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GAAP to Non-GAAP Reconciliations

In addition to reporting financial results in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP operating results which include the results of jointly controlled entities as if they were proportionately consolidated. Strauss Group has a number of jointly controlled companies: the Três Corações joint venture (3C) - Brazil (a company jointly held by Strauss Group (50%) and by the São Miguel Group (50%) in Brazil), Sabra Dipping Company (a 50%/50% JV with PepsiCo in the U.S. and Canada), Strauss Frito-Lay Ltd. (a 50%/50% JV with PepsiCo Frito-Lay in Israel) and PepsiCo Strauss Fresh Dips & Spreads International (a 50%/50% JV with PepsiCo outside the U.S. and Canada)⁽¹⁾.

In addition, non-GAAP figures exclude any share-based payments, mark to market of commodity hedging transactions as at end-of-period, other expenses or income and taxes referring to these adjustments.

Company Management believes that these measures provide investors with transparency by helping to illustrate the underlying financial and business trends relating to the Company's results of operations and financial position and comparability between current and prior periods. Management uses these measures to establish and monitor budgets and operational goals and to evaluate the performance of the Company. Please see the GAAP to non-GAAP reconciliation tables in the Company's MD&A Report for a full reconciliation of the Company's GAAP to non-GAAP results.

(1) In Q4'15 the subsidiary Strauss Water signed a series of share exchange and transfer agreements with companies of the Haier Group, as well as a joint venture agreement, with the aim of restructuring the Haier Strauss Water joint venture in China. The change in respect of the above agreements was reflected in the non-GAAP reports commencing in the third quarter of 2015. For further information, see Note 12.6 to the Consolidated Financial Statements as at December 31, 2015.

Q4 2016 Financial Highlights NIS mm: Non-GAAP

Q4'16 Sales: NIS 2034mm; growth: 7.2%

Q4'16 Organic growth excluding FX: 4.2%

Q4'16 gross margins: 35.3% (down 150 bps vs. Q4'15)

EBIT and EBIT margins: NIS 135mm (down 14.4%); 6.6% (down -170 bps vs. Q4'15)

Net income and net margins: NIS 58mm (down -22%); 2.8% (down -110 bps vs. Q4'15)

EPS: 0.53 (down 22.1% VS. Q4'15)



FY 2016 Financial Highlights

NIS mm; Non-GAAP

YTD'16 Sales: NIS 7943mm; growth: 3.9%

YTD'16 Organic growth excluding FX: 7.1%

YTD'16 Gross margins: 37.5% (up 50 bps vs. YTD'15)

EBIT and EBIT margins: NIS 744mm (up 12.8%); 9.4% (up 80 bps vs. YTD'15)

Net income and net margins: NIS 335mm (up 14.3%); 4.2% (up 40 bps vs. YTD'15)

EPS: 3.12 (up 14.2% VS. YTD'15)

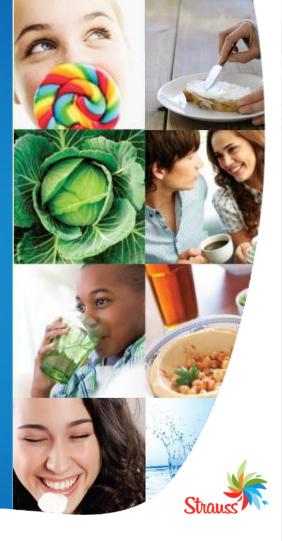
The group paid dividend of NIS 150mm (NIS 1.4 per share) on July 26th

Strauss Coffee To Acquire TPG's Stake



Strauss Group at a glance

- A Food and Beverage company, operating in More than 20 countries
- · with a strong home base in Israel
- The world's fourth-largest coffee company
- The US market leader in Hummus
- Strategic partnerships with companies such as Danone, PepsiCo, Haier, São Miguel
- Employs around 14,000 people world wide
- Revenues in 2016: NIS 7.9 billion
- AA+ credit rating
- Awarded the highest Platinum+ ranking in the Maala Israeli Sustainability Index for the 11th consecutive year



