

Investor Presentation Regarding

Strauss Coffee

May 2nd, 2013

Todd Morgan, CEO Strauss Coffee



Disclaimer

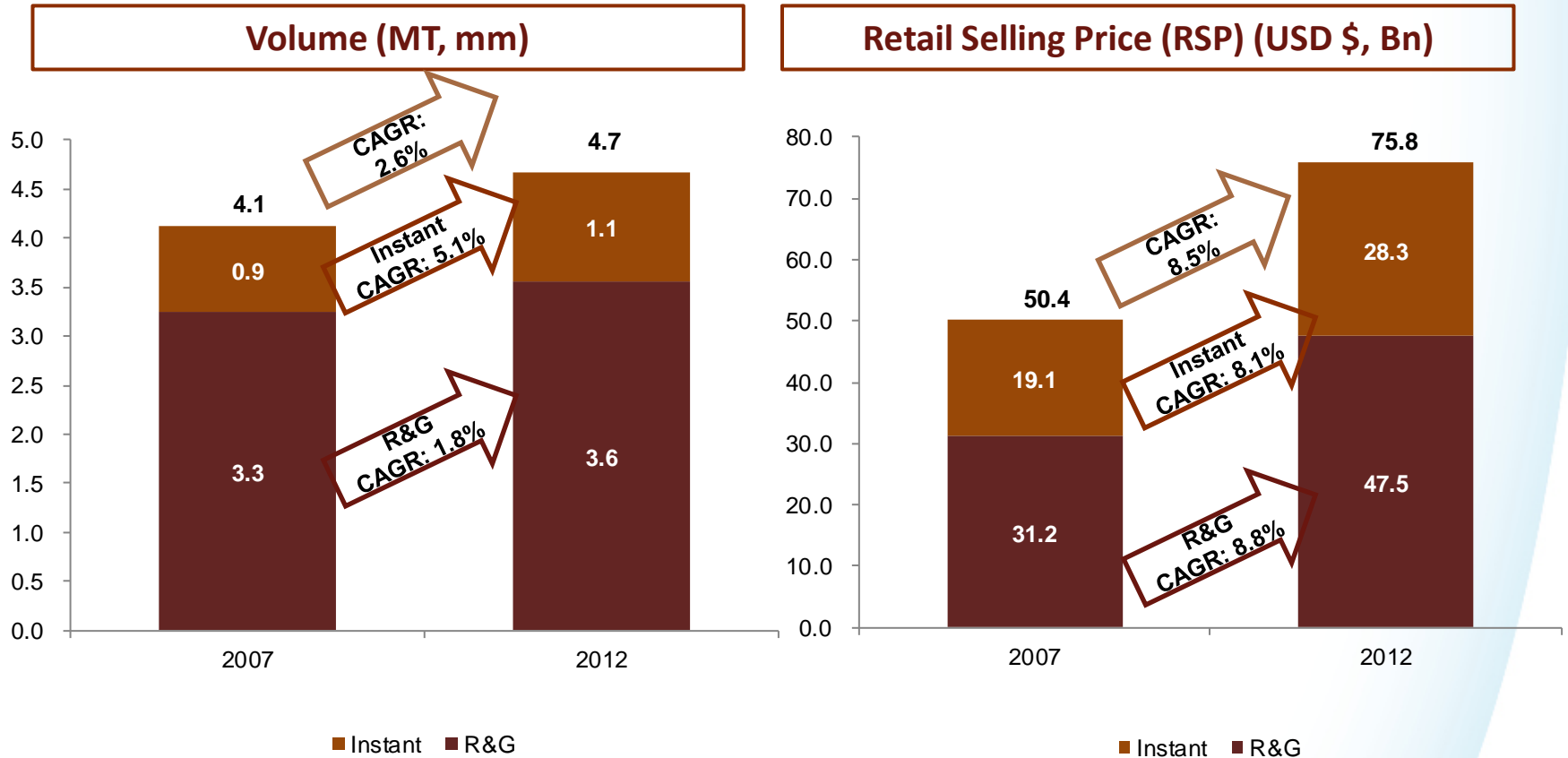
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Global coffee market size

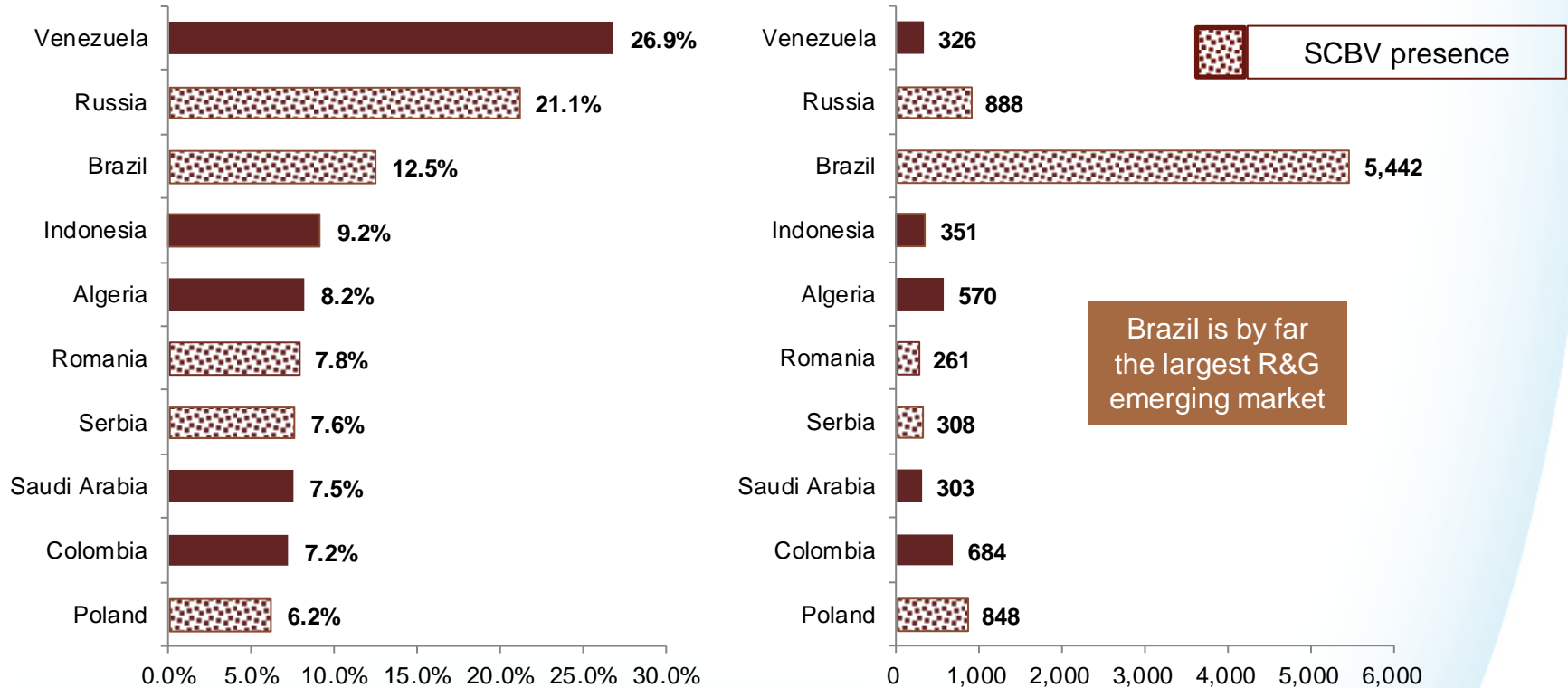
(value and volume)



Global coffee market is large and growing

Top ten emerging R&G markets:

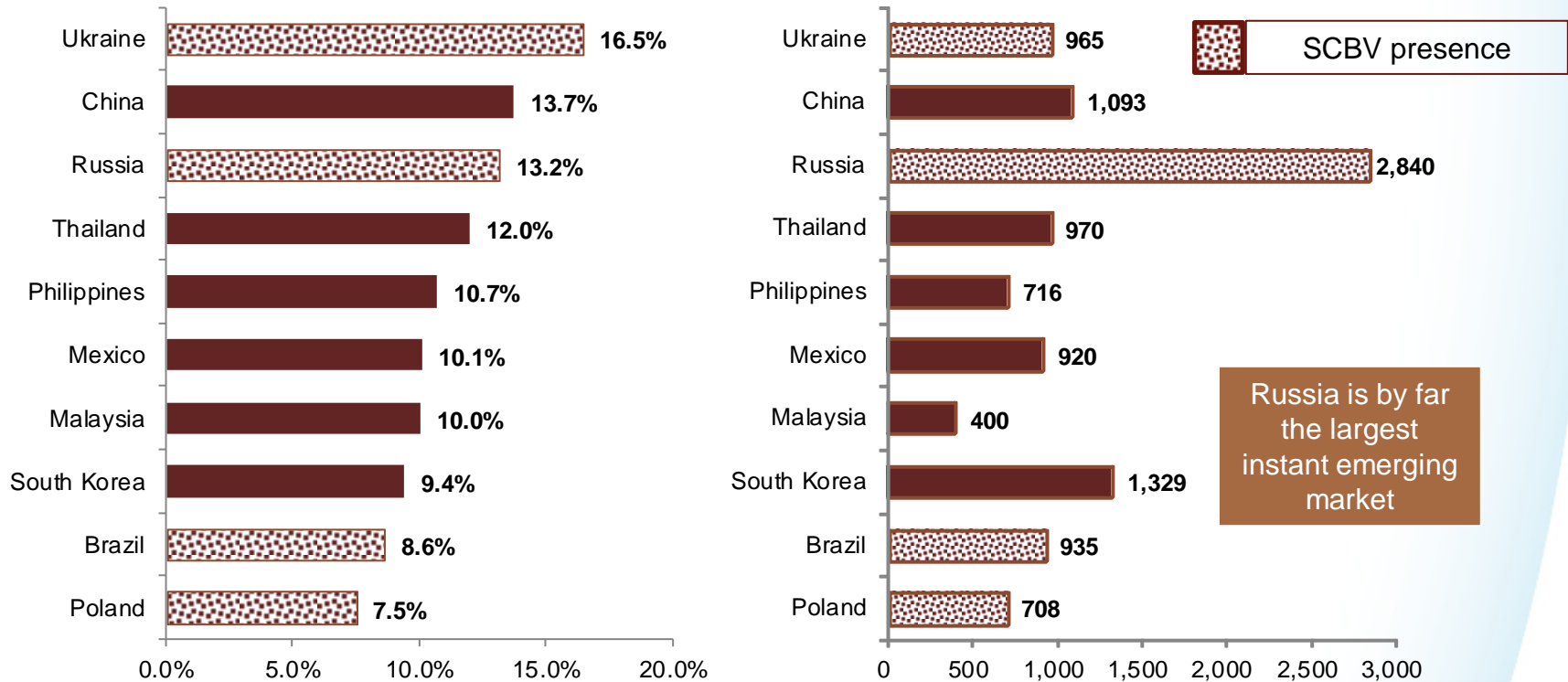
'07-'12 value CAGR and market size (\$ mm)



