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**Delek Group**



# DELEK GROUP CORPORATE OVERVIEW 2013

ENERGY AS A VISION

DELEK AND ITS PARTNERS  
ARE TRANSFORMING THE



EASTERN MEDITERRANEAN'S  
LEVANT BASIN INTO THE  
WORLD'S NEXT NATURAL GAS HUB.

“ ”

# DELEK GROUP

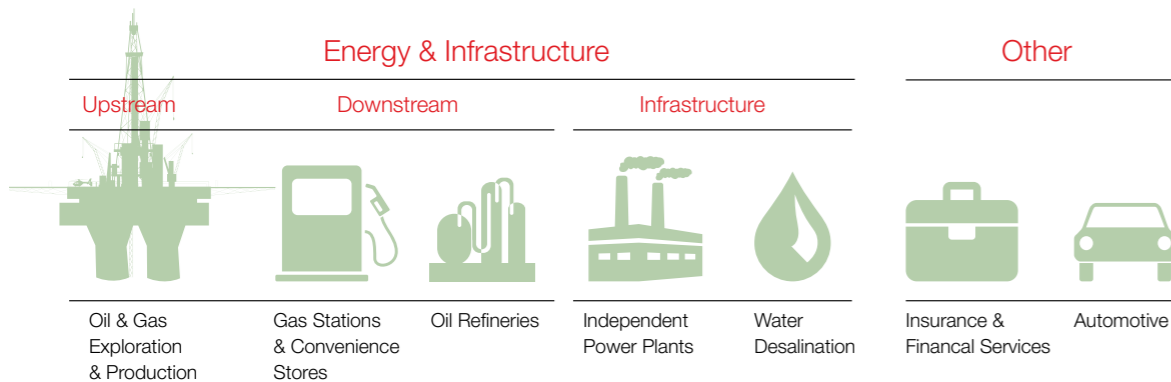
The Delek Group, Israel's dominant integrated energy company, is the pioneering leader of the natural gas exploration and production activities that are transforming the Eastern Mediterranean's Levant Basin into one of the energy industry's most promising emerging regions. Having discovered Tamar and Leviathan, two of the world's largest natural gas deepwater finds since 2000, Delek and its partners are developing a balanced, world-class portfolio of assets in exploration, development and production with total gross natural gas resources discovered since 2009 of over 36 TCF.

Delek is Israel's largest and sole domestic supplier of natural gas. Tamar started to supply Israel with natural gas on 30 March, 2013 and is expected to supply the domestic market for at least the next 20 years. 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; oil 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.

Delek Group's shares are traded on the Tel Aviv Stock Exchange (TASE: DLEKG) as part of the TA25 Index.

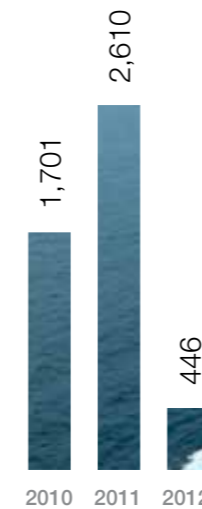
## Energy & Infrastructure

## Other



# FINANCIAL HIGHLIGHTS

**NET INCOME**  
(NIS millions)



**NET INCOME BEFORE  
CAPITAL GAINS & OTHERS**  
(NIS millions)



**OPERATING INCOME**  
(NIS millions)



**CONTRIBUTION TO NET INCOME BY SECTOR**  
(NIS millions)

	2012	2011	2010
Fuel operations in the US	669	378	(213)
Oil and gas exploration and production operations	22	199	64
Fuel operations in Europe	57	12	69
Fuel operations in Israel	9	9	48
Motorway service stations in the UK*	(16)	(23)	-
Insurance and finance operations	183	(48)	275
Automotive operations**	77	19	195
Net income before capital gains & others	1,001	546	438
Capital gains and others	(555)	2,064	1,263
Net income attributable to equity holders of the parent	446	2,610	1,701

\* Following the purchase of the remaining 75% of shares in Roadchef in January 2011

\*\* Following the sale of 22% of Delek Automotive in October 2010



# Tamar 10 TCF

PRODUCTION BEGAN  
30TH MARCH 2013

# MOVING TOWARDS ENERGY



Over the past six decades, Delek has grown from a small chain of Israeli gas stations to become the Eastern Mediterranean's dominant natural gas player and a successful operator of downstream businesses on three continents. During the past several years, Delek's breakthrough success in energy-related businesses has led it to focus on this high-value sector.

In 2009, Delek and its partners discovered the Tamar field, the world's largest natural gas find in deepwater for that year. The Tamar reservoir of 10 TCF is expected to meet Israel's domestic needs for at least the next 20 years and has captured the nation's imagination with the possibility of achieving true energy independence.

