

PRESS RELEASE

FRUTAROM ANNOUNCES SUCCESSFUL ACQUISITION OF 100% OF SHARES OF SLOVENIAN COMPANY ETOL

ETOL'S SALES TURNOVER: US\$71.4 M IN 2011

Frutarom Industries Ltd. ("**Frutarom**"), one of the ten largest flavor and fine ingredients companies in the world, announces the completion of the acquisition of 100% of Etol's shares, after completion of the approval process for transfer of shares from Etol's minority shareholders to Frutarom. The total acquisition price stands at approximately €35.4 million.

Etol, Frutarom's eighth acquisition since the beginning of 2011, is a highly reputed and experienced company in the development, production and marketing of sweet and savory flavors for the food and beverage industry, specializing in natural flavors, with emphasis on local fruits of the region, food systems, as well as extensive activities in the growing market of bases for beverage.

Etol has exhibited impressive growth rates over the past few years, and its sales turnover has increased by 63%, from revenues of €31.5 million (US\$39.5 million) in 2006 to revenues of €51.3 million (US\$71.4 million) in 2011.

Etol employs some 240 employees including leading and skilled personnel in research and development, production, sales & marketing, and an experienced and successful management team. Etol's products are sold to over 47 countries around the world, mostly in Central and Eastern Europe, characterized by higher than average growth rates in comparison with the average market growth.

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

"The acquisition of Etol is an important milestone in the realization of our goals and a significant strategic step, substantially expanding our operations in Central- and Eastern Europe and strengthening and further positioning Frutarom as a leading global player. Etol's proven abilities and many years of experience in the flavors market are a strategic asset for Frutarom".

The integration of Etol is progressing successfully and as planned. We recently integrated the sales & marketing, and we are acting to integrate research and development activities, and to maximize technological cooperation, as well as maximally optimizing all cross selling opportunities which will allow growth at a higher pace than the world average. We are acting for the harmonization of raw materials and working to establish central procurement in order to optimally maximize our purchasing power.

Last week Frutarom presented its financial statements for the first quarter of 2012, reporting revenues for the quarter which grew by 27.5% in local currency terms, reaching a record high of US\$151.2 million and net profits of a record high of US\$13.5 million for the quarter. Since the beginning of 2011 we have made eight successful strategic acquisitions, whose scope of



revenues based on data from 2010 stands at US\$145 million. The acquisitions are in advanced stages of integration, and over the next few months we will continue to utilize the opportunities 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 multi-national company operating in the global flavor and fine ingredients markets. Frutarom has significant production and development centers on three continents and markets over 30,000 products to over 14,000 customers in more than 130 countries on four continents. Frutarom's products are intended for the food, beverage, flavor, fragrance, pharmaceutical, nutraceutical, health food, functional food, food additives and cosmetic industries.

Frutarom, which employs approximately 2,100 people worldwide, has two 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, Slovenia, Italy, Brazil, China 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 and Indonesia. The Company also works through local agents and distributors worldwide.

For further information visit: www.frutarom.com

