
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

June 5, 2013
Date of Report (Date of earliest event reported)

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(Exact Name of Registrant as Specified in Charter)

NEW YORK
(State or Other Jurisdiction
of Incorporation)

1-4858
(Commission
File Number)

13-1432060
(IRS Employer
Identification No.)

521 WEST 57th STREET
NEW YORK, NEW YORK 10019
(Address of Principal Executive Offices) (Zip Code)

(212) 765-5500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

As previously announced, International Flavors & Fragrances Inc. (the "Company") is holding its 2013 Investor Day on Wednesday, June 5, 2013 in New York, New York. Interested parties can access a live audio webcast within the Investor Relations section of the Company's website at www.iff.com. For those unable to listen to the live audio webcast, a replay will be accessible on the Investor Relations section of the Company's website approximately 48 hours after the event and will remain available for one year after the event. The presentations beginning at 8:00 a.m. EDT are being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Cautionary Statement Regarding Forward-Looking Information

The presentations furnished with this Current Report on Form 8-K include "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995, including statements regarding the Company's expectations concerning its future results, performance and the growth opportunities for the business, its product portfolio and R&D pipeline, the expected development of commercialization of sustainable, cost-effective ingredients, and its ability to execute on its long-term strategic plan and reach its long-term goals. These forward-looking statements are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company's SEC filings, including the Company's Annual Report on Form 10-K filed with the SEC on February 26, 2013. The Company wishes to caution readers that certain important factors may affect and could in the future affect the Company's actual results and could cause the Company's actual results for subsequent periods to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. With respect to the Company's expectations regarding these statements, such factors include, but are not limited to, the economic climate for the Company's industry and demand for the Company's products, fluctuations in the price, quality and availability of raw materials, changes in consumer preferences, the effects of any unanticipated costs and construction or start-up delays in the expansion of any of the Company's facilities, the Company's ability to implement its business strategy, including the achievement of anticipated cost savings, profitability, realization of growth targets, the Company's ability to successfully develop new and competitive products and to enter and expand its sales in new and other emerging markets. New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on the Company's business. Accordingly, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Measures

Certain of the presentations furnished with this Current Report on Form 8-K contain non-GAAP financial measures, including (i) adjusted EPS, (ii) adjusted operating profit, (iii) adjusted operating profit margin, (iv) local currency sales, (v) LFL, or like-for-like local currency sales, (vi) adjusted effective tax rate, (vii) adjusted segment profit, (viii) adjusted segment profit margin, (ix) adjusted return on invested capital, (x) core working capital and (xi) adjusted cash flow from operations. These measures are not intended to represent a presentation in accordance with GAAP. In discussing the Company's historical and expected future results and financial condition, the Company believes it is meaningful for investors to be made aware of and to be

assisted in a better understanding of, on a period-to-period comparable basis, financial amounts both including and excluding identified items. The Company believes such non-GAAP measures provide investors with an overall perspective of the period-to-period performance of its business. In addition, management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to our business. A material limitation of these non-GAAP measures is that such measures do not reflect actual GAAP amounts. The Company compensates for such limitations by presenting the reconciliations contained in the furnished presentations to the most directly comparable GAAP measure. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Day Presentation Materials dated June 5, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Date: June 5, 2013

By: /s/ Kevin C. Berryman
Name: Kevin C. Berryman
Title: Executive Vice President
and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Day Presentation Materials dated June 5, 2013.



IFF International Flavors & Fragrances Inc.

Investor Day 2013

Innovation
The Foundation of Our Success

Doug Tough
Chairman of the Board & Chief Executive Officer
June 5, 2013

Doug Tough

Chairman of the Board & Chief Executive Officer

Kevin Berryman

Executive Vice President & Chief Financial Officer

Nicolas Mirzayantz

Group President, Fragrances

Hernan Vaisman

Group President, Flavors

Dr. Ahmet Baydar

Senior Vice President, Research & Development

Francisco Fortanet

Senior Vice President, Operations

Anne Chwat

*Senior Vice President, General Counsel
and Corporate Secretary*

Angelica Cantlon

Senior Vice President, Human Resources

Wednesday, June 5th

Meeting	Time
Doug Tough	8:00 am – 8:20 am
Hernan Vaisman	8:20 am – 8:40 am
Nicolas Mirzayantz	8:40 am – 9:00 am
Dr. Ahmet Baydar	9:00 am – 9:20 am
Break	9:20 am – 9:30 am
Technology Demonstrations	9:30 am – 11:00am
Francisco Fortanet	11:00am – 11:20am
Kevin Berryman	11:20am – 11:40 am
Doug Tough	11:40 am – 12:00 pm
Q&A: Adjourn (Box Lunch)	12:00 pm – 1:00 pm

- Flavors (Upstairs)

- FlavorFit™ - satisfying consumers' need for healthier choices, without compromising on taste
- Citrus Toolbox – unique and authentic citrus flavors for the most refreshing beverages



- Fragrances (Downstairs)

- Encapsulation – encapsulated fragrances smell fresher longer
- Acqua di Gioia – Giorgio Armani birth of a Fine Fragrance, using Naturals and Consumer Insights (Scent Emotions)
- Classics - creating the classic scents of yesterday, today and tomorrow



"We create unique scent and taste experiences people love"

IFF

- Member of S&P 500
- Listed on NYSE
- Market cap of ~\$6.5 billion
- \$2.8 billion in sales and \$488 million in adjusted operating profit (FY 2012)
- Leading innovator
- Create flavors & fragrances for the food, beverage and beauty industries



Global Geographic Reach



- 5,700 Employees
- Serving Consumers in 100 Countries
- Operating in 32 Countries
- 47% sales to Emerging Markets

Diversified Product Portfolio



- 49% Flavors
- 51% Fragrances
- Multiple End-Use Categories
- Naturals

Outstanding Customer Base



- Strong Multinationals
- Leading Regionals
- Stable Customer Base Committed to Growing

Consumer Insight

- Based on rigorous consumer research
- 400,000 consumer interviews every year
- Understand trends in all parts of world; e.g., China, India and Indonesia

R&D

- Discovery of new materials
- Development of new technologies
- Creation of new compounds
- Enhance existing ingredients and compounds
- +235 patents since 2000; 11 in 2012

Creative Centers

- Commercializing innovative solutions
- Network of 22 creative centers around the world
- Work with our customers' product development groups

Operational Excellence

- Efficiency in all we do
- Internal margin improvement initiatives
- Productivity and efficiency drive profitability

Customer Intimacy

- Increase participation on core supplier lists
- Deep understanding of our customers' brands and goals
- Knowledge of customers' market positioning

Successfully Creating Consumer-Preferred Products

- Introduced Economic Profit to prioritize investments
 - Developed a process for prioritizing R&D programs/investment
 - Ingrained philosophy of investing resources behind advantaged categories
 - Created a roadmap for achieving strong financial results
 - Allows us to track and measure progress
 - Goal is to maximize returns on investments





- Flavors & Fragrances are both attractive
- Bulk of portfolio is EP positive
- Some categories and customers needed remediation
- We have substantial organic growth opportunities
- M&A could be used to accelerate organic growth

