

News Release

Frutarom Announces potential Purchase of IFF's European Fruit Preparations Business

Tel Aviv, 27 May 2004 - Frutarom Industries Ltd. ("Frutarom") announced today that it has entered into a letter of intent with International Flavors & Fragrances Inc. (NYSE: IFF) for the potential sale of its fruit preparations businesses in Switzerland and Germany; Frutarom, which is traded on the Tel Aviv Stock Exchange (TLV: FRUT) is a rapidly growing multi-national flavor, natural extracts, and functional food company.

IFF had previously announced that it considered divesting itself of this business, which manufactures processed fruit and other natural product preparations used in a wide variety of food products, including baked goods and dairy products. Sales of IFF European fruit preparations in 2003 approximated \$90 million.

The contemplated transaction is subject to consultation with the employee works council in Germany; accordingly, terms were not disclosed. Pending the outcome of such consultation, the fruit preparations businesses based in Emmerich, Germany and Reinach, Switzerland will be transferred to Frutarom.

IFF's fruit preparations business also includes operations in Dijon, France, representing 30% of the total European fruit preparations business of IFF. IFF will inform and consult with the French employee works council on the potential sale of the French fruit preparations assets to Frutarom.

The potential acquisition of IFF's fruit preparations business continues the fulfillment of Frutarom's overall strategy to grow rapidly through both strategic acquisitions and organic growth that outperforms industry standards. The fruit preparations business will significantly enhance Frutarom's strong position as a global manufacturer of natural flavors and herbal extracts. Frutarom intends to leverage the acquisition to strengthen its position as a single-source food systems supplier that offers comprehensive natural solutions for food applications, including an innovative functional food portfolio.

Frutarom, with the assistance of fruit preparations' highly talented management, R&D, operations, sales and marketing teams, will further build and reinforce its position in Europe at major food customers and will extend the single-sourced food system model within other geographical areas where Frutarom already has significant operations and presence such as Eastern Europe, North America and Eastern Asia.

Frutarom intends to create additional value for the business by making new investments at the two sites and strengthening its European research and development and applications laboratories to offer state-of-the-art manufacturing and research facilities for its customers.

Ori Yehudai, President and Chief Executive Officer of Frutarom, commented, "We are extremely pleased to announce the potential acquisition of IFF's European fruit preparations business. This acquisition will be another significant step in realizing our goal to become one of the world's ten largest flavor, natural extract, and functional food providers, and greatly complements our strategy of supplying comprehensive, tailored solutions and natural products to the global food, functional food, and health food industries. We are also looking forward to welcoming fruit preparations' highly dedicated management and staff to Frutarom and are convinced that, with their ongoing support, the business will continue to flourish."

About Frutarom

Frutarom is a global company with manufacturing facilities in Israel, the United Kingdom, the United States, Switzerland, Denmark, China, and Turkey, and sales in over 85 countries. Frutarom's international marketing infrastructure includes branches in Israel, the United Kingdom, the United States, Switzerland, England, Germany, Denmark, France, Romania, Russia, Ukraine, Kazakhstan, Turkey, Brazil, Mexico, China, Hong Kong, and India, as well as local agents and distributors worldwide. Frutarom serves customers in the food, flavor and fragrance, pharmaceutical, nutraceutical, and cosmetics industries with a wide product portfolio of flavors, natural extracts, and active ingredients.

Frutarom has grown rapidly in the past decade to become a significant global company in the flavor, natural extract, and functional food industries and intends to actively strengthen and solidify its position in these markets in the future.

Frutarom had annual sales in 2003 of \$ 143.7 million and recently reported sales of \$43.9 million for the first quarter of 2004. For more information, please visit our website www.frutarom.com.

If you have further questions, don't hesitate to contact:

Frutarom Industries Ltd.

Mr Ori Yehudai President and Chief Executive Officer

Phone +972 4 846 24 01 or 02 Fax +972 4 872 2517

Mobile +972 54 239 233

Email: oyehudai@frutarom.com