



CONVENIENCE TRANSLATION

The Hebrew version is the binding version

5.9.2018

Sabra to sell Salsa Business and focus on core business – manufacture and sale of hummus in the US

Refrigerated dips and spreads manufacturer Sabra, a joint venture owned by Strauss Group and PepsiCo, has sold its salsa business in the US to Stir Foods and Pacifica Foods, active in the manufacture of soups, dressings and sauces. The sale transaction, signed last week, is valued at 10.5 million dollars. The impact on Strauss Group's business results is immaterial.

The sale of the salsa business is in alignment with Sabra's strategy to focus on its core business, primarily hummus, tahini and guacamole, sold under the Sabra brand. The salsa products are sold under other brands. It is the buyers' intention to retain the employees of Sabra's salsa business. Sabra-Obela CEO Tomer Harpaz referred to the transaction: "We are proud of the employees and products of the salsa operation and are happy that they have been acquired by such highly esteemed firms. Sabra will continue to focus on growing its business in the hummus category, as well as in tahini and guacamole. American consumers are increasingly embracing a healthy diet, and consumption of hummus as a staple food is growing steadily."

Sabra is the largest refrigerated dips and spreads company in the US. At the end of June, 2018 its value market share of the hummus category amounted to 60%, compared to 55% at the end of June 2017. The company's sales in the first half of 2018 totaled NIS 680 million, up 11% compared to the corresponding period last year and an increase of 15% excluding foreign currency effects. Sabra's operating profit in the half year was NIS 69 million, compared to NIS 56 million last year.

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