

February 3, 2015

## **FRUTAROM FORGES AHEAD IN STRENGTHENING ITS POSITION AS A LEADING GLOBAL PLAYER FOR NATURAL INGREDIENTS**

### **ANNOUNCES ITS ACQUISITION OF INGRENAT IN SPAIN FOR APPROX. \$ 8M**

### **INGRENAT DEALS IN NATURAL PLANT EXTRACTS FOR TASTE, COLOR AND PRESERVATION SOLUTIONS FOR THE FOOD INDUSTRY**

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), LSE: FRUTq, TASE: FRUT, 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 strategy for rapid and profitable growth. The Company announced today the acquisition of 100% of the shares of Ingredientes Naturales Seleccionados SL of Spain ("**Ingrenat**") in exchange for approximately US\$ 8 million (€ 7 million) plus up to \$US 1.1 million (€ 1 million) additionally, depending on Ingrenat's 2015 performance. Ingrenat specializes in the research and development, production, and sales and marketing of natural extracts from plants which include, among others, paprika rosemary, bixin, alfalfa and more which deliver taste, color, and antioxidant activity solutions for the food industry. Numbering among its customers are food manufacturers and leading flavor, fragrance, and natural color producers. Ingrenat's sales grew 10% in 2014 to approx. US\$ 9.8 million (€ 7.4 million). The value of its net assets (not including cash or debt) in 2014 stood at US\$ 6.9 million (€ 5.6 million). Ingrenat's operations will be integrated into the activities of Frutarom's Specialty Fine Ingredients division with which it shares similar profitability margins. The acquisition will be funded through bank financing.

The acquisition of Ingrenat is a continuation of the implementation of Frutarom's strategy of deepening and expanding in the plant-based segment of natural food colors and antioxidants and it will continue investing towards substantially expanding its global activity in this important and growing field. The natural food colors activity joins the natural colors activity of Montana Food which was acquired in September 2014, and of Vitiva for which the purchase agreement was signed in December 2014. Ingrenat's activity in antioxidants based on natural substances, particularly in the field of food preservation and protection and extension of shelf life, further reinforces Frutarom's line of solutions in this area which



also gained a substantial boost with the acquisition of Vitiva which has activity as well in this growing field.

Ingrenat has 28 employees, an R&D and sales and marketing center, and a production site in Murcia, Spain with large production capacity and the possibility of extensive expansion, of which Frutarom will look to gain full advantage and achieve significant operational savings. Frutarom will also work towards realizing the cross-selling opportunities inherent in the acquisition. Ingrenat's superb and well-seasoned managers will be integrated into the managerial ranks of Frutarom's Specialty Fine Ingredients division where they can contribute their extensive experience.

**Ori Yehudai, President and CEO of Frutarom Group, said today:** "Frutarom is a leading global producer of natural specialty fine ingredients and the acquisition of Ingrenat fits in well with our rapid and profitable growth strategy which is based on natural flavor, health and coloring products. We are convinced this acquisition too will contribute to Frutarom's continuing rapid and profitable growth as well as generate high value for our customers, our employees, and our investors."

**Yehudai** concluded in saying: "The acquisition of Ingrenat is our first acquisition this year and we are working to identify and carry out further strategic acquisitions of companies and activities in our fields of operation. We will continue forging ahead in implementing our rapid growth strategy which combines profitable internal growth with strategic acquisitions."

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#### **About Frutarom:**

Frutarom is a multinational company operating in the global flavors and fine ingredients markets. Frutarom has significant production and development centers on four continents and markets and sells over 31,000 products its products to over 15,500 customers in more than 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 3,000 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, aroma chemicals, 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, UK, Russia, Switzerland, Germany, Slovenia, Turkey, Italy, Israel, China, Guatemala, South Africa, Peru, Chile and Brazil. The Company's global marketing organization encompasses branches in Israel, the US, UK, Switzerland, Germany, Slovenia, Belgium, the Netherlands, Denmark, France, Italy, Hungary, Romania, Russia, Ukraine, Poland, Kazakhstan, Belarus, Turkey, Brazil, Mexico, Guatemala, Costa Rica, Peru, Chile, South Africa, 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](http://www.frutarom.com) .

