

## NINTH ACQUISITION BY FRUTAROM THIS YEAR

# FRUTAROM STRENGTHENS ITS POSITION AS A LEADING GLOBAL PLAYER IN CITRUS - ACQUIRES SCANDIA CITRUS OF FLORIDA, USA

### Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and specialty fine ingredients, announced today the acquisition of the business operations and assets of Scandia Citrus LLC. of Florida, USA ("**Scandia**"), which specializes in the research and development, manufacture, and sales and marketing of specialty solutions in the field of citrus for leading global customers in the flavor, food and beverages markets, for approximately US\$ 6 million. Scandia's sales in 2014 totaled approximately US\$ 8 million. The transaction was completed upon the signing of the agreement and financed through bank debt.

This acquisition joins that of CitraSource last year which also specializes in citrus and whose production facilities and development labs are also situated in Florida not far from those of Scandia. Scandia's extensive knowledge in citrus, R&D and marketing capabilities, and its ingenuity which includes a unique technology for the molecular distillation of citrus oils, combined with Frutarom's experience, know-how, capabilities and pool of customers in this field which expanded significantly following the acquisition of CitraSource last year, will enable Frutarom to further strengthen its center of excellence in Florida in the field of citrus and to provide its customers innovative added-value products and comprehensive solutions matching their unique requirements. Scandia also has global purchasing abilities in the field of citrus from specialty crop growing and supply sources, and combining these with Frutarom's capabilities will further reinforce Frutarom's position as a leading player in the research and development, manufacture and sales of specialty citrus products which constitute an important raw material in the development and production of many flavors and food and beverage products.

Frutarom will work towards fully capitalizing on the many cross-selling opportunities arising from the acquisition along with combining all of Scandia's activity at its existing site in Florida, USA while attaining maximal savings and efficiency.

The company's executives, Mr. Wesley Beck and Dr. Robert Kryger, who bring along rich experience in the fields of R&D, purchasing and marketing, along with excellent connections in the global citrus market, will continue supporting the operations and, together with Mr. Ben Yehuda and Mr. Aulick who continue managing the activity of CitraSource, help Frutarom continue to grow and deepen its global activity in the field of citrus.



**Ori Yehudai, President and CEO of Frutarom Group**, said today: "Frutarom got its start in the cultivation and extracting of citrus in Israel. Today, 82 years after Frutarom was founded, citrus still makes up a large and important part of our activity and constitutes one of our competitive advantages. The improved back integration brought about with the acquisition of CitraSource last year will now be further reinforced with the acquisition of Scandia and help us continue establishing our position as a global leader in the citrus market while enhancing our offerings of innovative products and the service we provide our customers.

"The acquisition of Scandia provides Frutarom advanced R&D capabilities, unique technology, global purchasing capabilities with emphasis on North, Central and South America, and a leading and experienced management team, and it further enhances our presence in Florida – one of the worldwide centers for citrus. The acquisition represents another milestone in the realization of the strategy for both expanding in the United States and broadening our portfolio of natural products in response to market trends and the needs of our customers in the flavors and food and beverages market.

"The acquisition of Scandia joins the eight acquisitions completed since the beginning of the year and supports the continuing positioning of Frutarom as a leading player in the global market for flavors and specialty fine ingredients. We will continue implementing our rapid and profitable growth strategy, and our strong pipeline of acquisitions will permit the continued realization and execution of further strategic acquisitions of companies and operations in our fields of activity."

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**About Frutarom:**

Frutarom (LSE: **FRUT**, TASE: **FRUT**) is a multinational company operating in the global flavors and fine ingredients markets. Frutarom has significant production and development centers on four continents and markets and sells the over 31,000 products it produces to over 16,000 customers in more than 150 countries. Frutarom's products are intended mainly for the food and beverages, flavor and fragrance extracts, pharmaceutical, nutraceutical, health food, functional food, food additives and cosmetics industries.

Frutarom, which employs approximately 3,300 people worldwide, has 2 main core activities:

- The Flavors Activity which develops, produces and markets flavor compounds and food systems
- The Specialty Fine Ingredients Activity, which develops, produces and markets natural flavor extracts, natural functional food ingredients, natural pharma/nutraceutical extracts, natural food colors, natural algae based biotechnical products, natural antioxidants used in natural food protection systems, aroma compounds, essential oils, unique citrus products, natural gums and resins. The Specialty Fine Ingredients products are sold primarily to the food and beverages, flavor and fragrance, pharmaceutical/nutraceutical, cosmetics and personal care industries.

Frutarom's products are produced at its plants in the US, Canada, the UK, Switzerland, Germany, Spain, Italy, Slovenia, Russia, Turkey, Israel, South Africa, China, India, Guatemala, Peru, Chile, Brazil and New Zealand. The Company's global marketing organization encompasses branches in Israel, the US, Canada, the UK, Switzerland, Germany, Slovenia, Belgium, the Netherlands, Denmark, France, Italy, Spain, Hungary, Romania, Russia, the Ukraine, Poland, Kazakhstan, Belarus, Turkey, Brazil, Mexico, Guatemala, Costa Rica, Peru, Chile, South Africa, China, Japan, Hong Kong, India, Indonesia and New Zealand. The Company also works through local agents and distributors throughout the world. For further information, please visit our website at: [www.frutarom.com](http://www.frutarom.com).