Strauss Global Presence



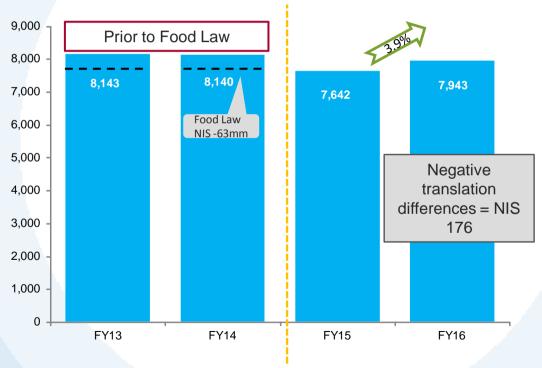
Q4 & FY 2016



Sales grow 6.2% organically in 2016

Amidst a declining Food & Beverage Market (-0.5%)

FY 2016 Consolidated Sales NIS mm; Non-GAAP

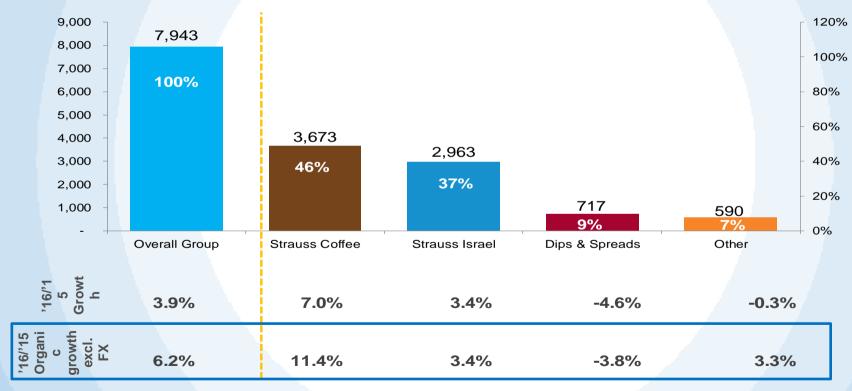


- Q4'16 / Q4'15: +3.9%
- Organic growth excluding FX: +6.2%



FY 2016 Sales by Segment

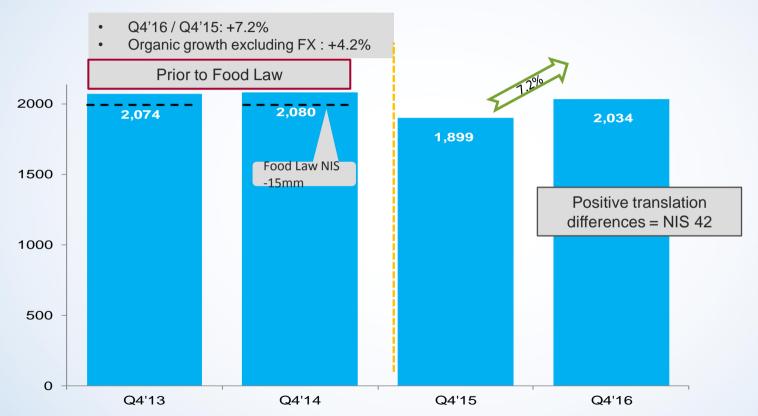
NIS mm; Non-GAAP; % sales contribution





Sales grow 7.2% in Q4 2016

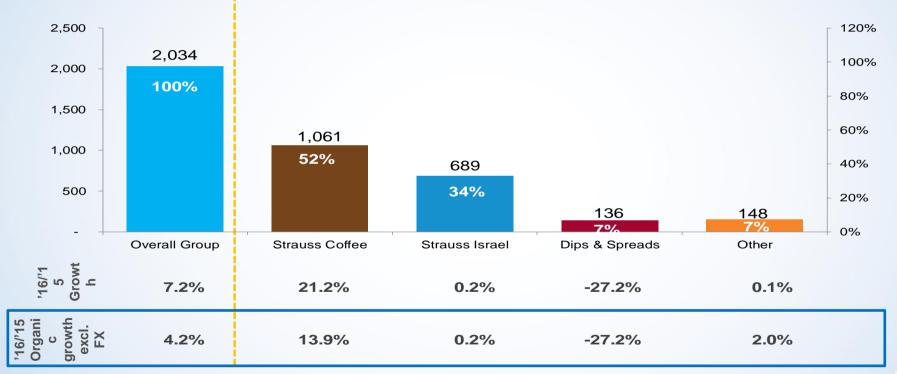
FY 2016 Consolidated Sales NIS mm; Non-GAAP





