

**SIXTH ACQUISITION FOR FRUTAROM IN 2016****FRUTAROM BUYS REDBROOK OF IRELAND, A GROUP  
SPECIALIZING IN SPECIALTY SAVORY TASTE SOLUTIONS****REDBROOK SALES IN THE 12 MONTHS ENDING JUNE 2016  
TOTALED APPROX. USD 25.4 MILLION (€ 22.7 MILLION)****A STRATEGIC ACQUISITION FOR FRUTAROM THAT EXPANDS  
ITS CAPABILITIES AND RAISES ITS MARKET SHARE IN  
SAVORY SOLUTIONS IN THE UK AND IRISH MARKETS**

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 signing of an agreement for the purchase of 100% of the shares of the Irish company Redbrook Ingredients Services Limited ("**Redbrook**") in exchange for approximately USD 44.8 million (€ 40 million). The purchase agreement includes a mechanism for an additional consideration based on Redbrook's future business performance. The transaction was financed through bank debt.

Redbrook was founded in 1987 and has an R&D and sales and marketing center and an efficient production site near Dublin, Ireland as well as a production unit and R&D and sales and marketing center in Daventry, England, near Frutarom's site at Wellingborough, England. Redbrook has 39 employees. Redbrook's main activity is the development, production and marketing of innovative specialty savory taste solutions, which includes seasoning and functional blends, marinades, glazes, cures and specialty ingredients for food processors. Redbrook sales for the 12 month period ending June 2016, according to current exchange rates, amounted to approximately US\$ 25.4 million (approx. €22.7 million). In the last three years Redbrook has exhibited double digit growth.

The global market for savory flavors is growing due to the rise in standard of living and changes in lifestyle and consumer habits bringing about increased demand for processed and convenience foods both for home consumption and for eating out. Frutarom considers the field of savory flavors an important growth engine for itself and about 10 years ago 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. Among the companies and activities acquired: Nesse, Gewürzmüller and the savory activity of Chr. Hansen in Germany (in 2006, 2007 and 2009 respectively); EAFI in the UK, the savory activities of Rieber in



Norway, US-based FSI and the savory activities of Chr. Hansen in Italy in 2011; Savoury Flavours in the UK and ETOL in 2012; JannDeRee in South Africa and PTI in Russia in 2013; FoodBlenders in the UK and BSA of Canada, with activity also in India, in 2015; and AMCO in Poland and Wiberg of Austria in 2016.

Frutarom sees great strategic importance for this field, in which now holds a leading market position, and focuses on developing unique innovative natural and healthy products with high added value at its sites throughout the world. Redbrook's activity is largely synergetic with Frutarom's global savory activity and will enable Frutarom to continue expanding and deepening its activity and market share in the UK and Ireland, reinforce its supply of savory products while leveraging Redbrook's specialized knowhow and technology. Frutarom intends to make the most of its global sales and marketing infrastructure in leveraging and realizing the many opportunities generated by this acquisition by expanding the customer base and product portfolio.

The CEO of Redbrook, Mr. Kieran Fox, who has many years of experience and has headed the company's growth in recent years, will continue in his role and will join Frutarom's Flavors activity management.

**Ori Yehudai, President and CEO of Frutarom Group**, said: "The acquisition of Redbrook is the continuation of the implementation of Frutarom Group's rapid profitable growth strategy and the realization of its vision 'to be the preferred partner for tasty and healthy success.' This is an important acquisition in establishing Frutarom's standing as one of the world's largest and leading companies for flavors, and strengthens its presence and position as a top global producer of natural, healthy and innovative savory taste solutions. The acquisition reinforces our market leadership in the UK and constitutes Frutarom's first entry into the Irish market, also giving us the advantages of a global manufacturer having a local R&D, production and sales platform for shortening delivery times and improving service to customers of the region."

"Thanks to our proven experience carrying out acquisitions and capitalizing on the synergy and abundant cross-selling opportunities inherent in merging the acquired activity with those of Frutarom Group, we are certain this acquisition too will contribute to Frutarom's continued rapid and profitable growth and generate high value for our customers, employees and investors," **said Mr. Yehudai**. "Frutarom intends to utilize and combine Redbrook's R&D, sales and marketing infrastructure and production and supply chain platform in Ireland and the UK together with Frutarom's R&D, sales, marketing and manufacturing infrastructures and platforms in order to realize and leverage the many cross-selling and product possibilities generated by this acquisition by expanding both the customer base and the product portfolio, and to capitalize on the operational synergies between Redbrook's activity and the activities of Frutarom."

In conclusion, **Mr. Yehudai said**: "We are working on seeking out and executing additional acquisitions of companies and activities in our fields of activity, with special focus on high-growth markets, and we have a strong pipeline of potential strategic acquisitions. We will continue carrying out our rapid profitable growth strategy, which is based on profitable internal growth and strategic acquisitions, in order to achieve the targets we recently set: sales of at least US\$ 2 billion with an EBITDA margin of over 22% in our core activities by the year 2020."

**Contact Details:** [ir@frutarom.com](mailto: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 49,000 products to more than 28,000 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 4,500 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, 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](http://www.frutarom.com).

