



Strauss Elite

Q1 2006 Analysts Conference

May 2006

Strauss-Elite Main Financial Highlights

Condensed results on Proforma basis, in NIS million

	Q1.2005 M' NIS		Q1.2006 M' NIS
Net Sales	954	➔	1,257
			31.8%
Gross Margins	41.8%	➔	37.6%
			-4.1%
EBIT	96	➔	111
	10.1%		15.1%
			8.8%
Net Income	52	➔	62
			19.5%
EBIDTA	135	➔	151
	14.1%		12.0%
Cash Flow from Operations	-35	➔	36
Working Capital/Net Sales	16.6%	➔	15.4%
ROE	19.4%	➔	20.6%



Main Events & Achievements

Main Events:

- **Assimilation of the acquisitions consumed in 2005.**
- **Implementation of a new set of accounting rules under Israeli GAAP (PPA - goodwill, options).**
- **Preparations for a potential UK (LSE) IPO, including conversion of 3 years financial statements from Israeli GAAP to IFRS – will be approved by the board on June 4th, 2006 with the IFRS Q1 reports as well.**
- **Raw materials continue picking up.**

Achievements:

1. **Substantial growth in the quarter +32% overall, with almost 10% org growth in Israel (Passover) and 83% growth internationally.**



Main Events & Achievements

2. **Improvement in the cost structure ratios. Although gross margins Lost 4.2% year to year, operating margins lost 1.3% and EBIT was 15.1% more than last year.**
3. **Fresh food sales grew 30%, Beverages 46%.**
4. **Improvement in Cash Flow from Operations.**
5. **Improvement (reduction) in Working Capital as percent of Net Sales ratio.**
6. **Successful sale of the building in Ramat-Gan for 44 M' \$.**

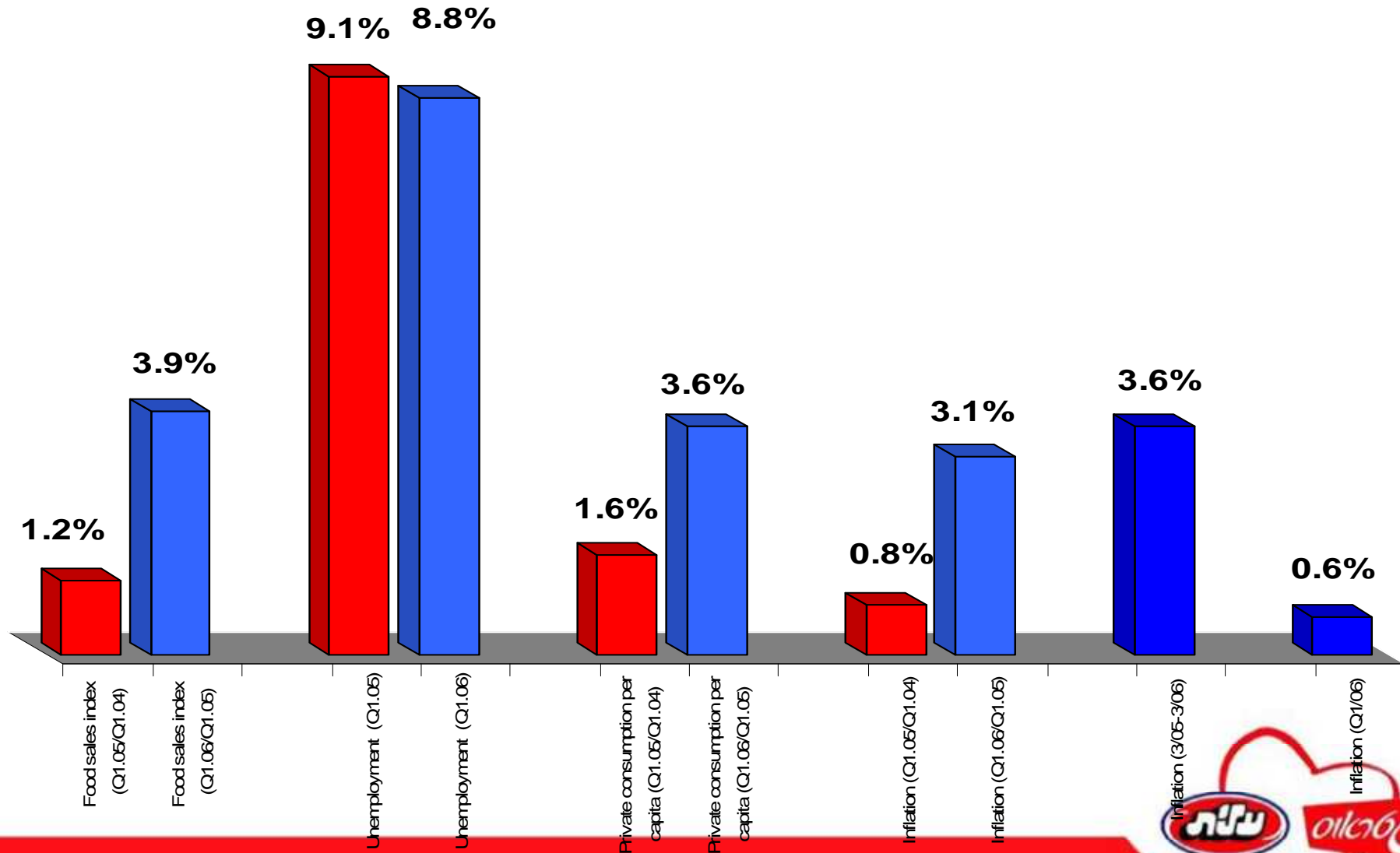


The Economic Environment



Macro Economic Indicators - Israel

2005 vs. 2006

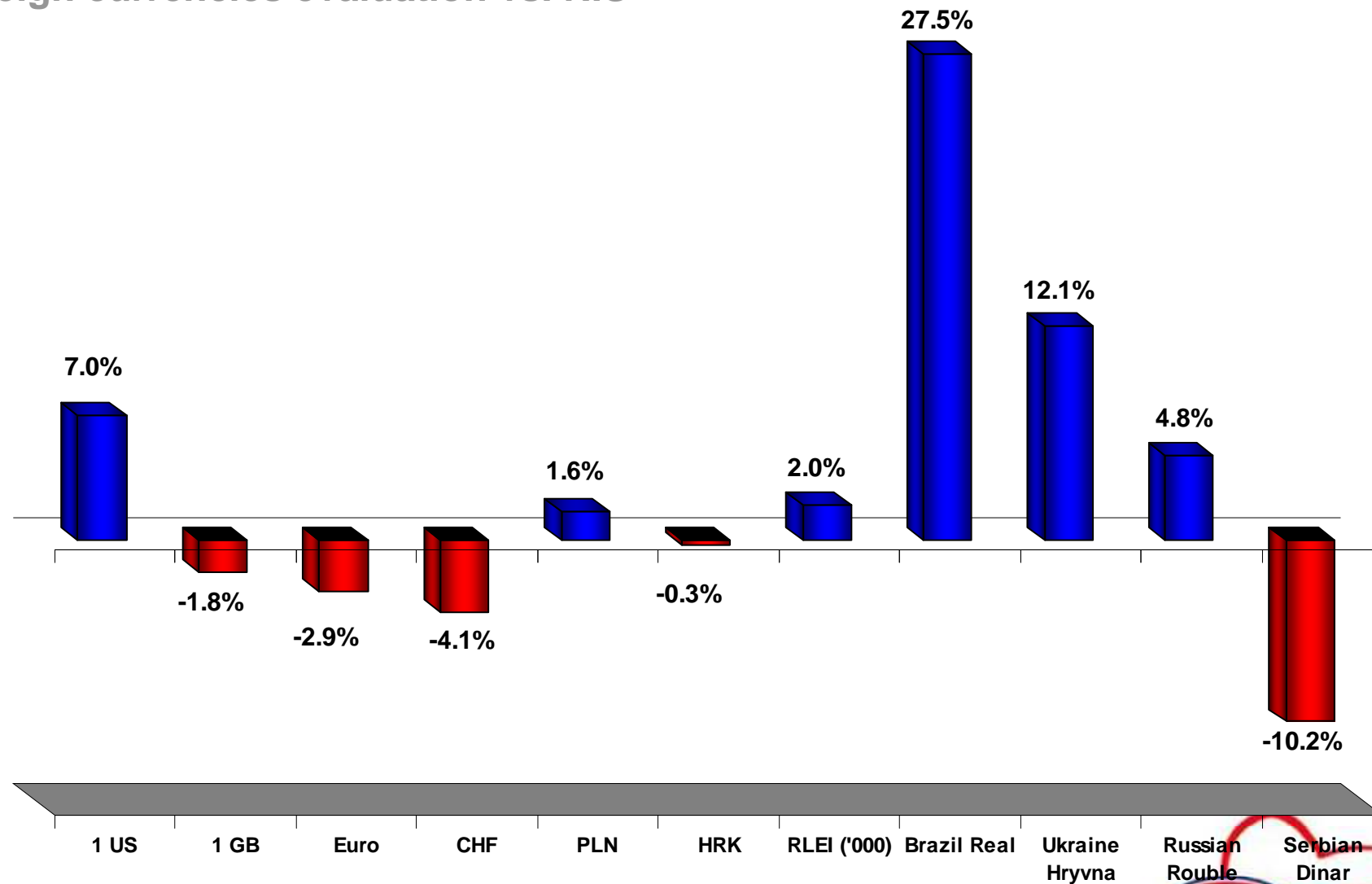


* Source: Economic models- Central Bureau of Statistics.