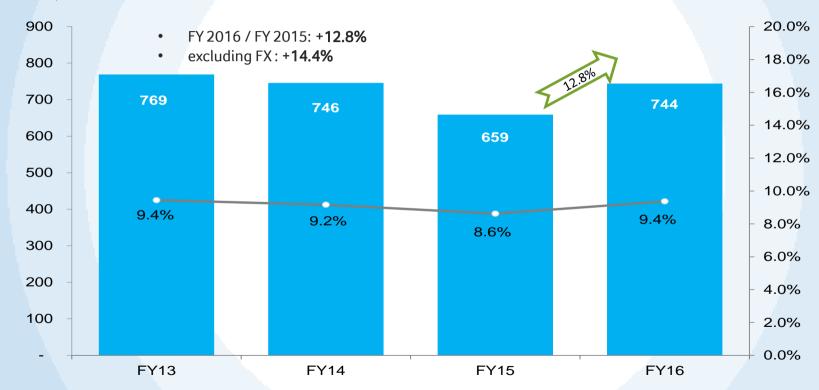
Q4 2016 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



FY 2016 EBIT grows 14.4% (excluding FX)

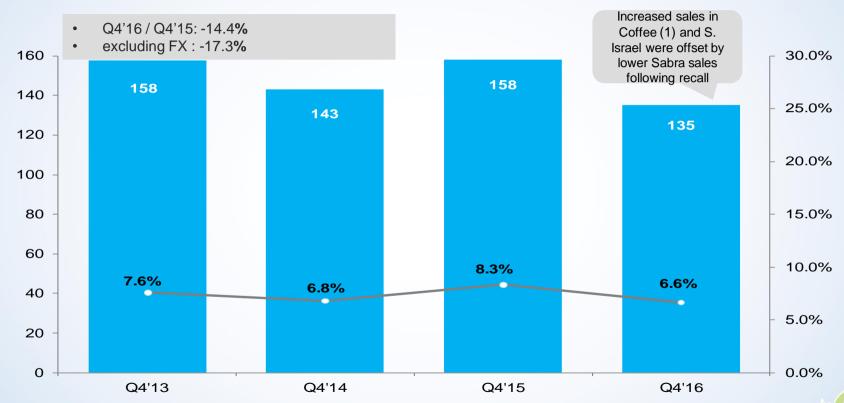
FY 2016 Consolidated EBIT and EBIT Margins NIS mm; Non-GAAP





Q4 Consolidated EBIT and EBIT Margins

NIS mm; Non-GAAP



FY 2016 GAAP and Non-GAAP Financial Highlights

| | GAAP | | | Adjusted Non-GAAP | | |
|----------------------|--------|--------|---------------|-------------------|--------|---------------|
| | YTD'16 | YTD'15 | % Chg. | YTD'16 | YTD'15 | % Chg. |
| Sales | 5,282 | 5,183 | 1.9% | 7,943 | 7,642 | 3.9% |
| Gross Profit | 2,103 | 1,955 | 7.6% | 2,980 | 2,829 | 1 5.4% |
| GP Margin | 39.8% | 37.7% | | 37.5% | 37.0% | |
| Operating Profit | 680 | 626 | 1 8.4% | 744 | 659 | 12.8% |
| EBIT Margin | 12.9% | 12.1% | | 9.4% | 8.6% | _ |
| Net Profit (to SH) | 272 | 257 | 5.7% | 335 | 293 | 14.3% |
| NP Margin | 5.1% | 5.0% | | 4.2% | 3.8% | |
| Operating Cash Flow | 610 | 349 | | 762 | 515 | |
| Capex ⁽¹⁾ | (162) | (212) | | (239) | (279) | |
| Net debt | 1,120 | 1,516 | | 1,428 | 1,655 | |
| Change in WC (CF) | 216 | (192) | | 153 | (264) | |

¹⁾ Capex includes acquisition of fixed assets and investment in intangible assets.

