Delek Group Announces Consolidated Results for the Third Quarter and First Nine Months of 2010

Net income in the nine month period reaches NIS 302 million

Tel Aviv, November 30, 2010 - Delek Group Ltd. (TASE: DLEKG.TA , OTCQX: DGRLY) (hereinafter: "Delek Group" or "The Group") reported its results for the three and nine-month period ended September 30, 2010. The full financial statements are available on Delek Group's website at: www.delek-group.com.

FINANCIAL HIGHLIGHTS OF THE NINE MONTH PERIOD

- **Revenues grew year-over-year 12% to NIS 31.7 billion;**
- **Group operating profit reaches NIS 1.1 billion growing 9% year-over-year;**
- **Net income of NIS 302 million;**
- **Third quarter dividend issued amounted to NIS 500 million**
- **Strong improvement in profitability in Groups' core businesses including natural gas sales, European gas station business, insurance sector and automotive sector;**

FIRST NINE MONTHS 2010 RESULTS

Group revenues for the first nine months of 2010 totaled NIS 31.7 billion, a growth of approximately 12% compared with NIS 28.4 billion in the same period in 2009. Group revenues in the third quarter of 2010 amounted to NIS 12.2 billion, an increase of 16% compared with NIS 10.5 billion in the second quarter of 2009. The increase in nine-month revenues was primarily as a result of increased sales at the refinery in Tyler, Texas compared with last year at which time it was closed following a fire, strong growth in revenues received from the insurance holdings, and an increased in sales of natural gas compared with that of last year.

Operating profit for the first nine months of 2010 totaled NIS 1.1 billion, a 9% increase over NIS 1.0 billion in the same period in 2009. Operating profit in the third quarter of 2010 amounted to NIS 295 million, a 26% increase compared with NIS 238 million in the third quarter of 2009. The improvement in the operating profit was due to increases in operating profit at the European gas station business, Oil and Gas exploration and production, and the Insurance and Finance operations.

Net income for the first nine months of 2010 was NIS 302 million, compared with the NIS 440 million in the same period in 2009. Net income in the third quarter was NIS 33 million, compared with NIS 60 million reported in the third quarter of 2009. The reduction is primarily due to increased financial expenses and in addition to a net loss at Delek US.

Mr. Asaf Bartfeld, CEO of Delek Group commented, "Following the recent sale of a portion of Delek Automotive as well as the income gained from our recent issue of bonds, we are now in a very strong financial situation with a solid balance sheet. We have excellent liquidity with NIS 3.5 billion in liquid assets on the balance sheet. In addition, as a result of successful restructuring, the majority of assets pledged against bank debt have been released, demonstrating the Company's improved financial flexibility."

Continued Mr. Bartfeld, "We have seen a solid improvement in the results of our Oil and Gas Exploration and Production sector. We are also excited with the initial results of the drilling at Leviathan which showed natural gas bearing sands and we await further results of the logging in the coming weeks. Our European retail business is much improved compared with last year, operating at a higher revenue level and lower cost, and we hope to enjoy the synergies with our recently purchased retail fuel and convenience store business from BP in France. Finally, we also recorded strong performance in our Financial and Insurance activities. We look forward to sharing the fruits of this success with our shareholders and will be distributing half a billion shekels as a dividend for the third quarter."

MAIN BUSINESS HIGHLIGHTS

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

	FY 2009	Q1-Q3 2009	Q1-Q3 2010	Q3 2009	Q3 2010
US Fuel Sector Operations	27	81	(32)	(14)	(30)
Israeli Fuel Sector Operations	82	70	50	9	16
Delek Europe	59	42	82	(2)	13
Oil and Gas Exploration	23	20	95	52	43
Insurance and Finance Operations	181	111	181	23	59
Automotive Operations	250	172	190	65	60
Capital Gains & Others	242	(56)	(264)	(73)	(128)
Net Income	**864**	440	**302**	60	**33**

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

ENERGY & INFRASTRUCTURE

The Oil and Gas Exploration, and Gas Production sector. Oil and gas exploration activities contributed NIS 418 million in revenue for the first nine months of 2010, compared with revenue of NIS 325 million in the same period in 2009. The 29% 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 and Israel Chemicals at the end of December 2009. The amount of gas supplied in the 9 month period, at 2.4 BCM, was higher than that supplied in the same period last year, at 2.2 BCM. Net income for the first nine months of 2010 was NIS 95 million compared to a net income of 14 million in the same period of 2009.