After four years of intensive investment in infrastructure and technology, in March 2013 Delek began to flow natural gas to Israel from Tamar, becoming the country's largest and only domestic natural gas supplier. It is impossible to exaggerate the importance of Tamar that

has transformed the landscape of the Israeli energy market and can chart a significant growth contribution to the Israeli's economy.

In late 2010, Delek and its partners discovered the Leviathan field, the world's largest natural gas find in more than a decade. Leviathan, today a 19 TCF reservoir, was a game-changing discovery that brought global awareness to the region's exceptional latent potential, and positioned Delek as one of its leading players.

Delek continues to focus on the expansion and development of its energy-related businesses. While investigating options for production and potential export of Leviathan's natural gas, Delek has so far made another three discoveries, including Aphrodite in Cyprus. In parallel, the Group continues to leverage its synergistic retail gas station and convenience store businesses to expand and improve its downstream operations.

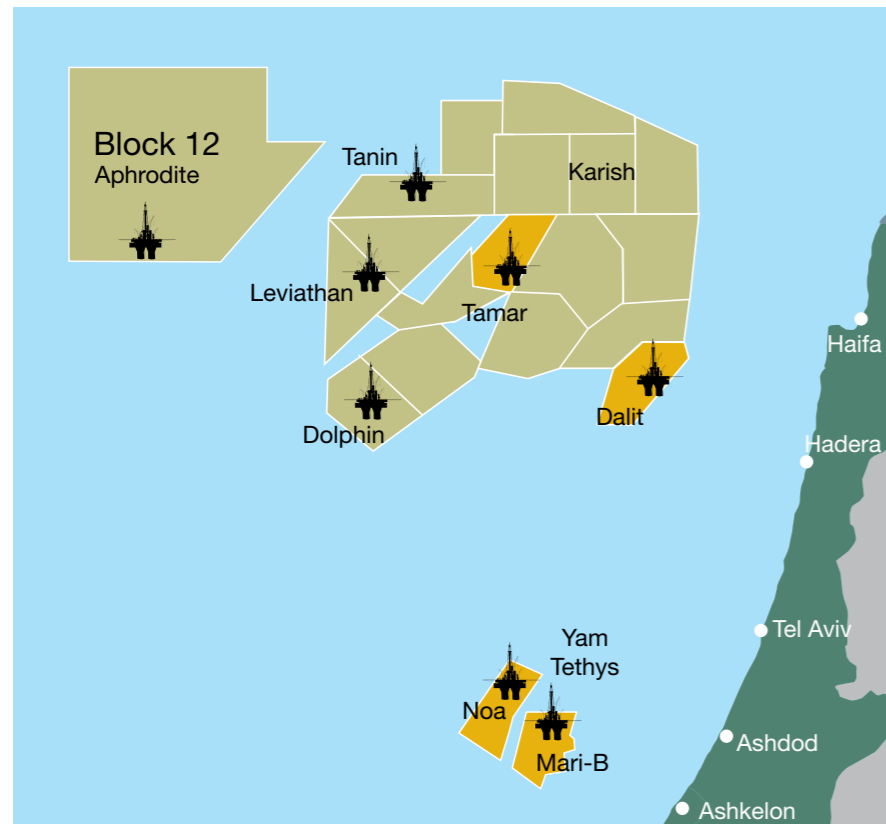




# 36 TCF

DELEK'S NATURAL GAS RESOURCES SINCE 2009  
FROM 6 CONSECUTIVE FINDS IN THE LEVANT BASIN

## UPSTREAM: GAS BREAKING BOUNDARIES



- Leases owned by Delek & partners
- Licenses owned by Delek & partners
- Natural gas discovery

For illustration purposes only

Delek's unwavering belief in the potential of the Eastern Mediterranean led it to persevere through decades of pioneering oil and gas exploration activities offshore Israel. Today, with over 34 TCF of natural gas discoveries, it continues to expand beyond previous boundaries to further grow, develop and commercialize its world-class E&P portfolio.

