

PRESS RELEASE

FRUTAROM WILL EXCLUSIVELY MARKET RAD'S ORIGANOX™
NATURAL PRODUCT LINE

FRUTAROM HAS OPTION TO ACQUIRE UP TO 50%
OF RAD'S SHARE EQUITY

Frutarom, a world leader in developing, producing and marketing flavors and raw materials for the food, food additive, pharmaceutical, nutraceutical, and functional food industries, signed a letter of understanding to cooperate with RAD Natural Technologies. The letter gives Frutarom the exclusive right to market all of RAD's products in Israel and worldwide, plus an option to acquire up to 50% of RAD's share equity.

RAD, which is headed by Dr. Rina Reznick, a world expert in the field of antioxidants, develops Origanox™, a unique and innovative line of 100% natural antioxidants that are water soluble, and which are produced from plant extracts. Origanox™ has been proven to be the most efficient solution existing today in the world food market for the problem of oxidation, which is mainly characteristic of meat, baked and snack products. Origanox™ is already being sold to some of the world's leading food manufacturers.

Ori Yehudai, the Frutarom Group's president and chief executive officer, said that "the cooperation agreement with RAD expands Frutarom's product basket, enabling it to provide the world's leading food manufacturers a wider range of innovative and unique solutions. It also suits Frutarom's guiding strategy in recent years: to invest in innovative technologies and new, high-added-value products, including rapid growth fields such as functional food and biotechnology. Frutarom's proven and unique ability in nutraceuticals and plant extracts, combined with knowhow regarding food systems which has been accumulated over decades, as well as access to large and medium size food producers worldwide, give Frutarom a leading position in the functional food market, which gives added value and healthy characteristics to food products. The field of functional foods has been developing very rapidly recently and is expected to grow tens of percent in the next few years."

Yehudai and Reznick believe that the cooperation between Frutarom and RAD will develop and expand in the future and provide both companies with additional opportunities for cooperation in the field of natural food additives and functional food, and to develop new, innovative high-added-value products in the fields of food, nutraceuticals and cosmetics.

Background on the Company

Frutarom is a multinational company with significant production and development centers on three continents, which markets its product in 85 countries worldwide. Frutarom's products are intended for the food, beverage, flavor, fragrance, pharmaceutical, nutraceutical, functional food, food additive and cosmetic industries.

Frutarom operates through two Divisions:

- The Flavors Division, which develops, produces and markets flavors, fragrances, seasonings and seasoning compounds
- The Fine Ingredients Division, which develops, produces and markets raw materials intended mainly for the production of those same flavor compounds, and also plant extracts and natural products, including standardized botanical extracts.

Frutarom is also active in several innovative activities, including through its ArtChem activity, which develops, produces and markets raw materials in the peptide field, intended for the pharmaceutical industry producing through biotechnological methods

Frutarom's products are produced at its plants in the USA, the UK, Switzerland, Israel, Denmark, China, Russia and Turkey. Frutarom's products are sold to 85 countries on five continents. The Company has marketing outlets in many countries and also works through local agents and distributors worldwide.

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