Q4 GAAP and Non-GAAP Financial Highlights

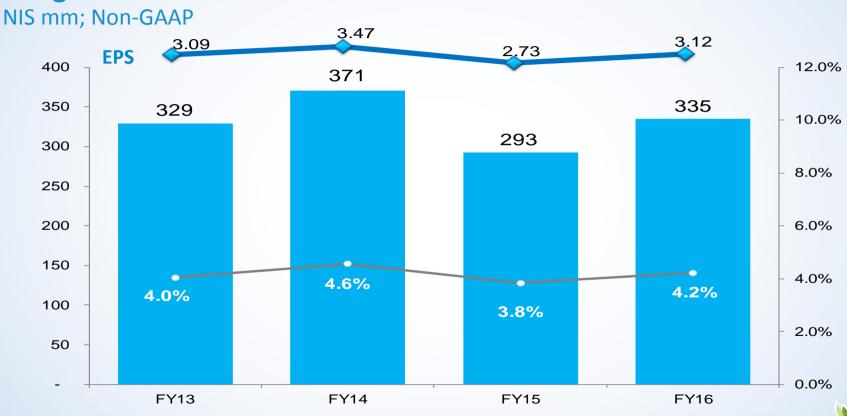
NIS mm

| | GAAP | | | Adjusted Non-GAAP | | |
|----------------------|-------|-------|---------|-------------------|-------|---------|
| | Q4'16 | Q4'15 | % Chg. | Q4'16 | Q4'15 | % Chg. |
| Sales | 1,310 | 1,302 | 0.6% | 2,034 | 1,899 | 7.2% |
| Gross Profit | 490 | 511 | (4.0%) | 717 | 700 | 2.6% |
| GP Margin | 37.4% | 39.2% | | 35.3% | 36.8% | |
| Operating Profit | 93 | 177 | (48.1%) | 135 | 158 | (14.4%) |
| EBIT Margin | 7.0% | 13.7% | | 6.6% | 8.3% | |
| Net Profit (to SH) | 30 | 65 | (55.0%) | 58 | 74 | (22.0%) |
| NP Margin | 2.3% | 5.1% | | 2.8% | 3.9% | |
| Operating Cash Flow | 300 | 335 | | 360 | 426 | |
| Capex ⁽¹⁾ | (49) | (53) | | (76) | (68) | |
| Net debt | 1,120 | 1,516 | | 1,428 | 1,655 | |
| Change in WC (CF) | 208 | 113 | | 243 | 133 | |

⁽¹⁾ Capex includes acquisition of fixed assets and investment in intangible assets.

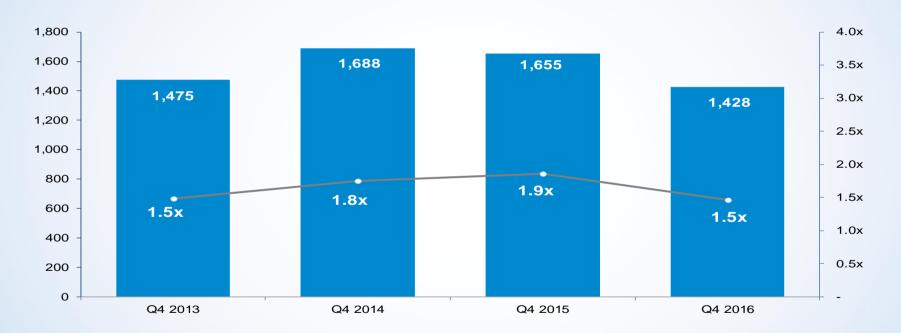


FY 2016 Net Profit (attributed to the Company's shareholders), Net Margins and EPS



