

Press Release

May 31, 2018
Herzliya, Israel

Frutarom Announces the Completion of the Bremil Transaction: Deepens and Expands its Penetration into Latin America's Growing Markets and Strengthens its Presence in the Brazilian Market

**Frutarom Acquires 51% of Bremil, Brazil's Top Producer
of Savory Solutions for approximately
USD 30M (approx. BRL 111M¹)**

**Bremil Sales Totaled USD 38M (approx. BRL 140M¹)
in the 12-Month Period Ending April 2018**

**Over Recent Years Frutarom has built up Global Leadership in
Savory Solutions, Thanks to its Specialized Technology and
Diverse Innovative Solutions Portfolio Based on Natural
Ingredients While Tapping Significant Cross-Selling Opportunities**

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 implementation of its rapid and profitable growth strategy, and announces that it has completed the transaction for the purchase of 51% of the shares of the Brazilian company Bremil Indústria Ltda. (“**Bremil**”), Brazil's top producer of savory solutions, for a consideration of approx. US\$ 30 million (approx. BRL 111 million) which includes estimated asset adjustments prior to the date of completion. The purchase agreement includes an option for the purchase of the balance of Bremil's shares, to take effect starting five years from the date of the transaction's completion, at a price based on Bremil's business performance during that period, as well as a mechanism of future consideration based on Bremil's future business performance. The transaction was financed through bank debt.

According to Bremil's managerial reports, its revenues over the 12 month period ending April 2018 totaled approximately US\$ 38 million (approx. BRL 140 million).

Bremil was established in 1987 in the city of Passo Fundo in the Brazilian state of Rio Grande do Sul and holds a leading position in Brazil's savory solutions market, with emphasis on convenience foods, prepared foods and processed meats. Bremil, which employs about 250 workers, serves approximately 450 customers in Brazil and countries of the region, with substantial presence among top meat producers, and has two production sites, in southern and central Brazil, with significant excess production capacity which Frutarom intends to utilize towards raising output and growth in Brazil and neighboring countries. Bremil provides its customers a complete portfolio of quality solutions based on natural ingredients and on a wide range of taste solutions and unique functional solutions which include seasoning blends, marinades, flavors, coatings, texture solutions, and

¹ According to the current Real/Dollar exchange rate



solutions for food protection. Bremil also engages in the field of taste and functional solutions for baked goods.

The Bremil acquisition fits in well with Frutarom's expanding global activity in savory solutions, strengthens its global leadership in this field and also provides Frutarom market leadership in Brazil and Latin America. By leveraging Bremil's specialized know-how and technology along with Frutarom's expansive sales and marketing platform in Brazil and Latin America, Frutarom will work on expanding Bremil's activity into additional countries as well as capitalizing on the many cross-selling opportunities for Frutarom products among Bremil customers.

Bremil's founders and managers will continue managing the activity and they will also continue as shareholders with 49% of Bremil's capital equity.

Ori Yehudai, President and CEO of Frutarom Group, said: "The acquisition of Bremil is a continuation of the implementation of Frutarom Group's rapid profitable growth strategy and the realization of its vision 'to be the preferred partner for tasty and healthy success.' This is an important strategic acquisition which enables Frutarom to make an additional major leap forward in strengthening its global leadership in savory solutions, as well as substantially reinforcing our position in the growing Brazilian market in particular and in Latin America in general.

" I am convinced that this infrastructure will support the continued rapid growth of our activity in Latin America. In recent years Frutarom has been successfully implementing a strategy of rapid geographic expansion in North America and in emerging markets, which have higher rates of growth. This strategy has resulted in Frutarom sales in Latin America over the past seven years having grown by a factor of 16, and sales in emerging markets having grown fivefold, while Frutarom's total sales grew by a factor of 3.3. Frutarom's percentage of sales in Latin American reaches nearly 15% compared to approximately 3% in 2010 and the percentage of sales in emerging markets will be close to 45% of total Frutarom sales compared with 27% in 2010."

About Frutarom

Frutarom (LSE: **FRUT**, TASE: **FRUT**) is a leading global company operating in the global flavors and natural fine ingredients markets. Frutarom has significant production and development centers on all six continents and markets and sells over 70,000 products to more than 30,000 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, which employs approx. 5,400 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, natural food colors, natural antioxidants that provide solutions for natural food protection, aroma compounds, essential oils and unique citrus products. 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, France, Slovenia, Poland, Russia, Turkey, Israel, South Africa, Morocco, China, India, Mexico, Guatemala, Peru, Chile, Brazil and New Zealand. The Company's global marketing organization encompasses branches in Israel, the US, Canada, the UK, Ireland, Austria, 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, Indonesia and New Zealand. The Company also works through local agents and distributors throughout the world. For further information, please visit the Company's website at: www.frutarom.com.