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## **FRUTAROM ACQUIRES BRITISH FLAVORS MAKER FOODBLENDERS**

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), LSE: FRUTq, TASE: FRUT, one of the world's top 10 companies for flavors and specialty fine ingredients, continues to implement its rapid growth strategy and announces today its acquisition of 100% of the share capital of FoodBlenders Ltd. ("**FoodBlenders**") for approximately US\$ 2.4 million (£ 1.6 million) plus an additional sum expected to stand at about US\$ 600,000 (£ 400,000), depending on the company's performance. The transaction was completed upon signing and is being independently financed.

Established in 1998, **FoodBlenders** develops, manufactures, and markets savory solutions which mainly include spice and seasoning mixes, functional ingredients, marinades and sauces for the food industry, with particular emphasis on the convenience foods segment. In 2014 FoodBlenders posted sales of approximately US\$ 3 million (£ 2 million) with profit margins similar to those of Frutarom in the same area of activity. FoodBlenders has a site in England where it develops, manufactures and markets its products which is located within close proximity of Frutarom's Wellingborough site, and it has a wide customer base which includes British food and private label manufacturers.

FoodBlenders' product line and technologies complement the product portfolios and activities of UK-based Savoury Flavours and EAFI which were acquired by Frutarom in 2012 and 2011 respectively and which also specialize in savory flavor solutions. The proximity to the Frutarom site at Wellingborough and the complementary line of products promise to generate synergies between FoodBlenders' activity and Frutarom's expanding savory activity in the UK and throughout the world.

Frutarom will strive to fully exploit the cross-selling opportunities inherent in the acquisition and expand the product portfolio for its existing customer base. Frutarom will also work towards achieving the utmost operational and business efficiencies possible from the merger of FoodBlenders' activities with its own UK activities based on Frutarom's existing infrastructure and through optimizing the use of its production facilities in this field.

**Ori Yehudai, President and CEO of Frutarom Group**, remarked: "This is an additional acquisition of activity in Frutarom's core field of business that will enable us to offer our customers a broader set of solutions. This acquisition provides further reinforcement of our growing activity in the UK where Frutarom has a leading role in the field of flavors.

"The global savory flavors market is growing as a result of the rising standard of living and way of life and the accompanying changes in consumer habits which are boosting demand for processed and convenience foods. Frutarom considers the field of savory flavors a vital strategic growth engine and invests heavily in developing unique innovative products with high added-value at its sites throughout the world. Acquiring FoodBlenders following the previous acquisitions in this segment is another step in establishing Frutarom's leadership in this important area, and we intend to continue investing towards significantly expanding



our savory activity in other countries around the world, including through further acquisitions."

**Mr. Yehudai** concluded by saying: "We are continuing to implement our rapid and profitable growth strategy combining internal growth and strategic acquisitions. The acquisition of FoodBlenders is our second acquisition of the year and follows the completion of three acquisitions in 2014, including that of Vitiva in Slovenia this past December. We are looking to identify and carry out further strategic acquisitions of companies and activities in our fields of operation, placing particular focus on markets and areas of activity exhibiting high rates of growth."

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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) .

