



<p style="text-align: center;"><b>CONVENIENCE TRANSLATION</b> <b>The Hebrew version is the binding version</b></p>
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**Strauss Group announces that Strauss Coffee has entered into an agreement with TPG to purchase its entire holding (25.1%) in Strauss Coffee**

**Strauss Coffee to buy TPG's holding for €257 million. The transaction is expected to be accretive.**

Strauss Group Ltd. announced today (March 28, 2017) that its subsidiary (74.9%) Strauss Coffee B.V. has acquired the entire holding (25.1%) of Robusta Coöperatif, held by TPG Capital, in Strauss Coffee, resulting in Strauss Group regaining full ownership (100%) of Strauss Coffee.

**Gadi Lesin, Group President & CEO, said:** "This is an important day of celebration for Strauss Group and Strauss Coffee. The acquisition of the outstanding shares in our coffee company is yet another confirmation of our long-term strategy and of the growing dominance of Strauss Coffee's global status and its impact on Strauss Group, in realization of our commitment to be active in areas that improve people's lives all over the world. Coffee is a core business for Strauss Group, and the transaction reflects our belief in the coffee category, in the global coffee market as attractive, growing and resilient and, of course, in the coffee company and its employees."

"This acquisition by Strauss Coffee is a significant strategic, financial and organizational step and will create strategic and operational value for the company. We believe in Strauss Coffee's future ability to continue to grow and to increase the shareholder value it creates in both the immediate and the longer term."

"On behalf of Strauss Group, I would like to thank TPG for their partnership during the past eight years and for their contribution to Strauss Coffee."

Tomer Harpaz, Strauss Coffee CEO, said: "The world of coffee represents a fascinating opportunity for us. The global coffee culture is spreading exponentially, and we expect to see more coffee consumers and more high-quality coffee becoming accessible. The deep



connection between people and their cup of coffee makes the category more resilient, expressed by stable demand even in times of an economic down cycle, an important stabilizing factor in a volatile world. Strauss Coffee is well positioned to address these trends and is committed to promoting the coffee culture among its consumers around the world, fuelled by our genuine passion for coffee and coffee products. I am certain that the transaction will support the company's ability to realize its strategy, to strengthen its position as a leading international coffee company, and to fully exploit the significant opportunities we see in the global category."

**About the transaction:** The consideration will be paid in two installments: €172 million was paid at the signing and share transfer, and the remainder of €85 million will be paid by August 15, 2017. In addition, Strauss Coffee will redeem stock options granted to Strauss Coffee managers totaling €17 million and will either redeem or convert to Strauss Group Options an additional €2 million. The acquisition and the redemption of shares and stock options will be financed by the company's own assets and debt of Strauss Coffee and by Strauss Group debt or share capital increase as per market conditions. Strauss Coffee took a short-term loan of NIS 434 million bearing an interest rate of 1.5%-2.0% which will be replaced by a long-term debt loan in the future. Strauss Group and Strauss Coffee estimate that the deal creates value and is accretive and will enable increased strategic, operational and managerial flexibility to both companies.

For further details regarding Strauss-Group and Strauss Coffee financials please refer to our financial results published today.

World coffee sales currently amount to approximately \$74 billion, with a cumulative average annual growth rate of 5%-6%. Strauss's coffee business accounts for approximately 50% of the Group's sales volumes.

TPG is a leading global alternative asset firm founded in 1992 with more than \$74 billion of assets under management and offices in Austin, Beijing, Boston, Dallas, Fort Worth, Hong Kong, Houston, Istanbul, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, San Francisco, São Paulo, and Singapore. TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit, and public equity. TPG aims to build dynamic products and options for its investors while also instituting



discipline and operational excellence across the investment strategy and performance of its portfolio. For more information, visit <http://www.tpg.com/>.

### **About Strauss Coffee**

Strauss Coffee is an international coffee company, amongst the ten largest coffee companies in the world (Euromonitor, retail sales value) with a turnover in excess of one billion dollars p.a. The company invests in and develops local coffee brands that are leaders in diverse markets – Brazil, Poland, Romania, Serbia, Russia, Ukraine and Israel. The company has 14 production sites worldwide and employs some 7,500 people. Strauss Coffee is committed to promoting the global coffee culture among its consumers around the world, fuelled by a genuine passion for coffee and coffee products.

For further details regarding Strauss Coffee and key financial data relating to Strauss Coffee please refer to annual results published earlier today.

The information regarding the contribution of the Strauss Coffee deal to Strauss-Group and the information regarding future expected growth of the global coffee markets are forward looking as it is defined by the Israeli Securities Authority (ISA) act, 1968 and is based on information available to the company at the time of the publication and which includes the company's estimates of which there are no guaranties for these estimates to be realized.

For further information please contact:

**Daniella Finn**

**Director of Investor Relations | Strauss Group**

49 Hasivim St., Petach Tikva | 49517

Phone: + 972-3-675-2545 | Mobile: + 972-54-577-2195

[Daniella.finn@strauss-group.com](mailto:Daniella.finn@strauss-group.com)

[www.strauss-group.com](http://www.strauss-group.com)