Changes in Average Exchange Rates Q1/06 vs. Q1/05

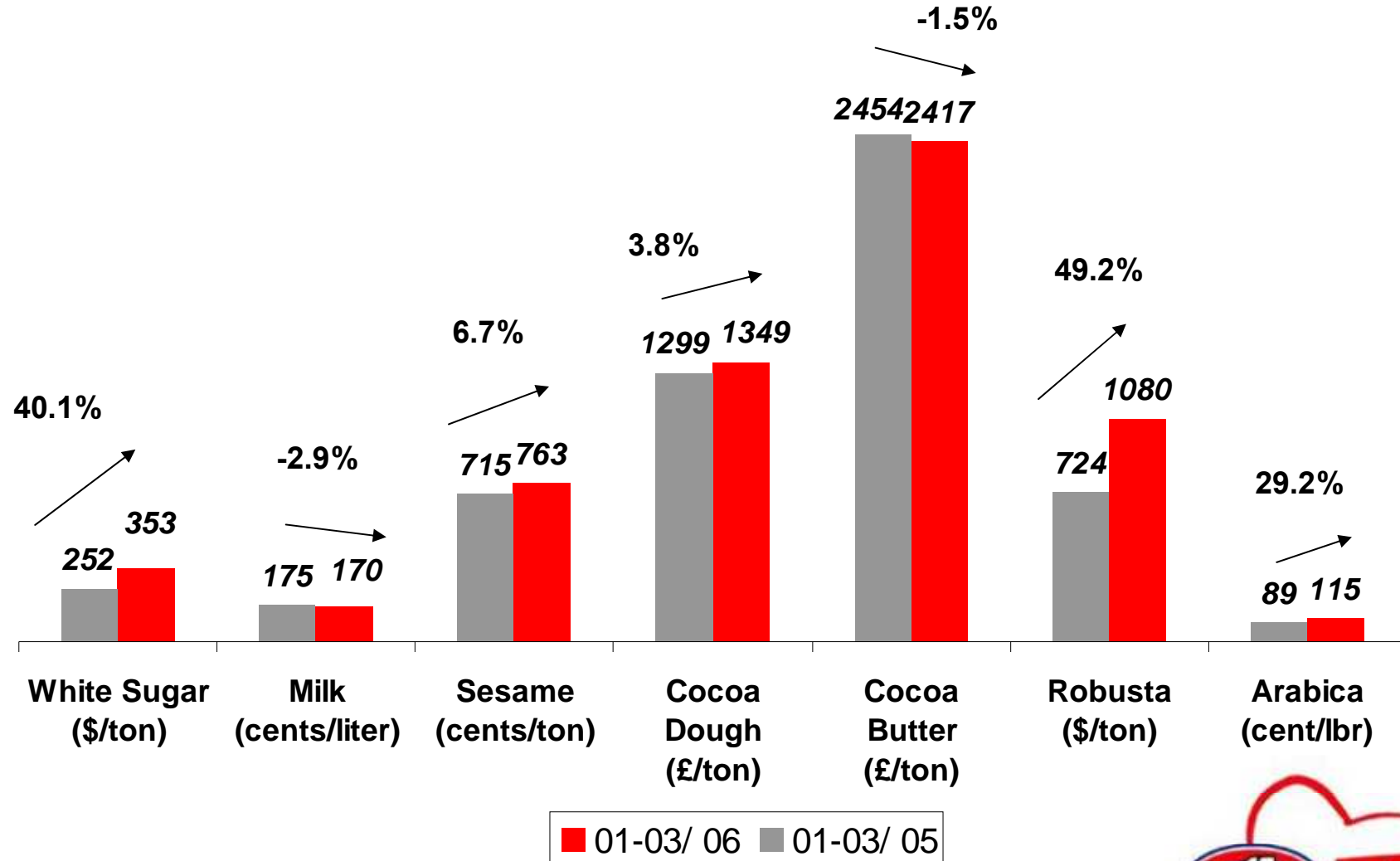
Foreign currencies evaluation vs. NIS



International currencies conversion from local to NIS contributed positively to the results



Raw Materials & Inputs*



• COGS prices.

Financial Summary and P&L Analysis



The financial review is based on the Israeli GAAP results of Strauss-Elite Ltd

Main influences on 2006 results:

1. Cancellation of Goodwill amortization.
2. Option to employees.



Strauss Elite Ltd.

1-3/2006 Actual Results vs. 1-3/2005 in NIS '000

	ACT 06	%	ACT 05	%	DIFF	%
Net Sales	1,257,416	100.0%	954,193	100.0%	303,223	31.8%
Gross Profit	473,024	37.6%	398,413	41.8%	74,611	18.7%
Selling Expenses	179,136	14.2%	140,983	14.8%	38,153	27.1%
Marketing Expenses	110,677	8.8%	98,875	10.4%	11,802	11.9%
G&A Expenses	72,484	5.8%	62,378	6.5%	10,106	16.2%
EBIT	110,727	8.8%	96,177	10.1%	14,550	15.1%
Finance Income/(Expense)	(8,947)	-0.7%	(4,077)	-0.4%	(4,870)	119.5%
Other Income/(Expense)	62	0.0%	(1,164)	-0.1%	1,226	-105.3%
Pre-Tax Profit/(Loss)	101,842	8.1%	90,936	9.5%	10,906	12.0%
Taxes On Income*	30,410	29.9%	31,319	34.4%	(909)	-2.9%
Profit (Loss) After Tax	71,432	5.7%	59,617	6.2%	11,815	19.8%
Minority Share	(10,224)	-0.8%	(7,707)	-0.8%	(2,517)	32.7%
Equity Profits	1,213	0.1%	1,003	0.1%	210	20.9%
Net Income	62,421	5.0%	52,913	5.5%	9,508	18.0%
Accumulated effect at the beginning of the year due to accounting policy change		0.0%	697	0.1%	(697)	-100.0%
Net Income/(Loss)	62,421	5.0%	52,216	5.5%	10,205	19.5%

•% represents effective tax rate



Geographical Segmentation

1-3/2006 P&L Snapshot in NIS '000

Domestic Activities

	<i>ACT 06</i>	<i>ACT 05</i>	<i>DIFF</i>	<i>%</i>
Net Sales	791,639	719,255	72,384	10.1%
EBIT	87,286 <i>11.0%</i>	84,009 <i>11.7%</i>	3,277	3.9%

International Activities

	<i>ACT 06</i>	<i>ACT 05</i>	<i>DIFF</i>	<i>%</i>
Net Sales	465,777	234,938	230,839	98.3%
EBIT	23,441 <i>5.0%</i>	12,168 <i>5.2%</i>	11,273	92.6%