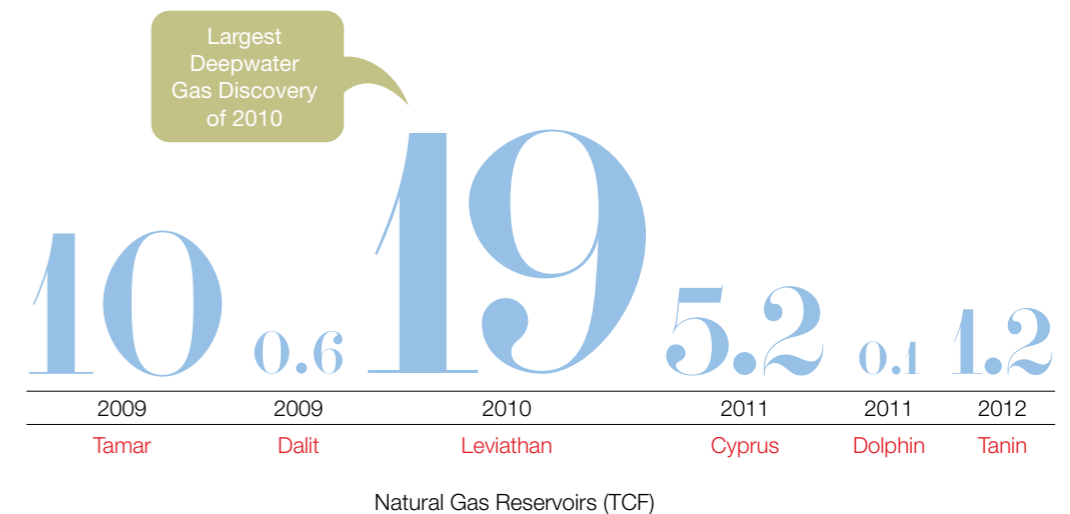
**PRODUCTION:** Delek's well-balanced portfolio includes assets for both current and near-term production. Since 2004, Delek's steady production of Yam Tethys' Mari-B wells has made it Israel's sole domestic producer of natural gas and its major supplier of this cleaner, more economic energy source.

Tamar's 10 TCF of natural gas has began production in March 2013. It is expected to supply Israeli energy needs for at least the next 20 years.

**DEVELOPMENT:** Delek and its partners continue to plan and develop natural gas from the significant find it has made in 2010.

Delek is exploring various development options for the estimated 19 TCF resources contained in its groundbreaking Leviathan discovery, including supplying the local Israeli market and export. Delek's development plans will take advantage of the subsequent discoveries it has made throughout the Levant Basin, including Aphrodite in Cyprus and Dolphin and Tanin in Israel.

**EXPLORATION:** Having confirmed the exceptional untapped potential of the Eastern Mediterranean, Delek and its partners plan to continue exploring the world-class Levant Basin in areas of its additional licenses offshore Israel. Delek is confident that the regional momentum being created by its success will continue to accelerate, resulting in decades of value creation for its shareholders.



\* These numbers are according to NSAI reports.



2  
OIL REFINERIES IN THE US  
&  
1,900  
GAS STATIONS ACROSS THE U.S.,  
EUROPE AND ISRAEL



# DOWNSTREAM; FUELING THE FUTURE



Over the past decade, Delek has built an international network of downstream energy assets through disciplined acquisitions of retail, wholesale, refining and logistics businesses in Europe, the U.S., the U.K. and Israel.

**GAS STATIONS & CONVENIENCE STORES:** Delek’s network of 1,900 retail outlets includes top-brand gas stations and convenience stores in Israel, France, the Benelux countries and the US. In each of its markets, Delek is a major regional player, operating under strong brand names such as Texaco and BP, and views its synergistic and profitable convenience store operations as a key component of its future growth strategy. Delek also owns 100% of RoadChef, one of the largest operators of motorway service areas in the U.K. To capitalize fully on its multi-national

retail platform, Delek is scaling its businesses in selected high-potential markets through opportunistic acquisition, integration and optimization activities.

**OIL REFINING:** Delek operates 140,000 barrels per day in nameplate production capacity at two moderate complexity inland refineries in Tyler, Texas, and El Dorado, Arkansas. These refineries process locally inland domestic and Gulf Coast crude oils in the production of a wide range of refined products.

**STORAGE AND PIPELINES:** Delek owns and/or operates terminals, pipelines, storage and transportation facilities in Israel, Europe and the US. Using these facilities, it also sells refined products on a wholesale basis in selected markets.

373

1,215

28

243



Delek US



Delek Europe



RoadChef



Delek Israel



150  
million m<sup>3</sup>

QUANTITY OF WATER TO BE PRODUCED  
ANNUALLY BY IDE'S SOREK, ISRAEL  
FACILITY, THE WORLD'S LARGEST SWRO  
DESALINATION PLANT

## INFRASTRUCTURE & FINANCIAL ASSETS



Delek Group complements its energy activities with holdings in a variety of other leading businesses.

