August 15th 2017

**FIFTH ACQUISITION FOR FRUTAROM IN 2017**

**ACQUIRES THE UK FLAVORS COMPANY *FLAVOURS & ESSENCES***

**SALES BY *FLAVOURS & ESSENCES* FOR THE 12 MONTH PERIOD ENDING JULY 2017 AMOUNTED TO APPROX. US$ 17.4 M**

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 by announcing today that it has signed an agreement for the purchase of 100% of the shares of the UK company Flavours and Essences (UK) Ltd. (“**F&E**”) for approximately US$ 19.5 million (£ 15 million) and a mechanism for future consideration based on F&E’s future business performance three years from the purchase date. The transaction was completed upon signing and financed through bank debt.

According to F&E estimates, its sales turnover for the 12 months ending in July 2017 totaled approx. US$ 17.4 million (approx. £ 13.7 million) and it registered an average annual rate of growth for the past five years of over 20%.

F&E, which was founded in 1998, engages in the development, production and marketing of flavors and natural colors. F&E has a production site and R&D center in Blackburn, England, approximately 37 employees, and a broad customer base in Europe, particularly in the UK and Ireland. F&E’s activity is synergetic with Frutarom’s activity in the field of flavors, activity which has grown in recent years by rates considerably higher than the market rate of growth, as well as with Frutarom’s developing activity in the field of natural food colors.

The company’s founding owners and managers will continue contributing from their rich experience towards continued rapid and profitable growth of activity.

**Ori Yehudai, President and CEO of Frutarom Group**, said: "This is another acquisition of activity in Frutarom’s core field which will enable us to offer our customers a wider portfolio of solutions. This acquisition is further reinforcement for our growing activity in the UK where Frutarom holds a leading position in flavors. Frutarom will drive at exploiting to the utmost the cross selling opportunities inherent in this acquisition and will work towards expanding the product portfolio to the Company’s existing customer base. In addition, Frutarom will take measures to achieve maximum commercial and operational efficiency from merging F&E’s activity with its own activity in the UK.”

In conclusion, **Mr. Yehudai** said: "The F&E acquisition is a continuation of the implementation of Frutarom’s rapid and profitable growth strategy and the realization of its vision 'to be the preferred partner for tasty and healthy success.' This is the fifth acquisition we have made this year after having acquired Unique Flavors in South Africa, the French flavors company René Laurent, the Vietnamese flavors company WFF, and acquiring SDFLC of Brazil with its flavor solutions for ice creams and desserts. Since 2015 we have already acquired 23 companies which have been integrated into our global activity and have been and will continue contributing to further growth in sales and improved profits and margins through maximal capitalization on the synergies they bring. We are working at identifying and executing further strategic acquisitions of companies and activities within the range of our operations. We will continue carrying out our rapid 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.”

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**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 60,000 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 approximately 5,000 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, natural food colors, natural substances for food protection, 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, Canada, the UK, Ireland, Switzerland, Germany, Belgium, Italy, Spain, France, Slovenia, 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, 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 our website at: [www.frutarom.com](http://www.frutarom.com).