



PRESS RELEASE

Functional Ice Cream Industry Drive for Summer 2005

Frutarom Launches New and Innovative Functional Ice Cream Product Range

Functional food is the fastest growing segment in the food industry and the functional ingredient segment is currently growing at an annual rate of 8-10% in both developing and developed countries, mainly in beverage and dairy. Today, with Frutarom's assistance, ice cream manufacturers can join their brethren in these industries and provide the public with the functional products it increasingly demands.

One of the main trends driving the ice cream industry as it prepares to launch new products for the coming summer is functional ice cream to enhance well-being. Low calorie ice creams and ice creams containing probiotics are just two examples of added value products. Until today, few ice cream producers have investigated the benefits of including herbal extracts in their products, a trend that the beverage and dairy industries are already taking full advantage of. Exciting products for well-being that combine excellent taste with a variety of functionalities offer the manufacturer innumerable opportunities for novel products.

Frutarom has announced the launch of a new and innovative, all-in-one product range offering ice cream manufacturers a unique pre-integrated solution. This solution combines natural fruits, natural flavor extracts and natural functional ingredients that enhance and support well-being, such as ice cream with Aloe Vera to support inner beauty, or with green tea to support stress relief. Manufacturers can choose natural product building blocks for other functionalities to get convenient and unique tailor-made solutions that are easy to apply.

Ori Yehudai, President and CEO, said, "Frutarom's unique capabilities for providing integrative products have been strengthened by the acquisition of IFF's European Food Systems and allow us to offer our customers in the food industry unique, innovative, added-value pre-integrated products that combine natural flavors and natural functional ingredients with food systems." **Yehudai** continued: "Frutarom today is uniquely positioned as the only specialty food ingredient producer that can offer functional ingredients to support and enhance well-being, backed by clinical studies with GMP Swiss quality standards, along with flavors and food systems. Combined with our knowledge of the food industry's needs and our ability to provide integrated tailor-made solutions, this ability positions us as a partner who can assist food manufacturers in meeting their customers' needs for tasty and healthy food."

Frutarom is a global company with significant production and development centers on three continents that 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 achieved record results in 2004 in its fifth consecutive year of growth: in 2004 sales grew 41.2% to US\$ 196.8 million with net profit increasing significantly by 91.6% to US\$ 15.8 million.

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