Leverage Geographic Reach



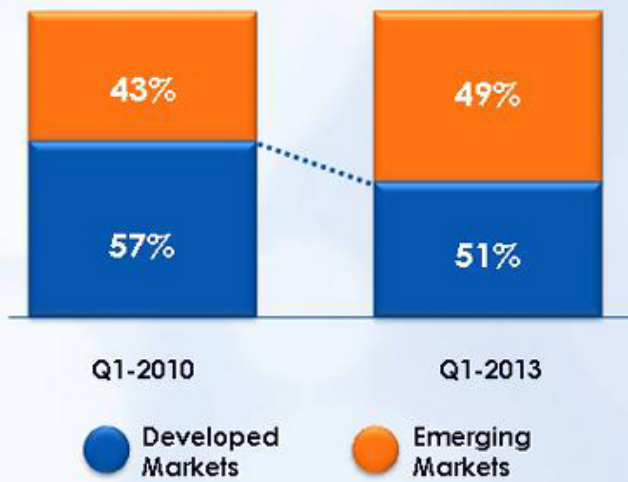
Strengthen Innovation Platform



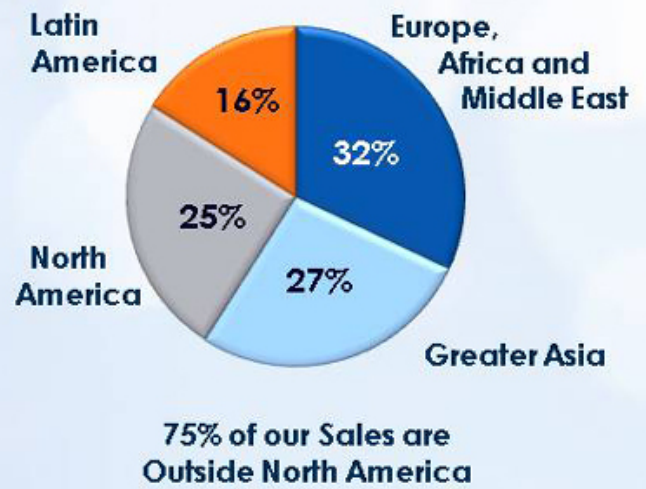
Maximize Portfolio



Sales Profile



Revenues by Region ⁽¹⁾



1. Chart above based on 2012 total revenue of \$2.8 billion

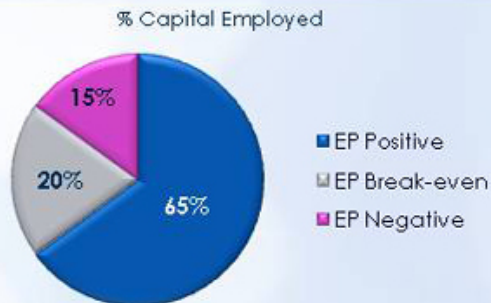
- Our Innovations, such as Health & Wellness, or Encapsulated Fragrances, or other modulators such as malodor, deliver:
 - Customer Benefit – drives market share
 - Consumer Benefit – meets an unmet need
 - IFF Benefit – innovation drives gross margin

Innovation is our life-blood



Leveraging Geographical Reach, Our Innovation Platforms and the Profitability Initiatives Have Led to Substantial Improvement in Our Portfolio Performance Since 2010

2010 Portfolio Value Breakdown



- Focus on profitable categories, customers and regions
- Exit of low-margin sales activities
- New plants are state-of-the-art
- Plant closings to drive operating efficiencies

% of capital employed that is generating returns above cost of capital

We have Focused on Attraction, Development and Retention of Our Talent

- Regional Recruiter Model
- 3 Pronged Development Approach
- Management tools/employee transparency
- Retention of Critical Talent



- Increase R&D Investments to Improve Innovation
- Develop superior products and delivery systems that address consumer needs
- Deepen understanding of customers' brands
- Use innovation to drive continuous margin improvement
- Invest in facilities, creative centers, and people to support growth



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Investor Day 2013

Innovation

The Foundation of Our Success



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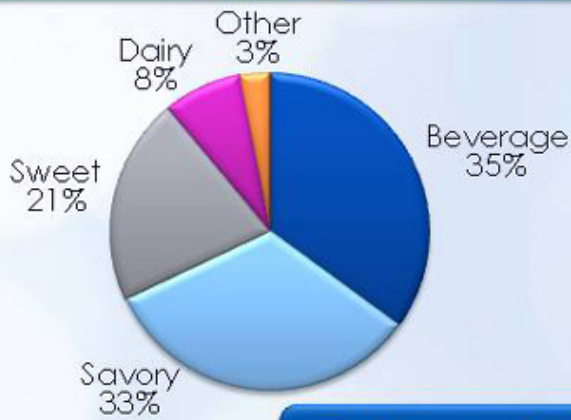
Hernan Vaisman
Group President, Flavors

June 5, 2013

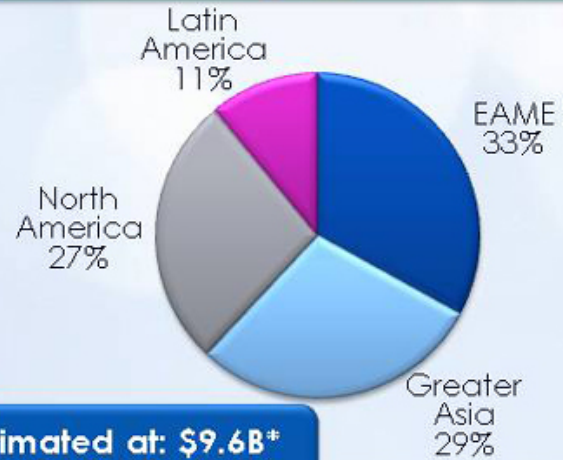


IFF Flavors Estimated Market Share Increased 2 ppts to 14% Since 2007

Global Flavors Market Breakdown by Category



Global Flavors Market Breakdown by Region



**Total Flavors Market Estimated at: \$9.6B*
(3-5% CAGR since 2007)**

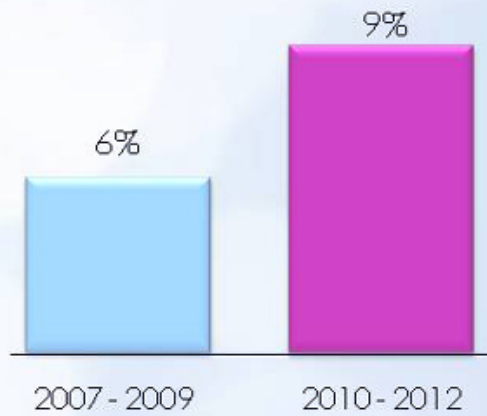
Source: IAL Consultants & Internal Estimates

*2017

- Average local currency sales LFL growth of 9% with a quarterly range of 6% to 12%
- Emerging markets account for 50% of Q1-2013 sales, up from 47% in Q1-2010
- Health & Wellness and Naturals platforms are significant contributors to current portfolio strength
- Segment profit increased 13% 3-Year CAGR to \$298 million for full year 2012