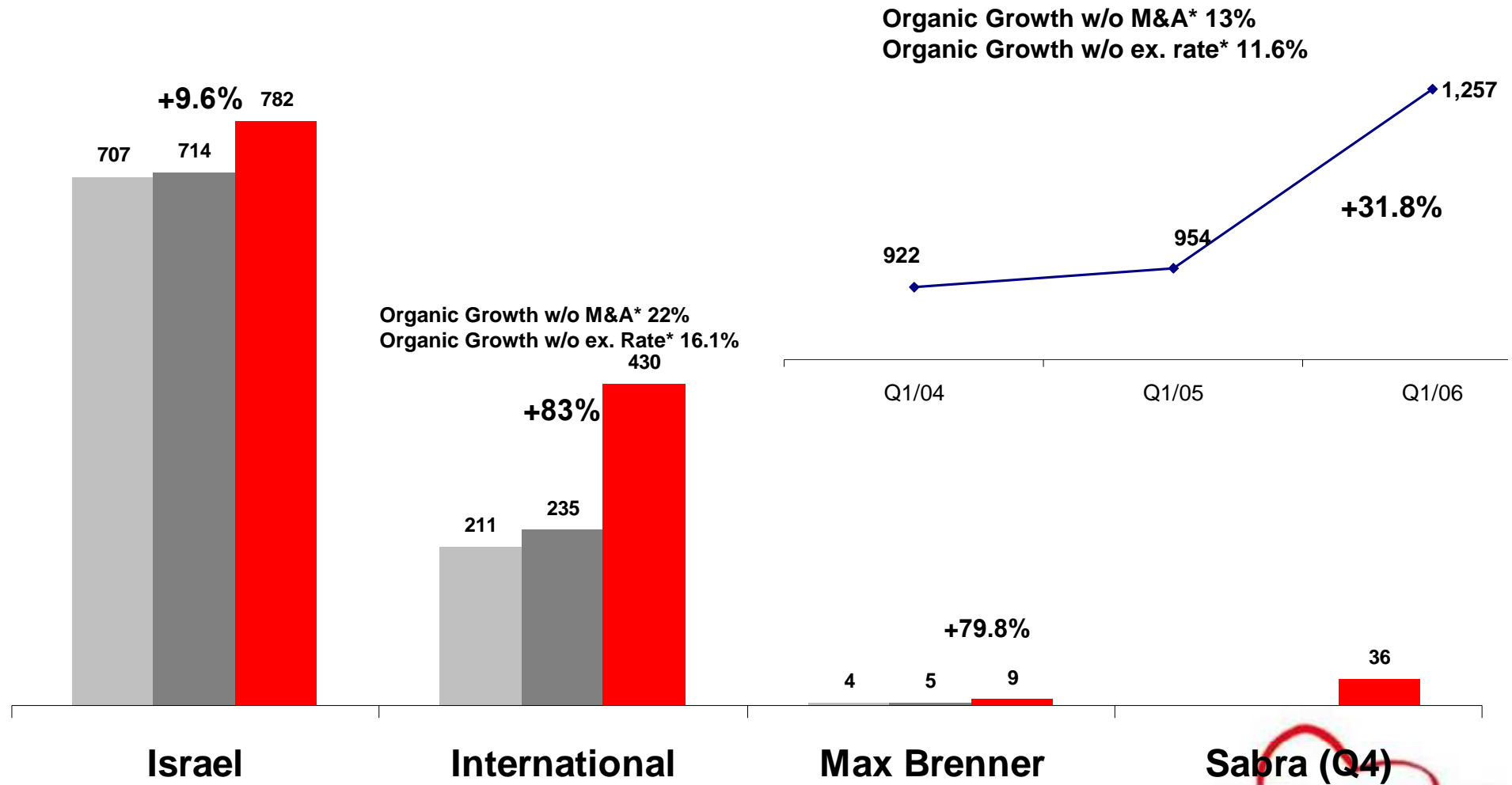


Sales Growth



Net Sales Development

1- 3 Results 2004-2006 in Million NIS



Organic Growth w/o M&A* 13%
Organic Growth w/o ex. rate* 11.6%

Organic Growth w/o M&A* 22%
Organic Growth w/o ex. Rate* 16.1%

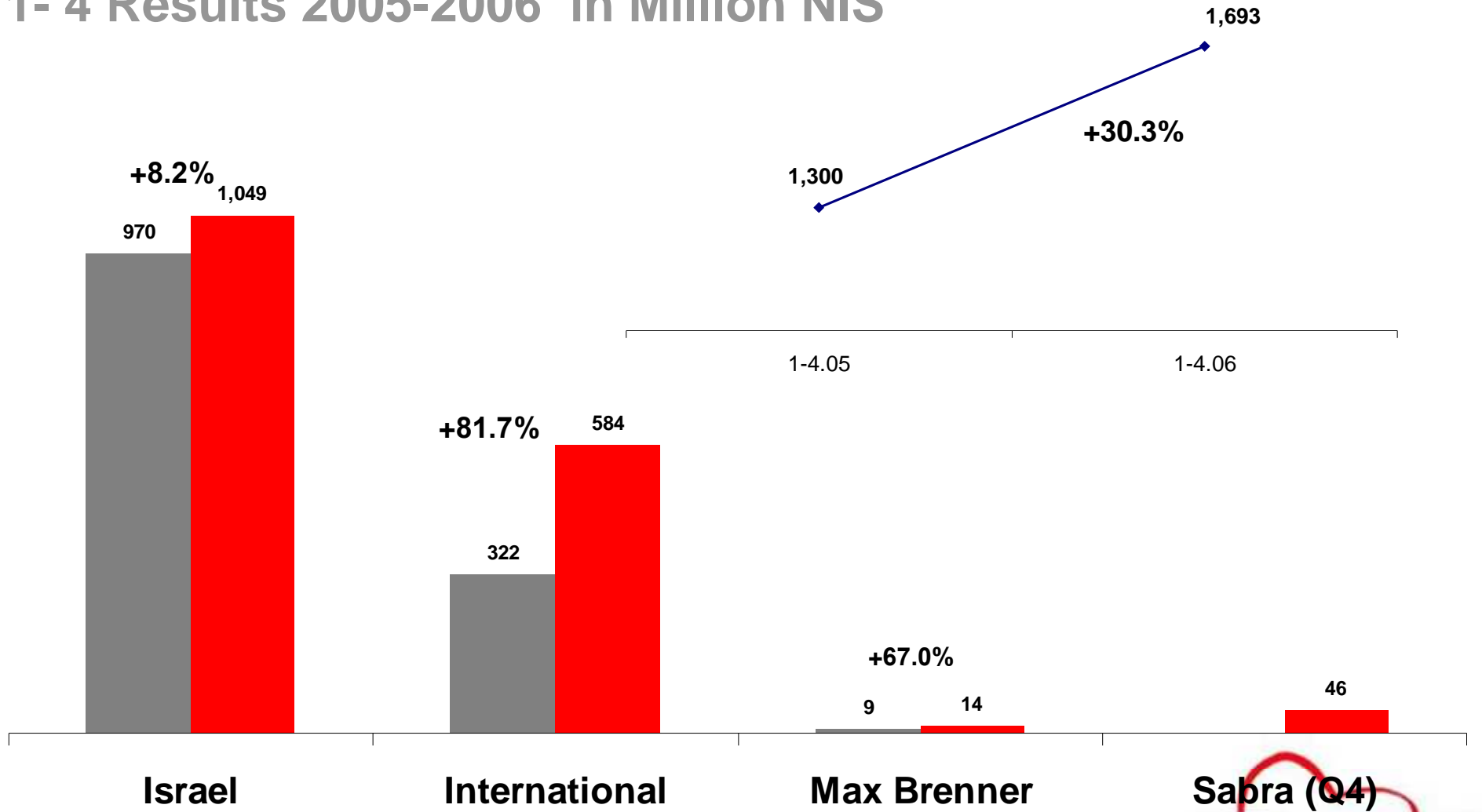


* The growth represents Q1/06 vs. Q1/05