Net Debt and Net Debt / EBITDA (LTM)

Non-GAAP EBITDA, net debt includes partnerships; NIS mm





Strauss in Israel

- Top line growth of 4.4% continues despite a challenging environment and a declining food & beverage market in Israel -0.5% in 2016
- Profitability increases despite the implementation of extensive employee benefits and price reductions
- Market share gains; 11.7% in January 2017, up
 from 11.0% in December 2015*
- Innovation continues we introduced 568 new products in 2016
- Efficiency measures help sustain margins
- We continue to focus on delivering healthier products with less sugar, salt and fat contents





Global Dips & Spreads

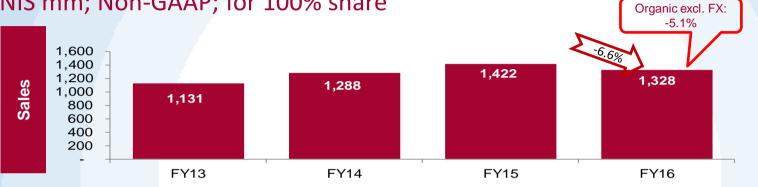
- Continue strengthening global dips and spreads category
- Our top priority is food safety
- Increased regulatory environment in the U.S.
- Recall in Q4
- In AUS and Mex we are continuing building our leadership in Hummus category
- Ready to penetrate Obela in the European market

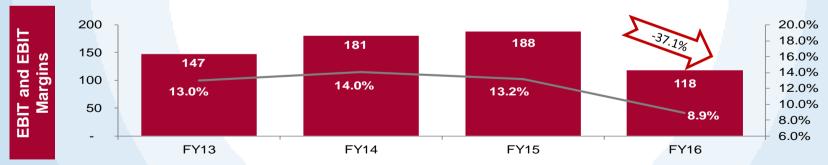


Sabra FY 2016 Snapshot

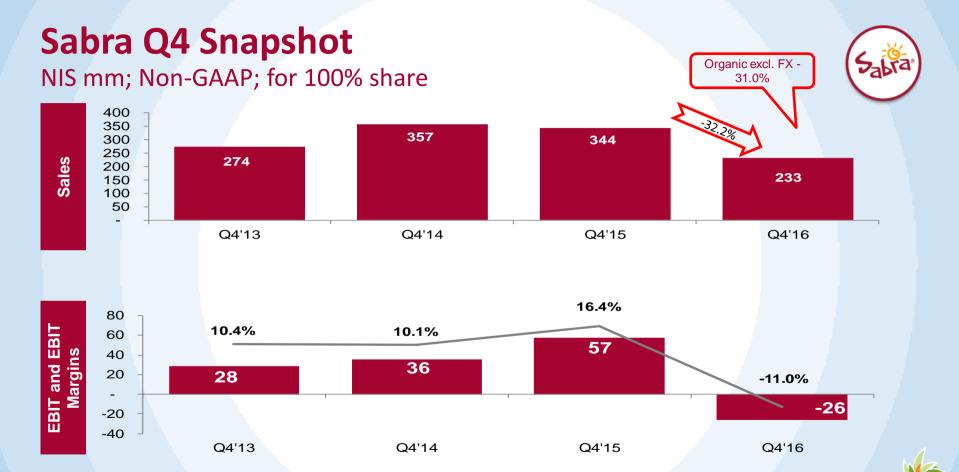












 ${\color{red}\textbf{Note: Sabra Dipping Company ("Sabra")}} \ \ \text{is a company jointly held by PepsiCo (50\%) and Strauss Group (50\%)} \ .$

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Strauss Water

- Water business improves on all fronts; Sales, EBIT and Cash Flows
- Water sales continue to grow in 2016 to NIS 496m, (growth of 2.8%)
- Haier Strauss Water JV in China demonstrates
 healthy growth with annual sales amounting to NIS
 351m +36% vs. LY (Q4 NIS 104m +66% vs. LY)
- Strauss group bought the minority holding of 12.4% for NIS 69m in Nov 2016