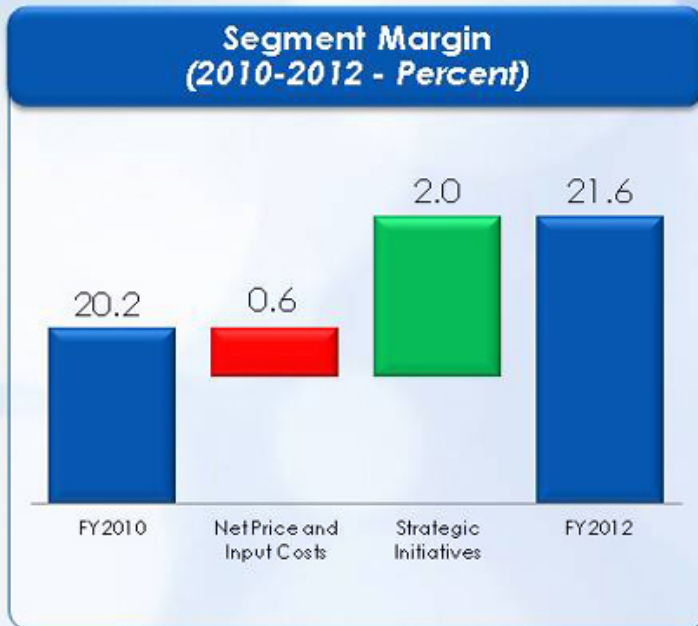
LFL Sales Growth has Accelerated Over Past 3 Years



- Enlarged footprint in emerging markets of Asia and Middle East
- Invested in profitable categories and customers to drive continued growth
- Increased R&D investment to improve innovation and deliver superior products

2010 - Q1 2013 Expanding Emerging Market Sales





- Segment profit increased \$55 million since 2010, despite pressure from increased raw material input costs
- Profit expansion due to exit of low-margin sales activities, positive mix, operating efficiencies, and other cost-savings initiatives

- Double-digit adjusted segment profit growth accelerated
- Improved adjusted segment profit due to consistent sales growth, ongoing innovations and targeted focus on higher-margin business opportunities
- Ongoing innovations and market coverage initiatives should drive future growth



Leverage Geographic Reach



Strengthen Innovation Platform



Maximize Portfolio



Aligning Our Investments in Manufacturing Capacity and Labs with Fast-Growing Markets

Greater China



~7%

Expected Market Growth

India



~9%

Expected Market Growth

Indonesia



~5%

Expected Market Growth

Turkey



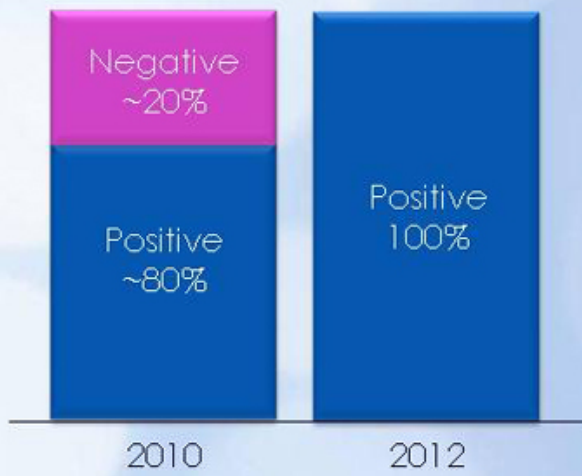
~5%

Expected Market Growth

Consumer Drivers



In 2012 All Categories are EP Positive



- Almost all categories and regions showed significant improvement vs. 2009; all are EP positive
- Q2 '13 will be the last quarter with impact from the exit of low-margin sales activities
- Expect to have cumulatively exited approximately \$55 million since 2010

Leverage Geographic Reach

- Additional investment in targeted developing markets in Africa, Middle East, Central and Southeast Asia
- Exploring additional opportunities in largest developing countries where different ethnic/religious groups demand specific tastes
- Improving market coverage in developed countries where we have underdeveloped market share



Strengthen Innovation Platform



- Natural Flavors ingredients
- New game-changing Flavor modulators and existing tool box
- High-impact molecules through analytical and organic chemistry
- Delivery Systems

Maximize Portfolio

- Focus on profitable sub-categories where IFF has currently significant opportunities for growth
- Target technology-driven taste solutions instead of commodities
- Cost-savings and margin expansion through manufacturing efficiencies



Strategic Priorities

- Enlarge Footprint
- Continue alignment of innovation activities to consumer needs
- Pursue opportunities to better position IFF in more profitable categories

Long-Term Financial Expectations

- Sales growth of 2 to 3 percentage points above industry
- Improve gross margin
- Segment profit growth of high single-digits



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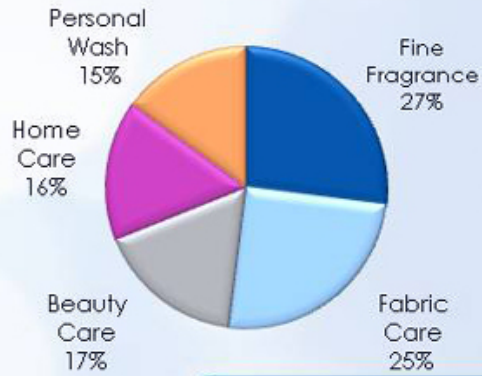
Nicolas Mirzayantz
Group President, Fragrances

June 5, 2013

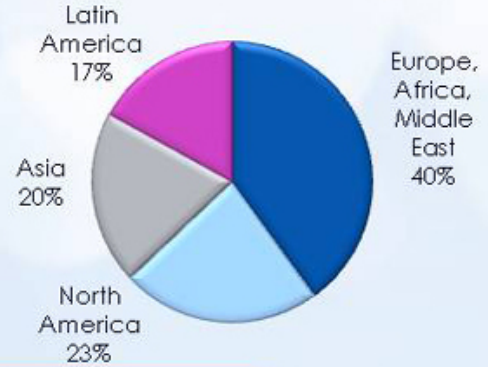


IFF Fragrance Compound Market Share Increased 2 pts to 19% Since 2009

Global Fragrance Compound Market by Category



Global Fragrance Compound Market by Region



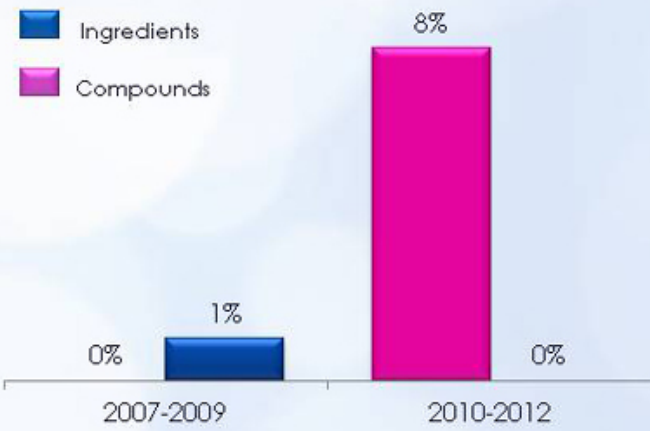
Total Fragrance Compounds Market Estimated at \$6B and Growing 2-3% Per Year

