



Republic Sells Holding in Mexican Insurance Company & Delek Capital Exercises Option in Barak Capital

Tel Aviv, April 29th 2007. Delek Group (DLEKG.TA) announced today that on April 27, 2007 a foreign subsidiary of Delek Capital, Republic Companies Inc. (hereinafter: "Republic") signed an agreement for the sale of its entire shareholding in the Mexican Insurance Company – Seguros Atlas SA (hereinafter: "Atlas"), an insurance company active in the areas of life insurance, health, property and casualty insurance in Mexico (representing approximately 30% of Atlas' share capital), for a total consideration of approximately US\$28.5 million. As a result of the transaction, Republic is expected to record a capital gain of approximately US\$1 million. The transaction is expected to be completed in the next few days.

On April 29, 2007, and following the immediate reports issued on February 5, 2007 and April 18, 2007 on the subject, Delek Capital notified Barak Capital Ltd. (hereinafter: "Barak Capital") of the exercise of its Option to purchase Barak Capital's shares for a total consideration of NIS 24 million, and to extend a shareholders loan, as detailed in the above noted immediate reports. The transaction is expected to close May 1, 2007. Following completion of the above noted sale, Delek Capital will hold 49.9% of Barak Capital's issued and outstanding share capital.

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 (NYSE), which operates gas stations and convenience stores and a oil refinery in Southern United States.
- Delek Investments and Properties, a holding company with subsidiaries in the energy, infrastructure, automotive, finance and media sectors.
- Delek Real Estate, through its subsidiaries Dankner and Delek Belron Investments, owns and manages prime global real-estate investments.

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