Delek's 50%-owned **IDE Technologies** is a pioneering developer of sophisticated water treatment solutions. IDE has installed 400 plants in 40 countries, including the world's most technologically-advanced desalination facilities. IDE has engineered and constructed many of the world's mega-sized SWRO (membrane-based) desalination plants with technology and operational structures that enable continual capacity increases while driving down the price of desalinated water. IDE is also the leader of thermal desalination technologies, as demonstrated by its state-of-the-art Tianjin plant in China and Reliance plant in India, and by its introduction

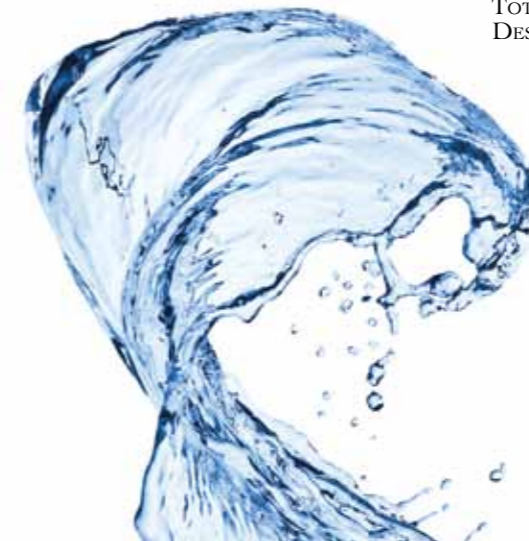
of the industry's most eco-friendly modular solutions.

**Delek IPP** is Israel's first independent power producer, currently operating a power station in the south of Israel.

Delek also holds significant interests in a variety of leading financial service companies. It holds a controlling stake in **Phoenix**, a major Israeli insurance group which controls the Excellence Investments Ltd. financial services company. Delek also holds a 100% share of **Republic Companies**, a mid-sized Dallas-based property and casualty insurance company. In addition, it holds a 31 % share of Delek Automotive, Israel's sole importer of Mazda, Ford & BMW automobiles.

2,300,000 m<sup>3</sup>/day

TOTAL INSTALLED CAPACITY OF IDE  
DESALINATION PLANTS WORLDWIDE





# 30% Less

NATURAL GAS GENERATES  
30% LESS CO<sub>2</sub> EMISSIONS THAN OIL,  
50% LESS THAN COAL, AND VIRTUALLY  
NO AIR POLLUTING PARTICLES

## ENERGY IS LIFE



Delek Group is proud that the businesses it has built are increasing the availability of clean-burning fossil fuels and helping to solve global water challenges. For example, the supply of high-quality natural gas from Tamar enabled Israel's heavy industry to begin the transition towards clean energy sources, and IDE's revolutionary IDE PROGREEN™ chemical free "desalination plant-in-a-box" is making it practical for various industries to create drinkable water from the sea.

The Company's commitment to sustainability is the guiding force behind many of its operational investments. For example, Delek invests heavily

to assure that its gas stations and oil refineries are built and operated in strict compliance with environmental regulations and directives.

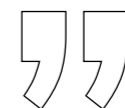
In addition, Delek plays an active role in supporting the communities in which it operates. Delek's core community service project is the Delek Fund for Science, Education and Culture, a foundation which it established over 50 years ago that has provided scholarships to thousands of students of limited means, enabling them to receive the higher education that would otherwise be out of their reach.



## ENERGY IS OUR FUTURE



WITH A VISIONARY,  
ENTREPRENEURIAL APPROACH,  
LARGE-SCALE PROJECT EXECUTION  
CAPABILITIES AND EXTENSIVE  
ON-THE-GROUND EXPERIENCE,  
THE DELEK TEAM IS POSITIONED  
TO DELIVER ANOTHER 60 YEARS  
OF VALUE TO ITS SHAREHOLDERS.



# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

**Gabriel Last** - Chairman

**Elad Sharon Tshuva** - Deputy Chairman

**Avi Harel** - Director

**Moshe Amit** - Director

**Mazal Bronshtein-Maman** - Director

**Moshe Bareket** - Director

**Prof. Ben-Zion Zilberfarb** - External Director

**Yoseph Dauber** - External Director

**Carmit Elroy** - Director

## MANAGEMENT

**Asaf Bartfeld** - President & CEO

**Barak Mashraki** - SVP, Chief Financial Officer

**Leora Pratt Levin** - SVP, Legal Counsel

**Amir Lang** - VP Business Development,  
Mergers & Acquisitions

**Dalia Black-Doobov** - VP Investor Relations  
and Corporate Communications

**Joseph Barnea** - Chief Investment Officer

**Ido Adar** - Treasurer

## EXTERNAL AUDITORS

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app on your iPhone or iPad2 camera  
to access Delek's web site.

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