Source: 2011 IAL Consultants & Internal Estimates

- 8% average (2010-2012) local currency sales growth for Fragrance Compounds due to strong win rates, increased core list participation, innovation and emerging markets growth
- Innovation (e.g., encapsulation) driving sales & profitability
- Emerging markets growing importance
- Ingredients sales declined due to competitors' penetration in high volume, low value product portfolio
 - Actions taken to rationalize portfolio (including Augusta closing)
- 8% 3-Year CAGR Adjusted Segment Profit thru 2012

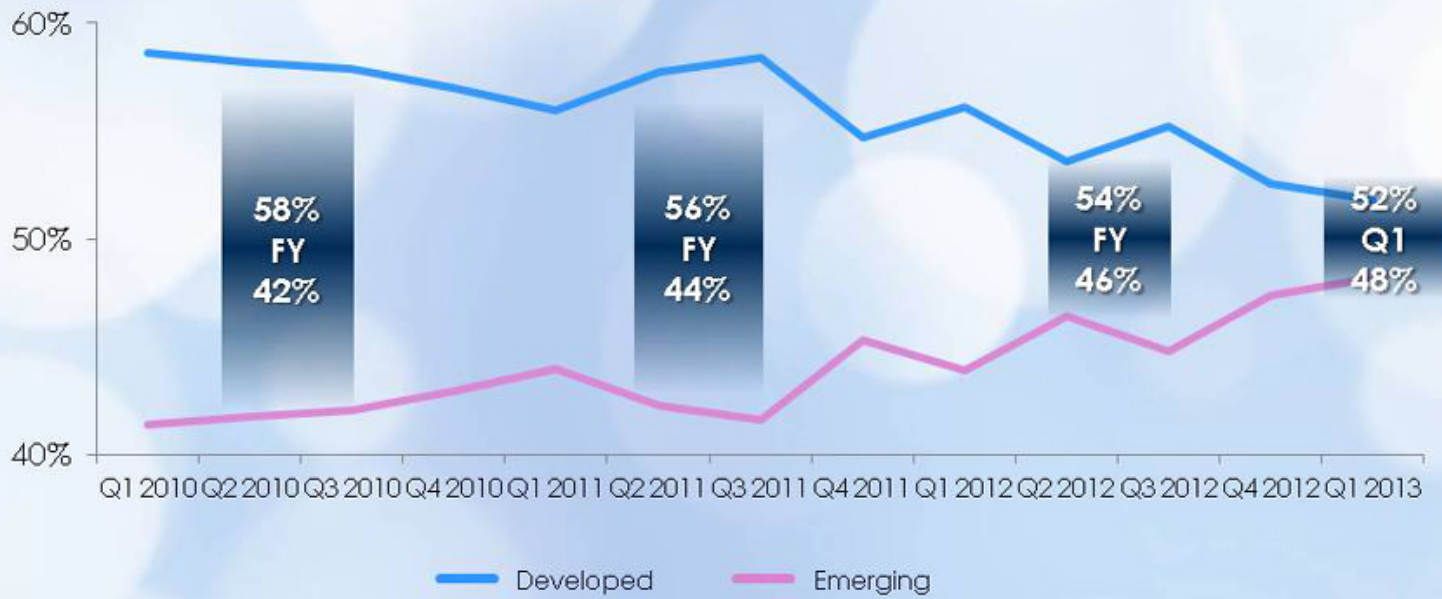


Acceleration in Fragrance Compounds Competitive Pressure in Ingredients



- More than 80% of IFF Fragrance sales are Fragrance Compounds
- Strengthening resources in emerging markets
- Investment in higher profit categories and customers to drive continued growth
- Increased R&D investment to improve innovation and deliver superior products

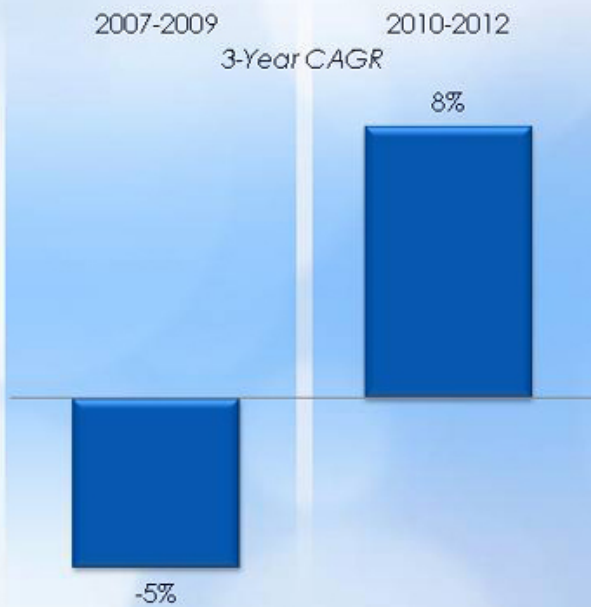
Emerging Market Sales: 48% of Total Fragrance Sales and 54% of Compound Sales



Adjusted Segment Margin (2010-2012 - Percent)



- 280 bps reduction due to unprecedented input cost increases
- 200 bps improvement from strategy execution
- Resources focused on higher profit businesses is improving mix
- Corrective actions to improve negative EP businesses



- 8% CAGR adjusted segment profit under new strategy execution, reversing downward trend; despite substantial input cost increases
- Investing in and successfully growing higher profit businesses
- Innovation / encapsulation technology key sales growth driver
- Fixing unprofitable businesses and streamlining manufacturing footprint

Leverage Geographic Reach



Strengthen Innovation Platform



Maximize Portfolio



Of Our Top 10 Markets, 5 are in Emerging Markets; \$54 Million in Capital Spending Since 2010

Greater Asia



\$1.2 Billion Market Potential > 5% Growth

- New technology center in Mumbai
- Expanded C&A Resources in Singapore
- New Singapore plant

Latin America



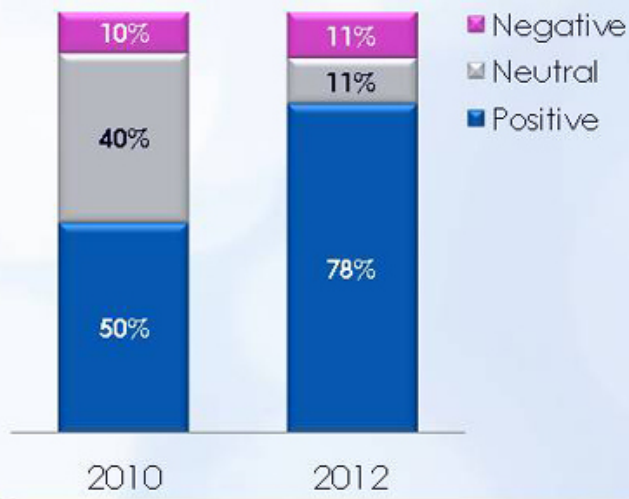
\$1 Billion Market Potential > 4.5% Growth

