

ANOTHER ACQUISITION FOR FRUTAROM TO KICK OFF 2016**PURCHASES GROW – AN AMERICAN BIOTECHNOLOGY
COMPANY FOR NATURAL SPECIALTY INGREDIENTS
FOR FOOD AND HEALTH PRODUCTS – FOR USD 20M****FRUTAROM CONTINUES FORTIFYING ITS POSITION AS
ONE OF THE WORLD'S LEADING PLAYERS IN THIS FIELD****FRUTAROM ALSO ANNOUNCES THE COMPLETION OF ITS
ACQUISITION OF AMCO OF POLAND**

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and natural specialty fine ingredients, continues its momentum of acquisitions and the implementation of its rapid and profitable growth strategy with the announcement that yesterday it bought 100% of the shares of US-based Grow Company Inc. ("**Grow**") for USD 20 million. The purchase agreement includes a mechanism for future consideration conditional on the company's business performance during the year following the purchase date. The transaction was financed through bank debt.

Frutarom also announces that yesterday it completed its purchase of 75% of the share capital of the Polish company AMCO Sp. z o.o. which specializes in unique savory flavor solutions.

Founded in 1977, Grow has accumulated many years of know-how and unique biotechnological production methods for producing natural nutritious ingredients with healthy qualities that are scientifically-proven and backed up by clinical studies. These ingredients significantly improve the body's absorption of vitamins, minerals and other nutrients. Among its customers are leading dietary supplement, natural remedy, functional foods, cosmetic and flavors companies, and Grow has displayed impressive growth rates surpassing those of the markets in which it operates. Grow's unique technology and products strengthen Frutarom's technological infrastructure and its portfolio of natural solutions for the food and health sectors. Frutarom will work towards capitalizing on the many cross-selling opportunities arising from the acquisition and supporting the expansion of research, development and production of specialty natural solutions combining taste and health in response to consumer demand and the trends prevailing in the global food market calling for healthier and more natural food items. This is a fast-growing area in which Frutarom's unique capabilities give it a solid competitive edge.

Grow has an R&D and marketing center and efficient production site in New Jersey. The company's owners, and foremost among them the CEO who as a renowned researcher in this field with many years of experience also serves as its Chief Science Officer, will join Frutarom's managerial ranks in its Specialty Fine Ingredients Division.



Ori Yehudai, President and CEO of Frutarom Group, said: "Over the past two years Frutarom has taken a major strategic step in strengthening its position as a leading global manufacturer of specialty fine ingredients: we bought up Montana Food in Peru and Vitiva in Slovenia along with Nutrafur and Ingrenat in Spain, companies engaged among other things in natural plant extracts and natural colors, as well as CitraSource and the activities of Scandia, both in the US, which specialize in natural citrus-based specialty ingredients. Last week we announced our investing in Algalo which focuses on cultivating algae from which it produces advanced products using its own unique biotechnological techniques. The acquisition of Grow blends in well with our rapid and profitable growth strategy, deepening and expanding Frutarom's activity in the growing field of natural specialty dietary supplements and the use of unique technologies in their manufacture. We will continue investing in significantly expanding our global activity in this important and growing field, both through strategic acquisitions and by collaborating with universities, research institutes and startup companies for developing innovative natural ingredients.

"The acquisition of Grow brings to Frutarom advanced R&D capabilities as well as some major customers," continued **Mr. Yehudai**. "Thanks to Frutarom's proven experience in successfully carrying out acquisitions and realizing the synergies arising from combining the acquired activity with Frutarom's activity and the many cross-selling opportunities, we are convinced this acquisition too will contribute towards Frutarom's continuing rapid and profitable growth and generate high value for our customers, employees and investors."

"The acquisition of Grow is our 29th acquisition in the past five years and carries on the implementation of our rapid and profitable growth strategy combining internal growth, above the rates of growth in the markets where we operate, with strategic acquisitions," **Mr. Yehudai** said in conclusion. "We have an excellent pipeline of future acquisitions which will contribute, along with continued reinforcement of our market leadership in joining together the worlds of natural flavors and health, towards achieving the goals we recently set out: USD 2 billion in sales by 2020 along with an EBITDA margin of over 22% in our core activities."

Contact Details:

ir@frutarom.com +972-9-9603800

About Frutarom:

Frutarom (LSE: FRUT, TASE: FRUT) is a leading global company operating in the global flavors and natural fine ingredients markets. Frutarom has significant production and development centers on all six continents and markets and sells over 43,000 products to more than 20,000 customers in over 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 more than 4,000 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 algae-based biotechnical products, natural food colors, natural substances for food protection, 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, Belgium, Italy, Spain, Slovenia, Russia, Poland, 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, Austria, Slovenia, Belgium, the Netherlands, Denmark, France, Italy, Spain, Hungary, Romania, Russia, 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.

