and all its subsidiaries. We have emerged from the challenges of the last year in a very strong position, with the strength to take advantage of new opportunities in the market. Today, after the recent capital gains as well as the new capital raised in the past few months, the Company at the holding level has approximately NIS 2 billion in cash and cash equivalents. This demonstrates the financial strength of Delek Group and its ability to exploit new business opportunities, if and when they emerge."

Mr. Asaf Bartfeld, continued, "Looking ahead to 2010 and beyond, we intend to maintain our focus on the Group's core businesses of energy and infrastructure, automotive and finance – all of which remain the engines of future growth of the Group. In addition, we look forward to the commercialisation of the Tamar and Dalit natural gas sites, which I believe can change the face of the Israeli economy. Together with our partners Noble Energy we are in the process of exploring additional acreage surrounding Tamar and we should receive results of the seismic studies around the middle of 2010."

"In the Infrastructure sector, the subsidiary IDE that is focused on water desalination continues to win significant tenders including at the Soreq facility in Israel a 150 million m^3 a year plant, as well as a new facility in Cyprus. In the Energy sector, we remain committed to continue strengthening our market position in the retail fuel market in both the U.S. and Europe, including France as well as the completion of the BP deal. The financial sector has returned to profit, and in the Automotive sector, we will make every effort to continue to lead the market for coming years, just as we have done for the past 14 consecutive years."

MAIN BUSINESS HIGHLIGHTS

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

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	2008
US Fuel Sector Operations	(2)	97	(14)	(54)	27	1
Israeli Fuel Sector Operations	32	29	9	12	82	62
Delek Europe	7	41	(2)	13	59	44
Restructuring expenses at Delek Europe	(4)	-	-	(12)	(16)	(81)
Oil and Gas Exploration	(34)	2	52	2	23	65
Oil Exploration Expenses	-	-	-	-	-	(74)
Automotive Operations	54	53	65	78	250	288
Insurance and Finance Operations	82	6	23	70	181	(467)
Capital Gains & Others	27	(5)	(73)	314	263	(380)
Net Income (loss) excl. Real Estate Activities	**162**	**223**	**60**	**424**	**869**	**(542)**
Real Estate activities	(5)	-	-	-	(5)	(1,267)
Net income (loss) attributed Group's shareholders	157	223	60	424	864	(1,809)

* Parts of the above table have been extracted from Delek Group's Full Year and Fourth 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. In July 2009, the partners in the drilling at the Tamar field received a third party reserve report, showing the amount of 2P (proved and probable) reserves of natural gas to be as high as 7.7 TCF (218 BCM) at the Tamar Field. Tamar's partners have already signed agreements totalling over $11bn for the supply of natural gas following commercialisation, which is expected in 2012 and remains on track. The Company is also continuing further exploration activity in the area and expects results of the seismic studies in the middle of 2010.

Net income from the sector for 2009 was NIS 22 million, as compared to a net loss of NIS 9 million in 2008. Net income for the fourth quarter of 2009 was NIS 2million, as compared to net loss of NIS 22 million in the same period last year.

A reduced volume of gas was sold in Israel to the IEC during 2009, as compared with 2008. This was due to reduced public demand for electricity due to more temperate weather conditions in the first half of the year, a general decrease in economic activity, as well as increased sales by the alternative gas supplier EMG, to the IEC. Despite the decline in gas volumes sold, there was no significant change in net income due to the increased price of gas and currency exchange rate impacts.

Delek US (NYSE: DK; Delek Group holds 74% end-2009): Net income in 2009 was NIS 33 million compared with NIS 3 million in 2008. Net operating profit contribution from the refining and marketing sectors was NIS 277 million in 2009 compared with NIS 42 million in 2008. The net operating profit contribution from convenience stores amounted to a loss of NIS 36 million compared with NIS 146 million in 2008.

In the Company's refining segment, Delek US' results were affected by weak Gulf Coast refining economics, which is evidenced by a significant decline in the benchmark Gulf Coast 5-3-2 crack spread. The average 5-3-2 crack spread was US$5.97/barrel during 2009 compared with US$11.13/barrel in 2008. In addition, the direct operating expenses per barrel increased in 2009 by approximately US$2/barrel due to the fact that the refinery operated for 228 days compared to 324 days in 2008. During 2009, the Company's Tyler refinery was offline between November 2008 and May 2009 due to a fire at the facility. However, the Company benefited from the receipt of gross insurance proceeds mostly as a result of business interruption insurance whilst the Tyler refinery was shut down. The Company anticipates receiving additional insurance proceeds during 2010. In May 2009, Delek US completed the rebuilding of the unit damaged in the fire, and the refinery resumed operation. Delek US also initiated discretionary and maintenance-related capital projects to enhance the safety, reliability and efficiency of the Tyler refinery throughout the year.

In the retail segment, there was weak demand for fuel and merchandise during the first half of 2009 due to the general economic weakness. However, business improved considerably during the second half of the year, signalling a broad-based stabilization in the Company's core Southeastern U.S. markets.

Delek – the Israel Fuel Company Ltd. (TASE: DLKIS.TA; Delek Group holds 77% end-2009): Net income in 2009 amounted to NIS 90 million compared with a net income of NIS 50 million in the same period in 2008. Net income in the fourth quarter of 2009 amounted to NIS 10 million compared with a net loss of NIS 44 million in the same period in 2008.