- 2009 Investment in Sao Paulo Creative Center Leveraged
- Expanded C&A Resources in Mexico

Consumer Drivers



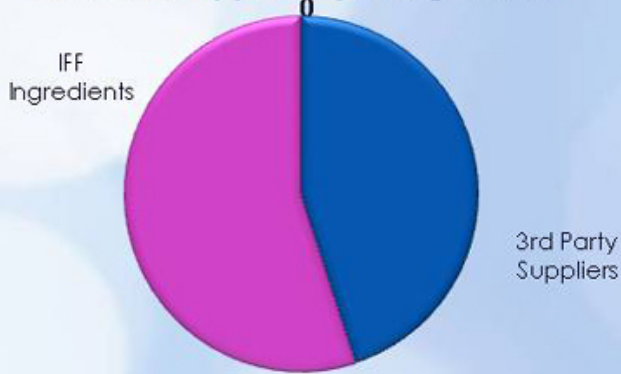
Economic Profit Analysis of Portfolio



- Good progress in improving economic profit performance
- Executed strategic alignment program in 2012
- Profitability restored through pricing & margin initiatives
- Fact-based analysis indicates fixing remaining unprofitable portfolio creates more value than exiting

Ingredients is Primarily Focused on Supplying Cost Advantaged Ingredients to IFF Fragrances Compounds; Excess Capacity is Sold; External Ingredients Sales Continue to Generate Positive EP

> 50% of Fragrance Compound Raw Materials Supplied by IFF Ingredients



< 20% of Total Fragrance Sales are External Ingredients



- Increased use of IFF ingredients in Fragrance Compounds
 - Increased pipeline of new molecules for internal use
- Rationalizing portfolio of ingredients and manufacturing assets
- Augusta plant closure planned for mid 2014
- Long-term Amyris Biotechnology collaboration
- Investing in new pilot plant to increase speed to market for internally-used innovative and low cost molecules



Leverage Geographic Reach

- Continuing our investments in fast growing emerging markets
 - India
 - China & South East Asia
 - Brazil & Mexico
 - Middle East
- Strengthening our consumer insight leadership in emerging markets
- Gain market share in developed markets



Strengthen Innovation Platform



- **New Molecules**
 - Create unique and differentiated fragrance experiences
 - Provide low cost, high impact solutions for emerging markets
- **Naturals** – differentiated & unique fragrance experiences
- **Delivery Systems** – strengthening encapsulation leadership
- **Process Engineering** – cost innovation and sustainability
- **Performance Insight** – leverage modeling capabilities
- **Malodor** – develop new malodor coverage systems

Maximize Portfolio

- Leverage innovation to support margin enhancement
- Accelerate growth in higher margin businesses
- Continue to improve profitability of negative economic profit businesses
- Execute Fragrance Ingredients strategy
- Continue to drive proven productivity programs



Strategic Pillars

- Leverage Geographic Reach
- Strengthen Innovation Platform
- Maximize Portfolio

Long-Term Financial Expectations

- Compounds sales growth of 2% to 3% above industry
- Stabilize external Fragrance Ingredients sales
- Improve Gross Margin
- Segment Profit growth of high single-digits

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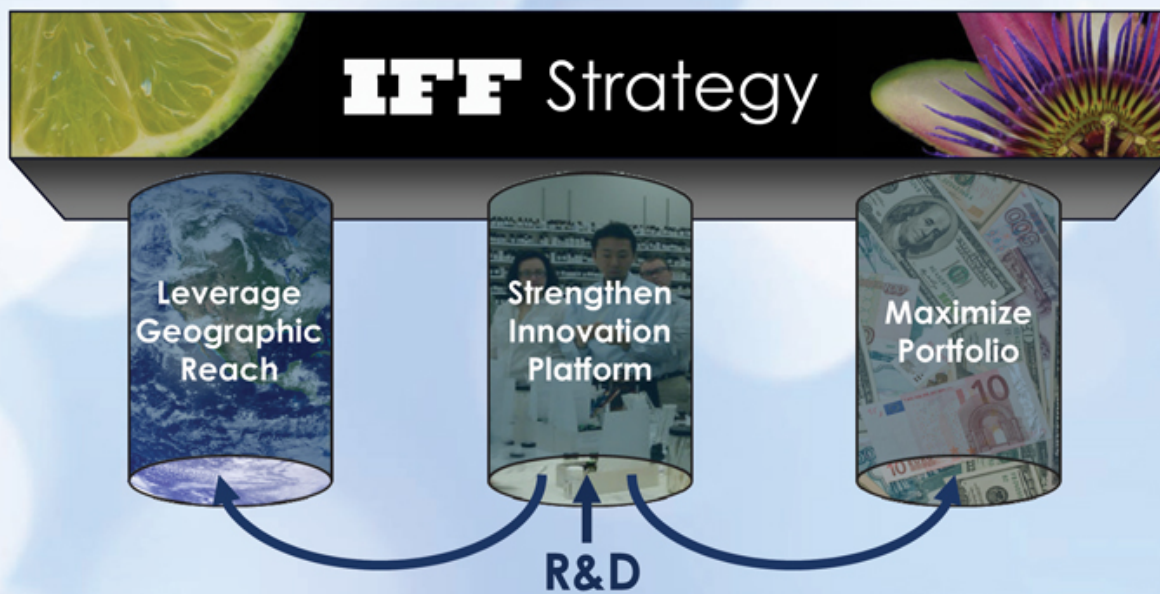
Research & Development

Ahmet Baydar
SVP, Research & Development

June 5, 2013



R&D Drives Progress Across Our 3 Strategic Pillars



Introduced Our Refreshed **Research Strategy** at 2011 Investor Day

Create Ingredients and Technologies to drive product superiority and differentiation

- Focus Research Platforms on customer and consumer needs
- Improve consumer preference, cost-efficiency, and drive growth
- Broaden internal research capabilities and open innovation



Strengthened Consumer Insights and Customer Intimacy...

1 Health & Wellness



3 Preferred Taste or Scent



5 Performance & Diffusion



7 Regulatory Compliance



2 Sustainability



4 Naturals



6 Malodor



8 Cost Innovation

... to Direct Our 10 Research Platforms

1 Flavor Modulation



3 Flavor Delivery Systems



5 Fragrance Molecules



7 Fragrance Delivery Systems



9 Malodor



2 Flavor Naturals



4 High Impact



6 Fragrance Naturals



8 Process Research



10 Modeling

Utilize an **Economic Profit-Based Process** to **Prioritize Investment**



Our Strategic Approach Is **Accelerating the Rate and Impact of Innovation**

- Flavor Molecule Pipeline
- Fragrance New Molecule Pipeline
- Delivery Systems Portfolio
- Cost Innovation
- Total Innovation Pipeline



Developing Next Generation of **Flavor Modulation Technologies**



- Launched *flavorfit*[™] – portfolio of exclusive healthy flavor technologies
- Creating **novel flavor modulators** via isolates from biodiversity and receptor research

Providing Healthier, Cost-Effective, Authentic Taste Solutions

- Created **robust pipeline** of novel natural flavors, targeting:
 - Natural versions of existing molecules
 - Extracts with unique performance
- Leveraging **biotechnology** to create sustainable, cost-effective naturals



