
**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 11:00 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

Exhibit
No.

Description

99.1 Investor Day Presentation Materials dated June 5, 2013.

IFF International Flavors & Fragrances Inc.

Investor Day 2013

Operations

Francisco Fortanet
SVP, Operations

June 5, 2013



Exhibit 99.1

Reliable Service
and Quality

#1 Priority is Customer Satisfaction

Reduce Cost
and Optimize
Cash Flow

Productivity and Quality Agenda
driven by Continuous Improvement

- Support growth of the business in all regions; focus on emerging markets
- Reduce cost in all geographies; with emphasis in mature markets



Manufacturing Footprint Strategy: Leverage Geographic Reach



Capex as % of Sales



Singapore
2012



China
2013



Turkey
2015

Manufacturing Footprint Strategy:

Maximize Our Portfolio

IFF

Revenue in the Mature Markets is Now < 50% of the Global Compounds Business, while Labor Cost is ~ 75%

- **Europe** – From 10 to 7 plants*, including Sweden
- **USA** – From 7 to 4 plants*, including Augusta
- **Oceania** – from 2 to 1 plants
- Move activities to lower labor cost geographies leveraging the IT platform



*Since 2004

Fixed Asset Turnover

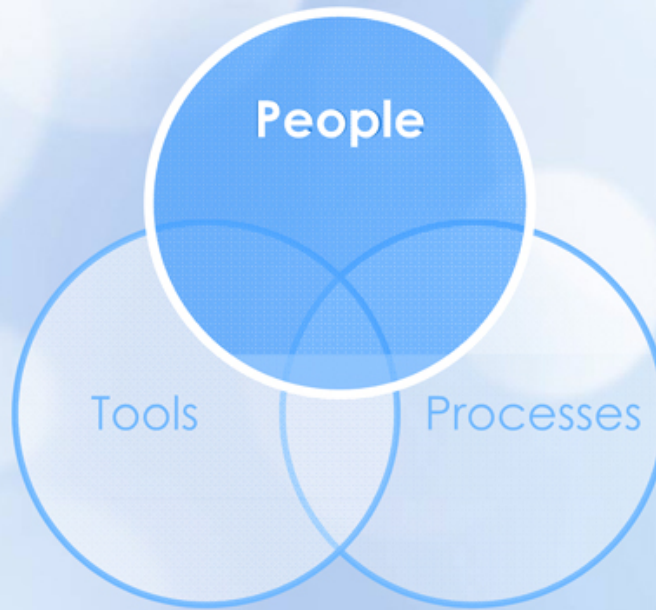


- Best-in-class efficiency versus peers
- Highest published ROIC relative to industry

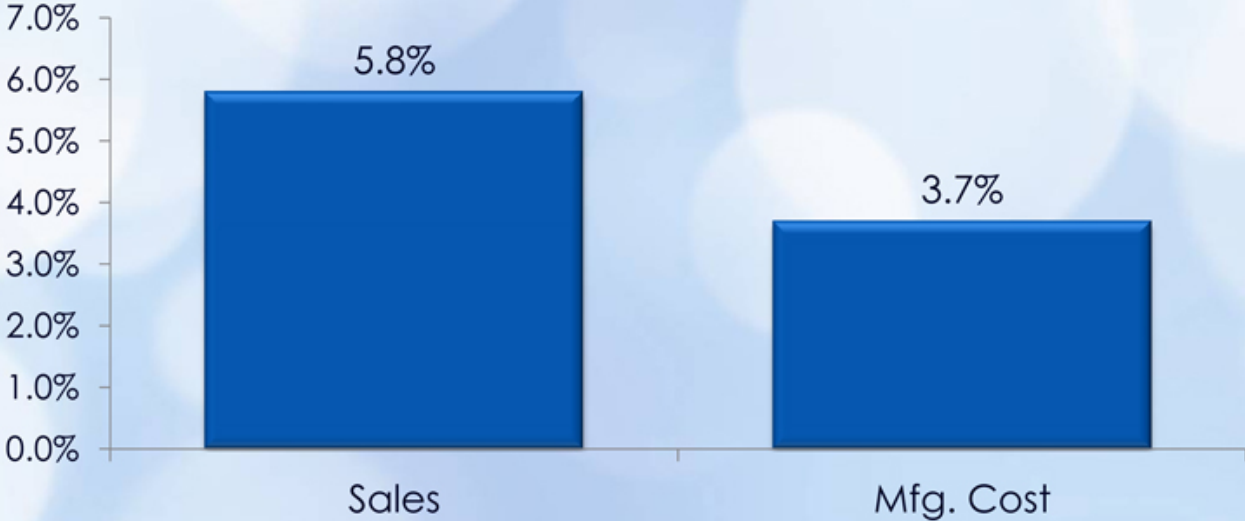
Source: Stifel Nicolaus Analyst Report - FY 2012

* Peers include Givaudan, Symrise, China F&F, Frutarom, Sensient, T. Hasegawa and Takasago

