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Ofra Strauss, Chairperson of Strauss Group, and Erez Vigodman, President & CEO of Strauss Group, announced today a change in the organizational structure of the entire company, Group HQ and company activity in Israel.

The planned organizational change is a direct continuation of various business and organizational changes applied by Group management in recent years, which included reorganization of the Group's international activity at the end of 2003, the merger between Strauss and Elite during 2004, the Group's accelerated international expansion during 2005, the launch of new international businesses and the expansion in Group business portfolio between 2005-2006 (Sabra in the U.S. and Max Brenner), the launch of a new corporate identity for the Group (one corporate identity, one name, one company brand, one logo for the entire company) in early 2007, and the planned launch of a new, downsized brand portfolio during 2007.

Ofra Strauss, Chairperson of Strauss Group said today: "We are steering this change when we are at the pick of our activity, due to the understanding that in order to continue handling the challenges facing us in the best possible way, we must continue to change, invest in the development of professionalism, and apply the most advance management practices in a manner which I consider a direct continuation of the merger between Strauss and Elite."

Erez Vigodman, President & CEO of Strauss Group said today: "This reorganization, which we have worked on diligently over the past nine months, will enable us to continue the business momentum we have undergone in recent years, retain and enhance our leadership in Israel, improve our cost structure, adapt the organization to our accelerated growth, upgrade cross-Group processes and our professionalism in operating practices (supply chain, production) and facilitate another leap in our international expansion."

We formed a detailed transition plan that will enable us to manage our current activity and meet our work plans in concurrence with implementing the comprehensive reorganization process."

Erez Vigodman added that "the reorganization process is focused on improving and boosting processes, organizational culture and professionalism rather than merely streamlining and downsizing the number of our people."



Just as the merger process resulted in profitable growth and an increased number of people in the organization, I believe that the present reorganization process, which is designed to generate further growth and expansion, will also result in an increased number of people in the organization, although we don't rule out parting ways with people, in certain cases, under this process.

The reorganization process will enable us to streamline by 1%-3% of the revenue in Israel, within a period of three years from 2008.

Avi Ben Assayag, who was appointed Deputy CEO and COO, and who will lead the implementation of the change process, said today: "Company HQ is receiving assigned an array of new responsibilities and accountabilities to manage and support in the business groups in various professional disciplines. HQ will manage, concentrate and be accountable for Group activities in marketing, operations and supply chain, the business strategy, business development, mergers and acquisitions, future technologies development, HR, finance and corporate communication. Within this framework, Group HQ and major BUs will ensure the formation of action strategy in various fields, assimilate new cross-Group processes, upgrade the expertise and professionalism in these fields based on best practices in the world, provide professional service in various fields to Group BUs, and become responsible for the performance level in various fields of the BUs in the Group."

Under the new structure, the current business units will be organized in four business divisions: health and wellness division, fun and Indulgence division, coffee Israel division and salty snacks division. Each business division will be accountable for profitable growth and manage its own P&L. The business division will focus on increasing demand in the business category under its responsibility, by enhancing and boosting brands, and coordinating all services provided to a BU by the enabling units at Group HQ and by the central units in Israel.

Furthermore, several central units in Israel were established and enhanced, and, among other changes, all Group plants were concentrated in a central operations division that will serve all BUs, processes and new authorities were concentrated in a planning department in the supply chain division, and HR and finance functions were concentrated in central structures that will provide services to the business and professional divisions in Israel.

The company is preparing for the gradual implementation of this change, with the transfer to the new structure coming into effect at the beginning of September 2007, and becoming fully assimilated during 2008.

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