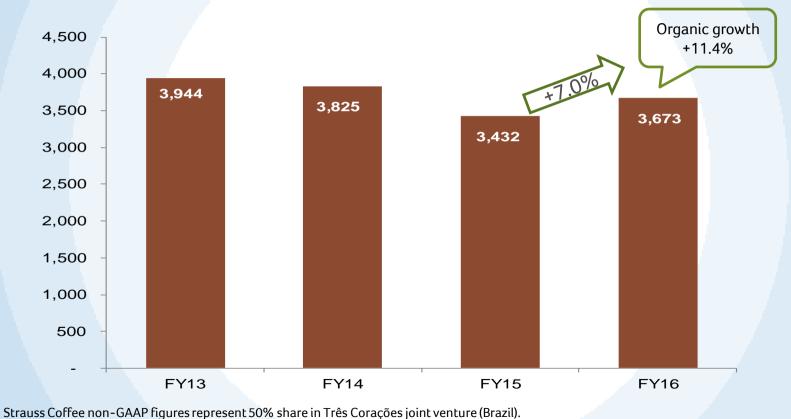
Strauss Coffee

- Stellar top line growth of 21.2% and 7.0% in Q4 and 2016, respectively
- Growth attributed to increased volumes and selling prices in most geographies
- Reversed currency trend in Q4 BRL strengthens; still negative impact for the year of NIS75m from BRL
- 3C (1) sales grow 30.4% and 22.2% in Q4 and 2016, respectively (in local currency)
- 3C market share in R&G at 24.1% (2)
- Recent studies suggest health benefit properties in coffee
- During Q4 SCBV realised its option to acquire NDKW



FY 2016 Strauss Coffee Sales

NIS mm; Non-GAAP





Q4 2016 Strauss Coffee Sales



Strauss Coffee non-GAAP figures represent 50% share in Três Corações joint venture (Brazil). 26

FY 2016 Strauss Coffee EBIT increases a remarkable 33.9%

FY 2016 Strauss Coffee EBIT and EBIT Margins

NIS mm; Non-GAAP





Três Corações Alimentos S.A. (Três Corações J.V.)

3corações

FY 2016 Snapshot



Note: Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C). Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30st, 2016.

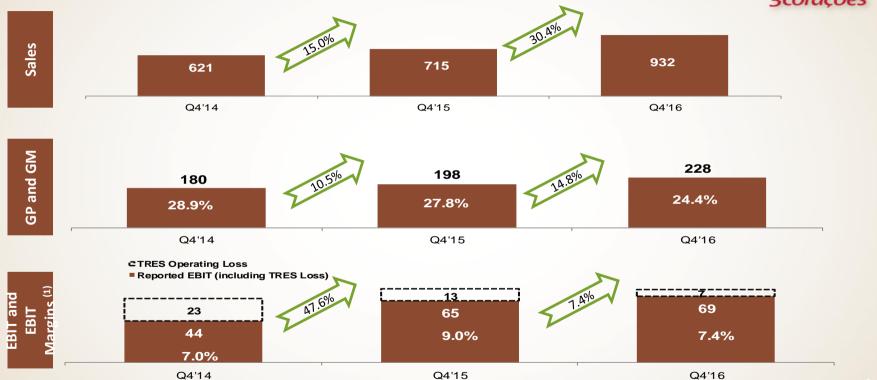
(1) EBIT before Other Expenses/ Income.

Três Corações Alimentos S.A. (Três Corações J.V.)

Q4 Snapshot

BRL mm for 100% ownership and including inter-company sales





Note: Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C). Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30st, 2016.

(1) EBIT before Other Expenses/ Income.



STRAUSS COFFEE TO ACQUIRE TPG'S STAKE

March 2017



Strauss Group **continues its journey** to become a global food & beverage company that **improves people's lives**.