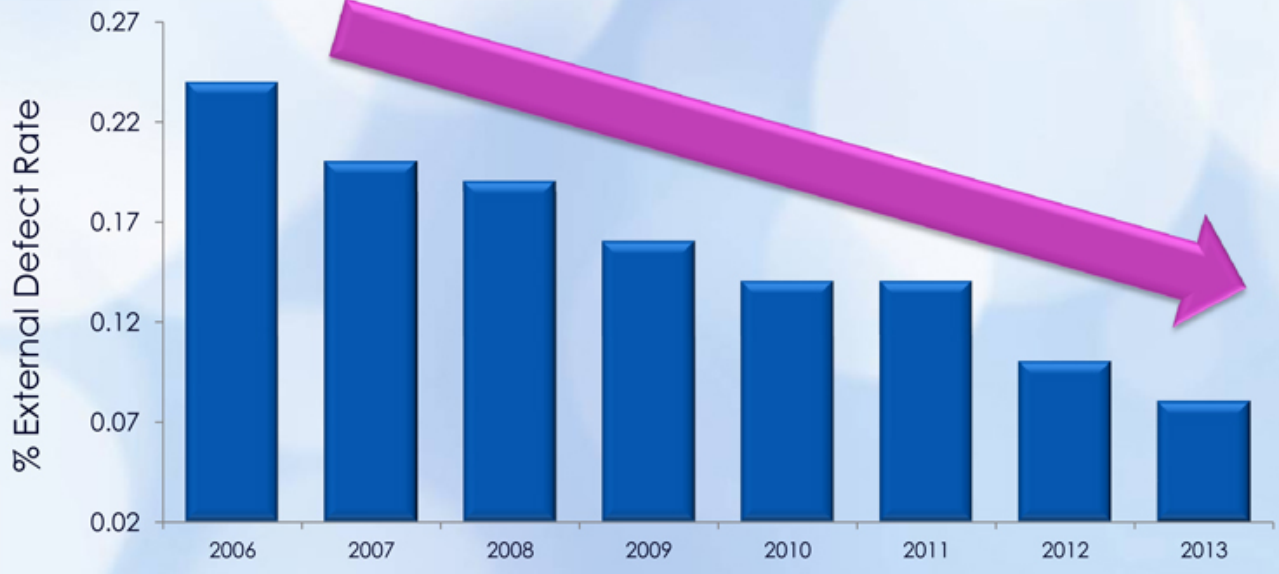
Innovation in Operations = Finding a Better Way



% Growth (CAGR) 2008 to 2012



Over 60% Reduction in External Defect Rate



Our Approach...

People



Processes and Systems



Sourcing Strategies



~70% of COGS is Raw Materials



Our Products:
Creating Innovative Customer Solutions



Our Impact:
Strengthening Eco-Efficiency
& Community Relationships



Our Sources:
Sourcing Responsibly



Our People:
Engaging & Inspiring Our Employees



Eco-efficiency

 **-11.4 %** Scope 1 & 2 carbon emissions

 **-9.1 %** Energy use

 **-27.4 %** Water use

 **-29.2 %** Hazardous waste



Our #1 job is to satisfy our customers

Productivity and quality are the cornerstone of the operations strategy

Our best asset is our people

We are delivering results – strong manufacturing leverage,
excellent reduction in waste and highest published industry ROIC

Well-Positioned to Capture Future Growth

IFF International Flavors & Fragrances Inc.

Investor Day 2013

Operations



IFF International Flavors & Fragrances Inc.

