

**FRUTAROM STRENGTHENS ITS POSITION AS A LEADING GLOBAL
PLAYER IN HEALTHY AND NATURAL TASTE SOLUTIONS**

**ACQUIRED FLORIDA BASED CITRASOURCE, SPECIALIZING IN CITRUS
SPECIALTY SOLUTIONS, FOR ABOUT 7.5 MILLION USD**

CitraSource state of the art plant and global purchasing capabilities in the field of citrus will strengthen Frutarom's position as a leading player in the R&D, production and sale of citrus specialty, an important ingredient of flavor solutions and many food and beverage products

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's ten largest flavor and fine ingredients houses, continues executing on its strategy of achieving rapid and profitable growth and announces today the acquisition of the business and assets of CitraSource ("**CitraSource**") based in Florida, USA for a consideration of US\$7.5 million plus an additional future payment conditional upon CitraSource's performance in the years 2014-2018. CitraSource specializes in R&D, manufacturing, marketing and selling of unique solutions in citrus specialty ingredients to major players in the global flavor and fragrances market as well as to the food and beverage industries.

Frutarom is a leading global developer and producer of specialty citrus solutions, and is continually investing in innovative, unique technologies for processing, extracting and refining of citrus fruits. This acquisition aims to accelerate Frutarom's abilities in developing and producing advanced taste and health solutions, giving Frutarom an important competitive advantage.

CitraSource's revenues in 2013 were about \$7 million. CitraSource's customers include leading global flavors, food and beverage players. CitraSource's knowhow, expertise and capabilities across all ranges of citrus (Orange, Grapefruit, Lemon, Lime and Tangerine) will expand Frutarom's natural ingredients portfolio and together with CitraSource's worldwide sourcing network will add to Frutarom's leadership position in the market of production and selling of citrus specialty, an essential ingredient for flavors and many food and beverages products.



The CitraSource assets acquired, include a manufacturing facility and a refrigerated tank farm for storing different types of raw materials including citrus specialty, and inventory. These will be integrated into Frutarom's global supply chain and production infrastructure and will contribute to the expansion and strengthening of Frutarom's global purchasing system.

Combining CitraSource's extensive knowhow and R&D capabilities in citrus specialty, its innovation and marketing with Frutarom's knowhow and customer base will allow Frutarom to establish another global center of excellence in citrus and provide its customers with innovative added value products and comprehensive solutions tailor made to their special needs.

CitraSource managers, Mr. Niv Ben Yehuda and Mr. Randy Aulick have between them extensive experience in R&D, operations, purchasing, sales and marketing of specialized citrus and bring with them extensive worldwide contacts in the global citrus industry. Mr. Ben Yehuda and Mr. Aulick will continue managing CitraSource activity, supporting Frutarom's efforts in growing its global citrus business. CitraSource's activity will be consolidated into Frutarom's Fine Ingredients Activity.

Ori Yehudai, President and CEO of Frutarom: "Frutarom is a leading global manufacturer of specialty citrus solutions, and the acquisition of CitraSource is another step in the execution of our strategy of achieving rapid and profitable growth based on natural and healthy products. Frutarom started its activity in 1933 by growing and developing citrus based solutions in Israel. Citrus specialty remains an important part of our business and is considered an important contributor to our success. The strengthening of our control over the sourcing of our raw materials (back integration) which CitraSource brings us, will further enhance our leadership position in the market for citrus specialty ingredients and will allow us to expand our product portfolio and provide added value to our customers.

CitraSource's brings Frutarom advanced R&D and global sourcing capabilities, in the USA, Central and South America in particular, leading, experienced management team and presence in Florida, one of the world's main citrus centers. This acquisition supports Frutarom's strategy of expanding growing its US activity and developing value-added natural solutions in line with global market trends and with the needs of our flavors, food and beverage customers.

This acquisition, joined with the four we completed last year, strengthens our positions as a significant player in the global taste solutions and fine ingredients market. We will continue implementing our rapid and profitable growth strategy and identify and carry out additional acquisitions of companies and activities that are synergistic to our own.



About Frutarom

Frutarom is a global company operating in the global flavor and fine ingredients markets. Frutarom has significant production and development centers in four continents and it markets its products in five continents to over 15,800 customers in more than 145 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 2,700 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 sales and 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.