Extending Our Flavor Encapsulation Solutions



- Launched superior **encapsulation technologies** to deliver specific flavor attributes; e.g.:
 - Physical form
 - Protection
 - Time release
- Creating pipeline of **novel delivery technologies** for challenging applications

Strengthening Portfolio and Providing Creative Teams with a Winning Edge

- Launching **strong portfolio** of new molecules
 - Over short-, mid-, and long-term
 - Competitive edge for Compounds
 - Long-term value for Ingredients



Introducing **Novel Naturals** to Differentiate Our Fine Fragrance Creation



- Leveraging **sustainable cultivation, extraction, and cultivation** techniques
 - Higher-impact unique naturals
 - Superior olfactive profiles
- Expanding **global sourcing** and **synergies** between Flavors & Fragrances

Creating the Next Generation of **Encapsulation** for New Category Applications

- Built **market leadership** in Fabric Care; adapting for Personal Wash and Hair Care
- Creating **proprietary delivery systems** to:
 - Expand into additional categories
 - Drive breakthrough performance
 - Strengthen our IP



Ensuring Our Products and Processes Set **Industry-Standard in Sustainability**



- Reducing energy use and waste via **microreactors** and **proprietary catalysts**
- New ingredients and processes are **eco-efficient** and **“green by design”**
 - Renewable raw materials
 - Energy-efficient pathways
 - Biodegradable

External Collaborations Drive Value in 3 Key Ways

1

Provide
Guidance

2

Augment &
Accelerate
Internal Innovation

3

Expand
Innovation
Horizons

Expert **Guidance and Insight** on Technical Approach



**Steven V. Ley,
Ph.D.**
Professor of
Organic Chemistry,
Cambridge
University, UK;
Commander of
British Empire



**Leslie B. Vosshall,
Ph.D.**
Professor of
Molecular and
Receptor Biology,
The Rockefeller
University



**Cheryl Perkins,
M.S.**
President,
Innovationedge;
Former CIO,
Kimberly-Clark



**Brian J. Willis,
Ph.D.**
Former SVP of
R&D and
Board Member,
Quest F&F



**Thomas D. Sharkey,
Ph.D.**
Professor and
Department Chair
of Biochemistry,
Michigan State
University

Building **Biotechnology Expertise** with Industry Leaders



evolva

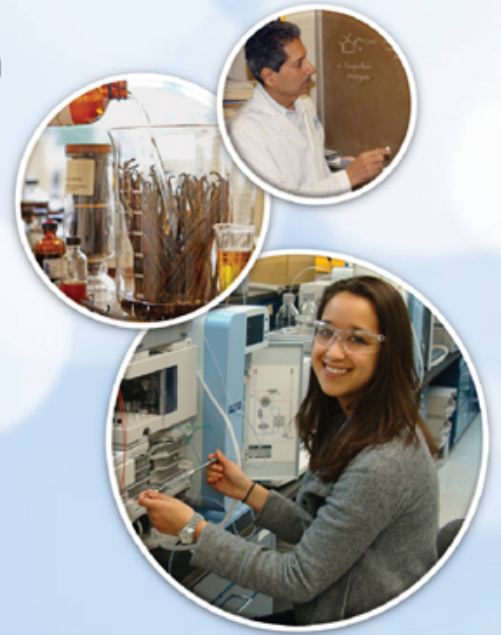
- Natural vanillin through biotechnology
- Broad collaboration to pursue other targets



AMYRIS

- Focused on sustainable, cost-stable route to key IFF Fragrance ingredients

- Accelerating rate and impact of innovation
- R&D well-aligned to address key customer and consumer needs
- Open Innovation becoming critical driver of progress
- Strong innovation pipeline building IFF's long-term competitive advantage



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Investor Day 2013

Research &
Development



ANNUAL REVENUE GROWTH												
	2004	2005	2006	3-Year	2007	2008	2009	3-Year	2010	2011	2012	3-Year
Total Company												
Reported Sales Growth	7%	-2%	5%	3%	9%	5%	-3%	4%	13%	6%	1%	7%
Currency Impact	-5%	-1%	0%		-4%	-3%	3%		0%	-2%	3%	
Local Currency Sales Growth	2%	-3%	5%	1%	5%	2%	0%	2%	13%	4%	4%	7%
Flavors												
Reported Sales Growth					12%	9%	-1%	7%	11%	12%	2%	8%
Currency Impact					-3%	-3%	3%		-1%	-3%	3%	
Local Currency Sales Growth					9%	6%	2%	6%	10%	9%	5%	8%
Exit of Flavors Low Margin Sales Activities					0%	0%	0%		0%	0%	3%	
Like-For-Like Local Currency Sales Growth					9%	6%	2%	6%	10%	9%	8%	9%
Fragrance Compounds												
Reported Sales Growth					5%	1%	-4%	1%	14%	4%	3%	7%
Currency Impact					-4%	-2%	3%		1%	-3%	4%	
Local Currency Sales Growth					1%	-1%	-1%	0%	15%	1%	7%	8%
Ingredients												
Reported Sales Growth					9%	5%	-4%	3%	15%	-6%	-12%	-1%
Currency Impact					-4%	-4%	2%		3%	-3%	2%	
Local Currency Sales Growth					5%	1%	-2%	1%	18%	-9%	-10%	0%

QUARTERLY REVENUE GROWTH												
	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Flavors												
Reported Sales Growth	13%	13%	9%	10%	13%	14%	13%	8%	3%	5%	0%	1%
Currency Impact	-5%	-2%	1%	1%	-1%	-6%	-5%	0%	2%	3%	6%	2%
Local Currency Sales Growth	8%	11%	10%	11%	12%	8%	8%	8%	5%	8%	6%	3%
Exit of Flavors Low Margin Sales Activities	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	3%	4%
Like-For-Like Local Currency Sales Growth	8%	11%	10%	11%	12%	8%	8%	8%	6%	9%	9%	7%

The Company uses non-GAAP financial measures such as (i) local currency sales (which eliminates the effects that result from translating its international sales in U.S. dollars) and (ii) like-for-like sales (which excludes the impact of exiting low-margin sales activities, the impact of selling the Company's fruit preparations business in Europe and foreign exchange) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

Adjusted Gross Margin

<u>(IN THOUSANDS U.S. \$)</u>	<u>FY 2010</u>	<u>Q1 2013</u>	<u>Margin Improvement</u>
As Reported Gross Profit	1,092,602	311,360	
Operational Improvement Initiative Costs	—	1,198	
Adjusted Gross Profit	1,092,602	312,558	
Net Sales	2,622,862	727,836	
Adjusted Gross Margin	41.7%	42.9%	1.2%

The Company uses non-GAAP financial measures such as Adjusted Gross Profit and Adjusted Gross Margin (which exclude operational improvement initiative costs) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

