

FRUTAROM HAS COMPLETED THE ACQUISITION OF
WIBERG OF AUSTRIA, A WORLD LEADER IN SPECIALTY SAVORY
FLAVOR SOLUTIONS, FOR APPROX. USD 130 M (€119 M)

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**") announces today that it has completed the purchase of 100% of the shares of worldwide Wiberg GmbH (formerly known as Sagema GmbH) of Austria and Wiberg GmbH of Germany (including Wiberg's 50% ownership share in a Canadian subsidiary and 51% ownership share in a Turkish company) (collectively: "**Wiberg**") for approx. USD 130.4 million (€119 million). As reported, Wiberg sales for 2015¹ are expected to stand at approx. USD 172 million (€155 million), achieving impressive rates of growth beyond the growth rates of markets in which it operates, with adjusted EBITDA¹ of approx. USD 19 million (€17 million). The total value of assets acquired stood at USD 131 million (€107.8 million) as of December 31, 2014.

Wiberg was founded in 1947 and now ranks as a top international group in its field, boasting a superb reputation and strong brand name in the specialty and innovative savory solutions (the non-sweet spectrum of flavors) that include flavor extracts, seasoning blends and functional ingredients for the food industry, with special emphasis on processed meats and convenience foods as well as activity focused on innovative culinary solutions for restaurants, catering firms and chefs which constitute an interesting and distinctive premium market. Wiberg employs some 670 personnel throughout the world and operates five production sites, the largest of which is a modern and efficient state-of-the-art facility in Germany with extensive production capacity and substantial room for expansion, and in Austria, Turkey, Canada, and Los Angeles in the USA as well. Company headquarters in Salzburg, Austria includes a modern R&D center and advanced laboratories. The company has sales and marketing platforms in some 70 countries, with a presence in Europe, North America, Africa and Asia. Wiberg's broad customer base encompasses thousands of food manufacturers, including some of the top in their fields. Wiberg's activities are largely synergetic with Frutarom's global activity in the field of savory flavors which Frutarom views as an important growth engine for itself. About 10 years ago Frutarom embarked on a strategic course of action to significantly build up its global savory activity by acquiring leading companies in their fields possessing unique solutions and a strong position in strategic target markets. Frutarom now holds a leading market position in this field and focuses on developing unique innovative natural and healthy products with high added value at its sites throughout the world. Wiberg's activity will enable Frutarom to reinforce its supply of savory products, with emphasis on the growing field of culinary solutions and on offering its customers throughout the world Wiberg's wide selection of products and solutions in this field. Frutarom intends to make the most of its global sales and marketing infrastructure in leveraging and realizing the many cross-selling opportunities generated by this acquisition by expanding the customer base and the product portfolio as well.

¹ Based on annualized sales and EBITDA for Wiberg from the first ten months of 2015 according to its managerial reports, including full consolidation of subsidiaries and net of non-recurring expenses and expenses unrelated to ongoing operations that will not be continued following completion of the transaction.



Frutarom will also take steps to maximize the reaping of operational synergies between its own activities and those of Wiberg in the various countries in order to achieve operational efficiencies and maximal savings estimated at more than USD 12 million (on an annual basis), most of which will already be attained over the coming year and partly during 2017. The substantial Wiberg activity will also now join the global purchasing system being built by Frutarom, with emphasis on the purchase in source countries of the raw materials used in the manufacture of its products as well as on maximum future exploitation of the economies of scale built up by Frutarom in recent years.

This acquisition is the largest carried out so far by Frutarom, and following it the Company recently boosted its sales target for the year 2020 to USD 2 billion with an EBITDA margin of over 22% in its core activities.

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About Frutarom:

Frutarom (LSE: FRUT, TASE: FRUT) is a leading multinational 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 approximately 4,500 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 algae-based biotechnical products, natural food colors, natural substances for food protection, aroma compounds, essential oils, unique citrus products, and 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.

