

FRUTAROM EXPANDS ITS ACTIVITY IN AFRICA

DEDICATES A NEW PLANT IN SOUTH AFRICA

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and natural specialty fine ingredients, continues implementing its rapid and profitable growth strategy which includes expanding and deepening its business in high-growth emerging markets, announcing the opening of a state-of-the-art advanced center for research and development, innovation, laboratories, sales and marketing, and production in Johannesburg, South Africa.

Frutarom's new center in South Africa constitutes a significant reinforcement for Frutarom's existing activity in Africa and will enable Frutarom to provide its customers in the countries of the region with advanced development and applications services and the use of efficient production methods at the cutting edge of existing technology in this field. The center will provide Frutarom customers with support and comprehensive solutions in the areas of sweet flavors, savory taste solutions where Frutarom has built up a position of global market leadership in recent years, and in the combining of health and taste solutions with emphasis on natural products such as natural colors, natural antioxidants for food protection and the extending of shelf life, specialty citrus products and natural specialty fine ingredients with proven health qualities.

In recent years Frutarom has been working on expanding and deepening its activity in sub-Saharan countries (including Kenya, Botswana, Ethiopia, Ghana, Mauritius, Mozambique, Namibia, Sierra Leone, Niger, Tanzania, Uganda, Zambia, Zimbabwe, and Congo) which it has identified as growing and developing markets. In 2009 Frutarom set up a local South African subsidiary, in 2013 it acquired the South African flavors company JannDeRee and the American flavors company Hagelin with its extensive activity in African countries, and in 2015 acquired the Indian flavors and fragrances company Sonarome with activity in over 20 African countries.



Frutarom South Africa's new R&D, applications and production center



At the dedication ceremony for the plant, **Frutarom President and CEO Ori Yehudai** said: "Frutarom sees Africa as being a major growth engine for its activity. We intend to leverage our development and production capabilities in South Africa for the local South African market and also as a regional innovation center for the entire continent. Africa continues enjoying a growth rate of over 5% a year. The rapid urbanization process and expanding middle class are leading to a rise in food and beverage consumption, resulting in growing demand for flavors and specialty fine ingredients. This economic environment provides a suitable basis of activity for Frutarom, which views the emerging markets overall, and in Africa especially, as one of its main growth engines. Frutarom has been active in Africa for over 20 years already in many countries, having its main centers for sales in South Africa, Kenya and Nigeria. We believe in the continued accelerated economic development taking place on the African continent and are certain of our ability to be leading partners in the exciting journey of growth for the continent's economy as a whole, and particularly in the food and beverages industry in which we play a role."

Mr. Darrell Grey, Managing Director, Frutarom South Africa said: "In line with Frutarom's global strategy, Frutarom South Africa's business model has proven successful and an attractive solution for our medium to large sized local customers. The completion of our new R&D and production center will play a key role in supporting the region and connecting us even closer with our customers, accelerating our growth and market share. The significant investments over the last few years are testament to the vision and faith Frutarom has for Africa and we are very excited to be part of the success Frutarom has been experiencing in our industry."

"South Africa remains a key country for foreign investment and we believe Africa will play a vital role in the medium to long term future of the food and beverage industry at large. The shift in mind set across the continent to move from a trading to manufacturing economy bodes well for Africa's future."

Mr. Yehudai concluded by saying: "We are continuing to pursue the implementation of our rapid growth strategy which combines profitable internal growth with acquisitions. Frutarom will carry on accelerating its growth in both developed and emerging markets. We intend to continue investing in the rapidly growing regions of Asia, Central and South America, Central and Eastern Europe, and Africa, with the share of our sales from emerging markets having grown from 27% in 2010 to 44% in 2015."

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 49,000 products to over 28,000 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 employs more than 4,500 people worldwide and engages in two 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, 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, Switzerland, Germany, Belgium, Italy, Spain, Slovenia, Russia, Poland, Turkey, Israel, South Africa, China, India, Guatemala, Peru, Chile, Brazil and New Zealand. The Company's global marketing organization encompasses branches in Israel, the US, Canada, the UK, Switzerland, Germany, Austria, Belgium, the Netherlands, Denmark, France, Italy, Spain, Slovenia, Hungary, Romania, Russia, Poland, Ukraine, 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, please visit our website at www.frutarom.com.