R&G consumption in emerging markets showed healthy growth

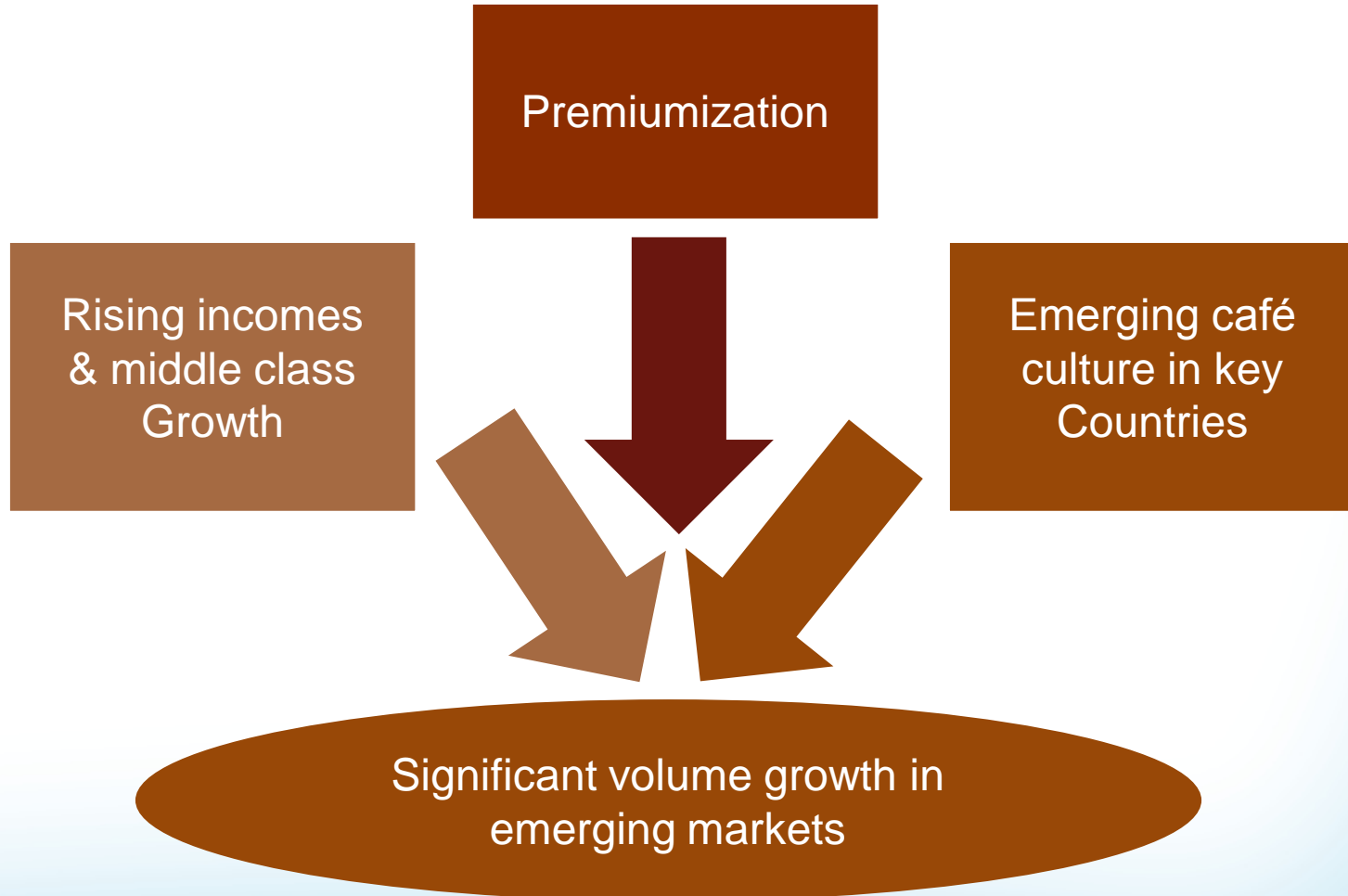
Top ten emerging instant markets:

'07-'12 value CAGR and market size (\$ mm)



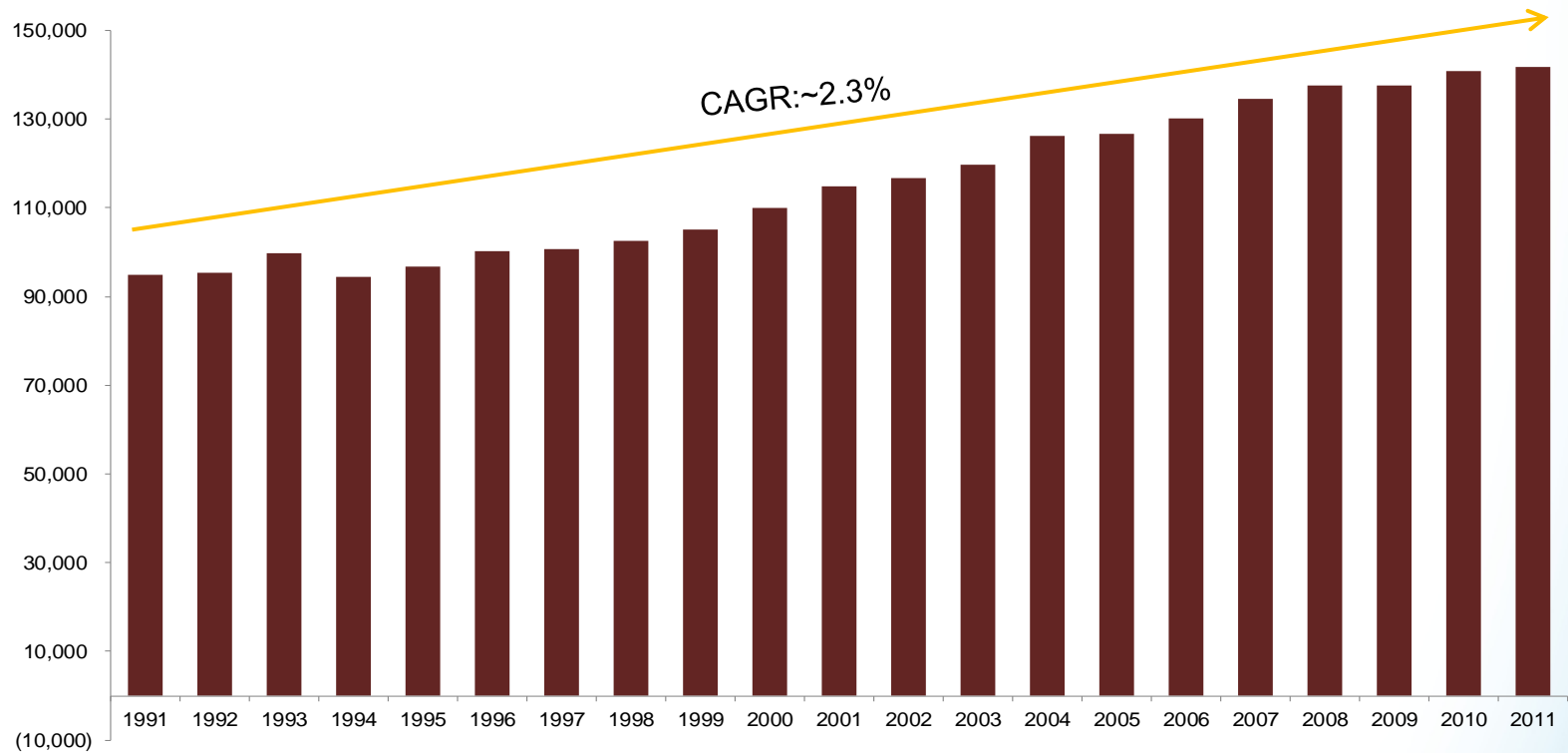
Strong growth in instant as well

Three key drivers of future demand in emerging markets



Evolution of global coffee consumption

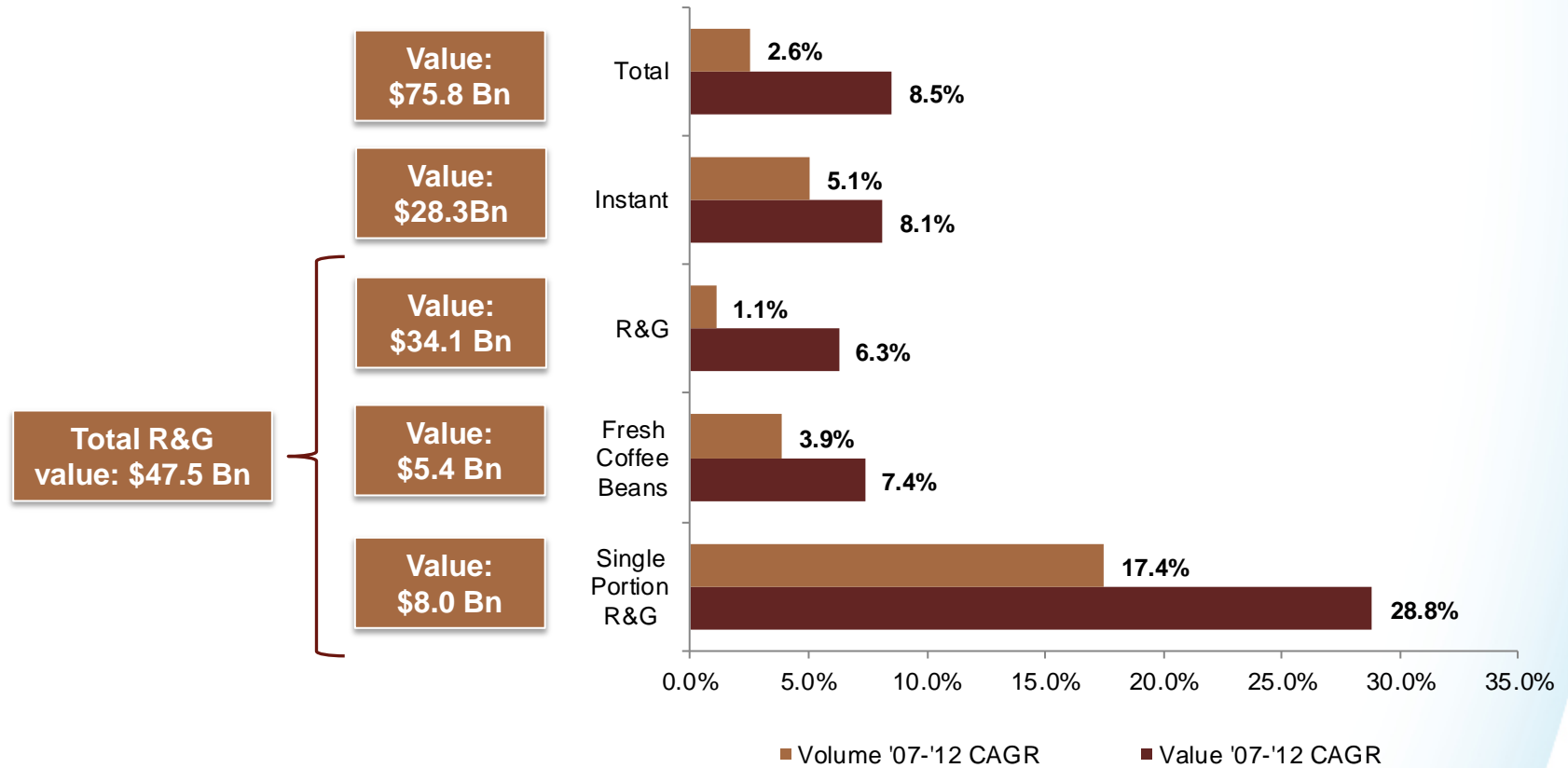
(000 bags)