Investor Day 2013

Innovation

The Foundation of our Success

Kevin Berryman
EVP & CFO

June 5, 2013



Leverage Geographic Reach



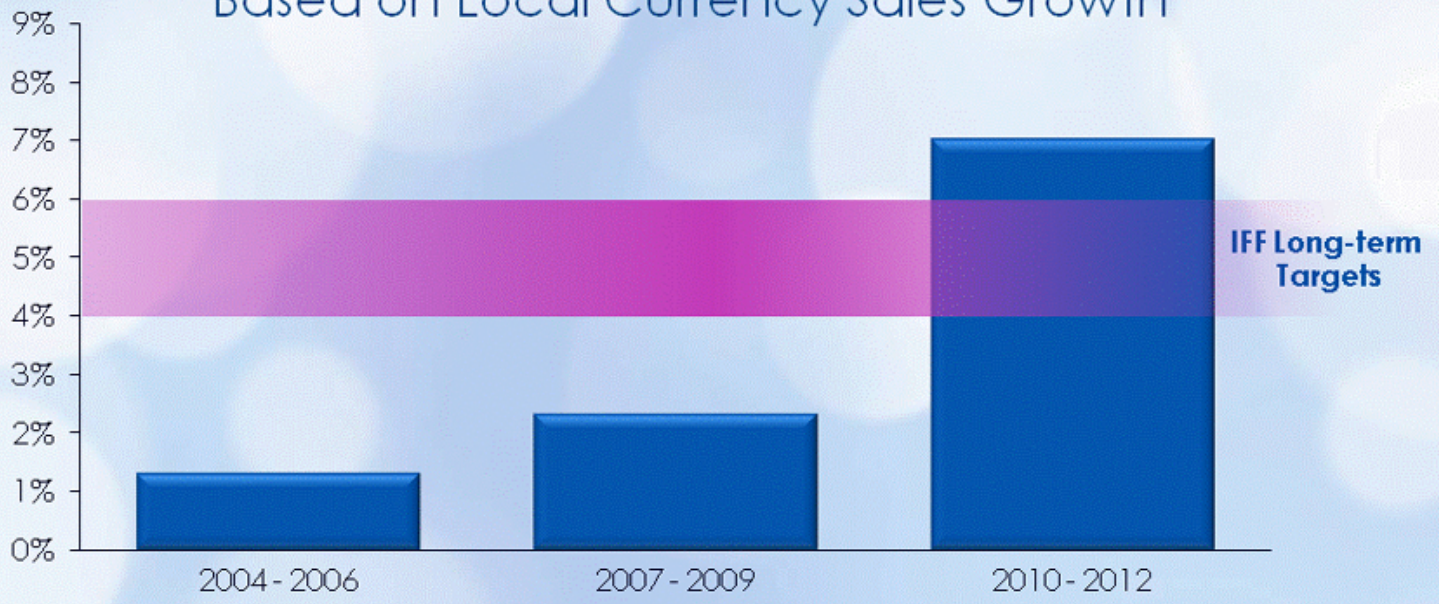
Strengthen Innovation Platform



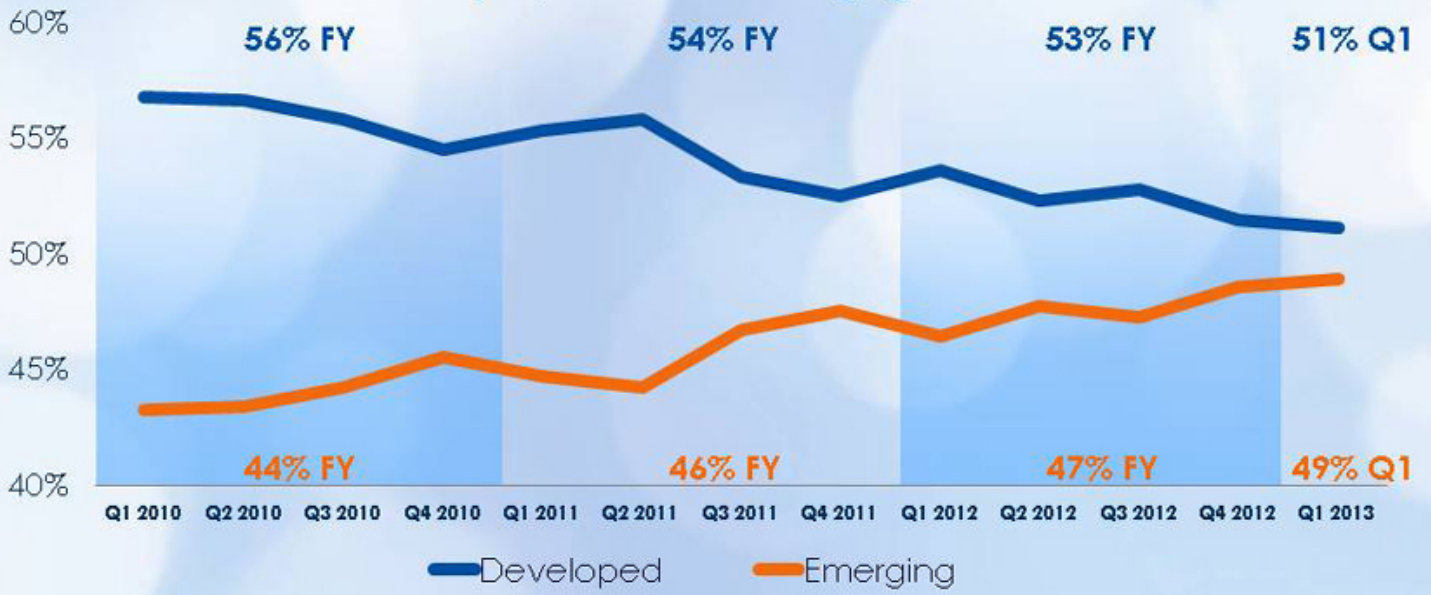
Maximize Portfolio



