

PRESS RELEASE

May 8, 2012

**FRUTAROM ANNOUNCES THAT IN COMPLIANCE WITH ITS ACQUISITION PLAN,
ETOL TO BE DELISTED FROM THE SLOVENIAN STOCK EXCHANGE TODAY;**

**FRUTAROM HOLDS Approx. 98% OF ETOL SHARES AND WILL ACT TO COMPLETE
THE ACQUISITION OF ALL REMAINING SHARES IN THE UPCOMING WEEKS;**

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

Frutarom Industries Ltd. ("**Frutarom**"), one of the ten largest flavor and fine ingredients companies in the world, announces the delisting of the Slovenian company Etol d.d. ("**Etol**"), in accordance with its acquisition plan. Following the delisting Etol will become a private company. Frutarom will now act to acquire Etol's remaining shares from the remaining shareholders. Frutarom holds 98% of Etol shares, and upon acquisition of the remaining shares, will hold all of Etol's share capital. The total acquisition price will be approx. 35.5 million Euro.

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 46%, from revenues of €31.5 million in 2006 to revenues of €46 in 2010. Over the twelve 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.

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.

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 capabilities will serve as a base of Frutarom's business development in the region.

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



“We are very pleased with successful progress of the Etol acquisition, as planned. The acquisition of Etol is an important milestone in the realization of our goal 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”.

Since the beginning of 2011 we have completed eight strategic acquisitions, 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. The integration plans are progressing successfully as planned, 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 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 1,900 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