ADJUSTED OPERATING PROFIT

(IN THOUSANDS U.S. \$)	2003	2006	3-Year CAGR	2009	3-Year CAGR	2012	3-Year CAGR
As Reported Operating Profit	285,774	331,173	5.0%	340,288	0.9%	486,618	12.7%
Restructuring and Other Charges	42,421	2,680		18,301		1,668	
Employee Separation Costs	—	—		6,320		—	
Insurance Recovery	—	(3,565)		—		—	
Adjusted Operating Profit	328,195	330,288	0.2%	364,909	3.4%	488,286	10.2%

ADJUSTED EARNINGS PER SHARE (EPS)

(PER SHARE DATA U.S. \$)	2003	2006	3-Year CAGR	2009	3-Year CAGR	2012	3-Year CAGR
As Reported EPS	1.83	2.48	10.7%	2.46	-0.3%	3.09	7.9%
Restructuring and Other Charges	0.29	0.02		0.19		0.01	
Employee Separation Costs	—	—		0.05		—	
Insurance Recovery	—	(0.03)		—		—	
Tax Settlement	—	(0.04)		—		—	
Other Income (Primarily Asset Gains)	—	(0.11)		—		—	
Spanish Tax Settlement	—	—		—		0.88	
Adjusted EPS	2.12	2.32	3.1%	2.69¹	5.1%	3.98	13.9%

¹ The sum of Reported EPS plus the per share effects of items added back to reconcile to Adjusted EPS may not equal the total Adjusted EPS due to rounding differences.

ADJUSTED EFFECTIVE TAX RATE

	2004	2005	2006	2007	2008	2009	2010	2011	2012
As Reported Effective Tax Rate	30.2%	21.6%	28.2%	25.3%	19.1%	29.3%	26.7%	28.6%	42.7%
Restructuring and Other Charges Tax Benefit	0.6%	1.0%	0.0%	—	0.7%	-0.6%	-0.4%	0.0%	0.0%
AJCA Tax Benefit	—	9.3%	—	—	—	—	—	—	—
Tax Settlements	—	—	1.2%	3.0%	7.6%	—	—	—	—
Curtailment Tax Benefit	—	—	—	0.2%	—	—	—	—	—
Asset Gain Tax Expense	—	—	—	-0.1%	—	—	—	—	—
Employee Separation Costs Tax Benefit	—	—	—	—	0.2%	0.1%	—	—	—
Shared Service Implementation Tax Benefit	—	—	—	—	0.1%	—	—	—	—
Insurance Recovery Tax Expense	—	—	0.0%	—	-0.2%	—	—	—	—
Other Income (Primarily Asset Gains)	—	—	-0.3%	—	—	—	—	—	—
Patent Litigation Settlement Benefit	—	—	—	—	—	—	—	-1.5%	—
Spanish Tax Settlement	—	—	—	—	—	—	—	—	-16.3%
Adjusted Effective Tax Rate	30.8%	31.9%	29.1%	28.4%	27.5%	28.8%	26.3%	27.1%	26.4%

The Company uses non-GAAP financial measures such as Adjusted Operating Profit, Adjusted Effective Tax Rate and Adjusted EPS (which excludes the impact of our restructuring and strategic initiatives, the AJCA tax benefit, tax settlements, curtailments, gains on asset sales, employee separation costs, cost associated with the implementation of our shared services, insurance recoveries, the Mane patent litigation settlement and the Spanish tax settlement) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

FLAVORS									
(IN THOUSANDS U.S. \$)	2006	2007	2008	2009	2010	2011	2012	2006 - 2009 CAGR	Since 2009
As Reported Segment Profit*	153,099	187,275	197,838	208,966	242,528	284,246	298,326	10.9%	12.6%
Insurance Recovery	(3,565)	—	—	—	—	—	—		
Restructuring and Other Charges	(463)	—	3,538	—	—	—	—		
Adjusted Segment Profit	149,071	187,275	201,376	208,966	242,528	284,246	298,326	11.9%	12.6%
Net Sales	894,775	1,005,544	1,092,544	1,081,488	1,203,274	1,347,340	1,378,377		
Adjusted Segment Margin	16.7%	18.6%	18.4%	19.3%	20.2%	21.1%	21.6%		
FRAGRANCES									
(IN THOUSANDS U.S. \$)	2006	2007	2008	2009	2010	2011	2012	2006 - 2009 CAGR	2009 - 2012 CAGR
As Reported Segment Profit*	212,240	211,942	202,081	188,561	244,966	226,560	238,379	-3.9%	8.1%
R&D Tax Credit	2,180	—	—	—	—	—	—		
Revised Reported Segment Profit	214,420	211,942	202,081	188,561	244,966	226,560	238,379		
Restructuring and Other Charges	2,639	—	4,396	—	—	—	—		
Adjusted Segment Profit	217,059	211,942	206,477	188,561	244,966	226,560	238,379	-4.6%	8.1%
Net Sales	1,200,615	1,271,094	1,296,828	1,244,670	1,419,588	1,440,678	1,443,069		
Adjusted Segment Margin	18.1%	16.7%	15.9%	15.1%	17.3%	15.7%	16.5%		

* In the 2009 period, segment profit was referred to as adjusted operating profit and excluded amounts related to restructuring and other costs. In the 2006 - 2008 periods, segment profit was referred to as operating income and included restructuring and other costs as well as insurance recoveries.

The Company uses non-GAAP financial measures such as Adjusted Segment Profit (which excludes the impact of our restructuring and strategic initiatives and insurance recoveries) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