Resilient market - Volume decline risk is relatively limited

Coffee segments development

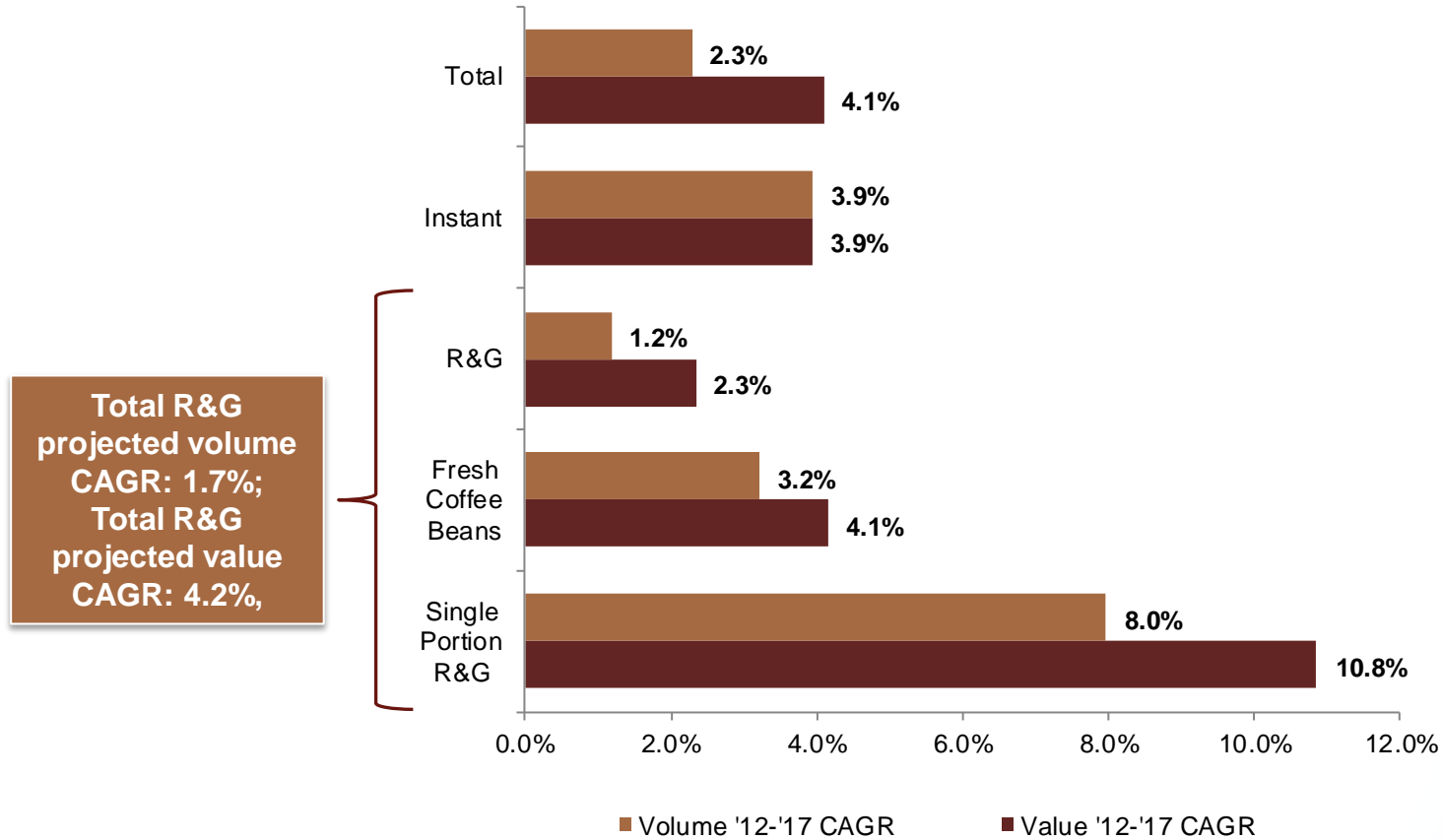
Historical value and volume '07-'12 CAGRs by coffee category



Good historic growth in all segments

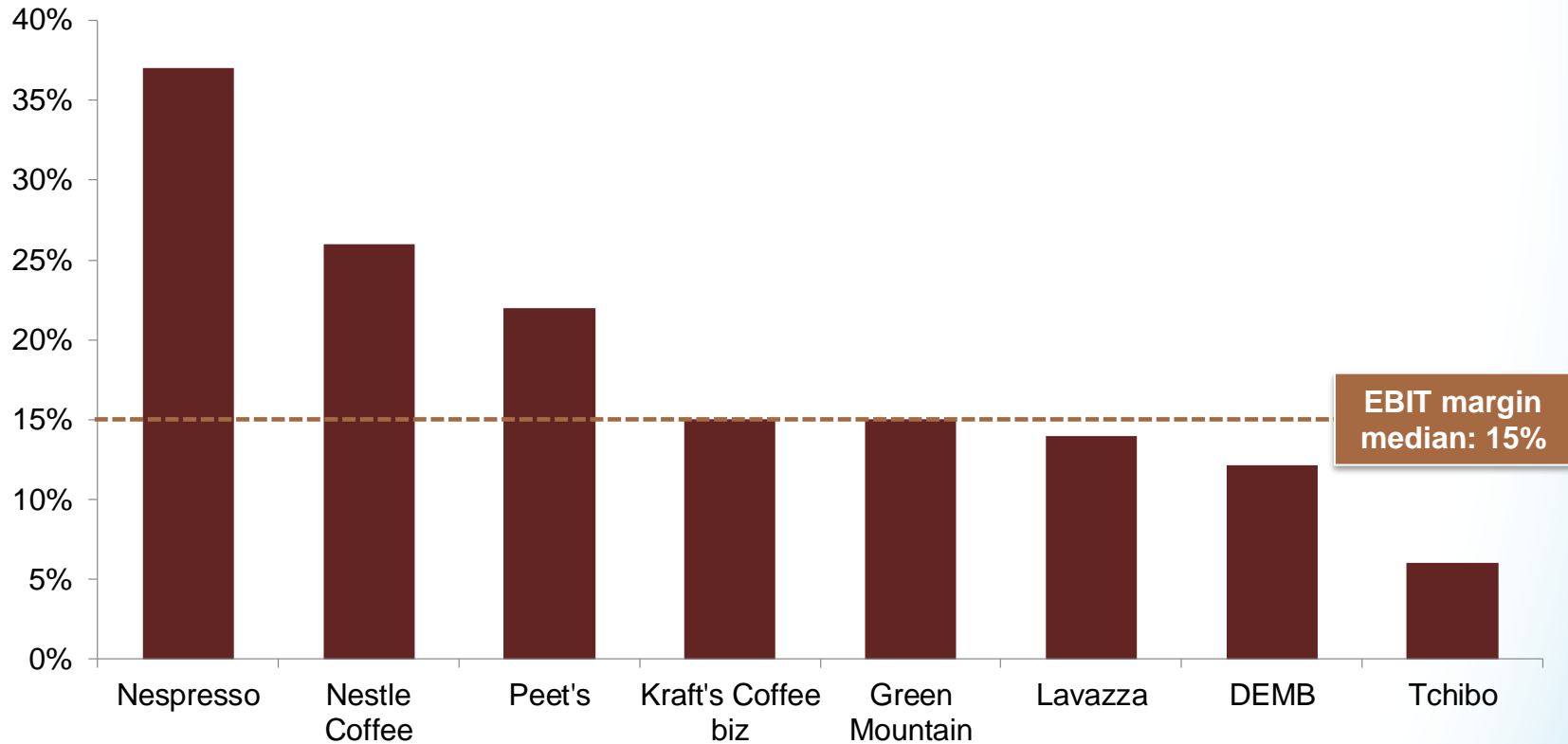
Coffee segments projections

Projected value and volume '12-'17E CAGRs by coffee category



Solid growth projected to continue across segments

Global Coffee Peers: Estimated coffee EBIT margins

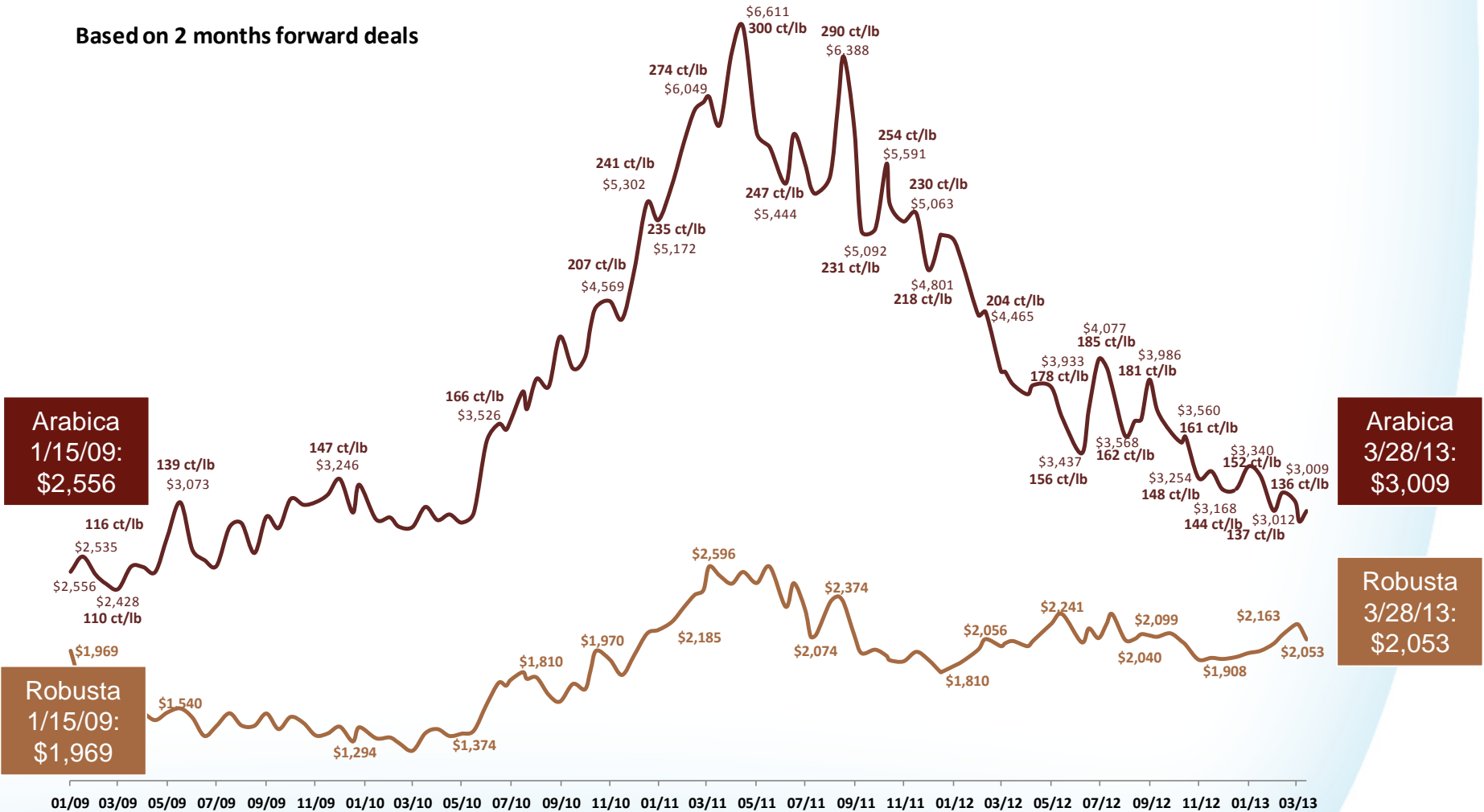


Potential for high profitability

Arabica and Robusta prices

(\$/Ton; for Arabica also ct./lb.)

Based on 2 months forward deals



Arabica
1/15/09:
\$2,556

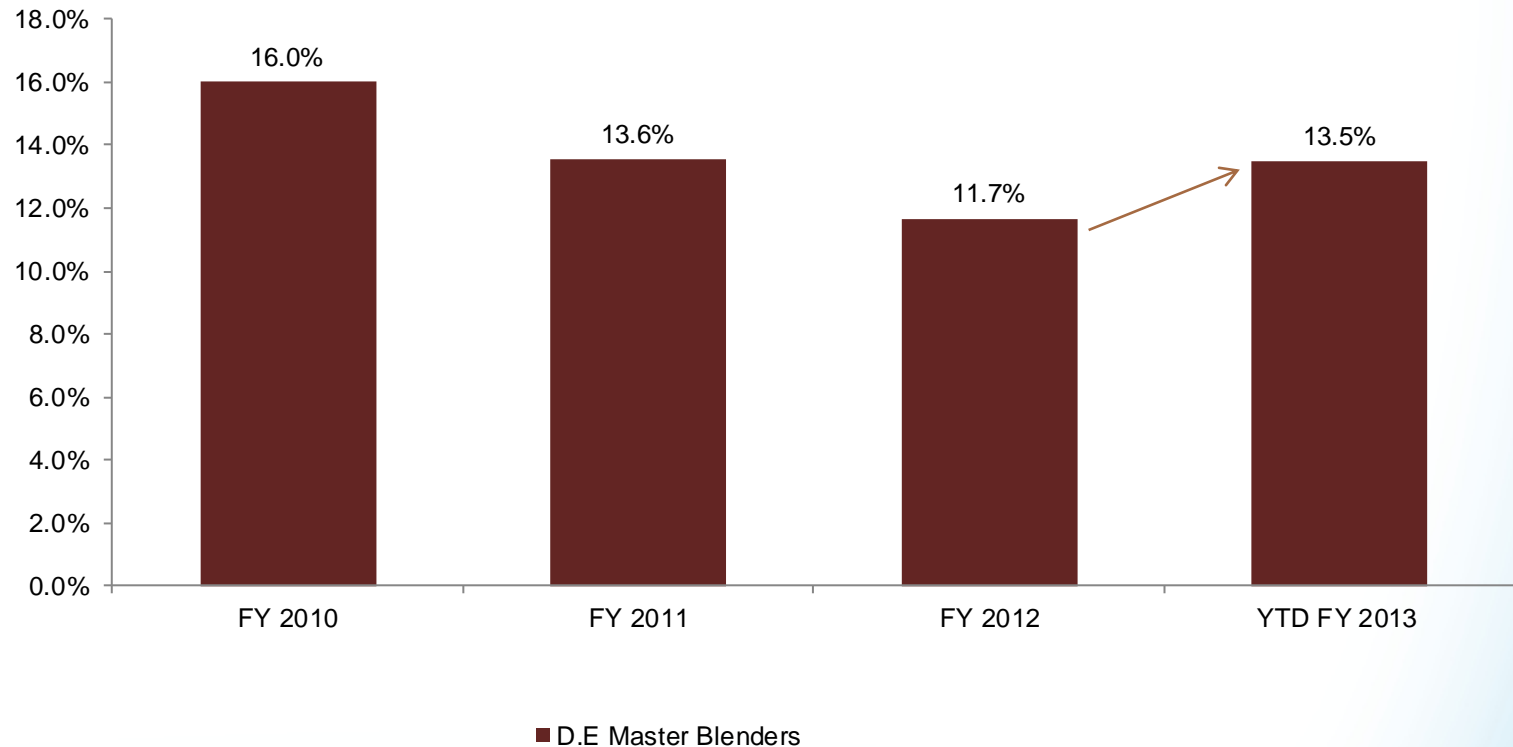
Arabica
3/28/13:
\$3,009

Robusta
1/15/09:
\$1,969

Robusta
3/28/13:
\$2,053

Arabica down from extreme highs; Robusta more flat

DEMB – Underlying EBIT margins evolution (1)