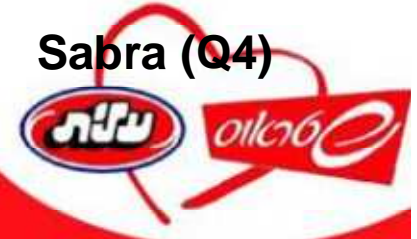
■ Q1/04 ■ Q1/05 ■ Q1/06

Net Sales Development

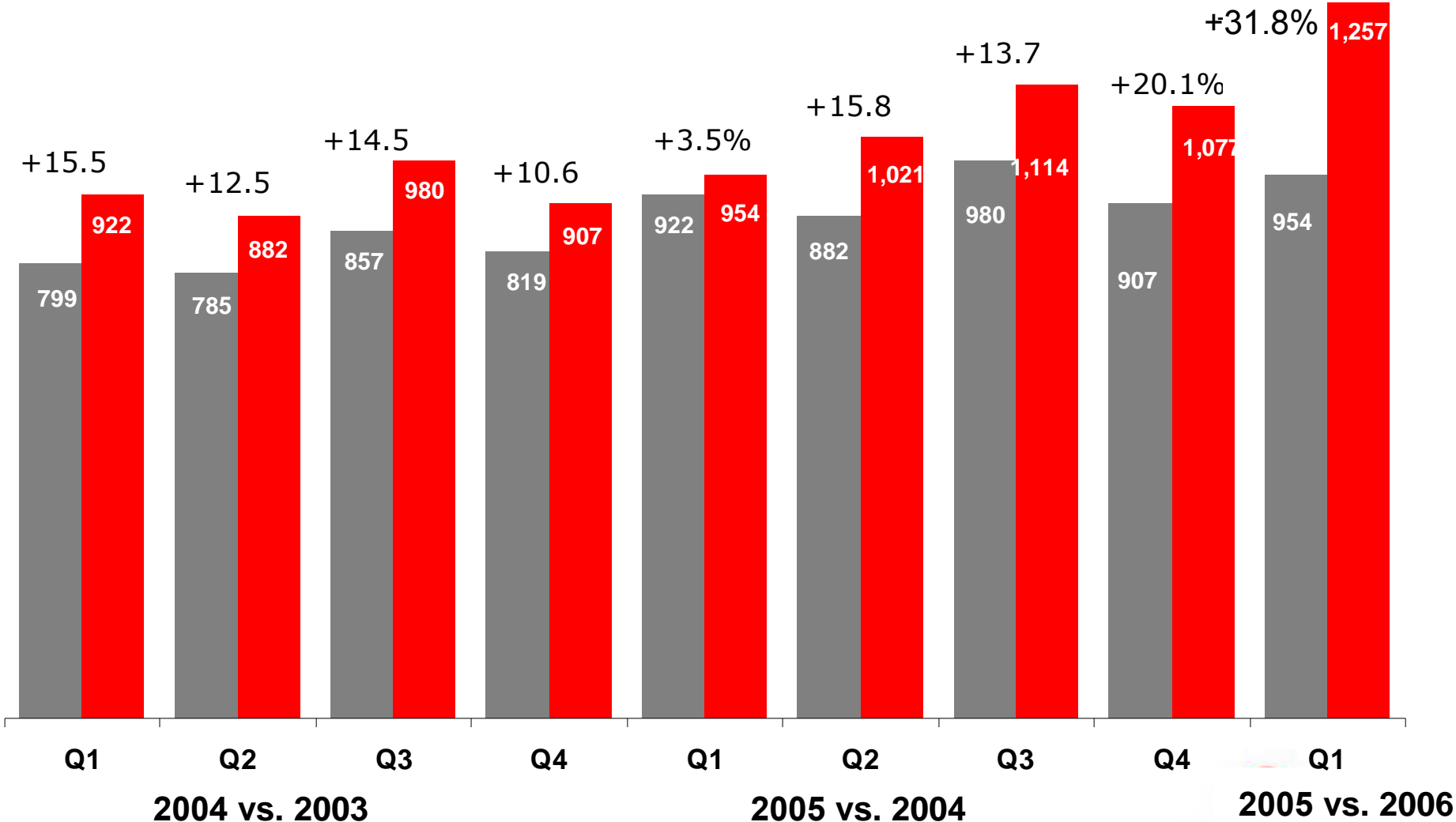
1- 4 Results 2005-2006 in Million NIS



■ 1-4.05 ■ 1-4.06



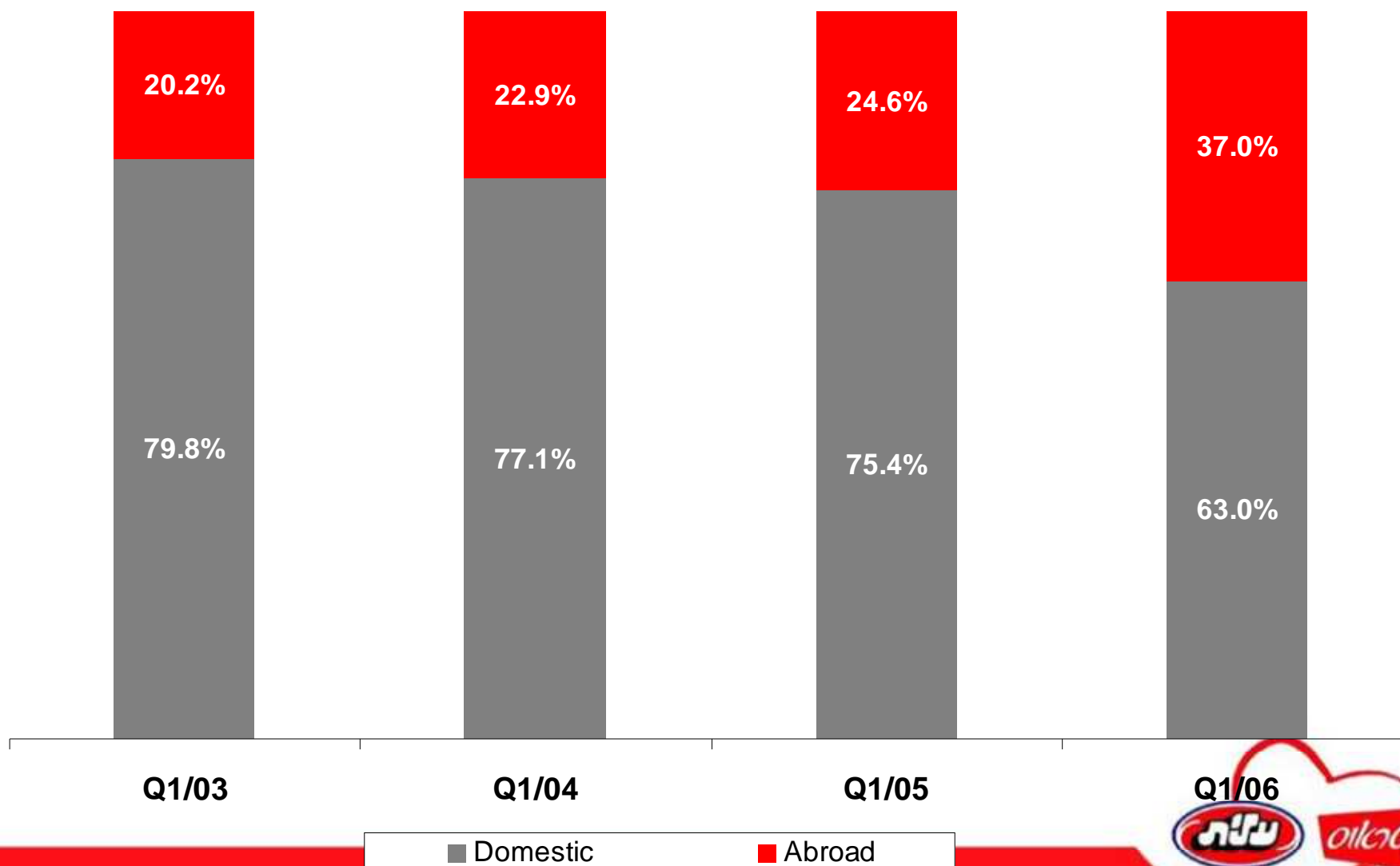
Net Sales Development – Quarterly Phasing



Excluding Fort, Excella & Turkey (Divested)

