



PRESS RELEASE

Frutarom Strengthens Positioning in East Asia and Opens Sales and Marketing Office in Indonesia

August 8, 2005, Haifa – Frutarom Industries Ltd. announced today that its subsidiary, Frutarom (UK) Ltd., has opened a sales and marketing office in Indonesia's capital city, Jakarta. The office is intended to strengthen Frutarom's standing and activity in East Asia.

The opening of this office is an additional milestone in realizing the rapid growth strategy successfully implemented by Frutarom in recent years. The strategy combines internal growth in core activities at levels surpassing the industry in which the Company operates, with strategic acquisitions of activities and knowhow in its main fields of activity and in strategic geographic locations.

Ori Yehudai, President and CEO, said, "Frutarom continually seeks to expand its core activities both through the development of unique products with high added value for its customers and by expanding its business to additional countries and markets in emerging countries, where the growth rates are substantially higher than the average for Europe and the United States. Last year, we established two subsidiaries and development laboratories in Romania and Belarus that will contribute significantly to strengthening our activity and our positioning in Eastern Europe. Indonesia is one of the largest emerging markets in the world, with over two hundred million residents. We believe that this office, which joins five other Frutarom sales and marketing offices in the Far East, will make a serious contribution to our continued growth in this developing region.

Frutarom continued to grow during the first quarter of 2005 for the 22nd consecutive quarter. Sales grew 47.3% compared with the same quarter in 2004, reaching US\$ 64.7 million. Net profit totaled US\$ 7.1 million, growing 66.2% compared the same quarter last year.

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.