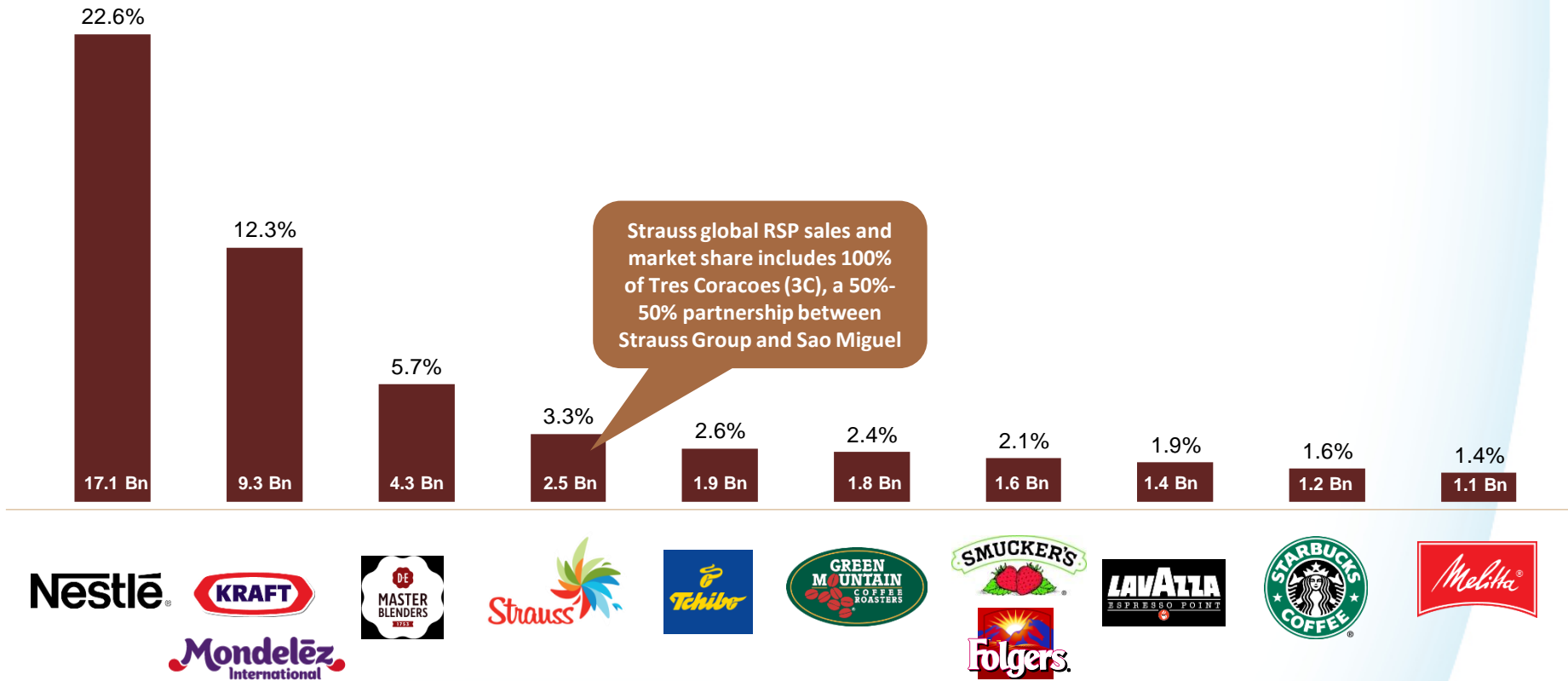
Margin recovery

Source: Company's public filings and GS research report dated Sep 3, 2012.

(1) Note: DEMB FY ends in June/July; YTD 2013 represents 6 months ending December 31st, 2012.

The Global Coffee Competitive Landscape

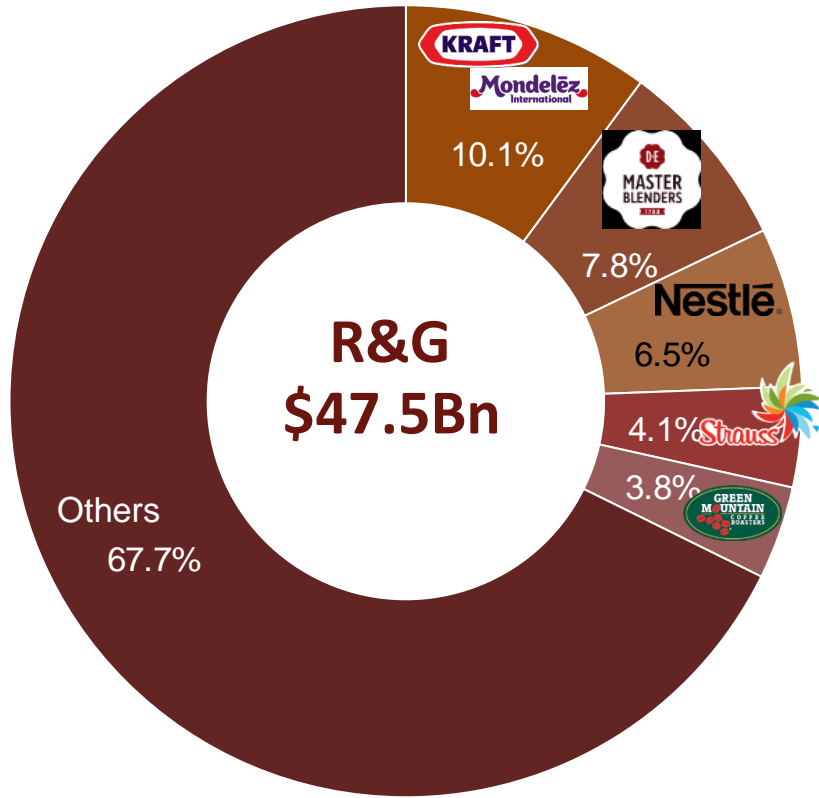
2012 RSP sales (\$Bn) and value market share



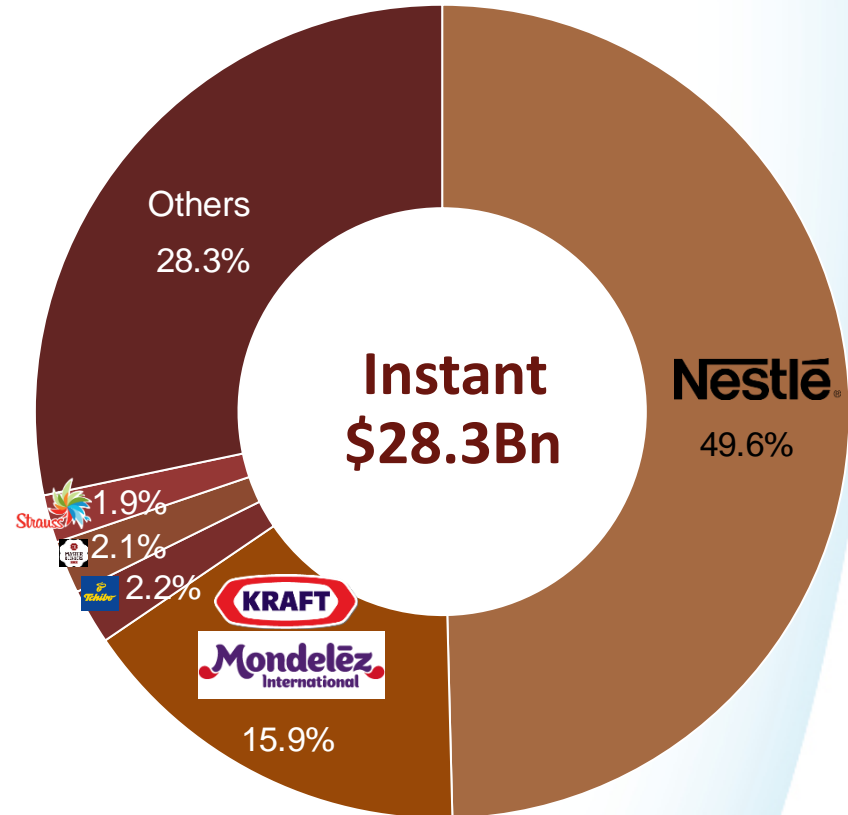
Global coffee market = \$75.8Bn; Strauss is the 4th largest global coffee player

Global Coffee Competitive Landscape -

2012 value market shares for R&G and instant



Top 3 players ~ 24%



Top 3 players ~ 68%

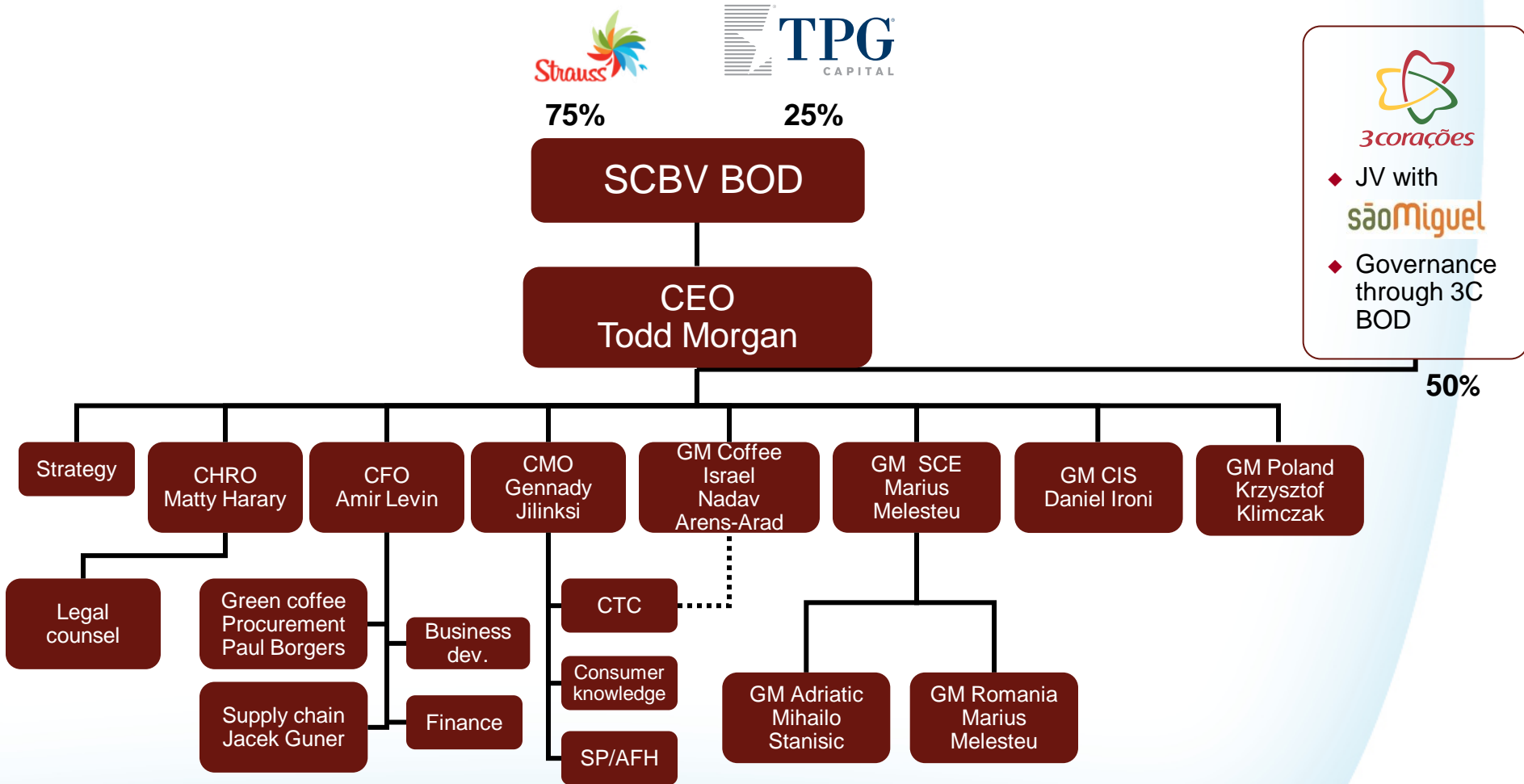
R&G local and fragmented; Instant more consolidated

Strauss Coffee B.V. (SCBV)

How do we compete?

