



## **Delek Subsidiary, Phoenix, Signs MOU with Bank Hapoalim to Acquire 25% of an Israeli Credit Card Company**

**Tel Aviv, March 11<sup>th</sup> 2007, Delek Group (TASE: DLEKG)** announced today that its subsidiary company The Phoenix Holdings Ltd. ("the Phoenix"), reported that on March 9<sup>th</sup> 2007 they signed a Memorandum of Understanding with Bank Hapoalim Ltd. ("Bank Hapoalim"), according to which the Phoenix will acquire 25% of total issued share capital of Isracard Ltd. and Europay (Eurocard) Israel Ltd. ("the Companies"). The Companies are fully controlled by Bank Hapoalim.

Please find attached below a translation of the detailed press release as issued today by the Phoenix:

Phoenix Holdings Ltd. ("the Company") announces that on 9<sup>th</sup> March 2007 they signed a memorandum of understanding with Bank Hapoalim Ltd. ("Bank Hapoalim"), according to which the Phoenix will acquire 25% of total issued share capital of Isracard Ltd. and Europay (Eurocard) Israel Ltd. ("the Companies"), that are currently fully controlled by Bank Hapoalim, and Phoenix will be entitled to representation on the Board of Directors, as agreed in the Memorandum of Understanding.

The Company will pay a total consideration based on a combined Companies value of NIS 2.55 billion, subject to adjustments for dividend distributions, if, and so long as, the dividends are distributed prior to the date of the completion and execution of the transaction. Should the Companies complete an Initial Public Offering ("IPO") within the next 15 months, the combined value of the Companies will be amended to reflect 90% of the Companies' IPO value, if and only in the situation where the valuation of the Companies at IPO is above the combined value of NIS2.7 billion.

The completion of the agreement is subject to the completion of due diligence, other conditions (including the company agreements regarding the agreements between Isracard Ltd. and Bank Hapoalim), regulatory approvals in instances where required, the approval of the management and Board of Directors of Bank Hapoalim and the approval of the Phoenix Board of Directors.

### **About The Delek Group**

The Delek Group is one of the leading and most prominent and dynamic investment groups in Israel.

The Delek Group is diversified into the following three major subsidiaries:

- Delek Petroleum, with its two subsidiaries: Delek Israel, a gasoline and lubricants distributor in Israel, and Delek USA, which operates gas stations and convenience stores and an oil refinery in Southern United States.
- Delek Real Estate, through its subsidiaries Dankner and Delek Belron Investments, owns and manages prime global real-estate investments.
- Delek Investments and Properties, a holding company with subsidiaries in insurance (Israel & US), energy, infrastructure, automotive and media sectors

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