Net Sales Distribution

Q1/03-Q1/06

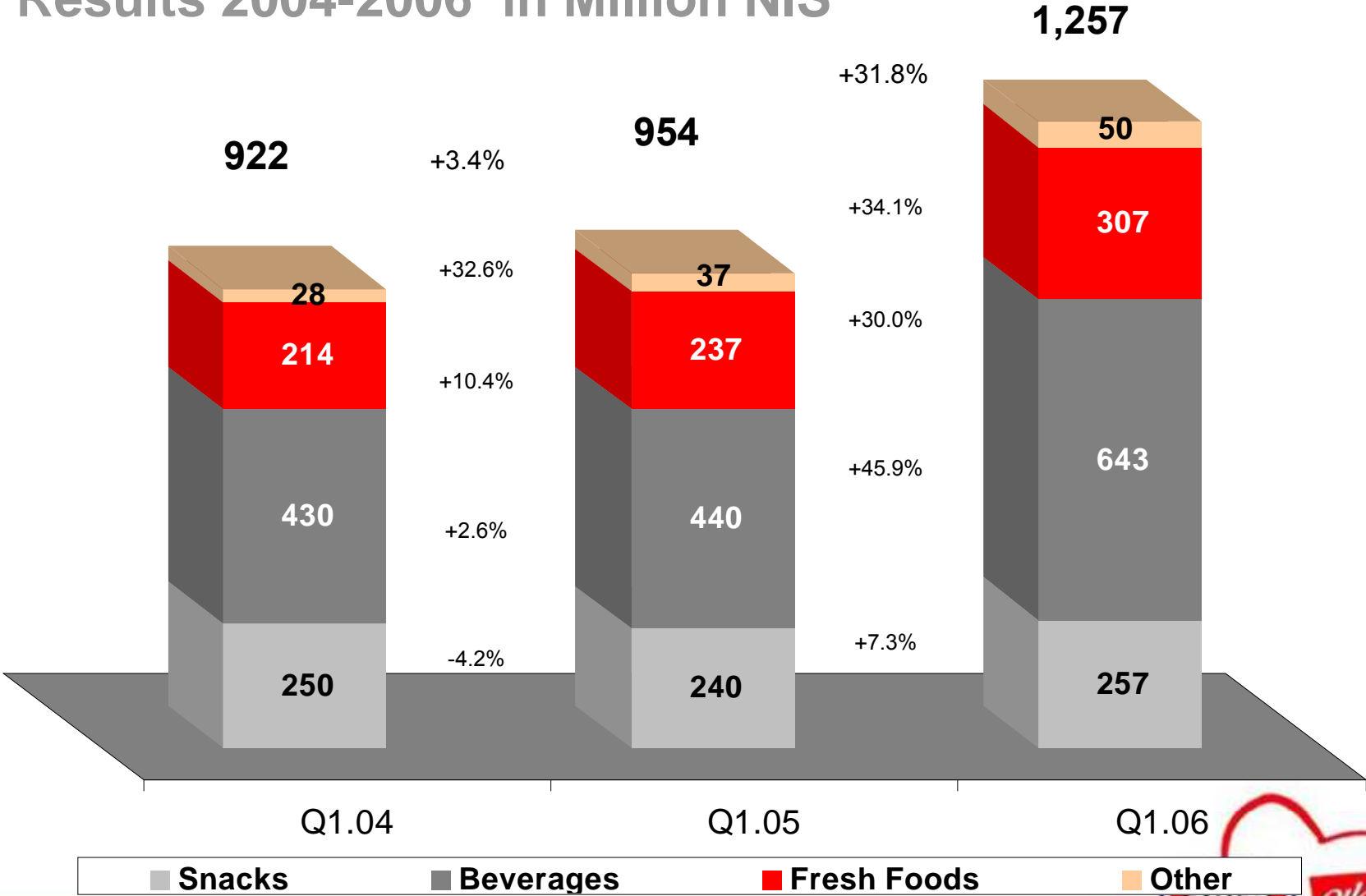


Excluding Fort, Excella & Turkey (Divested)

Analysts Conference, May 2006

Net Sales By Business Segments

1-3 Results 2004-2006 in Million NIS



Snacks
 Beverages
 Fresh Foods
 Other

Excluding Fort, Excella & Turkey (Divested)

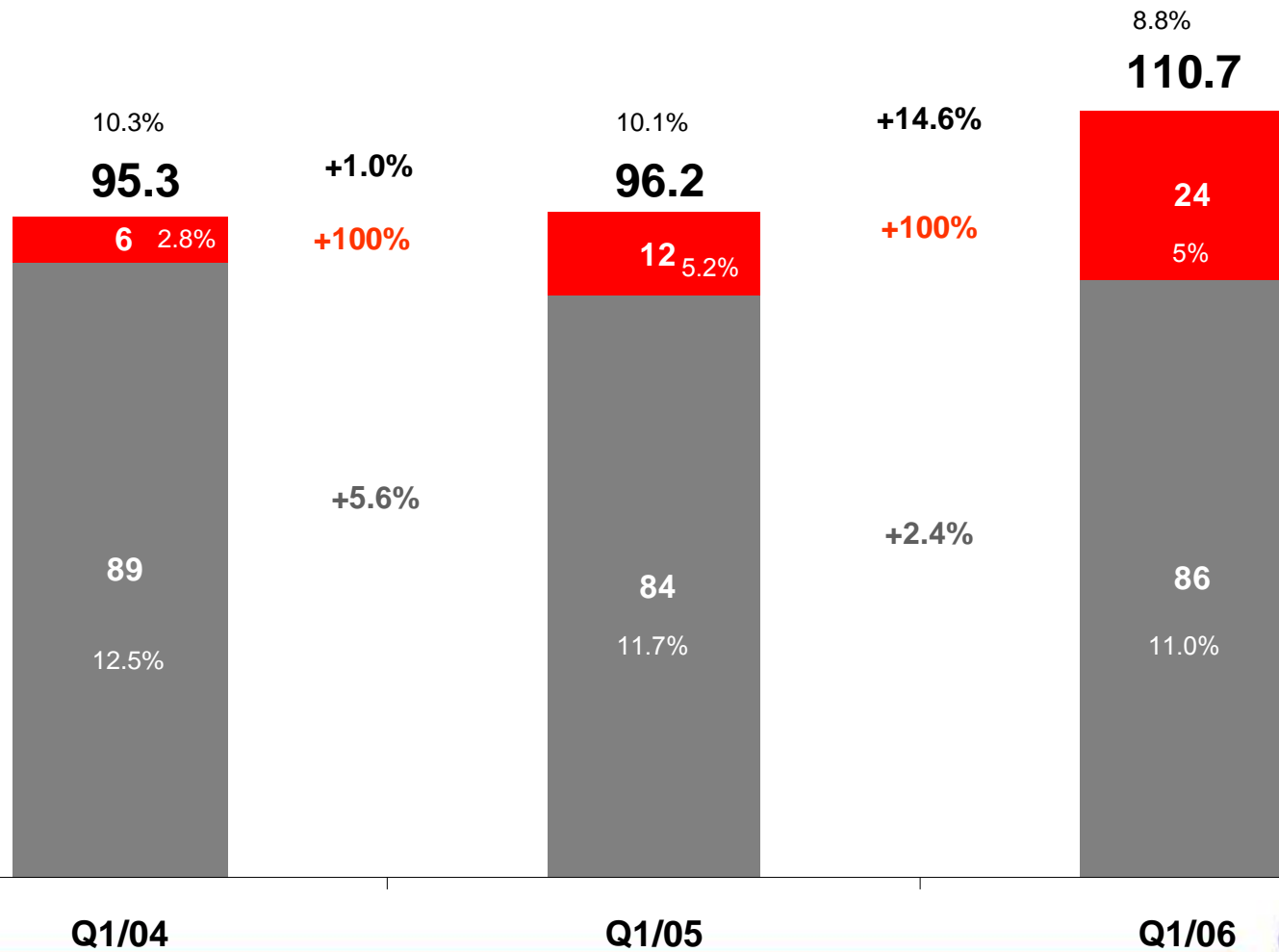


Profitability Analysis



EBIT by Geographic Segments

2004-2006 in MNIS



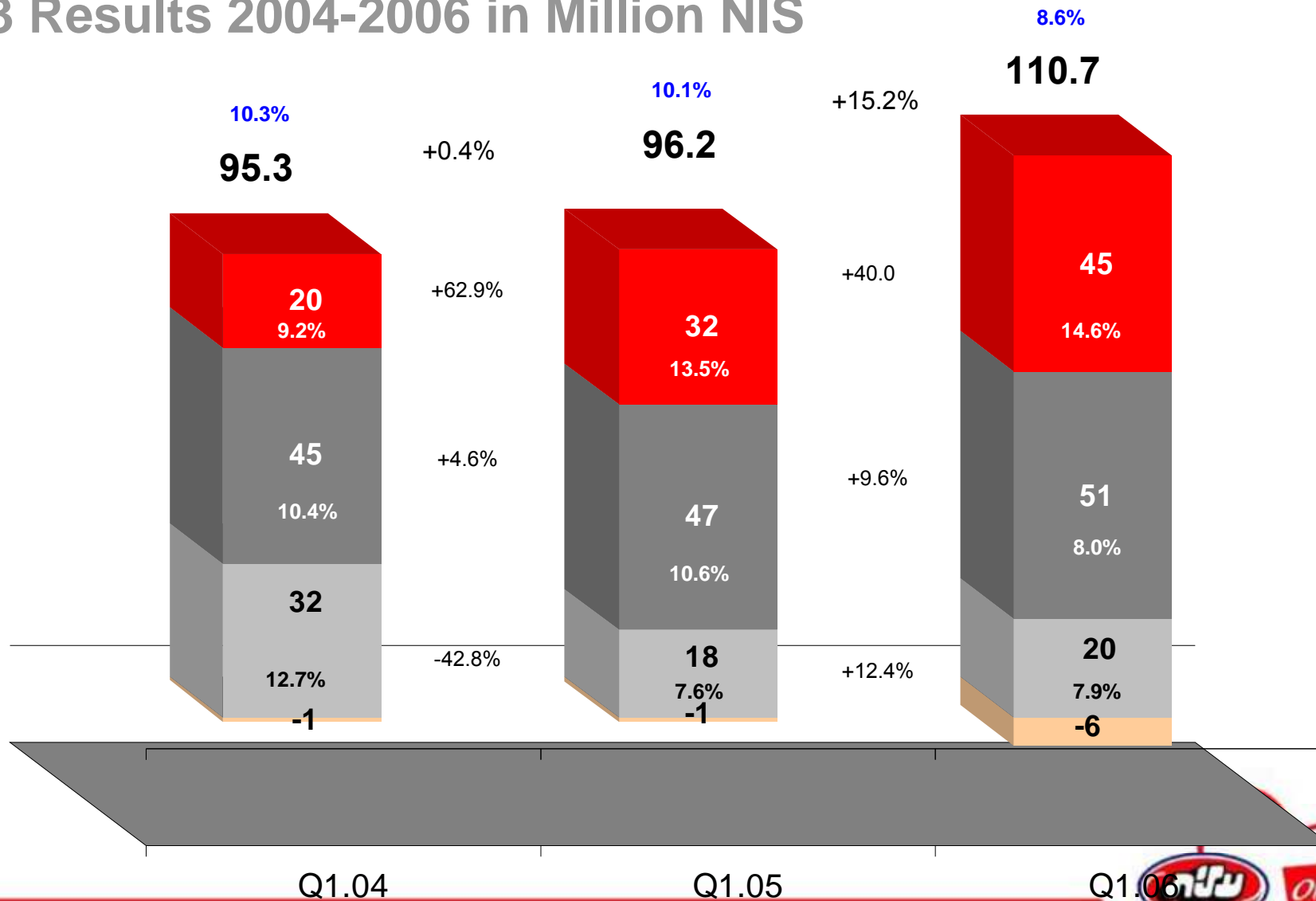
% indicates percent of Net Sales.

