



## Press Release

# FRUTAROM WINS A NEW PROJECT WITH LEADING GLOBAL FOOD LEADER

Haifa, June 20, 2005

Frutarom today announced that it had won a new project with one of the world's leading food manufacturers to supply natural flavor ingredients for hot cocoa beverages prepared in espresso machines for the commercial and domestic markets.

Frutarom's win of this project, which has an estimated value of several million dollars per year in the European and American markets, is a further stage in the process of integrating and leveraging the synergies of the Food Systems business purchased from IFF during the second half of 2004. The Food Systems business contributes both to Frutarom's product portfolio and geographic reach, as well as its customer base.

This win reflects Frutarom's successful implementation of its rapid growth strategy by creating added value for customers and by focusing on both large multinationals and mid size and local customers. It also strengthens Frutarom's positioning as a leading supplier of integrative solutions for leading global food manufacturers. **Ori Yehudai, President and Chief Executive Officer**, said, "We believe this project is an additional significant step in realizing the many cross selling opportunities inherent in the Food Systems acquisition, and additional proof of Frutarom's successful policy of penetrating multinational customers by selling unique products."

Yehudai added, "We believe that Frutarom's current position as a significant player in the global flavor and fragrance market enables the company to become an approved supplier and obtain important projects with both the multinational manufacturers and the medium size and local manufacturers."

Frutarom's results for the first quarter of 2005 showed growth and development for the twenty-second consecutive quarter. Sales grew 47.3% compared with the same quarter in 2004 to reach US\$ 64.7 million, while net profit grew 66.2% compared with the same quarter in 2004 to reach US\$ 7.1 million.

### Background on the Company

Frutarom is a global company operating in the global flavor and ingredient markets. Frutarom has significant production and development centers on three continents and markets its products on five continents to over 3,500 customers in more than 100 countries. Frutarom's products are intended largely 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 flavor compounds and food systems
- The Fine Ingredients Division, which develops, produces and markets natural flavor extracts, natural functional food ingredients, natural pharma/nutraceutical extracts, essential oils and unique citrus products, and aroma chemicals

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, Denmark, 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 around the world. Frutarom employs about 1,000 people worldwide.

For further information, visit our website: [www.frutarom.com](http://www.frutarom.com).