

September 6, 2015

**FRUTAROM ACQUIRES NUTRAFUR OF SPAIN WHICH
ENGAGES IN SPECIALTY NATURAL PLANT EXTRACTS FOR
FOOD AND HEALTH PRODUCTS**

**ANOTHER ACQUISITION IN NATURAL INGREDIENTS -
CONTINUES STRENGTHENING ITS POSITION AS A LEADING
GLOBAL PLAYER IN THIS FIELD**

**NUTRAFUR SALES FOR 12-MONTH PERIOD ENDING JUNE 2015
TOTALLED APPROX. USD 13 M**

10TH ACQUISITION THIS YEAR

NUTRAFUR HAS IMPRESSIVE R&D CAPABILITIES, A QUALITY WORKFORCE
AND A PLANT WITH SIGNIFICANT EXPANSION POTENTIAL

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and specialty fine ingredients, continues its momentum of acquisitions and the implementation of its rapid and profitable growth strategy: the Company announced today the purchase of 79% of the shares of the Spanish company Nutrafur S.A. ("**Nutrafur**") based on a company value of approx. US\$ 14.5 million (€ 13.1 million). The transaction was completed upon signing and is being financed with bank credit. Nutrafur specializes in the research and development, manufacture, and sales and marketing of specialty natural plant extracts bearing antioxidant properties or scientifically proven healthy qualities and supported by clinical studies for the food, pharma, nutraceutical and cosmetics markets. Nutrafur sales for the 12-month period ending June 2015 amounted to approx. US\$ 13 million. The value of Nutrafur's net assets for 30.6.15 on a cash-free debt-free basis stood at approximately US\$ 11.4 million.

Nutrafur has accumulated many years of know-how and excellent capabilities in the extraction of active components from vegetation, particularly rosemary, olive and citrus. Nutrafur products blend in well with Frutarom's portfolio of natural ingredient solutions and will help expand Frutarom's lineup of natural products for both food and health products. Nutrafur's activity in the field of antioxidants, particularly in the area of food preservation and protection and extending of shelf life based on natural components, establishes even further Frutarom's portfolio of solutions in this field which has been significantly strengthened following its acquisitions earlier this year of Vitiva and Ingrenat which are also active in this growing field. Active antioxidant



ingredients constitute an important supporting product for food manufacturers, and Frutarom will integrate these specialty ingredients into the comprehensive portfolio of products and solutions offered to its many customers in the savory field as well. Frutarom will work towards capitalizing on the many cross-selling opportunities arising from the acquisition and supporting the continued rapid development and production of natural functional solutions that combine taste and health in response to consumer demand and the major trends in the global food market towards more natural and healthier foods. This field is growing by leaps and bounds, and Frutarom's unique capabilities give it a competitive edge.

Nutrafur has an R&D and sales center and an efficient manufacturing site in Murcia, Spain with large production capacity and the possibility for considerable expansion. The company has 67 employees, of which about 10 are engaged in R&D and have advanced academic degrees and expertise in various fields.

Nutrafur's production site is in close proximity to that of Ingrenat which was acquired during the first quarter this year, and this geographic proximity between the sites will provide maximum operational flexibility in terms of the use of various extraction technologies as well as use of the various manufacturing systems within the framework of optimizing Frutarom's global supply chain. The acquisition will allow for significant operational savings in Frutarom's global manufacturing structure in the area of natural extracts and in the fields of purchasing, production, logistics, and marketing of the Company's solutions in these fields.

Ori Yehudai, President and CEO of Frutarom Group, said: "Over the last few months Frutarom has made a major leap forward in strengthening its position as a leading global producer of natural specialty ingredients and the acquisition of Nutrafur fits in well with our rapid and profitable growth strategy while deepening and expanding Frutarom's activity in the growing field of natural plant extracts and antioxidants for food products. We will continue investing in considerably expanding our global activity in this important and growing field both by means of strategic acquisitions and through collaboration with universities, research institutes and innovative product development startup companies.

"The Nutrafur acquisition affords Frutarom advanced R&D capabilities along with a top-level and experienced managerial team, as well as substantial customers. The acquisition provides an opportunity for improving the Group's operational flexibility and efficiency. Thanks to Frutarom's proven experience in the successful execution of acquisitions and realization of the many synergetic and cross-selling opportunities inherent in combining acquired activities with those of Frutarom, we are convinced that this acquisition too will contribute towards the continuation of Frutarom's rapid and profitable growth and will generate top value for our customers, our employees, and our investors."

Mr. Yehudai concluded by saying: "The acquisition of Nutrafur is our tenth acquisition since the beginning of the year and we are working on identifying and executing further strategic acquisitions. We will continue implementing our rapid growth strategy which is based on combining profitable internal growth with strategic acquisitions in order to achieve the goals we recently set for ourselves: sales reaching at least US\$ 1.5 billion with an EBITDA margin of over 22% for our core activities by the year 2020."

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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 all six continents and markets and sells more than 43,000 products to over 19,000 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 3,500 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.