Results were affected by the lower average gasoline prices throughout most of 2009. However, this was somewhat compensated by increased margins due to the transfer of ownership of a number of gas stations to the direct control and operation of Delek Israel. In addition, there was an increase in sales of gasoline for commercial enterprises, an increase in sales at convenience stores due to the opening of new stores as well as an increase in same store sales.

Delek Europe. Net income in 2009 was €8 million, compared with a net loss of €9 million in 2008. In 2008, Delek Europe had a one-time reorganisation expense of €16 million. Past the balance sheet date, Delek Europe made an offer to BP for the acquisition of its retail fuels and convenience business in France, including 416 petrol stations and its interests in 3 terminals. Delek Europe has offered to pay €180 million, subject to working capital and other adjustments at completion.

IDE (water desalination, 50% indirectly held by Delek Group). IDE achieved record net income in 2009 at $71 million compared with $11 million in 2008. IDE issued a dividend for the first time, amounting to NIS 40 million for 2009. IDE won a tender in May to supply three desalination plants for an Asian customer and signed a contract to establish a desalination plant in July for an industrial client in Australia. In addition, IDE won a tender to extend its desalination project in Hadera, (Northern Israel) and to build additional plants in Israel & Cyprus.

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 181 million to the Group's net income in 2009, compared to a loss of NIS 467 million in 2008. In the fourth quarter the contribution was NIS 70 million, compared to a net loss NIS 326 million in the same period of last year.

The results were substantially improved over those of last year due to the significant improvement in the capital market environment globally and in Israel since the beginning of 2009.

AUTOMOTIVE OPERATIONS

Delek Automotive Systems Ltd. (TASE: DLEA.TA; Delek Group holds 55% end-Q4 2009): Delek Automotive is the exclusive distributor of Mazda and Ford in Israel. Net income at Delek Automotive in 2009 reached NIS 434 million compared to a net income of NIS 504 million in 2008. Net income at Delek Automotive in the fourth quarter of 2009 reached NIS 129 million compared to a net loss of NIS 20 million shekels in the same period last year. The decrease was primarily due to fluctuations in currency exchange rates.

The company increased its market share to 25% of the Israeli car market in 2009, compared with 22% last year, and sold a record 44,174 cars during the year, compared with 43,171 in 2008. The company began successfully selling the new popular Mazda-3 model car in July 2009.

DIVIDEND DISTRIBUTION

On March 24, 2010, the Board of Directors of Delek Group declared a cash dividend distribution for the fourth quarter of 2009 the amount of approximately NIS 100 million (approximately NIS 8.79 per share) to the shareholders on record as of 14 April 2010. The ex-date is 15 April 2010 and the dividend will be paid on 28 April, 2010.

The total amount of dividend declared for the year 2009 amounted to NIS 460 million. This excludes an additional dividend of the majority of the shares of Delek Real Estate (TASE: DLKR) held by the Company until March 31, 2009 to the Company's shareholders. Delek Group shareholders were issued approximately 8.8 Delek Real Estate shares for one Delek Group share.

CONFERENCE CALL DETAILS

The Company will be hosting a **conference call in English** on **Friday, March 26, 2010** at **8:00am EDT, 12:00pm UK time and 3:00pm 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: 1 888 407 2553, UK: 0 808 051 8913 and Israel: 03 918 0691.

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 43 billion Israeli shekels in 2009.

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

Contact

Dalia Black	**Kenny Green / Ehud Helft**
Head of Investor Relations	International Investor Relations
Delek Group	GK Investor Relations
Tel: +972 9 863 8444	Tel: (US) 1 646 201 9246
Email: **black_d@delek.co.il**	E-mail: **delek-group-ir@gkir.com**

Delek Group Income Statement (NIS Millions)

	1-3/09	**4-6/09**	**7-9/09**	**10-12/09**	2009	2008	2007
Revenue	9,118	10,765	11,919	11,645	43,447	46,240	39,118
Cost of revenue	7,482	9,158	10,245	10,147	37,032	40,549	32,929
Gross profit	**1,636**	**1,607**	**1,674**	**1,498**	**6,415**	**5,691**	**6,189**
Sales, marketing and operating expenses – gas stations	855	899	881	791	3,426	3,259	2,451
General and administrative expenses	422	394	403	549	1,768	1,476	1,067
Other income (expenses), net	68	199	(28)	72	311	40	(35)
Profit from operating activities	**427**	**513**	**362**	**230**	**1,532**	**996**	**2,636**
Financing income, net	174	124	159	152	609	340	198
Financial expenses, net	308	340	531	270	1,449	1,798	1,068
Profit (loss) after financing	**293**	**297**	**(10)**	**112**	**692**	**(462)**	**1,766**
Profit from realization of investments in associates and others, net	-	31	4	483	518	69	367
Group's equity in profits (losses) of associates and partnerships, net	65	66	47	13	191	(12)	174
Profit (loss) before income tax	**358**	**394**	**41**	**612**	**1,405**	**(405)**	**2,307**
Income tax (tax benefit)	100	99	(86)	102	215	(37)	607
Profit (loss) from continuing operations	**258**	**295**	**127**	**506**	**1,186**	**(368)**	**1,700**
Profit (loss) from discontinued operations	**17**	**-**	**-**	**-**	**17**	**(1,945)**	**536**
Profit (loss)	**275**	**295**	**127**	**506**	**1,203**	**(2,313)**	**2,236**
Attributable to:							
Company shareholders	157	223	60	424	864	(1,809)	1,297
Non-controlling interest	118	72	67	82	339	(504)	939
	275	**295**	**127**	**506**	**1,203**	**(2,313)**	**2,236**

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