

PRESS RELEASE

Feb. 7, 2012

FRUTAROM'S FIRST ACQUISITION IN BRAZIL
EIGHTH ACQUISITION FOR FRUTAROM OVER LAST 12 MONTHS

FRUTAROM ACQUIRES MYLNER – BRAZILIAN FLAVOR COMPANY

Ori Yehudai, President of Frutarom: “The acquisition of Mylner represents an important base which will strengthen and boost Frutarom’s growth in the flavor solutions market in Latin America, and will further enhance its position as a leading global flavors manufacturer and supplier.”

Frutarom Industries Ltd. (“**Frutarom**”) announced that today it signed an agreement for the acquisition of the Brazilian Mylner Indústria E Comércio Ltda (“**Mylner**”), in return for approximately \$US 15.7 million (27.1 million BRL). Mylner, founded in 1974 by three partners with many years of experience and a well established reputation, develops, manufactures and markets flavor solutions, focusing mainly on sweet flavors for beverages and baked goods, and natural flavor products. Mylner has a modern development, production and marketing site in the area of Sao Paulo, Brazil, including land for future expansion, and employs some 70 workers. Mylner’s wide customer base includes food manufacturers mainly in Brazil, and in other developing countries in Latin America.

Mylner has shown impressive growth rates over the past few years, and its sales turnover has increased over the last 4 years by 43%, from revenues of 13.2 million BRL (US\$ 6.8 million) in 2007 to revenues of 19 million BRL (US\$11.4 million) in 2011. Over the last year, Mylner’s sales turnover grew by 8%.

The acquisition is expected to significantly increase Frutarom's customer base, product portfolio and the scope of its sales in the flavors market, while deepening its operations and market share in the growing Brazilian market and in Latin American markets. Frutarom intends to utilize Mylner’s production, development, sales and management, capacities as a base for the development of its business in this important developing region.

According to Frutarom’s President and Chief Executive Officer, **Ori Yehudai**, “After five acquisitions in 2011, Frutarom continues to pursue additional strategic acquisitions and to implement its rapid growth strategy with this third acquisition since the beginning of 2012.

Frutarom considers this acquisition of Mylner to be an important strategic step and a significant first entry into the taste solutions market in the important and large Brazilian market and in Latin American markets, which strengthens its presence and market share in these high growth potential markets.

The acquisition enables us to create a strong base with experienced management team which will allow us to strengthen our presence and increase our market share in these emerging markets. We believe that the sales in the emerging markets in which Mylner acts will continue to grow at high rates over the next few years as a result of the shift to processed foods and beverages and from changes in consumer demands in this region. Frutarom will act and invest in the strengthening of its research and development, production, marketing and sales in Brazil and in other important target

countries in Latin America also through additional strategic acquisitions in the region, continuing to strengthen its status as a leading global player, and will continue to successfully realize its rapid growth strategy, and the realization of the vision **'To be the preferred partner for tasty and healthy success'** , Yehudai stated.

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 13,000 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 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, 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.