

IFF International Flavors & Fragrances Inc.




**First Quarter 2014
Earnings Conference Call**
May 6, 2014

Forward Looking Statements **IFF**

Statements made in this presentation that relate to our future performance or future financial results or other future events (identified by such terms as "expect", "anticipate", "believe", "outlook", "guidance", "may" or similar terms and variations thereof) are forward-looking statements, which involve uncertainties that could cause actual performance or results to materially differ. We undertake no obligation to update any of these statements. These statements are qualified by the cautionary language and risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our other periodic reports filed with the SEC as well as the press release that we filed this morning, all of which are available on our website under Investor Relations, at www.iff.com.

We have disclosed certain non-GAAP financial measures within this presentation. Please see reconciliations to their respective GAAP measures in our press release and on our website at www.iff.com under Investor Relations.

2



Conference Call Participants **IFF**

Doug Tough
Chairman & CEO

Nicolas Mirzayantz
President, Fragrances

Matthias Haeni
President, Flavors

Kevin Berryman
EVP & CFO

AGENDA

- Overview of Quarter
- Fragrance Business Review
- Flavors Business Review
- Financial Review
- 2014 Outlook
- Questions & Answers



Q1 2014 Results



LC Sales Growth*	Adjusted Operating Profit Growth*	Adjusted EPS Growth*
7%	14%	11%

- LC Sales Growth of 7% reflects balanced growth in both businesses
 - Fragrance +8%; Flavors +5%
 - Emerging markets +7%; Developed markets +5%
 - Strong growth from new wins in strategic end-use categories
 - Aromor added +1% to LC sales growth
- Adjusted gross margin* expansion reflects strong volume and mix, favorable net impact of price to input costs and cost saving initiatives
- Strong operating performance and expense control resulted in adjusted operating profit growth of 14%
- Adjusted EPS of \$1.32 up 11%

* LC Sales, Adjusted Gross Margin, Adjusted Operating Profit, and Adjusted EPS are non-GAAP metrics; please see our GAAP to Non-GAAP Reconciliation at IFF.com.

Fragrance Segment Performance



Q1 Local Currency Sales Performance

FINE FRAGRANCE

- Performance driven by strong new wins and continued momentum on existing business



CONSUMER FRAGRANCES

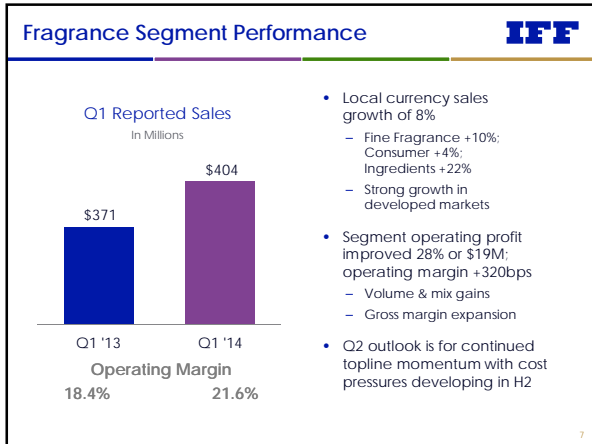
- Hair Care up double-digits reflecting widespread growth and Fabric Care up high single-digits

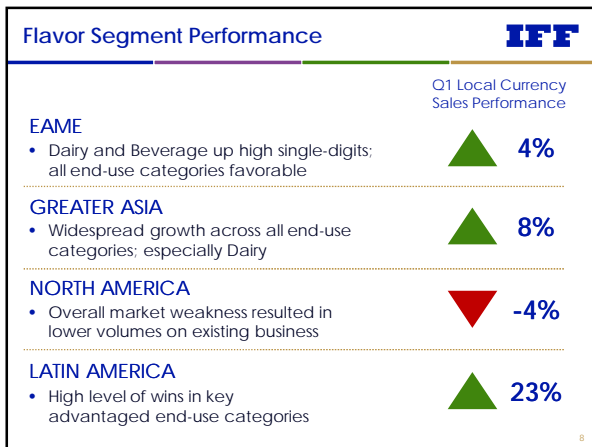


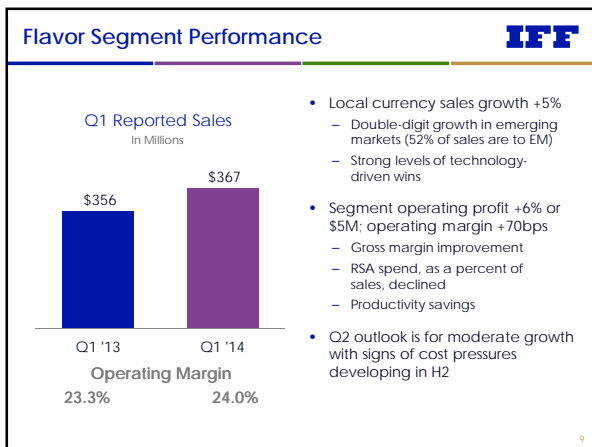
FRAGRANCE INGREDIENTS

- Includes benefit related to Aromor +14%









Q1'2014 Summary: Strong Growth & Profitability



(\$ million, except per share and margin)

	First Quarter	% Change
Net Sales	\$770	6% Reported 7% LC*
Adj Gross Profit Margin*	44.7%	+180 bps
Adj Operating Profit*	\$159	+14%
Adj Operating Profit Margin*	20.6%	+150 bps
Adj Diluted Eps*	\$1.32	11%

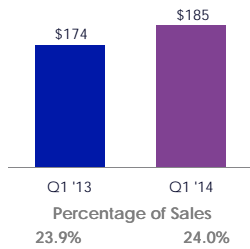
* LC Sales, Adjusted Gross Profit Margin, Adjust Operating Margin, Adjusted Profit Margin and Adjusted Diluted EPS are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at IFF.com.

10

Research, Selling & Administrative



RSA Expense
In Millions



- RSA up 10 basis points
 - Includes RSA from Aromor
 - Higher Incentive Comp accruals
- Focused on maintaining cost discipline, while investing in R&D and strategic growth opportunities

11

Currency



U.S. Dollars Per Euro

	Q1	Q2	Q3	Q4
2013	\$1.33	\$1.30	\$1.32	\$1.35
2014	\$1.36	-	-	-
	+2%	-	-	-

- Foreign exchange had a negative 100 basis point impact to topline
- FX had slight positive impact on EPS
- FY impact on profit is expected to be muted or slightly favorable at current rates
- Majority of Euro profit exposure hedged at ~\$1.32 for FY 2014

12

2014 Outlook



- Reconfirming LC sales growth of 5% to 7%; includes 1% sales growth from Aromor
- Margin expansion, cost control and manufacturing efficiencies driving operating profit growth
- YoY margin expansion expected to continue, but at a lower rate of improvement
- Our R&D pipeline remains strong
- Reconfirming FY 2014 strong operating profit and EPS growth
- Q2 – expectation is for continued top-line momentum and profitable growth



16

Key Takeaways from Q1



- Strong growth momentum in both businesses
- Strength and diversity of portfolio provides greater stability
- Strategic investments in Asia and Europe will support future growth
- Strong margin profile
- We are making investments in our people so they can better serve our customers
- We remain focused on our three strategic pillars



17

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QUESTIONS