

March 18, 2015

## THIRD ACQUISITION FOR FRUTAROM IN 2015

# FRUTAROM ACQUIRES THE BELGIAN FLAVORS COMPANY TAIGA

### Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and specialty fine ingredients, continues implementing its rapid growth strategy, and announces today that it has acquired 100% of the share capital of the Belgian flavors company Taiga International NV ("**Taiga**") in exchange for payment of approximately US\$ 2.9 million. The transaction was completed upon signing the agreement and was independently financed.

Established in 1992, Taiga engages in the development, production and marketing of flavors for the food, beverages and tobacco industries, including to leading manufacturers of chocolates. The company has 14 employees and serves a broad customer base extending from Europe to North America from its site in Belgium which is home to all its production, research and development, and marketing activities. In 2014 Taiga sales turnover amounted to US \$4.9 million.

Frutarom will work towards capitalizing to the fullest on the abundant cross-selling possibilities presented by the acquisition and aims to expand the product line sold to the company's existing customer base. Frutarom will also strive to maximize operational and commercial efficiency from the merging of Taiga's activities with its own activity in Europe based on Frutarom's existing infrastructure and optimization of production sites.

Taiga's founder and CEO, with his rich experience and success in the industry, will continue being involved in operations with regards to business development and customer relations, as well as the operational aspects of integrating production activity into Frutarom's existing infrastructure, together with Frutarom management.

**Ori Yehudai, President and CEO of Frutarom Group** remarked: "This is an acquisition of activity in the field of flavors, Frutarom's core activity, which boasts high profitability margins. We see significant synergies between Taiga's activity and Frutarom's flavors activity in Europe and intend to leverage the cross-selling opportunities generated by this acquisition both by broadening the product portfolio and expanding the customer base."

Mr. Yehudai summarized by saying: "We are continuing to implement our rapid and profitable growth strategy which combines internal growth and strategic acquisitions. The acquisition of Taiga is the third acquisition we are performing this year, and follows the three acquisitions in 2014. Meanwhile, we are continuing to work towards identifying and carrying out further acquisitions of companies and operations in our fields of activity, placing particular focus on markets exhibiting high rates of growth."

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### **About Frutarom:**

Frutarom (LSE: **FRUT**, TASE: **FRUT**) 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 16,000 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 3,100 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 food colors, natural algae based biotechnical products, natural antioxidants used in natural preservation and food protection systems 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, UK, Switzerland, Germany, Spain, Italy, Slovenia, Russia, Turkey, Israel, South Africa, China, Guatemala, , 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, Spain, 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 throughout the world. For further information, visit our website: [www.frutarom.com](http://www.frutarom.com).

