

PRESS RELEASE

March 18, 2012

FRUTAROM SUCCESSFULLY COMPLETED ITS TAKEOVER BID FOR SHARES IN THE SLOVENIAN COMPANY ETOL; HOLDS 97.6% OF ETOL'S SHARE CAPITAL

ETOL TO BE DELISTED FROM THE SLOVENIAN STOCK EXCHANGE AND ACQUISITION OF REMAINING SHARES WILL BE COMPLETED

ACQUISITION OF SLOVENIAN COMPANY IS EXPECTED TO SIGNIFICANTLY INCREASE FRUTAROM'S CUSTOMER BASE AND MARKET SHARE IN EMERGING MARKETS

ACQUISITION STRENGTHENS FRUTAROM'S CAPACITY IN NATURAL FLAVORS

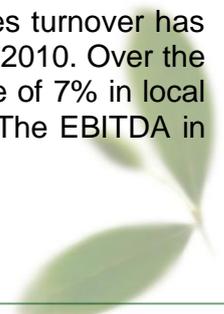
ETOL'S SALES TURNOVER: US\$68 M OVER 12 MONTHS ENDING SEPTEMBER 30, 2011

Frutarom Industries Ltd. ("**Frutarom**"), one of the ten largest flavor solutions and fine ingredients companies in the world, announces the success of its takeover bid for Etol d.d. ("**Etol**"), a Slovenian public company, in return for €141 per share. In January and February, Frutarom acquired 63.4% of the Slovenian company's share capital through transactions made on and outside the Slovenian stock market, in return for an overall amount of approximately €22.3 million. Following the current acquisition of 34.2% of the company's equity through this takeover bid, Frutarom will now hold 97.6% of Etol's shares. The total amount paid for the acquisition of 97.6% of the shares was €34.6 Million. Over the next few weeks Frutarom will act to delist Etol from the Slovenian Stock Exchange and to acquire the balance of shares in Etol from the remaining shareholders.

Last week Frutarom published its financial results for 2011, reporting a 15% growth in its sales, achieving a record of US\$518.4 million.

Etol, Frutarom's eighth acquisition since the start of 2011, is specialized in the development of fruit based flavors and products and food systems, using local fruits of the region, and has extensive operations in the growing market of beverage bases, which Frutarom has identified as a strategic for development.

Etol has exhibited impressive growth rates over the past few years, and its sales turnover has increased by 46%, from revenues of €31.5 million in 2006 to revenues of €46 in 2010. Over the nine months ending on September 30, 2011 Etol's sales turnover grew at a rate of 7% in local currency terms compared to the same period in 2010, reaching €38.6 million. The EBITDA in 2010 net of one-time expenses stood at approximately €8.4 million. Equity as of September 30, 2011 stood at approximately €28.9 million.



Etol employs some 240 employees including leading and skilled personnel in research and development, production, sales and marketing, and an experienced and successful management team. Etol has a manufacturing and marketing site in Skofja Vas, Slovenia, in which it has invested extensively over the past few years, and has incorporated innovative technologies in the area of flavors. Etol also has additional real estate properties for future expansion. Etol's products are sold to over 47 countries, to a wide customer base in Central and Eastern Europe and in emerging markets, including Russia, Poland, the Ukraine, Turkey, Croatia, Slovenia, Serbia, Belarus, Slovakia, Macedonia, the Czech Republic, Kazakhstan and other emerging markets characterized by higher than average growth rates in comparison with the world average market growth, as well as developed countries such as the UK, Switzerland and Germany. Leading food and beverage manufacturers in the countries it operates in number among Etol's customers, including large multi-national food companies.

The acquisition is synergetic with Frutarom's activities, and is expected to significantly increase Frutarom's customer base and scope of sales in emerging markets in Central and Eastern Europe, expand its product portfolio and deepen its operations and market share in these important markets. Etol's development, sales and production capacities will serve to further develop Frutarom's businesses in the region.

According to Frutarom's President and Chief Executive Officer, **Ori Yehudai**:

"Frutarom considers this an important and strategic acquisition, which significantly expands Frutarom's operations in Central- and Eastern Europe and strengthens its presence and market share in these fast growing markets, and further positions Frutarom as a leading global player. Etol's proven abilities and many years of experience in the flavors market, with its specialization in natural products in beverage bases, are a strategic asset for Frutarom. We welcome Etol's experienced and professional team to the Frutarom family, and will act to create value from the many cross-selling opportunities created as a result of the acquisition, the operational efficiency opportunities it offers and from the expansion of our operations in Central and Eastern European markets.

We have made eight successful strategic acquisitions since the beginning of 2011, and the scope of the revenues of these acquisitions, based on 2010 financial data, is US\$145 million. The acquisitions are in advanced stages of integration, and support Frutarom's expanding global reach, while deepening our presence in emerging markets where growth rates are higher than the global average, expanding our customer base throughout the world and the unique product portfolio we can offer our customers. Over the next few months we will continue to utilize the many efficiencies arising from the integration of these acquisitions and we are convinced they will enable us to reach the next significant step in Frutarom's profitable growth."

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 four continents to over 14,000 customers in more than 130 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 1,900 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 mostly in the US, UK, Switzerland, Germany, Italy, Israel, China, Slovenia, Brazil, South Africa and Turkey. The Company's global marketing organization includes branches in Israel, the US, UK, Switzerland, Germany, Belgium, the Netherlands, Denmark, Norway, 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