ADJUSTED RETURN ON AVERAGE INVESTED CAPITAL

(IN THOUSANDS U.S. \$)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt	884,535	684,926	950,673	807,340	1,212,641	1,255,654	1,011,529	921,567	894,936	1,031,175
Deferred gain on interest rate swaps	(39,685)	(24,104)	(2,296)	(817)	(151)	(16,893)	(14,953)	(12,897)	(10,965)	(9,028)
Cash and cash equivalents	(12,081)	(32,596)	(272,545)	(114,508)	(151,471)	(178,467)	(80,135)	(131,332)	(88,279)	(324,422)
Net Debt	832,769	628,226	675,832	692,015	1,061,019	1,060,294	916,441	777,338	795,692	697,725
Equity	742,631	910,487	915,347	916,056	626,359	580,642	771,910	1,003,155	1,107,407	1,252,555
Total Invested Capital	1,575,400	1,538,713	1,591,179	1,608,071	1,687,378	1,640,936	1,688,351	1,780,493	1,903,099	1,950,280
Restructuring and Other Charges, net of tax	27,514	20,370	15,857	1,982	—	12,543	14,763	8,928	9,444	1,047
AJCA Tax Benefit	—	—	(25,000)	—	—	—	—	—	—	—
Tax Settlements	—	—	—	(3,511)	(9,718)	(23,070)	—	—	—	—
Curtailment, net of tax	—	—	—	—	3,685	—	—	—	—	—
Asset Gain, net of tax	—	—	—	—	(7,719)	—	—	—	—	—
Employee Separation Costs, net of tax	—	—	—	—	—	2,217	4,028	—	—	—
Shared Service Implementation, net of tax	—	—	—	—	—	1,377	—	—	—	—
Insurance Recovery, net of tax	—	—	—	(2,496)	—	(1,612)	—	—	—	—
Other Income (Primarily Asset Gains), net of tax	—	—	—	(10,068)	—	—	—	—	—	—
Patent Litigation Settlement, net of tax	—	—	—	—	—	—	—	—	29,846	—
Spanish Tax Settlement	—	—	—	—	—	—	—	—	—	72,362
Total Non-recurring Items	27,514	20,370	(9,143)	(14,093)	(13,752)	(8,545)	18,791	8,928	39,290	73,409
Cumulative Non-recurring Items	27,514	47,884	38,741	24,648	10,896	2,351	21,142	30,070	69,360	142,769
Adjusted Total Invested Capital	1,602,914	1,586,597	1,629,920	1,632,719	1,698,274	1,643,287	1,709,493	1,810,563	1,972,459	2,093,049
As Reported Operating Profit		310,279	266,876	331,173	361,213	355,133	340,288	416,361	427,729	486,618
Restructuring and Other Charges		31,830	23,319	2,680	—	18,212	18,301	10,077	13,172	1,668
Curtailment		—	—	—	5,943	—	—	—	—	—
Employee Separation Costs		—	—	—	—	3,391	6,320	—	—	—
Shared Service Implementation		—	—	—	—	2,079	—	—	—	—
Insurance Recovery		—	—	(3,565)	—	(2,600)	—	—	—	—
Patent Litigation Settlement		—	—	—	—	—	—	—	33,495	—
Adjusted Operating Profit		342,109	290,195	330,288	367,156	376,215	364,909	426,438	474,396	488,286
As Reported Effective Tax Rate		30.2%	21.6%	28.2%	25.3%	19.1%	29.3%	26.7%	28.6%	42.7%
Restructuring and Other Charges Tax Benefit		0.6%	1.0%	0.0%	—	0.7%	-0.6%	-0.4%	0.0%	0.0%
AJCA Tax Benefit		—	9.3%	—	—	—	—	—	—	—
Tax Settlements		—	—	1.2%	3.0%	7.6%	—	—	—	—
Curtailment Tax Benefit		—	—	—	0.2%	—	—	—	—	—
Asset Gain Tax Expense		—	—	—	-0.1%	—	—	—	—	—
Employee Separation Costs Tax Benefit		—	—	—	—	0.2%	0.1%	—	—	—

Shared Service Implementation Tax Benefit	—	—	—	—	0.1%	—	—	—	—
Insurance Recovery Tax Expense	—	—	0.0%	—	-0.2%	—	—	—	—
Other Income (Primarily Asset Gains)	—	—	-0.3%	—	—	—	—	—	—
Patent Litigation Settlement Benefit	—	—	—	—	—	—	—	-1.5%	—
Spanish Tax Settlement	—	—	—	—	—	—	—	—	-16.3%
Adjusted Effective Tax Rate	30.8%	31.9%	29.1%	28.4%	27.5%	28.8%	26.3%	27.1%	26.4%
Adjusted Operating Profit After Tax	236,739	197,623	234,174	262,884	272,756	259,815	314,285	345,835	359,378
Adjusted Return on Invested Capital *	14.8%	12.3%	14.4%	15.8%	16.3%	15.5%	17.9%	18.3%	17.7%

* Return on average invested capital is defined as adjusted operating profit after tax divided by 2-year average adjusted invested capital.

The Company uses non-GAAP financial measures such as Adjusted Return on Invested Capital (ROIC) (which excludes the net impact of our restructuring and strategic initiatives, the AJCA tax benefit, tax settlements, curtailments, gains on asset sales, employee separation costs, cost associated with the implementation of our shared services, insurance recoveries, the Mane patent litigation settlement and the Spanish tax settlement) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

WORKING CAPITAL EFFICIENCY

(IN THOUSANDS U.S. \$)	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Trade Receivables (1)	478,177	527,709	523,389	543,133	508,736
Inventories	544,439	555,017	539,267	547,676	540,658
Accounts Payable	(208,759)	(189,223)	(169,673)	(160,956)	(199,272)
Core Working Capital	813,857	893,503	892,983	929,853	850,122
FY 2012 Net Sales					2,821,446
Core Working Capital as a % of Net Sales*					31.1%
(IN THOUSANDS U.S. \$)	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Trade Receivables (1)	460,274	528,541	553,335	524,893	478,177
Inventories	531,675	559,550	568,162	534,765	544,439
Accounts Payable	(200,153)	(185,205)	(166,438)	(180,931)	(208,759)
Core Working Capital	791,796	902,886	955,059	878,727	813,857
FY 2011 Net Sales					2,788,018
Core Working Capital as a % of Net Sales*					31.1%
(IN THOUSANDS U.S. \$)	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Trade Receivables (1)	456,674	480,553	486,638	521,524	460,274
Inventories	444,977	446,912	454,608	503,991	531,675
Accounts Payable	(161,027)	(154,451)	(155,056)	(169,652)	(200,153)
Core Working Capital	740,624	773,014	786,190	855,863	791,796
FY 2010 Net Sales					2,622,862
Core Working Capital as a % of Net Sales*					30.1%
(IN THOUSANDS U.S. \$)	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Trade Receivables (1)	412,127	430,219	484,550	490,549	456,674
Inventories	479,567	452,282	441,007	435,744	444,977
Accounts Payable	(114,997)	(95,303)	(117,892)	(140,597)	(161,027)
Core Working Capital	776,697	787,198	807,665	785,696	740,624
FY 2009 Net Sales					2,326,158
Core Working Capital as a % of Net Sales*					33.5%
(IN THOUSANDS U.S. \$)	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Trade Receivables	412,221	464,251	477,195	470,363	412,127
Inventories	484,222	512,034	525,651	509,281	479,567
Accounts Payable	(130,992)	(133,236)	(137,178)	(115,511)	(114,997)
Core Working Capital	765,451	843,049	865,668	864,133	776,697
FY 2008 Net Sales					2,389,372
Core Working Capital as a % of Net Sales*					34.4%

* Core working capital as a % of net sales is defined as 5-quarter average core working capital divided by full year net sales

(1) Q1 2013, Q1 - Q3 2011, Q1 - Q4 2010 and Q4 2009 have been revised to be consistent with other periods presented.

ADJUSTED CASH FLOWS FROM OPERATIONS												
(IN THOUSANDS U.S. \$)	2004	2005	2006	2004 - 2006	2007	2008	2009	2007 - 2009	2010	2011	2012	2010 - 2012
Cash Flows Provided												
By Operating												
Activities	295,847	177,160	281,619	754,626	314,062	220,613	291,637	826,312	315,136	189,190	323,796	828,122
Payments Pursuant												
To Patent												
Litigation												
Settlement	—	—	—	—	—	—	—	—	—	39,995	—	—
Payments Pursuant												
To Spanish Tax												
Settlement	—	—	—	—	—	—	—	—	—	—	105,503	—
Adjusted Cash Flows												
Provided By												
Operating Activities	295,847	177,160	281,619	754,626	314,062	220,613	291,637	826,312	315,136	229,185	429,299	973,620

The Company uses non-GAAP financial measures such as adjusted cash flows provided by operations (which excludes payments made related to the Mane patent litigation settlement and Spanish tax settlement) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.