Summarising the recent oil exploration activities off the coast of Israel, in August 2010, the budget of $150 million for the drilling of the Leviathan prospect was approved. In October 2010, the Sedco Express drilling rig arrived at the site at about 135 kilometers west of Haifa and began drilling. Drilling is planned at three targets and to a final depth of 7,200 meters (including water depth) and is expected to take approximately five months. At the end of November it was reported that from the initial analysis of the information gathered while drilling, it seemed that the primary target has natural gas bearing sands. Drilling operations are planned to continue with additional tests to be performed, including electrical logs.

Delek US (NYSE: DK; Delek Group holds 72.6% end-Q3 2010): Revenues in the first nine months of 2010 were NIS 10.4 billion compared with NIS 7.2 billion in the first nine months of 2009, an increase of 44%. Net loss in the first nine months of 2010 was NIS 45 million compared with a net income of NIS 113 million in the same period in 2009.

During the third quarter 2010, the Company conducted unplanned maintenance on several process units at the Tyler refinery. The crude unit at Tyler was offline for approximately 14 days during late July and early August, resulting in lower throughputs and, subsequently, lower sales volumes at the refinery in the period, when compared to the third quarter 2009.

Gulf Coast refining economics improved during the third quarter 2010, as evidenced by a nearly 17 percent increase in the benchmark Gulf Coast 5-3-2 crack spread, when compared to the year-ago period. The Gulf Coast 5-3-2 crack spread was $7.45 per barrel in the third quarter 2010, versus $6.38 in the third quarter 2009

In the retail segment in the quarter, same-store merchandise sales increased 6.3 percent in the third quarter 2010, versus an increase of 1.8 percent in the third quarter 2009. The improvement in same-store merchandise sales is attributable to several key factors, including successful promotional efforts within the dairy, grocery and beer categories, consumer acceptance of recently introduced private label products, as well as continued growth in fresh food sales.

Delek – the Israel Fuel Company Ltd. (TASE: DLKIS.TA; Delek Group holds 77% end-Q3 2010): Revenues in the first nine months of 2010 were NIS 3.8 billion compared with 3.1 billion in the first nine months of 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.

Net income in the first nine months of 2010 amounted to NIS 72 million compared with a net income of NIS 80 million in the same period in 2009.

Delek Europe. Delek is an operator of 850 gas stations across the Benelux region. Revenues in the first nine months of 2010 were €1.8 billion compared with €1.4 billion in the same period last year. Net income in the first nine months of 2010 was €19 million, compared with a net income of €8 million in the same period in 2009. The improvements were driven by an improvement in the gross profitability in the gasoline sector, a reduction in expenses and growth in the convenience store sector.

On October 1, 2010, Delek Europe completed the acquisition of BP's retail fuels and convenience business in France, including 416 petrol stations and its interests in 3 terminals was approved by the European Commission. The cost amounted to about Euro 175 million (including the expenses related to the deal, but subject to working capital adjustments)

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 the first nine months of the year, a growth of 63%, compared to a net income of NIS 111 million in the same period last year.

Phoenix reported a sharp rise in net profit amounting to NIS 239 million in the first nine months months of the year, compared to NIS 136 million last year. The results were improved over those of last year due to the significant improvement in the capital market environment globally and in Israel in the past year.

Republic Companies reported a strong improvement in net profit amounting US$12 million in the first nine months of the year, compared with US$1 million, in the same period last year.

AUTOMOTIVE OPERATIONS

Delek Automotive Systems Ltd. (TASE: DLEA.TA; Delek Group holds 55% end-Q3 2010): Delek Automotive is the exclusive distributor of Mazda and Ford in Israel. Revenues in the first nine months of 2010 reached NIS 3.4 billion at around the same level in the same period of 2009. Delek Automotive sold 30,627 cars in the first nine months of 2010 compared with 31,461 in the same period last year, and currently holds a market share of approximately 19%. Net income at Delek Automotive in the first nine months of 2010 reached NIS 313 million compared to a net income of NIS 305 million in the same period in 2009.

In October, a 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. Following this sale, Delek Group will record a capital gain of approximately NIS 2 billion in the fourth quarter of 2010.

DIVIDEND DISTRIBUTION

On November 30, 2010, the Board of Directors of Delek Group declared a cash dividend distribution for third quarter of 2010 in the amount of approximately NIS 500 million (approximately NIS 43.95 per share) to the shareholders on record as of December 8, 2010. The dividend will be paid on December 20, 2010.

CONFERENCE CALL DETAILS

The Company will be hosting a **conference call in English** on **Wednesday, December 1, 2010** at **9am ET, 2pm UK time, 4pm Israel time**. On the call, CEO Asaf Bartfeld, CFO Barak Mashraki and VP, 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: 0 800 917 9141, Israel: 03 918 0610.

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 2009.

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

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