- Leadership and talent
- Brand equity
- Managing a distinctive brand and product portfolio
- Deal making and partnerships
- Operational excellence
- Flexibility and speed
- Innovation

SCBV organizational model



Strong central leadership with experienced local management teams

SCBV footprint



Brazil



Israel



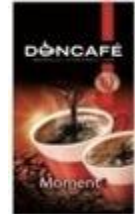
CIS



Poland



Romania



Serbia

Ranking R&G

#1

#1

NA

#2

#2

#2

Ranking Instant

#3

#1

NA

#3

2012 total volume market shares

20.2%

64.8%

NA

12.8%

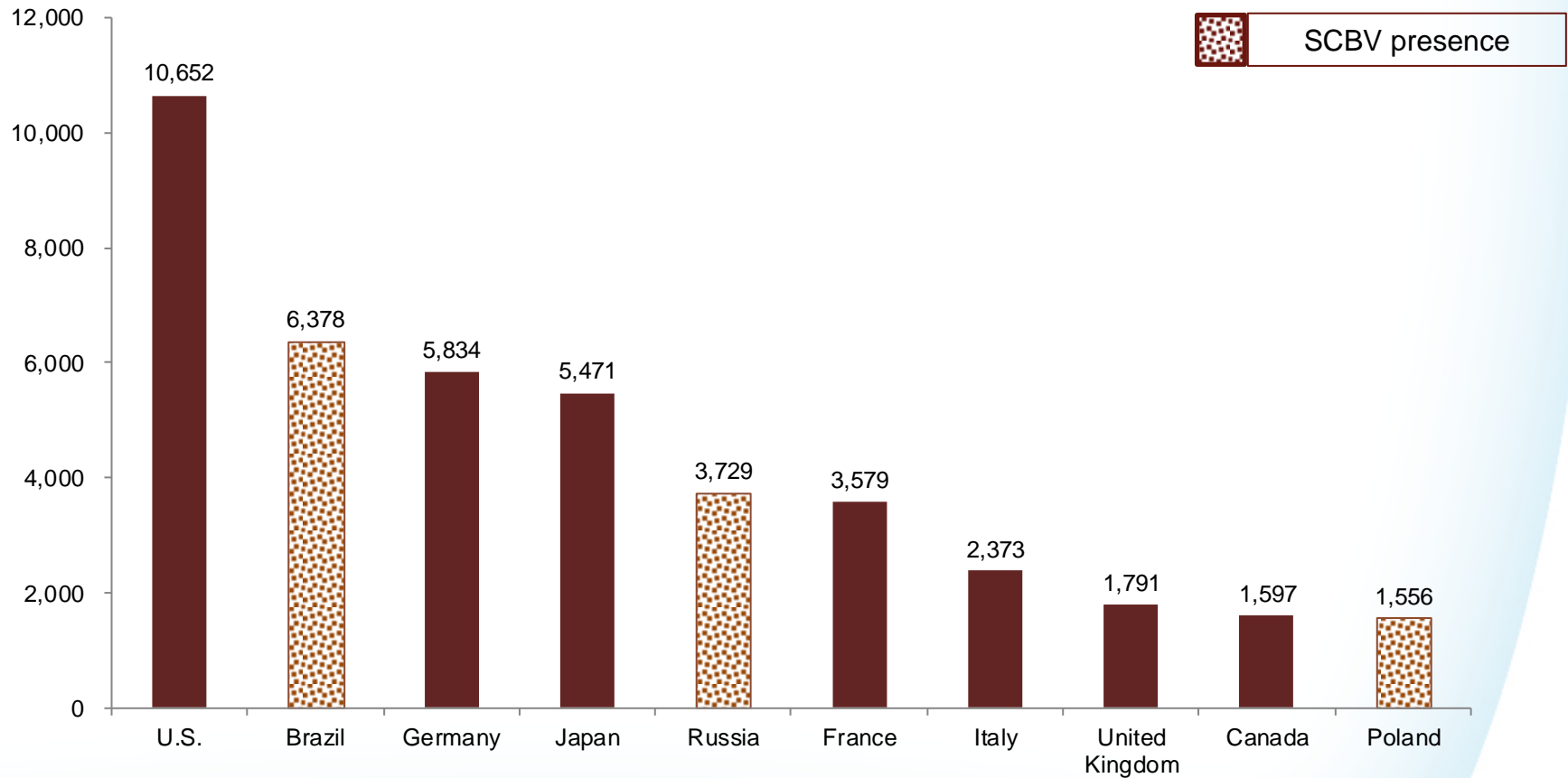
22.1%

30.4%

Strong player in key emerging markets; leader in Israel

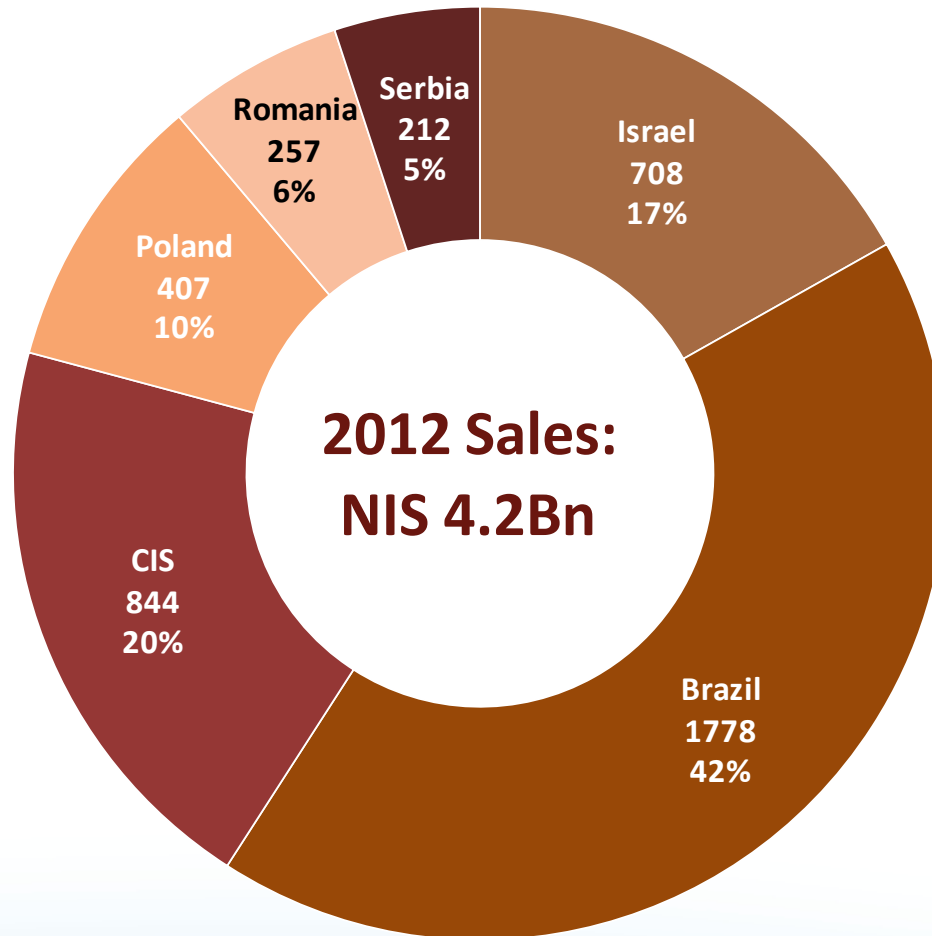
Top ten global coffee markets, by value

\$USD mm



SCBV is present in three of the top ten largest coffee markets

SCBV 2012 sales, by geography



Geographically diversified portfolio

Organic growth, M&A and Partnerships

1958 - 1990

Building the home base - Israel



1992 - 1999

Initial Expansion to Eastern Europe

1992 Poland



1994 Romania



1995 Russia



2000 - 2007

CEE growth and entry to Brazil

2000 Brazil **3C**



2000 Ukraine



2002 Serbia **Doncafé**



2004 Poland



2005 Poland **MKcafé**



2005 Brazil



J.V. with **Santa Clara**

2007 Russia **Totti**



2008 - 2012

Strauss/TPG deal and further growth

2008 Russia **CK**



2009 Brazil **Frisco,**

Leticia



2010 Russia **Le Cafe**



2011 Brazil **Fino Grão**



2011 Russia **Ambassador**



2012 Germany **NDKW**



← Focused growth in Developing Markets →















'Best-in-class' operating capabilities

- Total production capacity: ~300,000 MT
- GC procurement – Switzerland, Vietnam and Brazil
- 9 R&G factories
- 2 Instant plants
- 2 facilities for other products
- HQ – Amsterdam



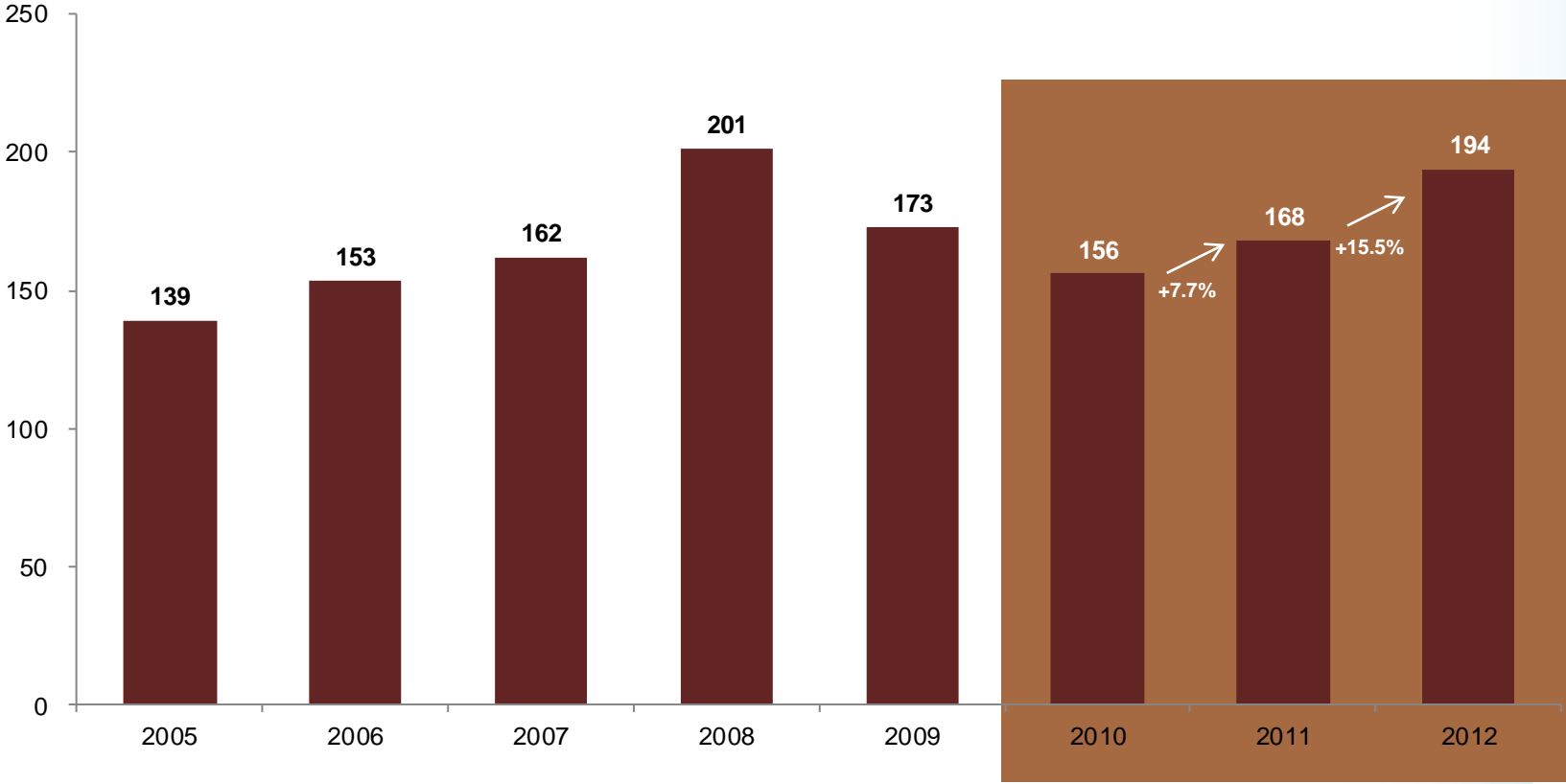
Brand portfolio

Power brands

	Premium	Mainstream	Economy
Israel			
Poland		<i>Pedro's</i>	FORT
Romania			FORT
Serbia			 FORT
CIS	 	 	FORT
Brazil		   	 FORT

