

## **PRESS RELEASE**

### **FRUTAROM ACQUIRES RAD NATURAL THCHNOLOGIES, A COMPANY SPECIALIZING IN UNIQUE NATURAL PLANTS EXTRACTS WITH ANTI- OXIDANT PROPERTIES**

**Haifa, Israel – November 18, 2007, Frutarom Industries Ltd. (LSE: FRUTq, TASE: FRUT, OTC: FRUTF) ("Frutarom")** announced today that on Thursday, November 15, 2007, it acquired through its subsidiary Frutarom Ltd. the activity of RAD Natural Technologies Ltd. ("**RAD**"). Led by Dr. Rina Reznick, a world expert in natural anti-oxidants, RAD researches, develops, produces and sells unique natural plant extracts with anti-oxidant properties for use in food, dietary supplements and cosmetic products. RAD possesses unique knowhow, which is protected by patents, in this field. RAD's sales for 2006 totaled US\$ 1.2 million and US\$ 0.9 million for the first six months of 2007.

In accordance with the acquisition agreement, Frutarom acquired RAD's assets, including fixed assets, inventory, agreements, orders, goodwill, intellectual property and expenses (Frutarom will not assume RAD's liabilities), in consideration for a cash payment of US\$ 4.1 million, which was financed with bank loans. The acquisition agreement also determines an earn out mechanism for a future payment, such that RAD will be entitled to an additional payment if the accumulated sales for RAD's products in 2008 and 2009 are more than US\$ 4 million. If the accumulated sales for RAD's products in 2008 and 2009 exceed US\$ 11.1 million, the maximum additional payment to which RAD will be entitled will be US\$ 4.9 million.

The acquisition of RAD, Frutarom's seventh this year, continues the realization of the Company's rapid growth strategy, combining quick organic growth with strategic acquisitions and of realizing its vision, *"To be the preferred partner for tasty and healthy success."* Combined with Frutarom's other acquisitions, this establishes Frutarom's position as one of the ten leading, large companies in the world in the field of flavor.



RAD's activity is synergetic with and complements Frutarom's activity and expands the range of natural health and taste solutions that Frutarom offers its customers worldwide. RAD has an impressive pipeline of projects together with its varied customers throughout the world, including large, multinational leaders in their fields. The acquisition of RAD combined with the acquisition of the Gewurzmuller group in October of this year, of Raychan in August 2007 and the Nesse group at the beginning of 2006, join Frutarom's existing activity in Israel in the field and boost Frutarom as a leading global supplier to food manufacturers of unique, natural solutions characterized by taste and health, all in accordance with Frutarom's strategy. RAD's products, which are protected by patents, will be integrated with the product offering produced and marketed by Frutarom's Flavors Division. Frutarom will act to extract the greatest advantage included in the acquisition and to sell RAD's products to Frutarom's customers in the 120 countries in which it operates and thereby maximize the existing synergy.

### **Background on the Company**

Frutarom is a global company with significant production and development centers on three continents that markets its products on five continents to over 5,000 customers in more than 120 countries. Frutarom's products are intended mainly for the food, beverage, flavor, fragrance, pharmaceutical, nutraceutical, health food, functional food, food additive, and cosmetic industries.

Frutarom operates through two Divisions:

- The Flavors Division, which develops, produces and markets flavor compounds and food systems.
- The Fine Ingredients Division, which develops, produces and markets natural flavor extracts, natural functional food ingredients, natural pharmaceutical/nutraceutical extracts, specialty essential oils and citrus products, and aroma chemicals.

Frutarom's products are produced at its plants in the United States, England, Switzerland, Germany, Israel, Denmark, China, and Turkey. The Company's global marketing organization includes branches in Israel, the United States, England, Switzerland, Germany, Belgium, Holland, Denmark, France, Hungary, Romania, Russia, Ukraine, Kazakhstan, Belarus, Turkey, Brazil, Mexico, China, Japan, Hong Kong, India and Indonesia. The Company also works through local agents and distributors worldwide. Frutarom has 1,500 employees worldwide.

For further information, visit our website: [www.frutarom.com](http://www.frutarom.com).