



PRESS RELEASE

FRUTAROM ACQUIRES A.M. TODD'S FLAVORING EXTRACTS BUSINESS

Haifa, Israel – June 15, 2005. Frutarom (LSE: FRUT, TASE: FRUT) announced today the purchase of the Flavoring Extracts business of A.M. Todd Botanical Therapeutics. The acquisition will be executed through Frutarom's wholly owned subsidiary, Frutarom USA Inc. This acquisition is another step in implementing Frutarom's rapid growth strategy, combining organic growth of core activities at rates that are above the industry average with strategic acquisitions of activities and know-how in its main fields of business and in strategic geographic regions.

The acquisition is intended to continue strengthening Frutarom's flavor extracts capabilities and market leadership position, and to support Frutarom's growth in the US market.

The acquired activity's sales in 2004 were US \$ 1.8 million, and represent a potential value of several million dollars of increased revenues over the next few years. In consideration for the acquired activity Frutarom will pay up to US\$ 325,000.

The acquired activity is synergetic with Frutarom's exiting activity and will add know how and technology as will as expanding Frutarom's customer base, including leading food and F&F companies. The acquired activity will be integrated with Frutarom USA's existing activity at its North Bergen manufacturing facility. The company does not expect any additional resources will be required. Frutarom continues to invest substantial resources in identifying and executing strategic acquisitions to strengthen its position in the United States.

Two weeks ago, Frutarom announced its results for the first quarter of the year, showing growth for the twenty-second consecutive quarter. Sales grew 47.3% compared with the first quarter in 2004 reaching US\$ 64.7 million, and net profit grew by 66.2% compared with the same quarter last year, reaching US\$ 7.1 million.

About Frutarom:

Frutarom is a global company with significant production and development centers on three continents, which markets its products to over 3,500 customers in more than 100 countries worldwide. Frutarom's products are intended largely for the food, beverage, flavor, fragrance and pharmaceutical industries.

Frutarom operates through two Divisions:

- *The Flavors Division, which develops, produces and markets flavors and food systems*
- *The Fine Ingredients Division, which develops, produces, markets and sells natural flavor extracts, natural functional food ingredients, natural pharma/nutraceutical extracts, specialty essential oils and citrus products, aroma chemicals, natural gums and peptide building blocks*

Frutarom's products are produced at its plants in the United States, England, Switzerland, Germany, Israel, Denmark, China, and Turkey. The Company's global marketing organization includes branches in Israel, the United States, England, Switzerland, Germany, Scandinavia, France, Hungary, Romania, Russia, Ukraine, Kazakhstan, Belarus, Turkey, Brazil, Mexico, China, Japan, Hong Kong and India. The Company also works through local agents and distributors worldwide. Frutarom employs about 1,000 people worldwide.

In February of this year Frutarom issued shares on the London Stock Exchange Main List.

For further information, visit our website: www.frutarom.com.

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