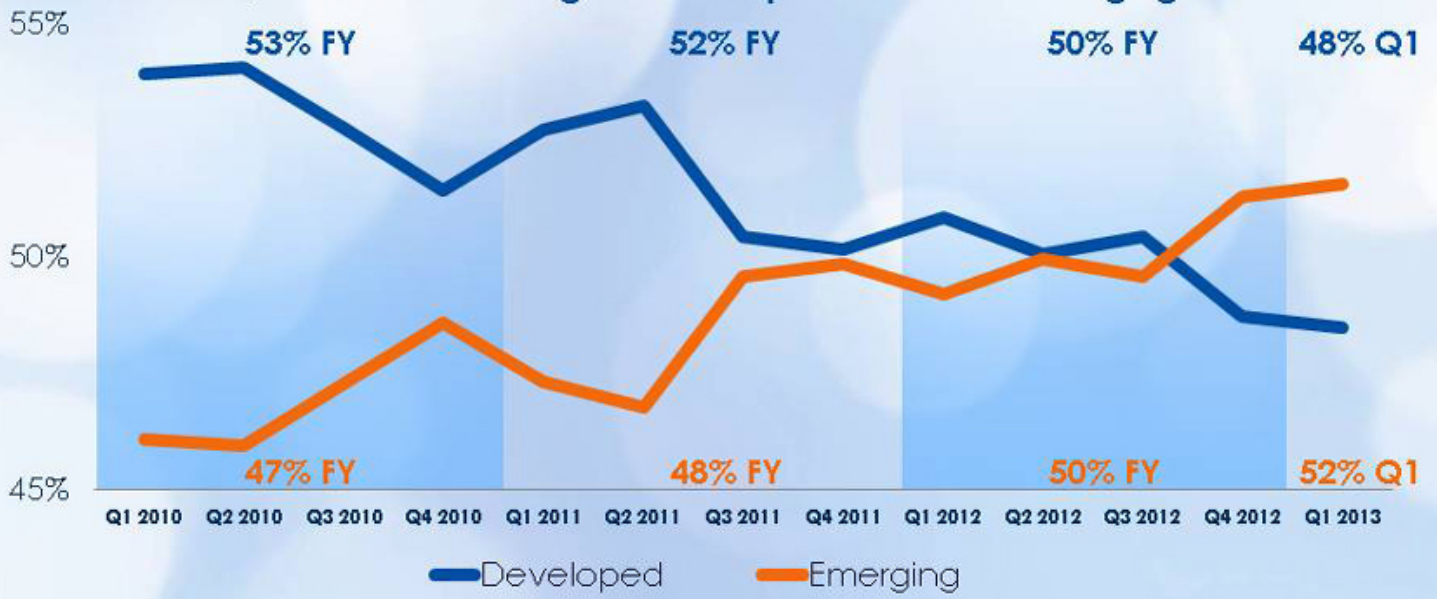
Based on Local Currency Sales Growth



Nearly 50% of Sales to Emerging Markets



Over 50% of Flavor and Fragrance Compound Sales to Emerging Markets



-560 bps

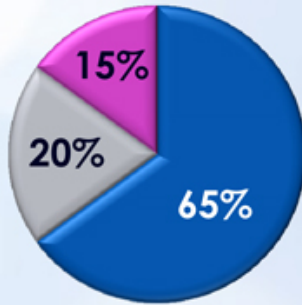
-390 bps



94% of Portfolio is now EP neutral or Positive

