

FRUTAROM'S SECOND ACQUISITION IN 2017

Acquires flavors company René Laurent of France

René Laurent sales in the 12 month period ending March 2017 totaled US\$ 13.2 million

Herzliya, Israel

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and natural specialty fine ingredients, continues its momentum of acquisitions and the implementation of its rapid and profitable growth strategy: The Company announces that today it signed an agreement for the purchase of René Laurent of France with activity also in Morocco as well as natural extracts activity known as BFA ("**René Laurent**") for approx. USD 21.3 million (Euro 20 million). The transaction was completed upon the signing of the agreement and was financed through bank debt.

René Laurent estimates its sales volume in the 12 month period ended March 2017 as having amounted to approx. USD 13.2 million (approx. Euro 12 million).

Founded in 1885 and with a very longstanding reputation as one of the world's oldest companies in flavors and specialty fine natural ingredients, René Laurent engages in the development, production and marketing of flavors and natural extracts. René Laurent has two production sites (one focusing on sweet flavors and the other on savory flavors), and an R&D center near Cannes, in Grasse, France, an area at the heart of the French flavors industry, plus a production site near Casablanca, Morocco, where natural herbal extracts activity is carried out for both the field of natural flavors and the field of antioxidants for food protection. René Laurent has a broad customer base in Europe, mainly in France, as well as in French speaking countries in Africa such as Morocco, Cameroon and Ivory Coast, and in Asia. René Laurent has approximately 100 employees. René Laurent's activity is synergetic with Frutarom's activity in the field of flavors which has grown in recent years at a much faster rate than the market, as well as with Frutarom's activity in natural extracts which is directed towards the areas of both natural flavors and food protection.

Messrs. Thierry and Jean Louis Laurent, the company's owners and managers, scions of the Laurent family which founded the operations more than 130 years ago, will contribute from their rich experience towards accelerating the growth in activity of both companies.

Ori Yehudai, President and CEO of Frutarom Group, said: "The René Laurent acquisition is first acquisition in the field of flavors made by Frutarom in the large and important French market and its first acquisition of a factory for plant extracts in Morocco. We intend to unite René Laurent's R&D and sales and marketing platforms, in both the areas of sweet flavors and of savory, with Frutarom's European R&D and sales and marketing platforms in order to realize and leverage the abundant cross-selling opportunities between their activities and to capitalize on the many synergies brought about by combining René Laurent's activity with Frutarom's substantial existing activity in Europe.



René Laurent's R&D and sales and marketing platforms in Asia and Africa will be combined with Frutarom's platforms. The René Laurent factory in Casablanca, Morocco, will be integrated into Frutarom's natural extracts operations so that Frutarom can benefit from the competitive cost structure and geographic proximity to the agricultural growing areas for very important plants serving as raw materials for our activities.

"The acquisition of René Laurent is the continuation of Frutarom's implementation of its rapid and profitable growth strategy and fulfillment of its vision 'to be the preferred partner for tasty and healthy success,'" said Mr. Yehudai. "The acquisition will contribute to significantly strengthening our position in the French market where until now we have not had local flavors production and will also help expand our activity in the fast growing French speaking countries of Africa and in Asia."

In conclusion, **Mr. Yehudai** said: "This is the second acquisition we are making this year and follows the acquisition of the South African flavors company Unique Flavors. Since the beginning of 2015 we have already acquired 21 companies which have been integrated into our global activity and are contributing and will keep contributing to the continued growth in sales and improved profits and profitability through the maximum utilization of the synergies they bring. We are working on finding and making further strategic acquisitions of companies and activities in our fields of operations. We will continue carrying out our rapid and profitable growth strategy, which is based on combining profitable internal growth and strategic acquisitions, in order to achieve the targets we recently set: sales of at least US\$ 2 billion with an EBITDA margin of over 22% in our core activities by the year 2020."

Contact Details:

ir@frutarom.com +972-9-9603800

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 all six continents and markets and sells over 60,000 products to more than 27,000 customers in over 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 employs approximately 4,750 people worldwide and engages in two 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, natural food colors, natural substances for food protection, aroma compounds, essential oils, unique citrus products, and 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, Canada, the UK, Ireland, Switzerland, Germany, Belgium, Italy, Spain, Slovenia, Russia, Poland, Turkey, Israel, South Africa, China, India, Guatemala, Peru, Chile, Brazil, Mexico and New Zealand. The Company's global marketing organization encompasses branches in Israel, the US, Canada, the UK, Ireland, Switzerland, Germany, Austria, 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, Indonesia and New Zealand. The Company also works through local agents and distributors throughout the world. For further information, visit our website: www.frutarom.com.

