

STRAUSS GROUP LTD.
(The “Company”)

December 7, 2018

CONVENIENCE TRANSLATION - The Hebrew version is the binding version
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Immediate Report – Partial Early Redemption

The Company respectfully announces that on December 6, 2018 the board of directors of the Company approved a partial early redemption, at the initiative of the Company, of the Company's debentures (Series D) (the “**Series D Debentures**”), which shall be effectuated on December 24, 2018 (“**Partial Early Redemption**” and the “**Early Redemption Date**”, respectively), as follows:

1. On the date of this report, the outstanding face value of the Series D Debentures in circulation is NIS 418,388,400. For further information on the Series D Debentures, see the trust deed between the Company and Reznik Paz Nevo Trusts Ltd., which was signed on January 17, 2013 (the “**Trust Deed**”).
2. The Company shall carryout a Partial Early Redemption of NIS 200,000,000 face value of the Series D Debentures (the “**Redeemed Portion**”), which constitutes approximately 47.80247% of the unredeemed principal amount of the Series D Debentures on the date of this report (the “**Unredeemed Principal**”) and approximately 43.02223% of the original principal amount.
3. The total amount of the Partial Early Redemption (in respect of principal, interest and compensation) is NIS 219,490,175.
4. The record date for entitlement to the receipt of the Partial Early Redemption of the principal of the Debentures is December 12, 2018.
5. The payment date of the Partial Early Redemption is December 24, 2018.
6. The rate of interest (including compensation for early redemption in accordance with clause 5.10 of the Trust Deed) which shall be paid in the Partial Early Redemption on the Redeemed Portion is approximately 9.74509% (comprising 1.05082% interest on the Redeemed Portion of the Debentures (NIS 2,101,648) and compensation for the Partial Early Redemption of the Redeemed Portion, pursuant to the Trust Deed, at 8.69426% of the Redeemed Portion (NIS 17,388,527)).
7. The rate of interest (including compensation for early redemption in accordance with clause 5.10 of the Trust Deed) which shall be paid in the Partial Early Redemption on the Unredeemed Principal is approximately 4.65839% (comprising 0.50232% interest on the Unredeemed Principal and compensation for the Partial Early Redemption of the Unredeemed Principal, pursuant to the Trust Deed, at 4.15607% of the Redeemed Portion).
8. The Unredeemed Principal of the Series D Debentures after the Partial Early Redemption shall be NIS 218,388,400 face value, which constitutes approximately 52.19753% of the Unredeemed Principal on the date of this report and approximately 46.97777% of the original principal.
9. It is noted that tax shall be withheld from payments of the Partial Early Redemption at the applicable rate.

10. Following is the revised amortization schedule of the Series D Debentures after the Partial Early Redemption has been effectuated on December 24, 2018:

Date	Unredeemed principal	Principal payment	% of principal (*)	Interest payment	Interest rate (**)
March 31, 2019	218,388,400	14,559,227	3.13185%	4,913,739	2.25000%
September 30, 2019	203,829,173	-	0.00000%	4,586,156	2.25000%
March 31, 2020	203,829,173	31,544,991	6.78568%	4,586,156	2.25000%
September 30, 2020	172,284,182	-	0.00000%	3,876,394	2.25000%
March 31, 2021	172,284,182	36,398,067	7.82963%	3,876,394	2.25000%
September 30, 2021	135,886,116	-	0.00000%	3,057,438	2.25000%
March 31, 2022	135,886,116	36,398,067	7.82963%	3,057,438	2.25000%
September 30, 2022	99,488,049	-	0.00000%	2,238,481	2.25000%
March 31, 2023	99,488,049	99,488,049	21,40099%	2,238,481	2.25000%

(*) Figures referring to the percentage of principal denote percentages of the original principal amount.

(**) Figures referring to the interest rate denote percentages of the Unredeemed Principal.

Yours sincerely,

Strauss Group Ltd.

Date signed: December 7, 2018

Signatories: Michael Avner, Senior Vice President, CLO and Company Secretary
Noa Herman-Shifris, Adv.

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