2010 Portfolio Value Breakdown

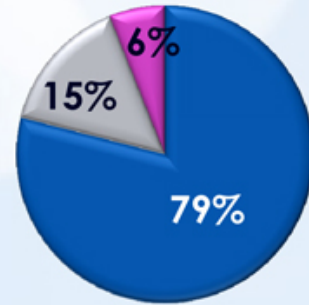
% Capital Employed



■ EP Positive ■ EP Break-even ■ EP Negative

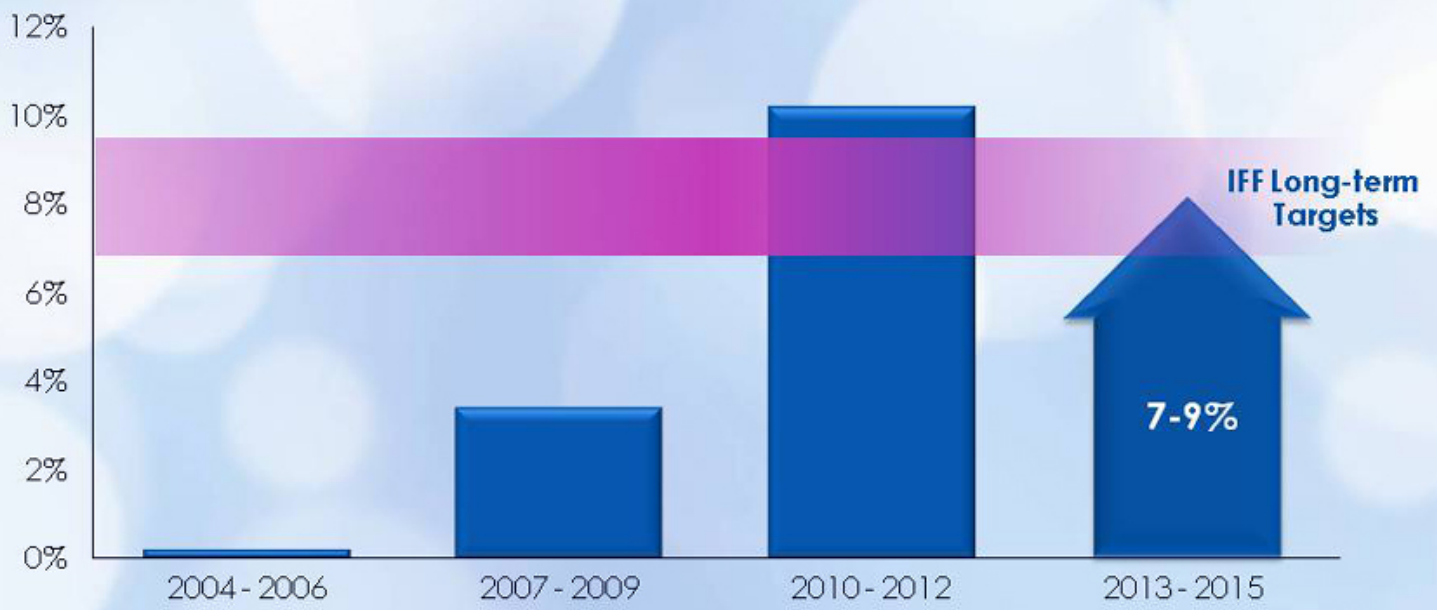
2012 Portfolio Value Breakdown

% Capital Employed

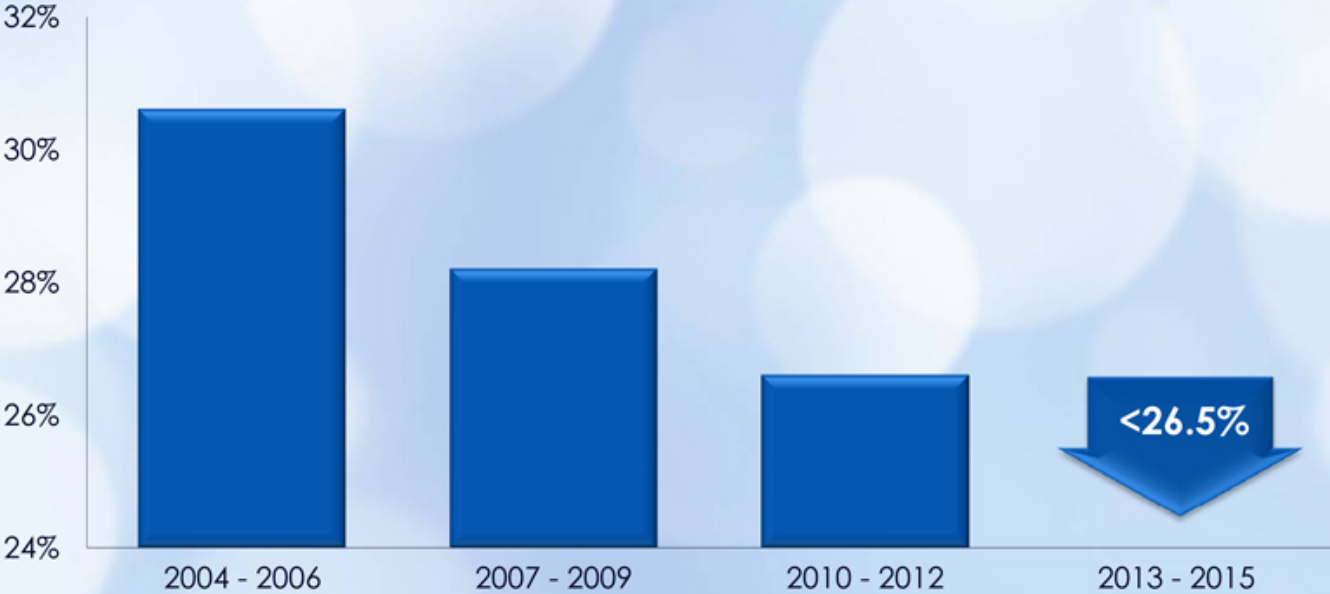