Diversified portfolio, based on strong local brands

Evolution of advertising and promotion (A&P) spend (NIS mm)

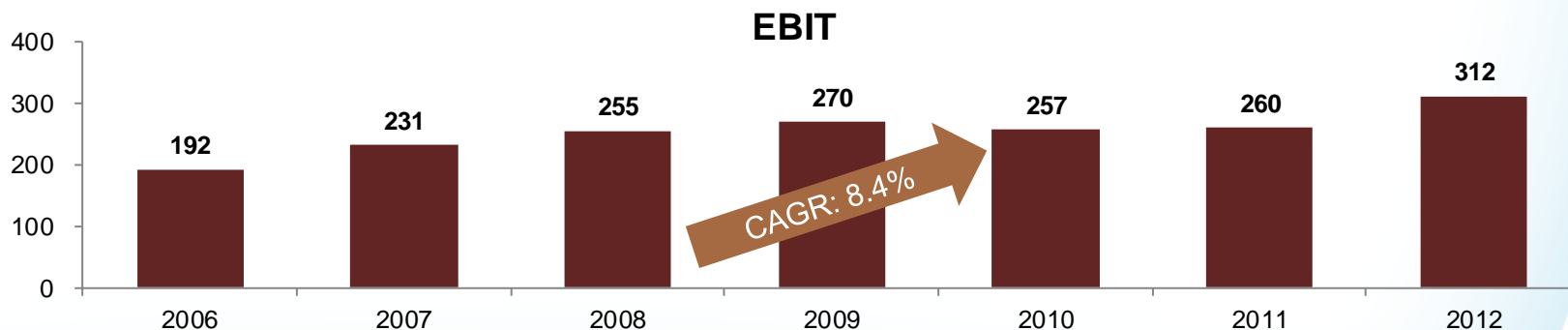
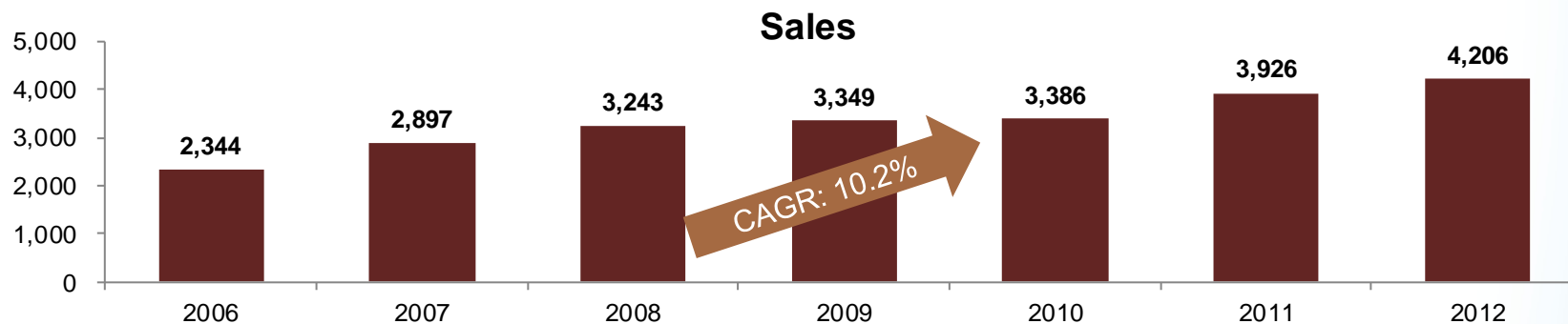


Driving investments in brands

Source: Company's public filings.
Figures represent SCBV 50% share in 3C JV.

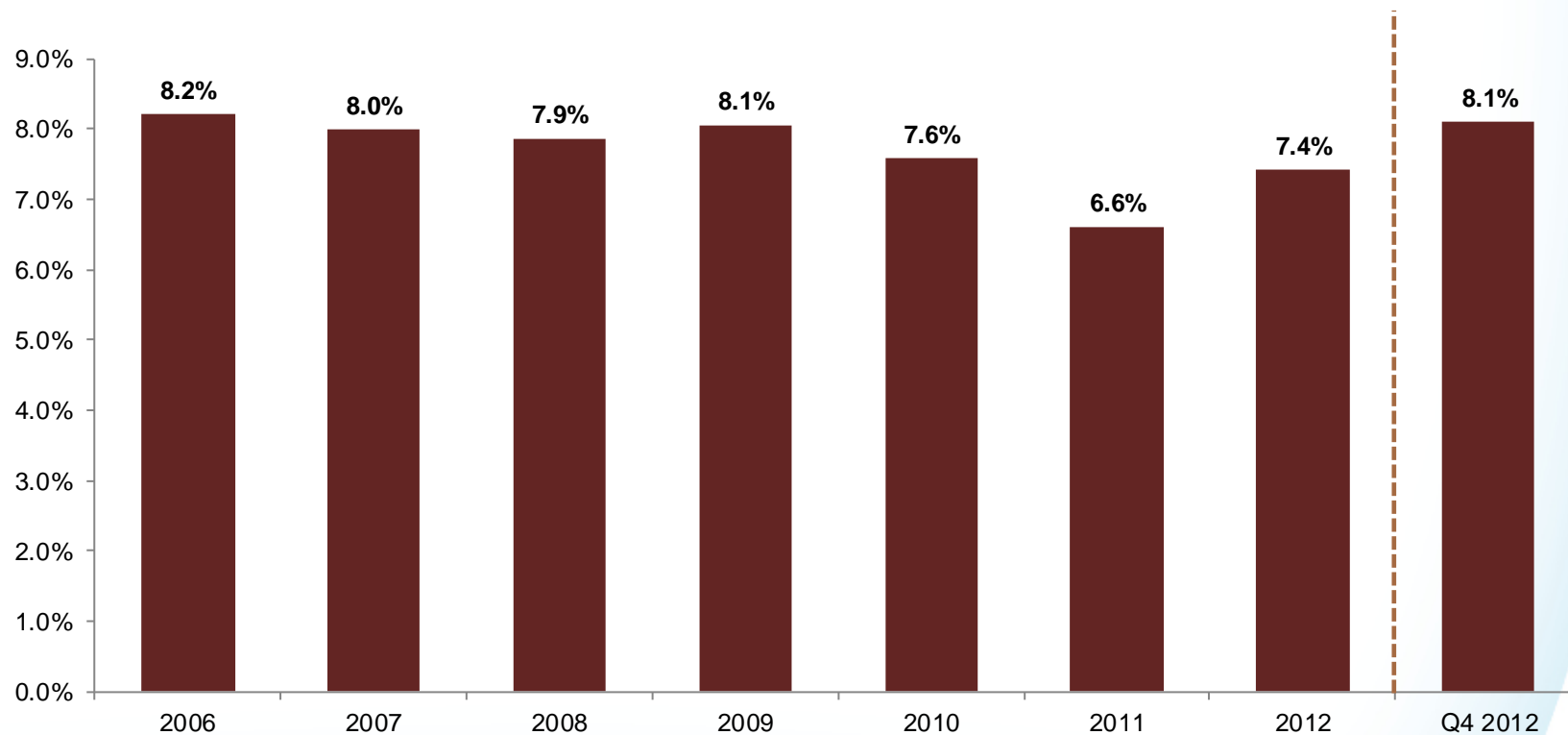
Development of SCBV sales and EBIT

(NIS mm)



