

**FRUTAROM PRESENTS GROWTH OF 15.3% IN SALES
AND A RECORD Q1 PROFIT OF US\$ 11.1 M**

**NET PROFIT DOUBLED COMPARED TO THE SAME
QUARTER IN 2009**

RECORD ALSO IN Q1 OPERATING PROFIT

**SALES IN THE FIRST QUARTER INCREASED BY 15.3% AND
REACHED US\$ 113.5 M**

GROSS PROFIT INCREASED BY 23.4% AND REACHED US\$ 43.5 M

**OPERATING PROFIT INCREASED BY 61.9% AND REACHED US\$
16.6 M AND OPERATING MARGIN INCREASED AND REACHED
14.6%**

**EBITDA INCREASED BY 47.3% AND REACHED US\$ 21.3 M AND
EBITDA MARGIN IMPROVED AND REACHED 18.8%**

**PROFIT BEFORE TAX INCREASED BY 121.1% AND REACHED US\$
15.3 M**

PROFIT PER SHARE DOUBLED AND REACHED US\$ 0.19

Haifa, Israel – March 17, 2010. Frutarom (LSE: FRUTq, TASE: FRUT, OTC: FRUTF) today presented its first quarter 2010 results.

Frutarom, one of the ten largest companies in the world in the field of flavors and specialty fine ingredients continues to successfully implement its rapid and profitable growth strategy, combining organic growth and the implementation of strategic acquisitions.

Frutarom's revenues in Q1 2010, increased by 15.3% and reached US\$ 113.5 M. The increase in sales arises mainly from an organic growth in Frutarom's core activities of flavors and specialty fine ingredients. The merger of the three successful strategic acquisitions implemented by Frutarom in the first half of 2009 and the strengthening of the West European currencies and the NIS, in which most of Frutarom's sales are implemented, against the US\$, also contributed to the increase in sales.



Gross profit in Q1 2010 increased by 23.4% and reached US\$ 43.5 M compared to US\$ 35.2 M in the same quarter in 2009; **gross margin** improved and reached 38.3% compared to 35.8% in the same period in 2009. **Operating profit** increased by 61.9% and reached US\$ 16.6 M, compared to US\$ 10.2 M last year and **operating margin** increased and reached 14.6% compared to 10.4% in the same period in 2009.

EBITDA in Q1 2010 increased by 47.3% and reached US\$ 21.3 M compared to US\$ 14.5 M in the same quarter in 2009. **EBITDA margin** significantly improved and reached 18.8% compared to 14.7% in the same period last year. **Income before taxes in Q1 2010** increased at a sharp rate of 121.1% and totaled US\$ 15.3 M (13.5% of sales) compared to US\$ 6.9 M (7.0% of sales) in the same quarter last year.

Net profit in the period doubled and totaled US\$ 11.1 M compared to US\$ 5.6 M in the same period last year and **net margin** also increased at a sharp rate and reached 9.8% compared to 5.7% in the same quarter last year.

Profit per share in Q1 doubled and reached US\$ 0.19 compared to US\$ 0.10 per share in the same quarter last year.

Ori Yehudai, Frutarom's President and CEO, summed up and stated: "In Q1, Frutarom achieved organic growth in sales and significantly improved profit and margin. We are satisfied by the profitable growth trend in the quarter and believe that it will be also continuing during the year. As expected, we witness fine results that emerged from the steps we have taken to strengthen and improve our competitiveness and to increase our operating efficiency. These steps contributed to a significant increase in the rates of gross margin, operating margin and net margin and to the doubling of our net profit in the quarter. We will decisively continue to act to implement our rapid growth strategy which combines organic growth and strategic acquisitions and the two together will allow us to again double our sales turnover in the next 4 years, to approximately US\$ 1 billion".

About the Company

Frutarom is a multinational company operating in the global flavor and fine ingredients markets. Frutarom has significant production and development centers in three continents and it markets its products in five continents to over 10,000 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 additives and cosmetic industries.

Frutarom, which employs approximately 1,450 people worldwide, 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 pharma/nutraceutical extracts, specialty essential oils, citrus products and aroma chemicals.

Frutarom's products are produced in its plants in the US, UK, Switzerland, Germany, Israel, China, and Turkey. The Company's global marketing organization includes branches in Israel, the US, UK, Switzerland, Germany, Belgium, the Netherlands, 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.

For further information, visit our website: www.frutarom.com.

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