■ EP Positive ■ EP Break-even ■ EP Negative

Adjusted Operating Profit Growth

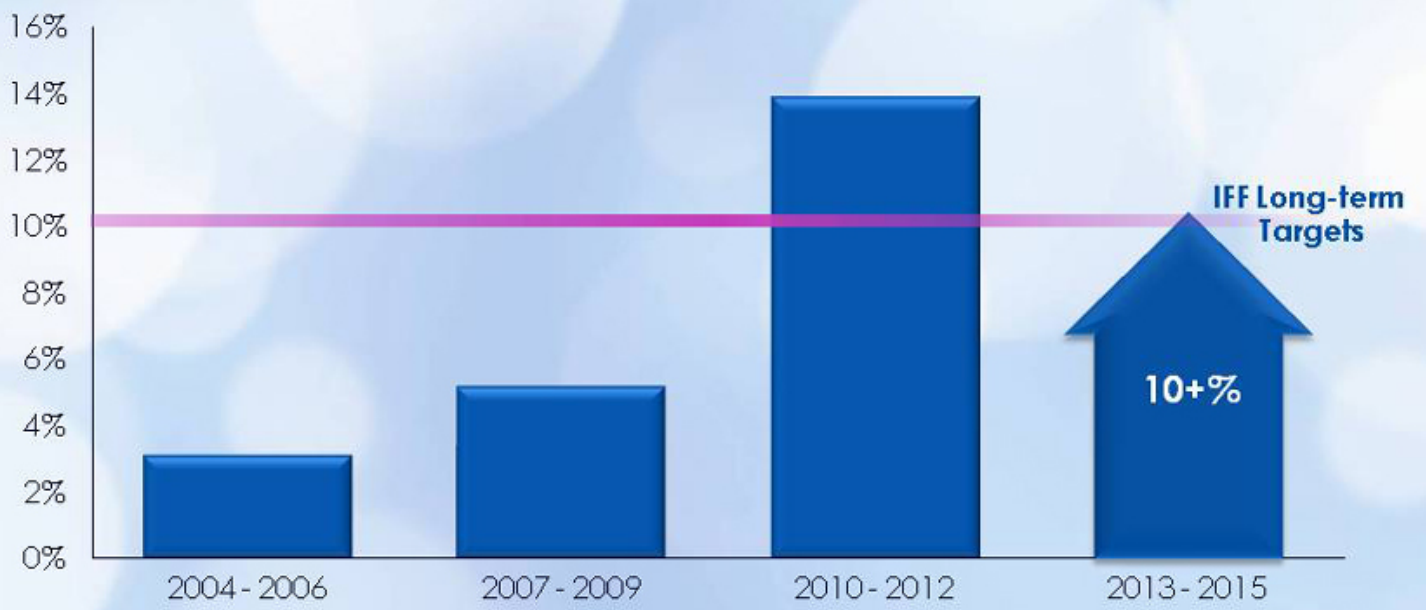


Below the Line Leverage

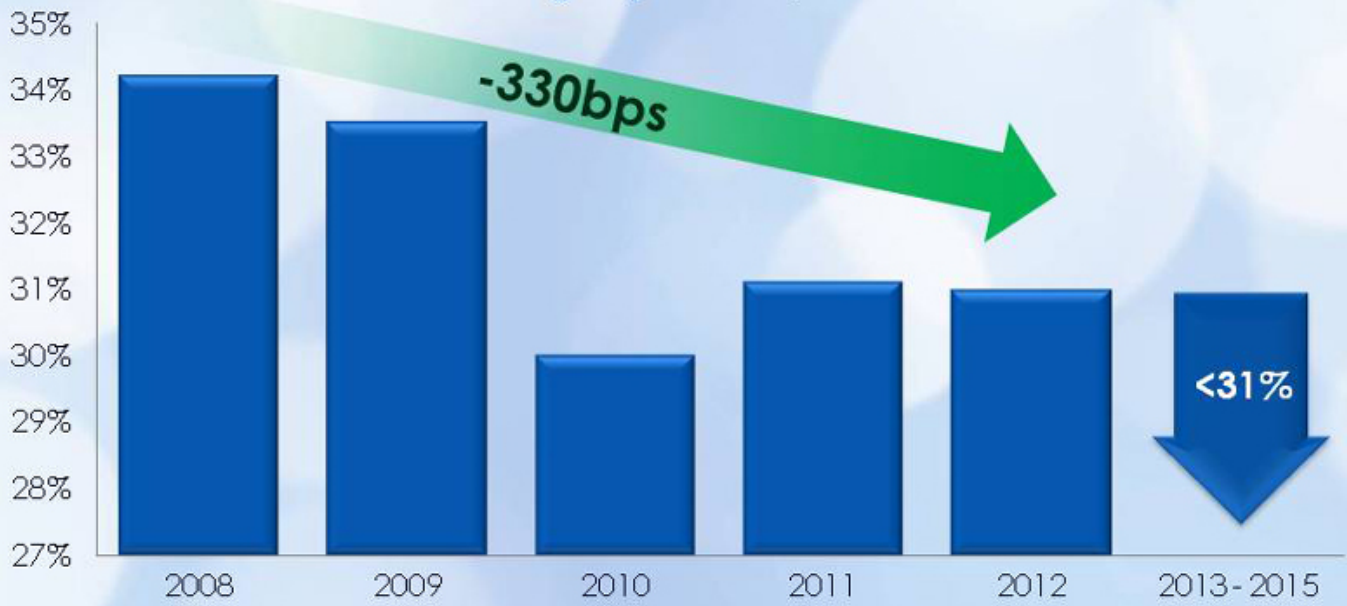


2013 - 2015 = Company Estimates

Adjusted EPS Growth (3-Year CAGR)