Strauss has been a **significant player** in the coffee market for the **past 50 years**.

ישות ולפד טורקי ולפד



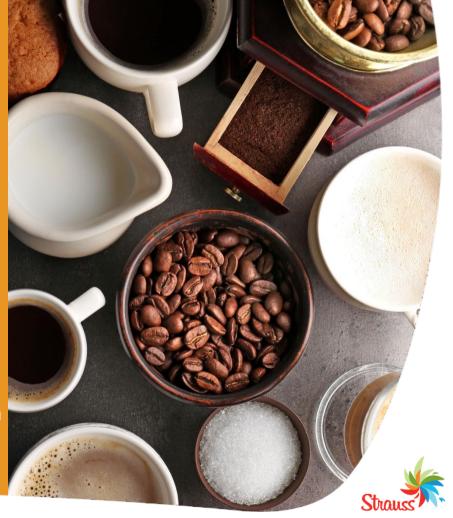
After 8.5 years of partnering with TPG in the coffee business TPG sought to realize its investment, as appropriate for a private equity company.

The Company has carried out an indepth analysis of its options and has come to the conclusion that a buyout of TPG's shares is the **preferred** strategic option.



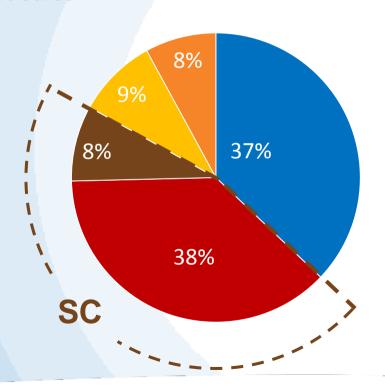
Why We Like The Coffee Market

- 1. BIG \$75 Billion
- 2. Fast Growing And Resilient
- 3. Mostly Fragmented
- Brazil, Emerging Asia & Single Serve 4 Drive Market Growth
- Coffee Culture Driving & Securing Long-TermPremiumization & Innovation



Coffee is a core business for SG

Net Sales



- S. Israel
- Coffee w/o Coffee Israel
- Coffee Israel
- Dips & Spreads
- Other



Strauss Coffee to acquire TPG's shares (25.1%)

Key Metrics

Strauss Coffee will pay €257m for TPG's stake

Closing 27th March 2017

First payment at closing – 66%; remainder mid August



The deal is attractive to Strauss

- The deal is accretive and creates shareholder value
- Increases our foothold in the attractive Coffee market large, growing, resilient, healthy and safe
- Strengthens our position in Brazil, the combined largest and fastest growing coffee market in the world.
- Deal delivers SC & SG full strategic flexibility and is the right decision from all strategic, financial, managerial and operational aspects.
- Deal is aligned with SG's long-term strategy to become a global food & beverage company.



Strauss Coffee

Global Footprint, Scale & Synergies



Strong Track Record of Financial Performance

Net Sales & EBITDA 2004-2016 (€m) 100. 99.4 88.2 64.9 63.0 62.9 63.2 53.7 38.8 31.1

THE FUTURE IS HERE

It's Just Not Very Evenly Distributed

Developing Fast Growing Fast

- North America
- Australia
- West Europe, incl. UK
- Japan, Korea
- Israel (SP)

Catching-up

- Latin America
- East Europe (incl. Russia, Poland, Romania)
- Emerging Asia

Early Days

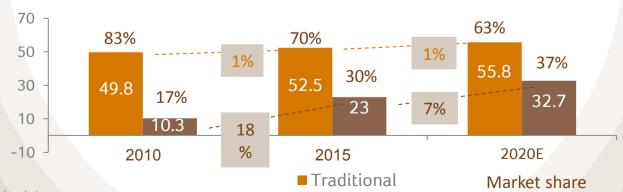
- China
- India
- Africa

COFFEE CULTURE IS EMERGING GLOBALLY, WE HAVE A FEEL FOR WHAT'S COMING...