Strong, consistent growth

Development of SCBV EBIT margins



Margin recovery



3 corações

Brazil: Tres Coracoes

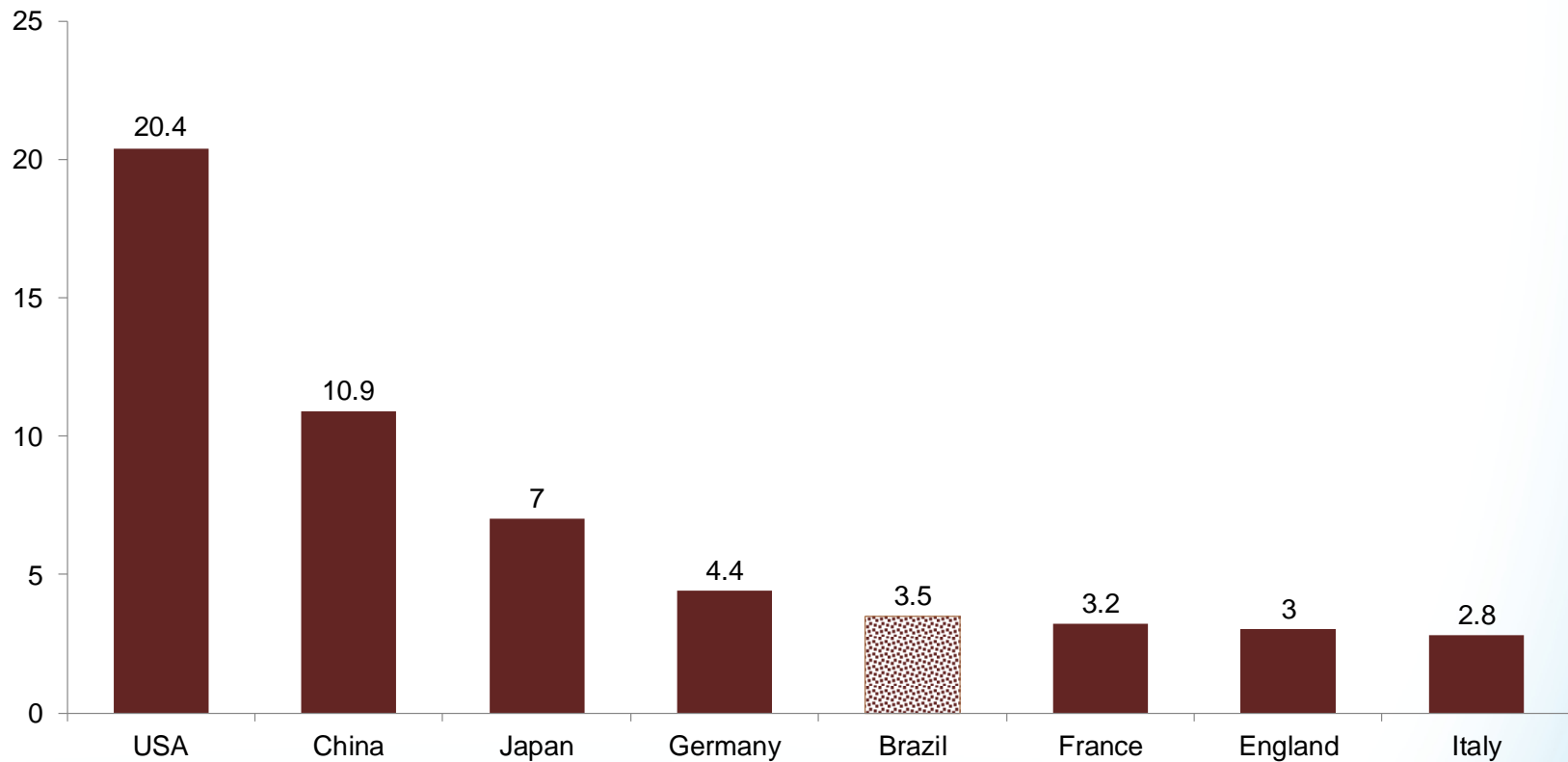
3C organizational structure



Strong local partner and experienced management team

Top eight projected consumer markets by 2020

Real, Trillion / year

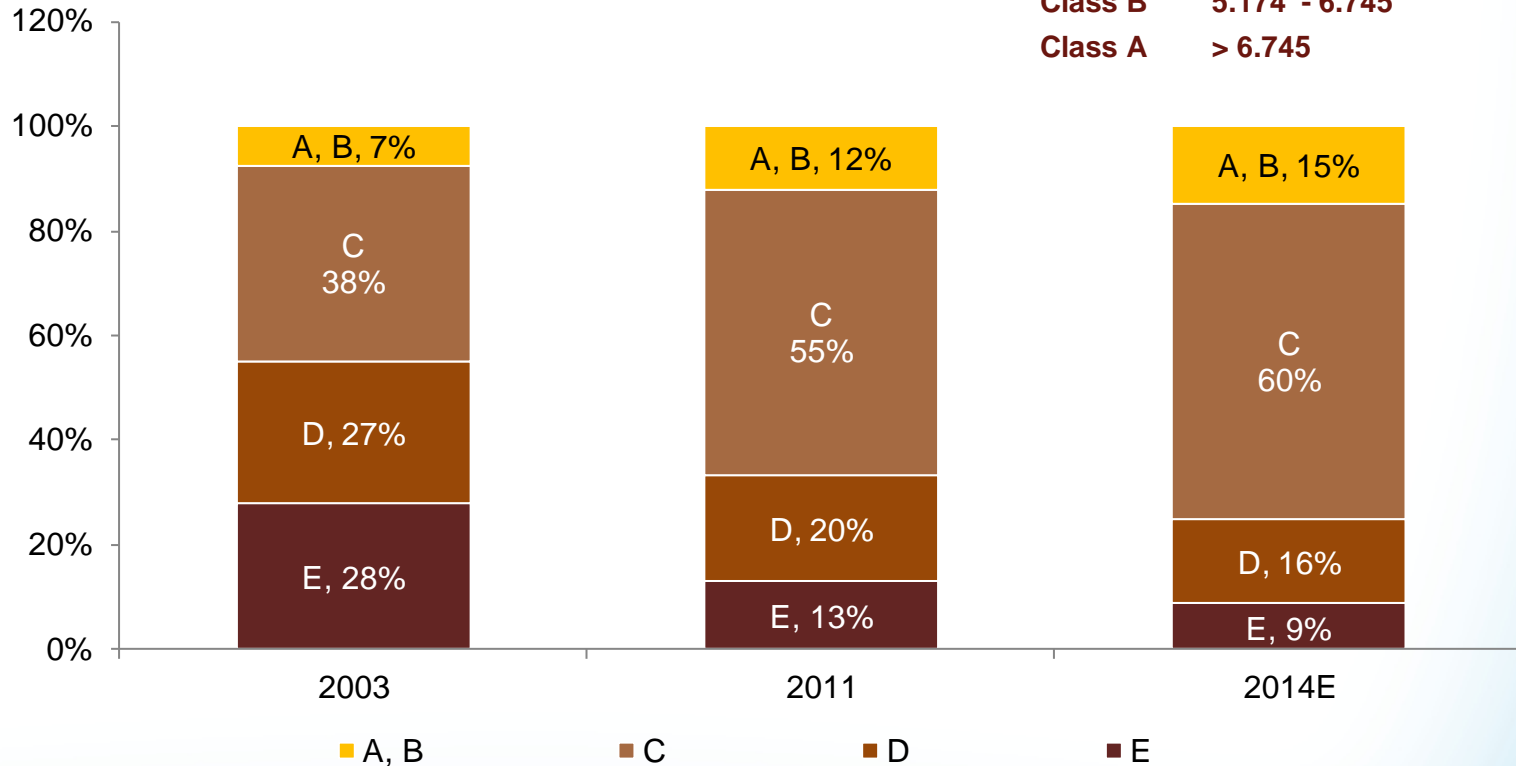


Brazil is expected to become the fifth largest consumer market by 2020

Evolution of Brazil's classes, by per capita income

Per capita income (Real)

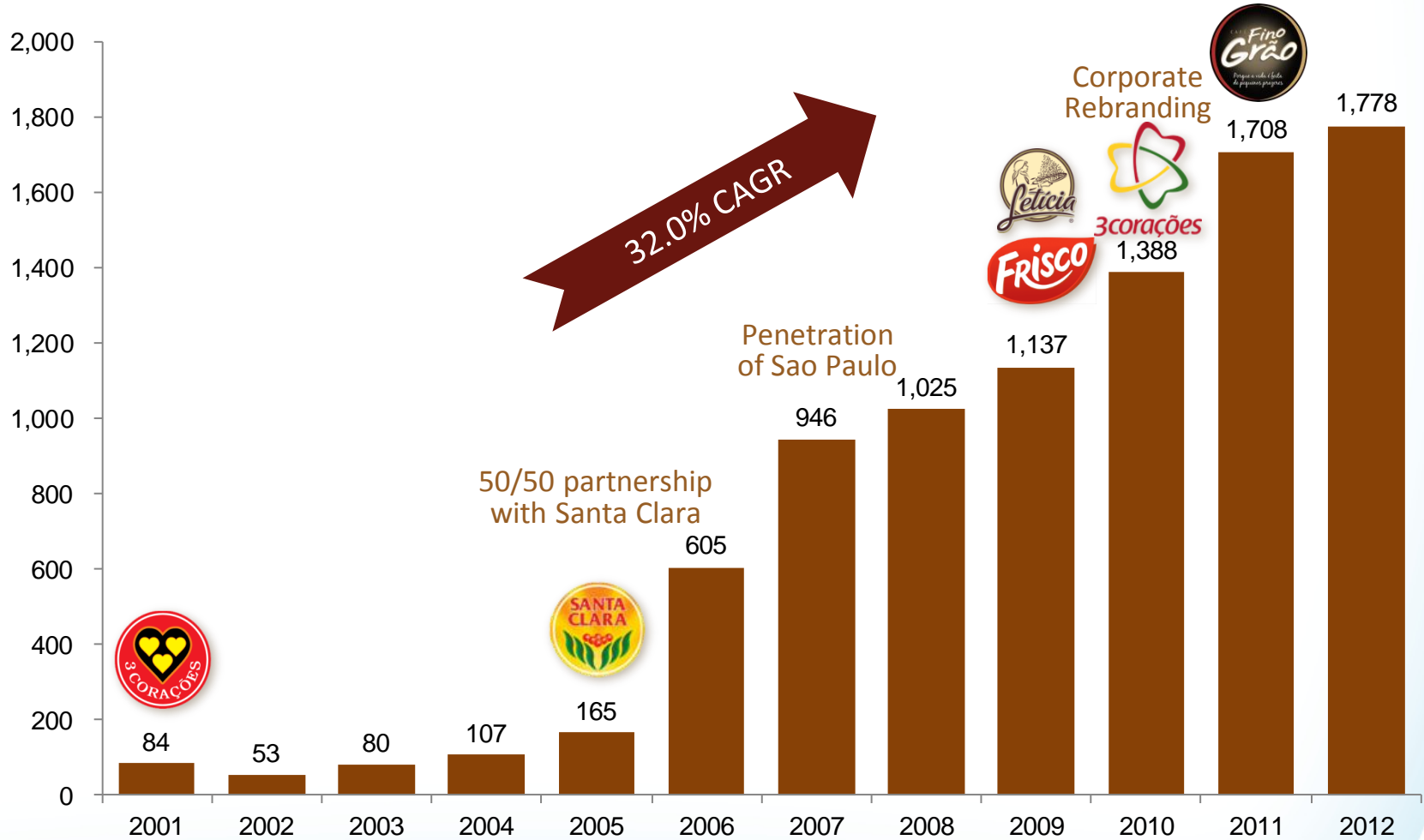
Class E	0 - 751
Class D	751 - 1.200
Class C	1.200 - 5.174
Class B	5.174 - 6.745
Class A	> 6.745



Brazil's middle class is continuing to emerge

Tres Coracoes – Sales

50% as consolidated by Strauss, NIS mm

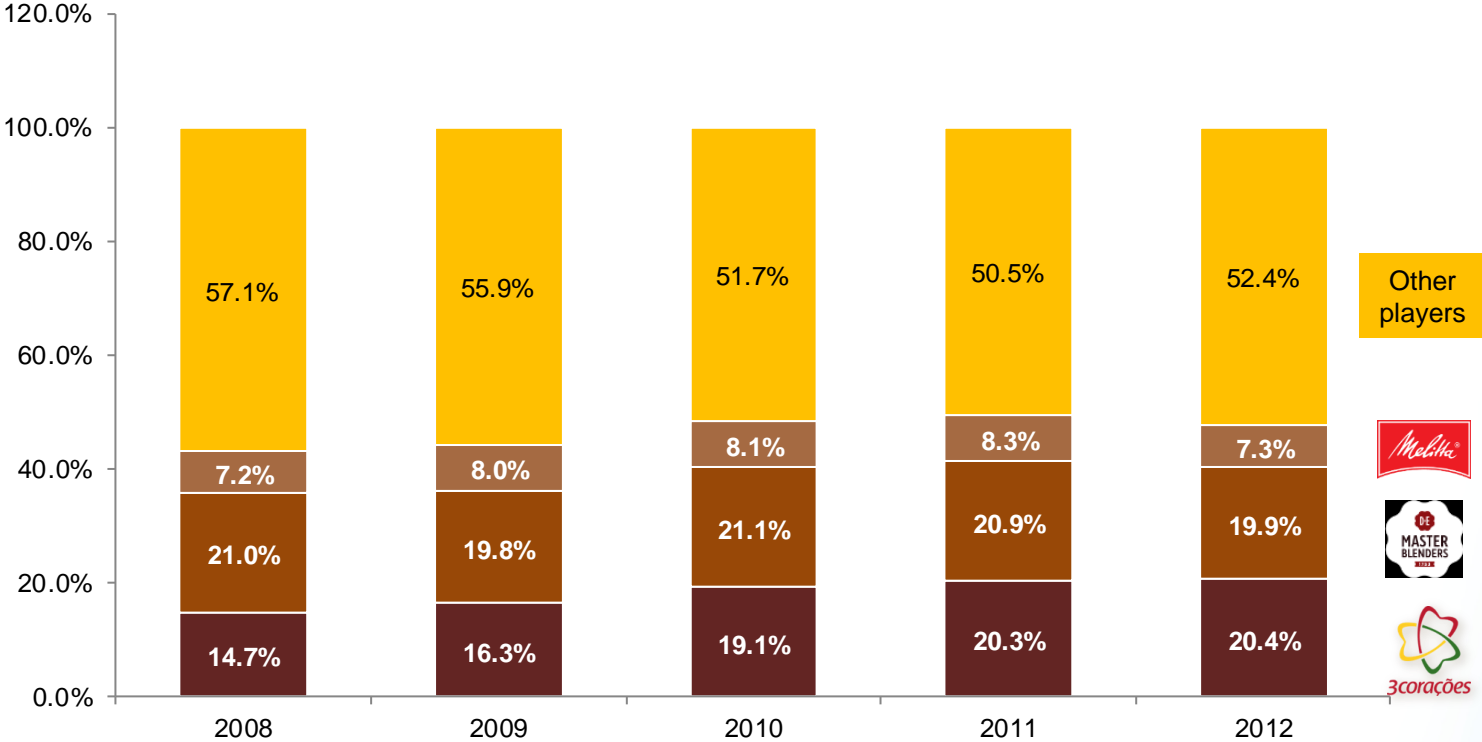


Brazil entry

Strong growth

Source: Company's public fillings.
Starting in 2006 and thereafter, figures represent SCBV 50% share in 3C JV.