Core Working Capital as a % of Net Sales

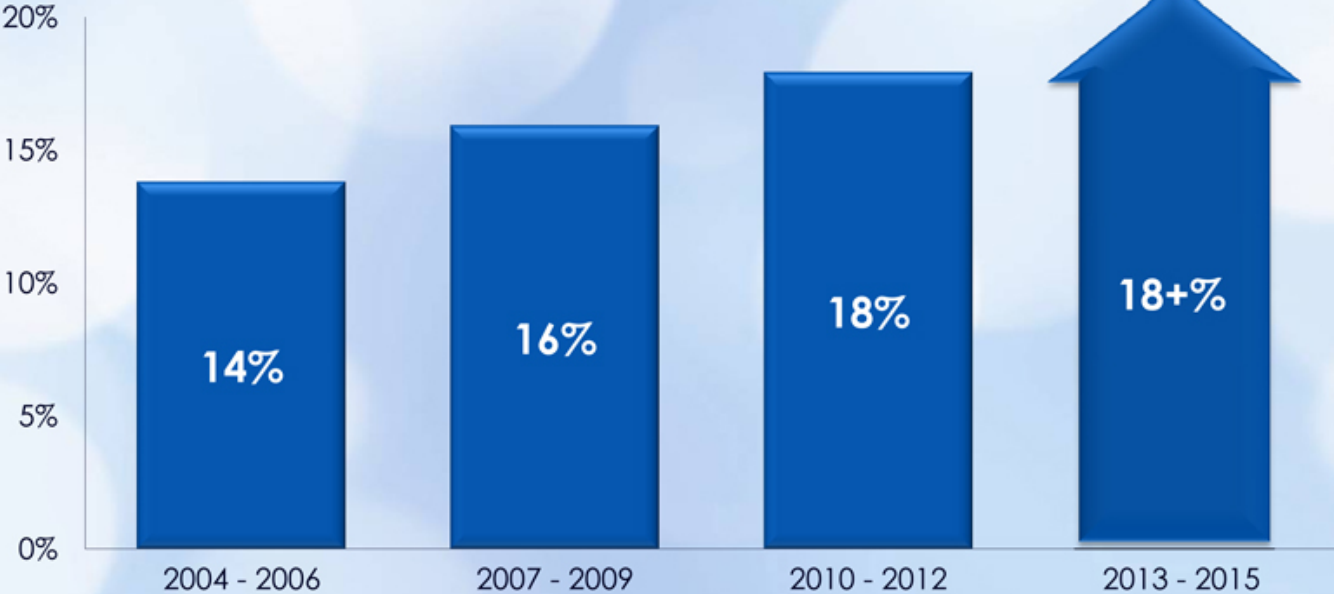


2013 - 2015 = Company Estimates

Adjusted Return on Invested Capital



3-Year Average



2013 - 2015 = Company Estimates

Adjusted Operating Cash Flow



In \$ Millions

3-Year Cumulative

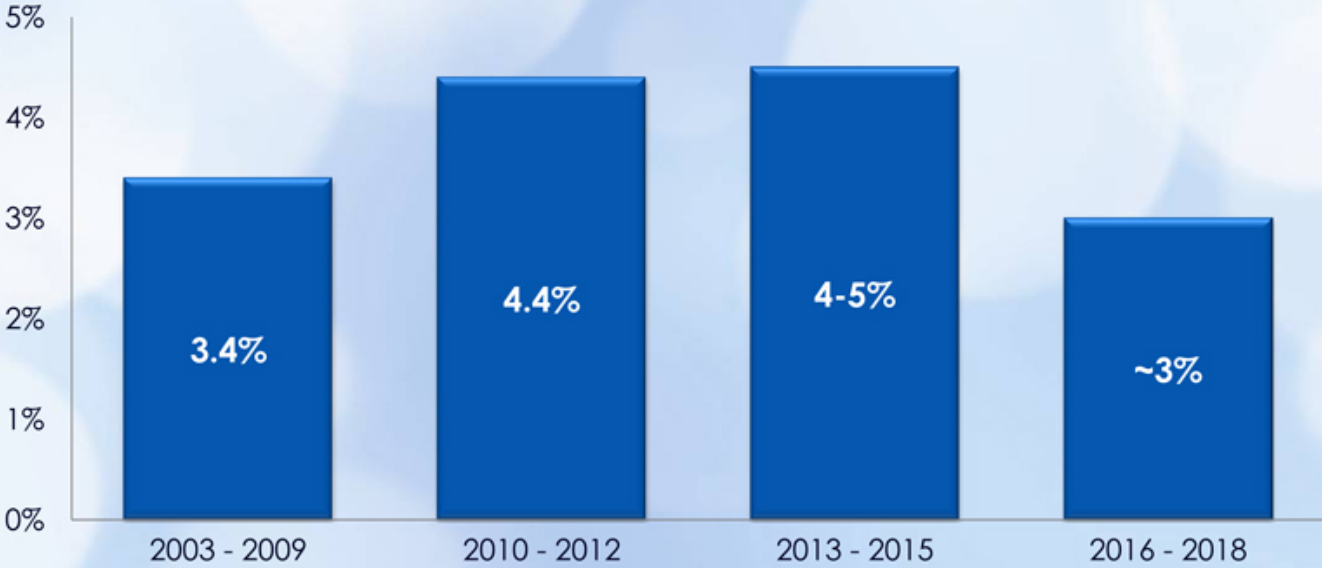


2013 - 2015 = Company Estimates

Allocation based on principles of Financial Flexibility



Increased Investment in Capacity and Technology in Emerging Markets



2013 - 2018 = Company Estimates

Annual Cash Dividend Declared



- Strong Track Record of Returning Cash to Shareholders
- Increased dividend 9 times in 10 years
- Historical dividend payout ratio of 30-35%
- Authorized \$250 million share buyback

Augment our Organic Growth Strategy

- Routinely evaluate M&A opportunities
 - F&F companies participating in attractive markets
 - F&F companies operating in geographies where we are under- represented
 - F&F companies with differentiated technology
- Evaluate consistent with principles of Economic Profit
- Will consider adjacencies that bolster long-term growth prospects