■ DOMESTIC ■ ABROAD

Excluding Fort, Excella & Turkey (Divested)

EBIT By Business Segments

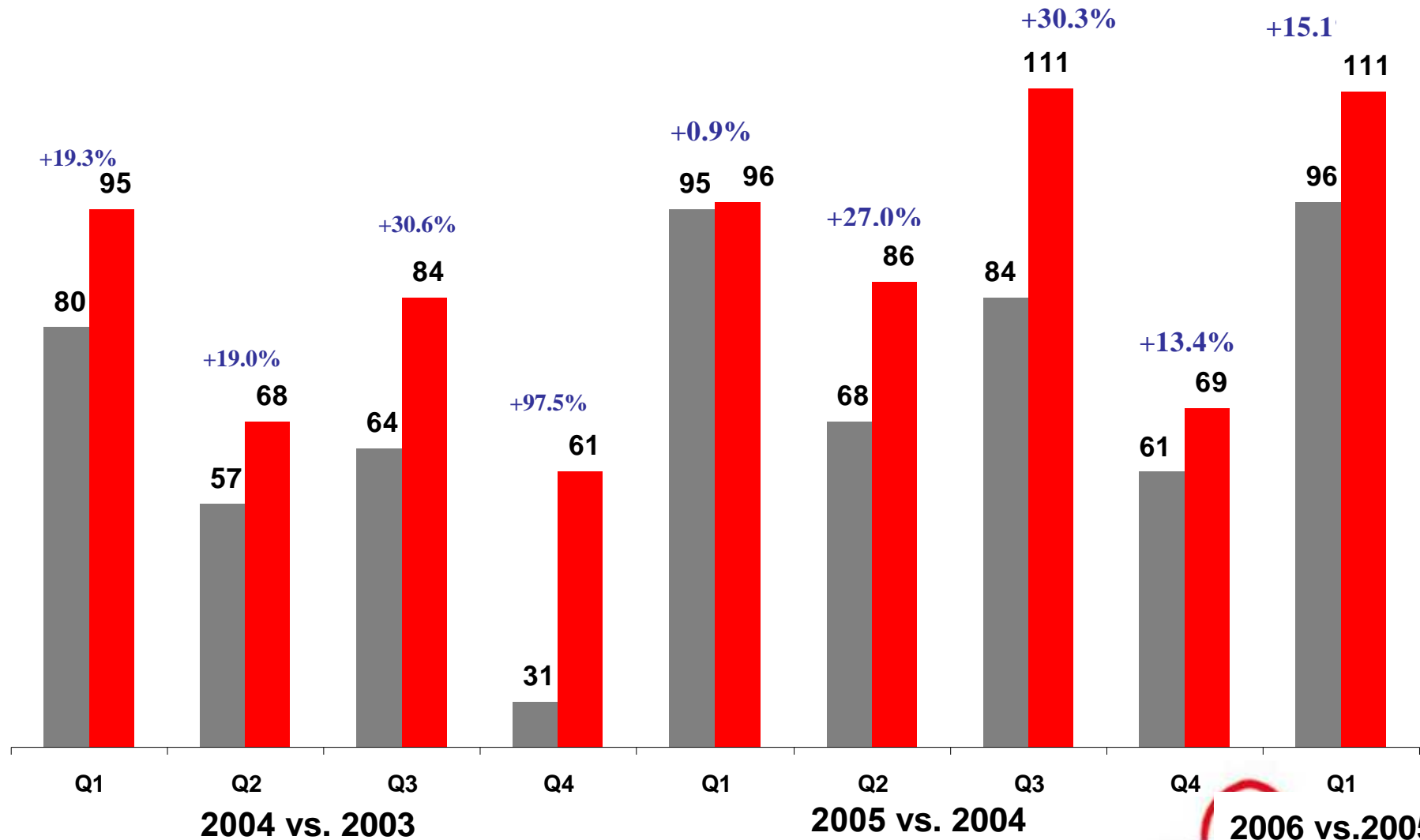
1-3 Results 2004-2006 in Million NIS



■ Snacks ■ Beverages ■ Fresh Foods ■ Other



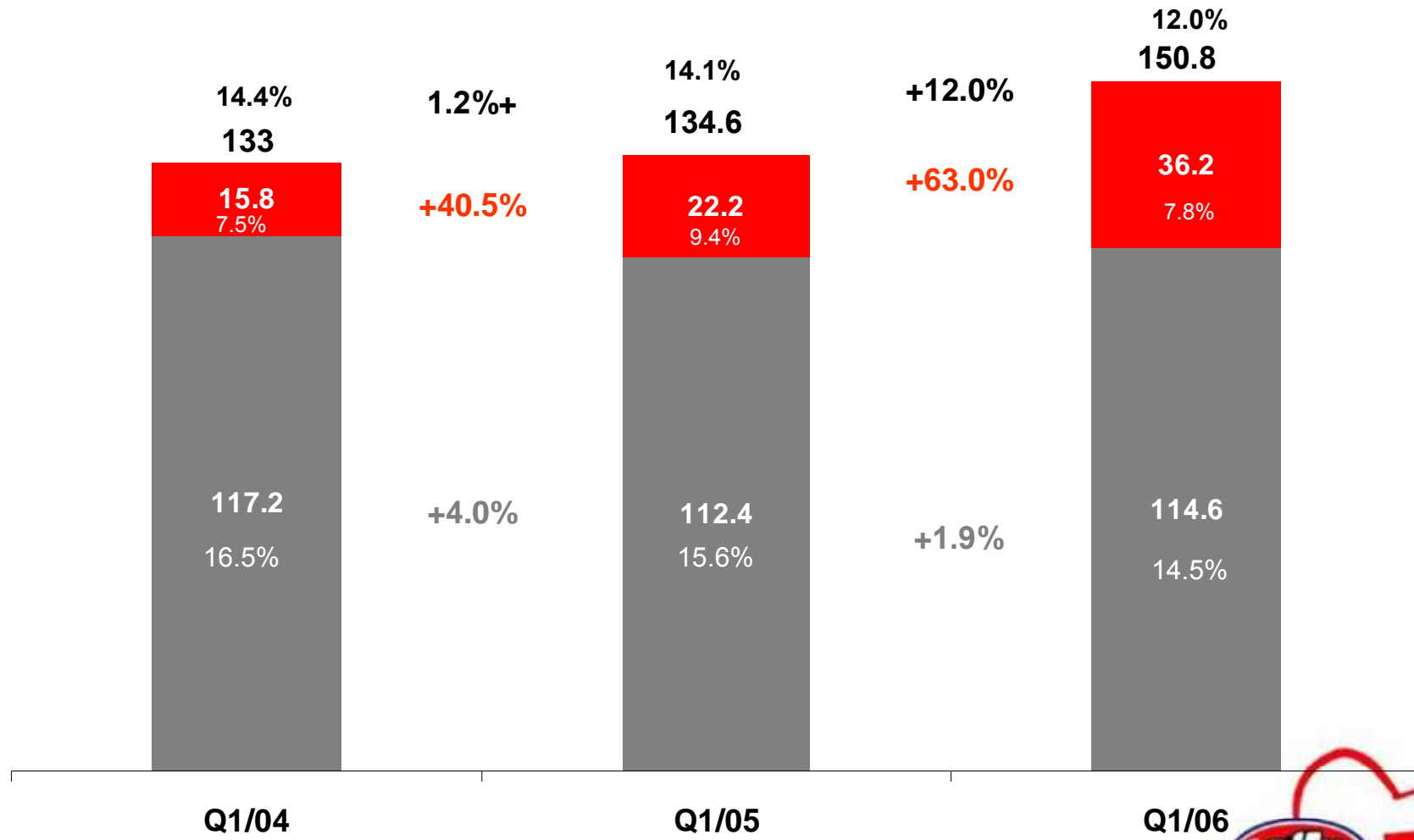
EBIT Development – Quarterly Phasing



Excluding Fort, Excella & Turkey (Divested)