The objective – increase NVP share of business while creating synergies and improving the traditional core

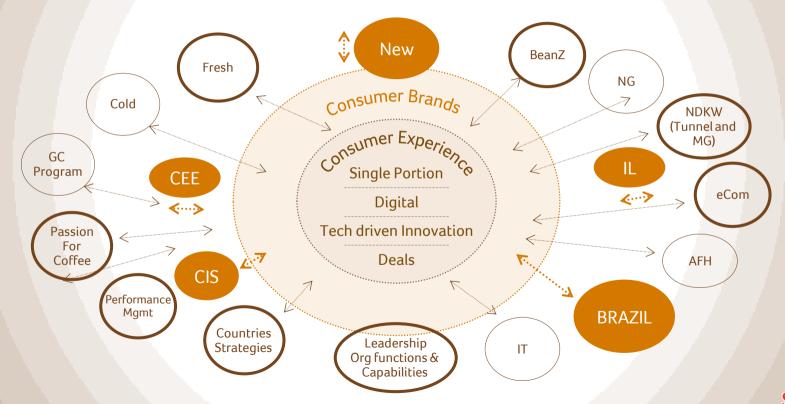






Strauss Coffee 2015-2020 - Main initiatives

Transforming to: Innovative, High Growth, Consumer Driven, Excellent Brand-Builder





Deal Financials



Deal's financial implications (illustrative view based on 2016 Pro-forma figures)

| Strauss Group NIS '000 | 2016 TPG shares bought on 1/1/16 | 2016 reported | % diff |
|-------------------------------|--|---------------|--------|
| Sales | 7,943 | 7,943 | |
| EBIT | 744 | 744 | |
| Net profit to Shareholders | 388 | 335 | 15.9% |
| EPS* | 3.42 | 3.12 | 9.7% |
| Net Debt | 2,165 | 1,428 | |



^{*}EPS calculation based on SCBV buy-out; Deal will be partially financed by SG equity raise

Deal is financially viable

- Ability to serve the additional debt whilst containing financial risk
- Debt will be financed by company's future cash generation
- Net debt will increase initially in 2017 and return to normal levels in 2019 - 2020
- Net debt/EBITDA will increase to c2.2x during 2017 from 1.5x currently



Recent Coffee Deals

EV/EBITDA Multiples

| Date | Acquiror | Target | Multiple* |
|---------|----------------------|----------------------------|-----------|
| 11/2016 | JAB | Super Group | 15.7x |
| 12/2015 | JAB | Keurig Green Mountain | 13.6x |
| 07/2015 | Lavazza | Carte Noire | 11.7x |
| 05/2014 | D.E Masters Blenders | Mondelez Coffee | 13.5x |
| 05/2014 | Massimo Zanetti | BONCAFE | 12.1x |
| 11/2013 | D.E Masters Blenders | Friele | 12.0x |
| 04/2013 | JAB | D.E Masters Blenders | 16.6x |
| 12/2012 | JAB | Caribou Coffee | 11.5x |
| 07/2012 | JAB | Peet's Coffee & Tea | 21.3x |
| 04/2012 | UCC | United Coffee | 9.3x |
| 05/2011 | J.M. Smucker | Rowland | 11.5x |
| 09/2010 | GMCR | Van Houtte | 9.9x |
| 11/2009 | GMCR | Timothy's | 16.9x |
| 05/2008 | J.M. Smucker | Folgers | 8.5x |
| 01/2008 | CapVest | Drie Mollen | 8.0x |
| 05/2007 | LittleJohn | Van Houtte | 8.7x |
| 06/2006 | Tata Coffee | Eight O'Clock Coffee | 8.1x |
| 10/2005 | Segafredo Zanetti | Sara Lee U.S retail coffee | 7.9x |

Strauss

Summary

- We believe in the coffee market, in Strauss
 Coffee ,it's leadership and people.
- We believe that pursuing a buyout is the right decision strategically and financially both for SC & SG.
- Accretive deal, benefits shareholders
- The deal is the right decision from all strategic, financial, managerial and operational aspects for both SC & SG.



Thank You