**Local Currency
Sales Growth**

4-6%

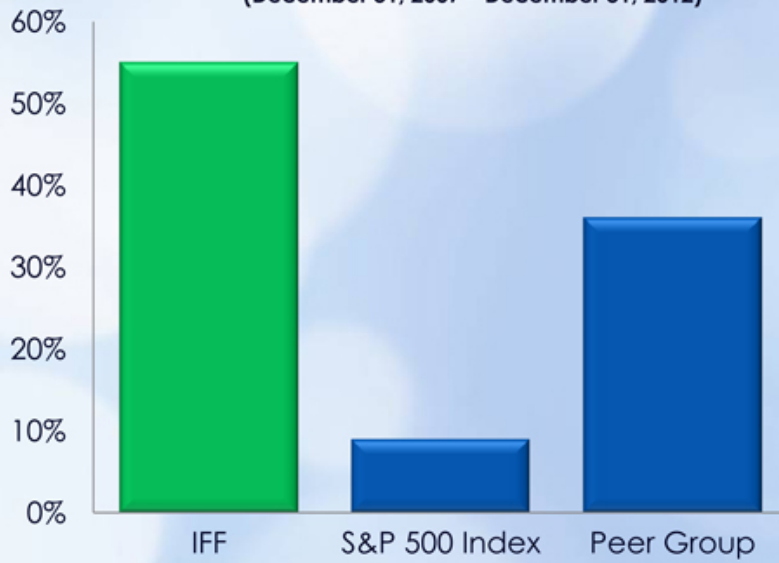
**Adjusted Operating
Profit Growth**

7-9%

**Adjusted EPS
Growth**

10+%

Five-Year Total Shareholder Return*
(December 31, 2007 – December 31, 2012)



- Returns greatly exceeds that of the S&P Index and Peer Group
- Performance driven by both share price appreciation and payout of dividends

**Includes the reinvestment of dividends. Please refer to the Company's Form 10-K as filed with the SEC on February 26, 2013 for further information on the above chart*

Geographically Diversified Company with Steady Growth

Partnered with Leading Global Consumer Companies

Strong Innovation Platforms – Focused on Consumer

Strong Financial Performance and Cash Flow

Ability to Deliver Strong Returns Longer-Term

IFF International Flavors & Fragrances Inc.

Investor Day 2013

Innovation

The Foundation of our Success



IFF International Flavors & Fragrances Inc.

Investor Day 2013

Closing Remarks

Doug Tough

Chairman of the Board & Chief Executive Officer

June 5, 2013



Allocate resources to seize growth opportunities in emerging markets

Align R&D Spend with Opportunities – in terms of category growth and EP profile

Use EP principles to develop a stronger portfolio to deliver a higher ROIC

Invest behind advantaged businesses and remediate less profitable areas

Innovation - discovering new ways to create unique experiences that enhance consumers' lives

Leverage Geographic Reach



- Growth rates in emerging markets are 2-3x developed markets
- New manufacturing capacity being added
- Increase regional coverage via labs & commercial offices

Strengthen Innovation Platform



- R&D pipeline has significantly strengthened
- Research programs are well aligned with BU strategies
- Align research spend with opportunities

Maximize Portfolio



- Exiting of cumulative \$55 million of Flavors sales
- Significant progress made in driving EP improvements
- Adjusted ROIC has improved 220 basis points over last 3 years

Leverage Geographic Reach

- Increasing investments in emerging markets to support growth
 - \$50 investment in Turkey to serve customers in Africa, Eastern Europe and Middle East and Central Asia
 - Leverage Singapore liquid Fragrances & Flavors plant, and ensure Southeast Asia capacity needs are met
 - China plant fully operational in 2013; leverage Satellite Labs in Chengdu and Beijing



Strengthen Innovation Platform

- Build strong molecule pipeline
 - Continue to develop High-impact molecules
 - Extend encapsulation to other categories
 - Leverage expertise in Natural Ingredients
 - Leverage Flavors modulation tool-box
 - Enhance Delivery Systems in Flavors and Fragrances
 - Leverage experience and relationships of SAB to support R&D



Maximize Portfolio

- Improve Economic Profile of business
- Realize remaining \$25 million operating profit opportunity
- Focus on innovation, profitability and return on investment
- Apply a disciplined approach to investing
- Leverage strong margin profile and cash flow generation



Strategic Priorities

- Invest in Innovation
- Grow Footprint in Emerging Markets and Improve Coverage
- Improve Value of Portfolio by Prioritizing Higher Margin Businesses
- Drive Greater Efficiency to Gain Operational Leverage

Long-Term Financial Expectations

- Local currency sales growth of 4% to 6%
- Adjusted Operating Profit growth of 7 – 9%
- Adjusted EPS growth of 10+% Through Portfolio Mix, Product Innovation & Manufacturing Leverage

IFF International Flavors & Fragrances Inc.

Investor Day 2013

Innovation

The Foundation of Our Success



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

(IN THOUSANDS U.S. \$)	FY 2010	Q1 2013	Margin Improvement
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%	—	—	—	—
Curtailed 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)	—	—	—	—
Curtailement, 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
Curtailement		—	—	—	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%	—	—	—	—
Curtailement 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 an 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.