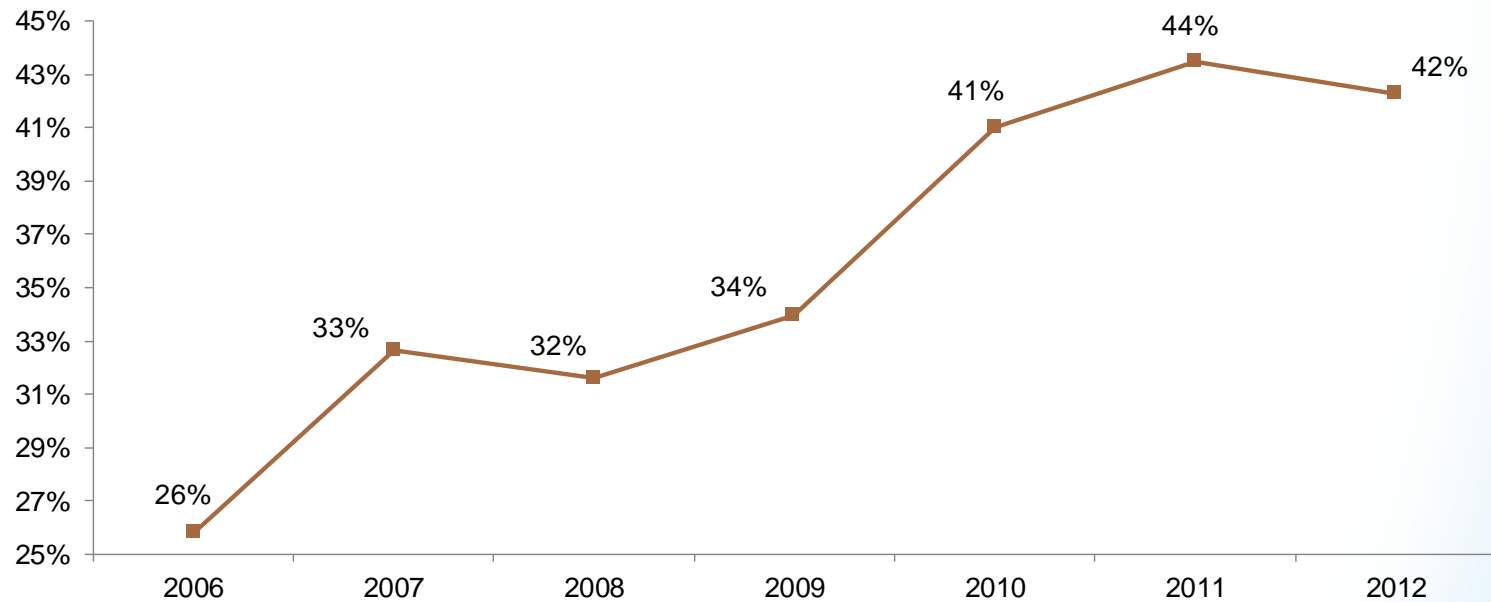
Brazil R&G volume market share



Market still fragmented

Source: Nielsen 2012

Evolution of Tres Coracoes percentage of SCBV coffee sales ⁽¹⁾

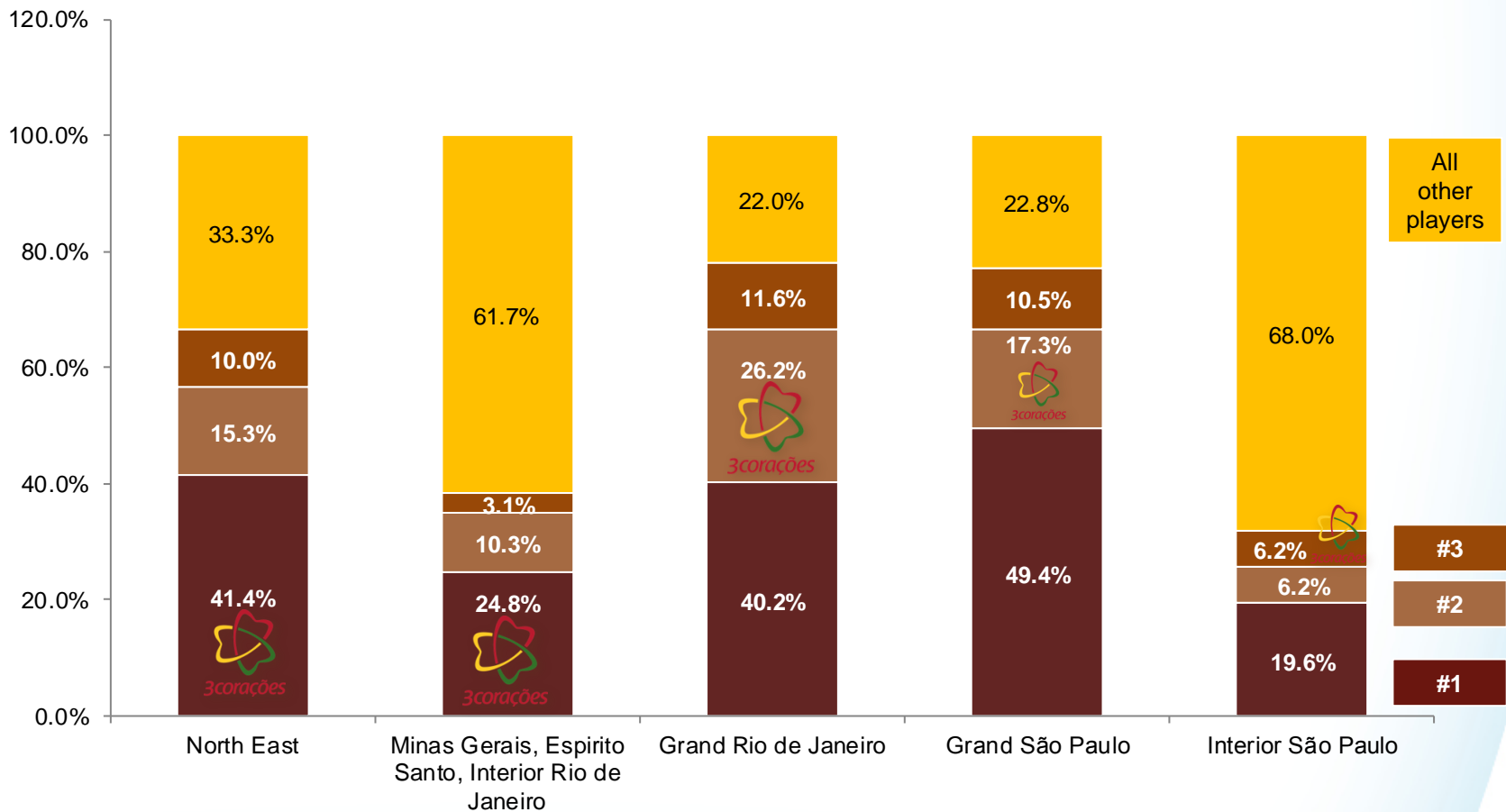


Increasing contribution to SCBV sales

Source: Strauss Group public filings.

(1) 3C 50% share as consolidated by Strauss Group / Coffee sales (inc. SCBV 50% share in 3C JV).

2012 Top three players volume market share, by major regions in Brazil (1)



Good leadership positions, still potential for growth

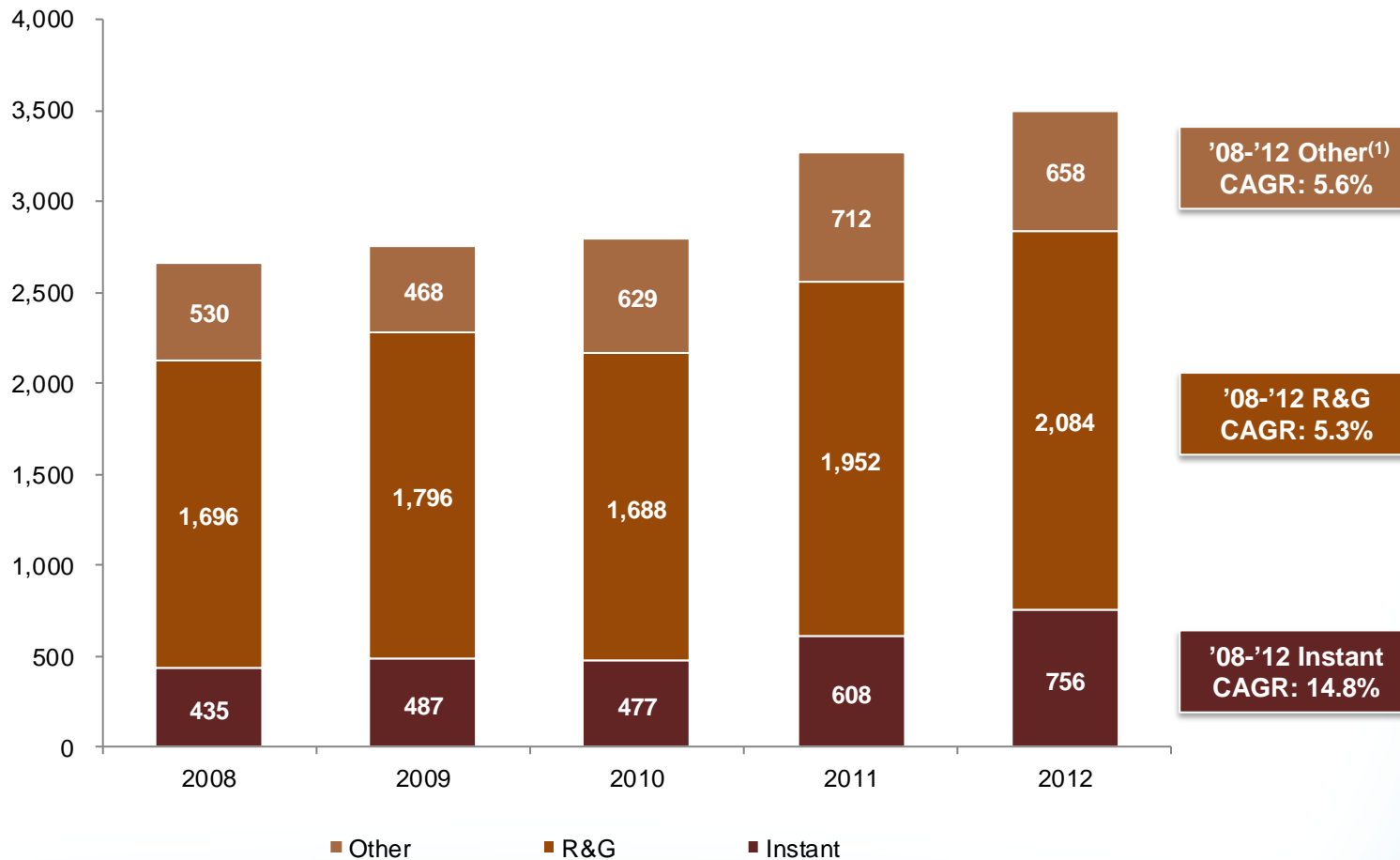
Source: Nielson 2012.

Excluding the following regions: Sul (3C market share: 8.9%; #3); Central West (3C market share: 8.2%; #3); North (3C market share: 38.1%, #1).

CIS (Russia and Ukraine)

International coffee sales split

NIS mm



Instant is SCBV fastest growing category

Source: Strauss Group public filings.

Note: Figures represent SCBV 50% share in 3C JV

(1) Other includes primarily green coffee, drink powder (Frsico), and corn and corn products.

Strauss CIS – Sales

NIS mm



Strong track record of organic growth and acquisitions

Brand portfolio

Coffee brands



Non-coffee categories



Differentiated and distinctive brands

Operating platform enhancement

Enhanced R&G production capabilities

Strunino

- R&G plant built in 2012
- Instant packing

Dedicated freeze dried facility

NDKW

- Built in 2009, located in Uphl, Germany, 100 km east of Hamburg, with ~120 full time employees
- Plant continues to meet productivity targets
- Reduction of freeze dried material cost of sales



Strong platform to drive unit cost reduction

Israel

Single Portion - Israel

- Launched Single Portion capsules in Israel in December 2012
- Taste adapted to the preferences of the Israeli consumer profile
- Distributed by selected chains in the organized market and selected POS in Café Elite



Q&A