EBITDA

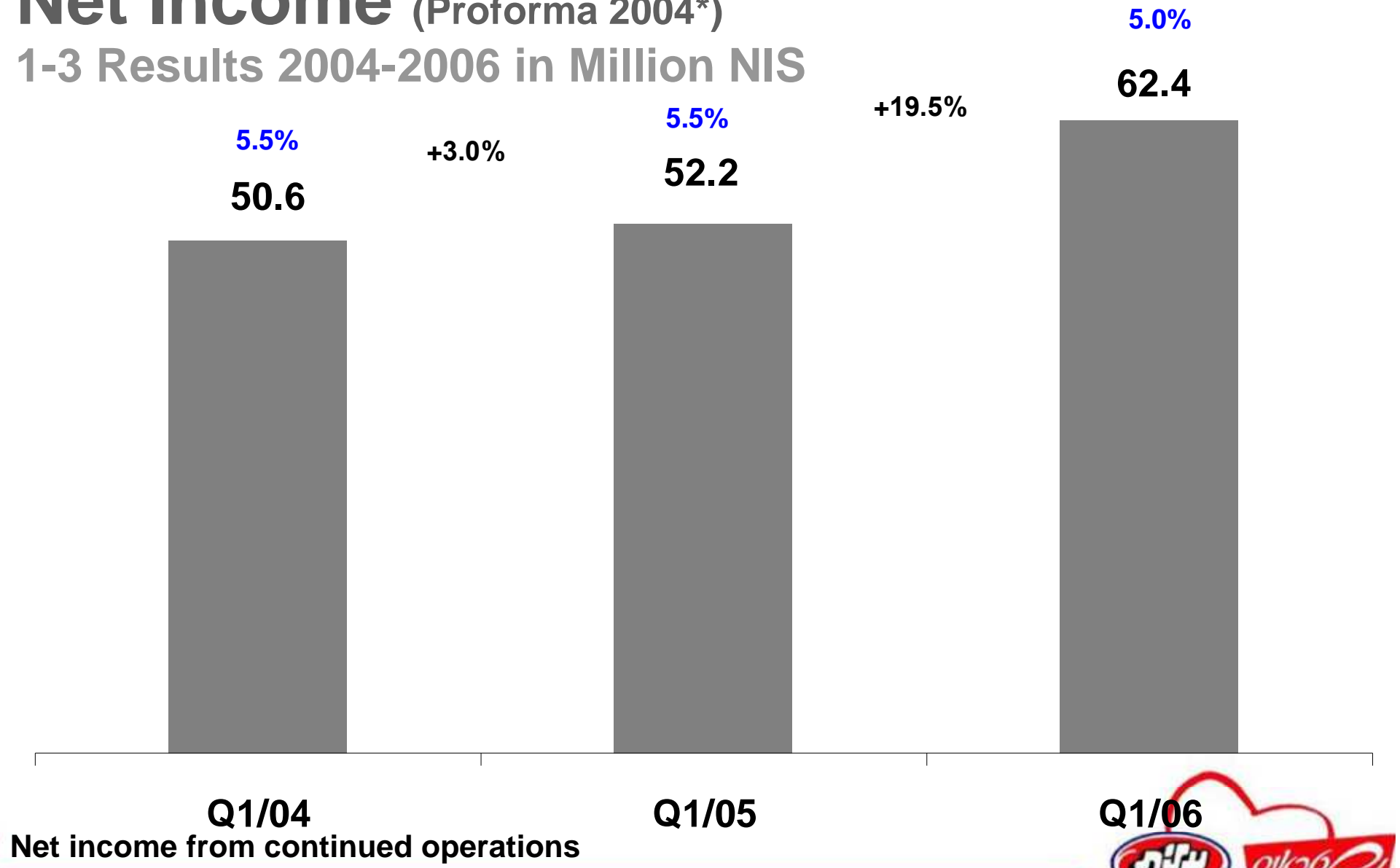
1-3 Results 2004-2006 in Million NIS



■ Domestic ■ Abroad
 % indicates percent of Net Sales.
 Excluding Fort, Excella & Turkey (Divested)

Net Income (Proforma 2004*)

1-3 Results 2004-2006 in Million NIS



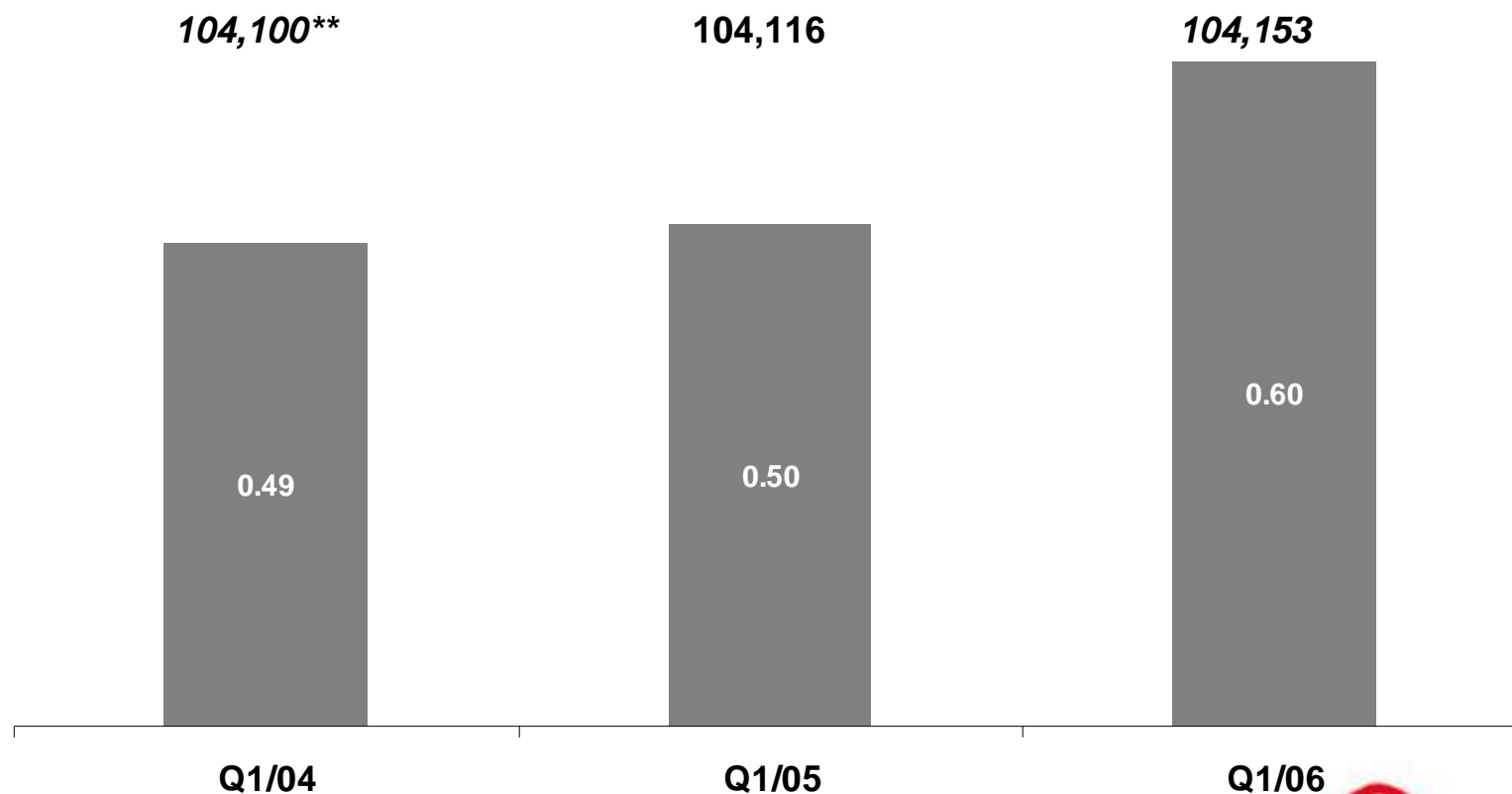
Net income from continued operations

* Q1/04 Proforma excludes discontinued operation results & consolidate Strauss Fresh Food from January 1st 2004.



Earning per Share (Basic) (Proforma - 2004*)

Average number of Shares



* Q1/04 Proforma excludes discontinued operation results & consolidate Strauss Fresh Food from January 1st 2004.

