

PRESS RELEASE

Tel Aviv, October 1, 2009

STRAUSS GROUP ANNOUNCES THE CLOSING OF THE ACQUISITION OF 100% OF TANA INDUSTRIES LTD ("TAMI 4") SHARES THROUGH THE GROUP SUBSIDIARY H2Q WATER INDUSTRIES LTD.

Ofra Strauss, Chairperson of Strauss Group, and Gadi Lesin, President & CEO of Strauss Group today announced the closing of an agreement to acquire 100% of shares in Tana Industries Ltd. and its Tami 4 water bar system, through the Group's subsidiary H2Q Water Industries Ltd.

Strauss paid NIS 291 million for this transaction which, with added cash adjustments, totalled NIS 303 million.

Gadi Lesin, President & CEO of Strauss Group said today "Strauss Group welcomes Tami 4's managers and employees into the Strauss Group family today. We are fully committed to Tami 4's continued growth and prosperity as well as to retaining its high level of customer-service, and we are convinced that together we will create a company that both leads in, and develops healthy, quality tap water solutions, in and away from home, in Israel as well as globally."

Rami Ronen, CEO of Strauss Water, said today: "Strauss Water and Tami 4 share a vision: to provide high quality, healthy water solutions for consumers in Israel and around the world, and thereby improve their quality of life. This is a very challenging aspiration and we are convinced that the synergy between Tami 4's people and Strauss Group's unique way and experience in turning local Israeli products into global success stories, will create an excellent basis for the fulfillment of this vision."

About the transaction

Following the successful completion of the due diligence process and receipt of all approvals required by State authorities, H2Q, which is controlled by Strauss Group has now completed the acquisition of all of Tana Industries Ltd shares.

About Strauss Group:

Strauss Group, Israel's second largest food and beverage conglomerate, has, over the past few years, become an international corporation with a steadily growing part of its business conducted outside of Israel. The Group employs 11,600 people and operates nineteen production sites in eleven countries.

The Group focuses on key consumption trends in the food industry via three business divisions in Israel: Health & Wellness, Fun & Indulgence, and

Coffee. The Group continuously expands its business activities outside of Israel, at present primarily through the Coffee Company, which is positioned as one of the world's ten largest coffee companies, leading markets in Israel, Central and Eastern Europe, and Brazil.

The Group collaborates with a number of leading multinationals – Danone, PepsiCo and Lavazza – and is traded on the Tel Aviv 25 Index.

About H2Q

H2Q is a joint venture between Strauss and a group of scientists and entrepreneurs. Strauss Group started investing in this venture approximately three years ago, managing it as a start-up alongside other Group businesses.

Following the acquisition agreement of Tana Industries Ltd., Strauss Group increased its share in H2Q to 87% of the issued and paid-up share capital of the company.

About Tana Industries

Tana Industries is the company behind the Tami 4 brand.

Founded in Kibbutz Netiv HaLamed Hei in 1971, Tana is today a home drinking water solutions market leader in Israel with presence in approximately 250,000 households, and is a world leader in the development, production and marketing of water purification, filtering, heating and cooling dispenser systems at points-of-use for homes and offices.

Upon its introduction to the market, the Tami 4 water bar created a drinking-water revolution in Israeli households. It made a breakthrough on a global scale by penetrating the home market and positioning itself as an easy substitute and easily available replacement for bottled water at home.

Tami 4 has gained world recognition, receiving numerous awards for design and innovation.

For additional information:

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