

June 18, 2015

SEVENTH ACQUISITION BY FRUTAROM THIS YEAR

FRUTAROM ACQUIRES TAURA – LEADING GLOBAL PLAYER IN SPECIALTY TASTE AND FRUIT TECHNOLOGY

**TAURA'S 12-MONTH SALES TO MARCH 31, 2015 AMOUNTED TO
APPROXIMATELY US\$ 40 MILLION**

**STRATEGIC ACQUISITION FOR FRUTAROM TO STRENGTHEN
ITS CAPABILITIES AND RAISES ITS MARKET SHARE IN THE
FIELD OF UNIQUE TECHNOLOGIES FOR COMBINING NATURAL
TASTE AND FRUIT SOLUTIONS**

**SIGNIFICANT PENETRATION INTO THE ASIA-PACIFIC MARKETS,
ESPECIALLY AUSTRALIA AND NEW ZEALAND**

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 signed a purchase agreement for the acquisition of 100% of the share capital of the Australian company Taura Natural Ingredients Holding Ltd. ("Taura") in exchange for a cash payment of approximately US\$ 70.0 million. Taura was purchased without any debts and holding cash amounting to approximately US\$ 2.5 million. The purchase agreement includes payment of an additional amount of approximately US\$ 3.5 million conditional on Taura's business performance over the 12 month period ending June 30, 2016. The transaction will be financed using bank credit.

Taura was founded in 1973 as part of a New Zealand agricultural co-operative. Today Taura has evolved into a world leading player in concentrated and texturized fruit ingredients, possessing efficient state-of-the-art manufacturing facilities in New Zealand and Belgium along with sales offices in the United States and in the UK, with an overall workforce totaling 130 employees. Taura engages in the development, production and marketing of innovative solutions through its unique Ultra Rapid Concentration (URC®) technology for delivering market-leading natural fruit ingredients in terms of flavor, functionality and consumer experience to a wide range of food products, particularly healthy snacks, breakfast cereals, confectionery, convenience foods and baked goods. Taura's URC® ingredients raise the percentage of the final product's fruit content, improve and enhance flavor and texture as well



as lengthen shelf life using only natural ingredients for flavors, colors and preservatives – qualities benefiting from the rapidly growing trend toward healthier, more natural foods that are lower in sugar and calories. Taura's sales over the 12 months ending March 31, 2015 reached approximately US\$ 40 million¹. Taura has a broad customer base that includes leading global and national food and beverage makers in the United States, the Asia-Pacific region and Europe.

Frutarom focuses on developing and producing natural products and views these as an important strategic growth engine. Over two-thirds of Frutarom's products today are natural and the Company invests heavily in developing unique and innovative products with high added value at its sites throughout the world.

Taura's activity is largely synergetic with Frutarom's global flavors activity into which it will be integrated, allowing Frutarom to broaden and reinforce its supply of natural products and offer a portfolio of products and solutions that combine fruit components, natural flavors and colors, and ingredients with high nutritional value while continuing to expand and deepen its activity and market share.

Taura's highly-experienced and successful management team, led by Mr. Peter Dehasque, will continue managing the company and driving its strategic expansion.

Ori Yehudai, President and CEO of Frutarom Group, said: "The acquisition of Taura, a global leader in taste and fruit solutions, is the continuation of Frutarom's implementation of its rapid growth strategy and the realization of its vision '*to be the preferred partner for tasty and healthy success.*' This acquisition continues to solidify Frutarom's position as one of the world's top companies in its field and reinforces its presence and standing as a leading global producer for natural flavor and fruit solutions.

"The acquisition accelerates the growth of our activity in Asia-Pacific markets, with emphasis on Australia and New Zealand, while for the first time we will have R&D, sales and marketing platforms and a production site located in New Zealand. Taura has long-established relationships with leading customers in these countries that can serve as a springboard for offering them our full unique range of products. Frutarom will merge its sales platforms with Taura's and together offer our customers throughout the world the full variety of Frutarom's and of Taura's innovative, unique and comprehensive capabilities and technologies in the fields of taste and health. The acquisition will also help strengthen Frutarom's purchasing platform and abilities in natural raw materials, particularly fruit, in source countries.

"Following the acquisition, Frutarom will benefit from bringing on board Taura's experienced and effective management team and employees at every level who will together with Frutarom contribute towards paving the way forward to continued and quickened growth."

Mr. Yehudai added: "Thanks to Frutarom's proven experience carrying out acquisitions and capitalizing on the abundant synergies and cross-selling opportunities inherent in merging the acquired activity with those of Frutarom Group, both through the expansion of the customer base and by expanding the product portfolio, we are certain that this acquisition too will contribute to the continuation of Frutarom's rapid and profitable growth and generate high value for our customers, employees and investors."

¹According to the currency exchange rates in effect on the date of this report.



Mr. Peter Dehasque, CEO of Taura, said: "This strategic move represents a major milestone in fueling Taura's continued profitable growth into the high value, high growth segments of natural foods and nutritional snacks. Taura's URC® made, fruit based building blocks have a strong complementary fit to Frutarom's activities in natural flavors, fine ingredients and fruit solutions. We will significantly enhance our access to a whole raft of natural raw materials which can easily be integrated into our URC®, fruit based materials laying a solid foundation for leading edge innovation for years to come. Having access to Frutarom's strong scientific and technological expertise will no doubt lead to cross-fertilization and boost our highly specialized portfolio of innovative products further.

"Through its global footprint and infrastructure, Frutarom will enhance Taura's presence dramatically in key growth markets, untapped geographies, new business segments and new customers and will set the scene for solid growth in the US market, one of our key strategic imperatives.

"We are looking forward working together with Frutarom as our teams share the same passion for natural food solutions, ongoing innovation, creating excellent taste and texture. We are very proud becoming part of the successful global Frutarom business."

Mr. Yehudai concluded in saying that: "We are continuing to implement our rapid and profitable growth strategy. The acquisition of Taura is the seventh acquisition we are completing this year as we continue to identify and execute further strategic acquisitions of companies and operations in our fields of activity, with special focus on fast-growing markets and activities."

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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 the over 31,000 products it produces 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 3,300 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 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, Canada, the UK, Switzerland, Germany, Spain, Italy, Slovenia, Russia, Turkey, Israel, South Africa, China, India, Guatemala, Peru, Chile and Brazil. The Company's global marketing organization encompasses branches in Israel, the US, the UK, Switzerland, Germany, Slovenia, Belgium, the Netherlands, Denmark, France, Italy, Spain, Hungary, Romania, Russia, the 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, please visit our website at: www.frutarom.com.