** Same # of shares as of Q1/05.



Consolidated Cash Flow

1-3 Results 2005-2006 in Million NIS

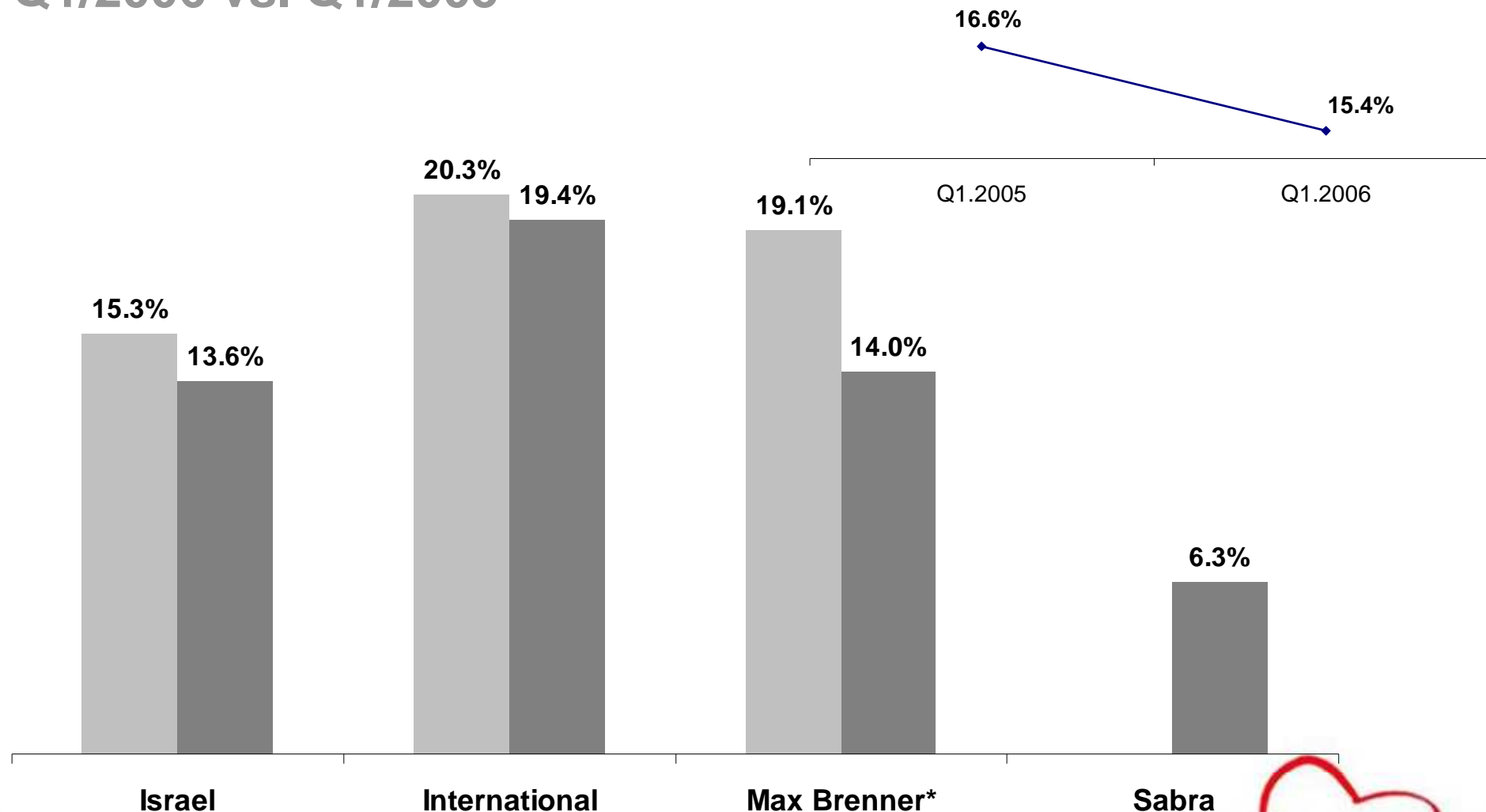
January - March
2006 2005
In Thousands NIS

Net Income	Israel	47,873	43,808
	International	14,548	8,408
	Total	62,421	52,216
Cash Flow from Operating Activities	Israel	57,327	-30,688
	International	-21,109	-4,697
	Total	36,218	-35,385
Cash Flow from Investment Activities	Israel	23,363	6,121
	International	-22,817	-85,587
	Total	546	-79,466
Free Cash Flow	Israel	80,690	-24,567
	International	-43,926	-90,284
	Total	36,764	-114,851



Working Capital/Sales

Q1/2006 vs. Q1/2005



* Max Brenner – Estimation.

■ Q1.2005 ■ Q1.2006



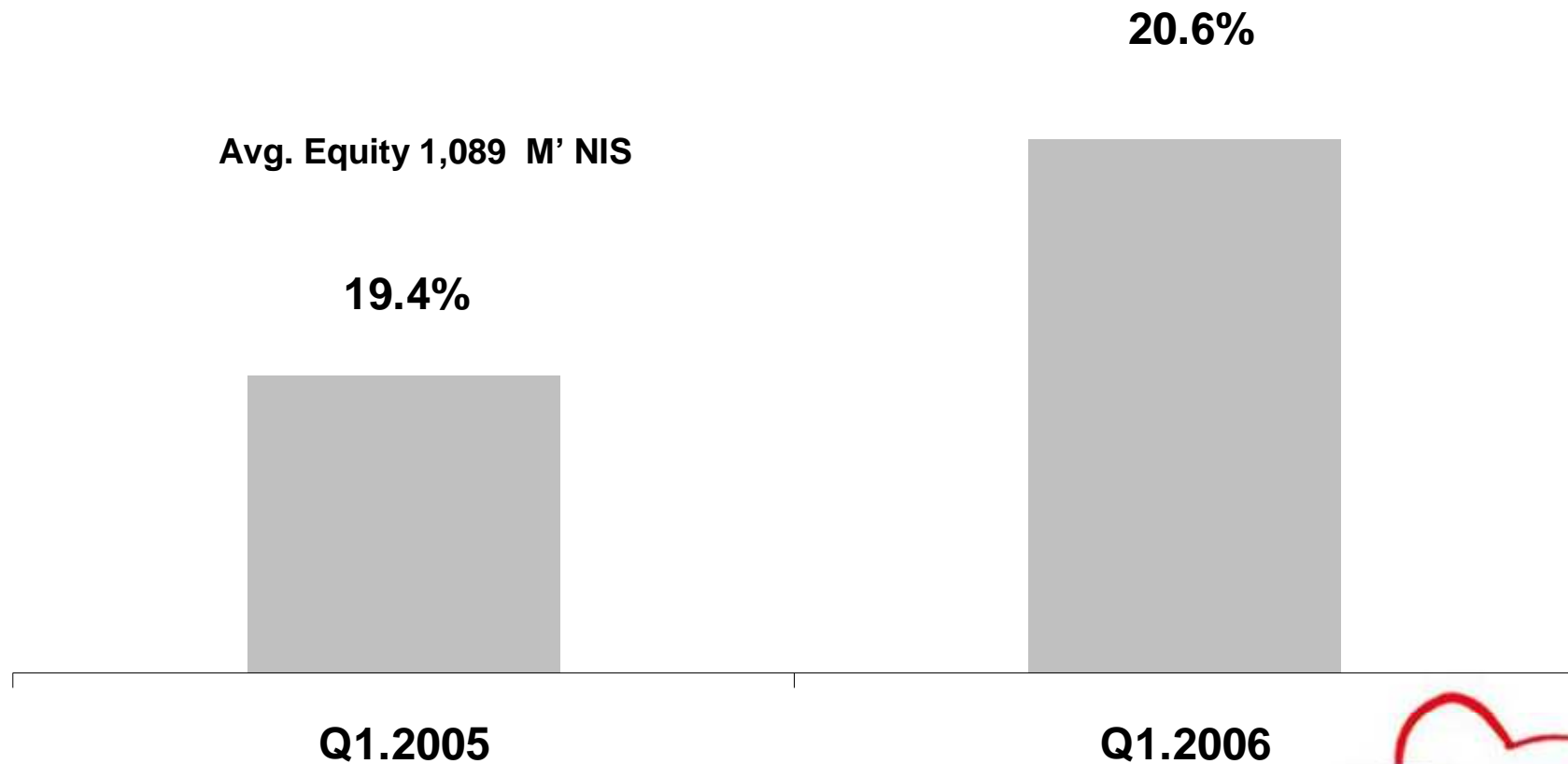
Avg. Inventory + Receivables - Payables

Net Sales

ROE - Proforma

Q1- Annualized

Avg. Equity 1,214 M' NIS



$$\text{ROE} = \frac{\text{Net Income}}{\text{Avg. Equity}}$$

Thank You

