

## **PRESS RELEASE**

### **FRUTAROM CONTINUES IMPLEMENTING ITS RAPID GROWTH STRATEGY**

### **ACQUIRES THE SCANDINAVIAN INDUSTRIAL SPICES SAVORY ACTIVITY OF RIEBER & SØN**

### **RIEBER & SØN INDUSTRIAL SPICES DEVELOPS, PRODUCES AND MARKETS SAVORY SOLUTIONS**

### **RIEBER & SØN INDUSTRIAL SPICES 2010 REVENUES EXPECTED TO TOTAL US\$ 6.3 MILLION (NOK 38 MILLION)**

Haifa, Israel – December 26, 2010, Frutarom Industries Ltd. (LSE: FRUTq, TASE: FRUT, OTC: FRUTF) (“Frutarom”) announced today the signing of an agreement to acquire Rieber Industrial Spices Savory activity and its fixed assets (“Rieber”) of Rieber & Søn ASA from Norway, at the amount of approximately US\$ 4.2 million (Norwegian Krona 25 million). Rieber’s annual turnover in 2010 expected to total US\$ 6.3 million (NOK 38 million). The acquisition will be self-financed. The acquisition is subject to the approval of the Norwegian Competition Authority. Frutarom estimates that the approval will be obtained within a number of weeks.

Rieber is an activity of the international food manufacturer **Rieber & Søn ASA**, and engages in the development, manufacture, and marketing of savory taste solutions (the non-sweet taste spectrum). Its product line includes flavors, seasoning compounds, and functional ingredients for the food industry, with a specialization in the processed meat, fish, and convenience food sectors. Rieber’s R&D, marketing, and manufacturing capabilities are located in its operational facility in Norway. Rieber serves a broad customer base including leading food manufacturers located mainly in Scandinavia. Its activities are highly synergetic with Frutarom’s current savory competencies in Europe which have grown significantly in recent years following the acquisitions of the savory activity of Chr. Hansen, Gewurzmuller and Nesse in Germany (acquired in 2009, 2007 and 2006 respectively).

According to **President and Chief Executive Officer of Frutarom, Ori Yehudai**, “the acquisition of Rieber is a continuation of Frutarom’s rapid growth strategy, and another step in the fulfillment of its vision ‘**to be the preferred partner for tasty and healthy success**’. This acquisition bolsters Frutarom’s presence and positioning as a leading global producer of savory solutions. The acquisition strengthens both Frutarom’s technological capabilities and its comprehensive product offering to customers around the world in the fields of savory flavors and functional foods.



Additionally it broadens Frutarom's extensive global customer base by solidifying a presence in the Scandinavian market. We will strive to exploit to the fullest extent the operational synergies in the merger of Rieber with Frutarom's activities in order to reach the optimal operational efficiencies and maximal savings."

"The global market for savory flavors is growing as a result of trends in improved quality-of-life and changes in consumer behavior. Accordingly the consumption of processed and convenience foods has grown both inside and outside of the home. Frutarom has identified the savory sector as an important growth engine and is investing accordingly in the development of unique and innovative products of high added value in its sites around the world. The acquisition of Rieber, in continuation to that of the savory activity of Christian Hansen, Gewuerzmueller and Nesse, is a step in the expansion and intensification of Frutarom's savory activities. We intend to continue to invest in this important market segment and expand our savory activities in additional countries," says **Yehudai**.

Frutarom has a proven track record in the execution of successful acquisitions, utilizing operational and business synergies, and taking advantage of cross-selling opportunities that arise as a result. We are confident that this acquisition will also continue Frutarom's rapid and profitable growth, creating value for our customers, employees, and investors."

**Yehudai** concludes, "We are continuing to pursue strategic acquisitions and implementing our rapid growth strategy combining internal profitable growth with strategic acquisitions. This combination will allow us to again double Frutarom's turnover within the next four years to US\$ 1 billion. Our strong capital (US\$ 351.5 in equity), the low net debt level (US\$ 29.8), and the strong cash flow we achieve, along with the support of leading banks, will allow us to continue executing acquisitions."

#### About Frutarom

**Frutarom** is a global company operating in the global flavor and fine ingredients markets. Frutarom has significant production and development centers in three continents and it markets its products in five continents to over 10,000 customers in more than 120 countries. Frutarom's products are intended mainly for the food, beverage, flavor, fragrance, pharmaceutical, nutraceutical, health food, functional food, food additives and cosmetic industries.

Frutarom, which employs approximately 1,500 people worldwide, has 2 main activities:

- The Flavors Segment, which develops, produces and markets flavor compounds and food systems.
- The Fine Ingredients Segment, which develops, produces and markets natural flavor extracts, natural functional food ingredients, natural pharma/nutraceutical extracts, specialty essential oils, citrus products and aroma chemicals.

Frutarom's products are produced in its plants in the US, UK, Switzerland, Germany, Israel, China, South Africa and Turkey. The Company's global marketing organization includes branches in Israel, the US, UK, Switzerland, Germany, Belgium, the Netherlands, Denmark, France, Hungary, Romania, Russia, Ukraine, Kazakhstan, Belarus, Turkey, Brazil, Mexico, Costa Rica, China, Japan, Hong Kong, India, Indonesia and South Africa. The Company also works through local agents and distributors worldwide.

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

