
**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**

Date of report (Date of earliest event reported) May 7, 2018

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
(I.R.S. Employer
Identification No.)

521 West 57th Street, New York, New York
(Address of Principal Executive Offices)

10019
(Zip Code)

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

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

Attached and being furnished hereby as Exhibit 99.1 is a copy of a press release of International Flavors & Fragrances Inc. (“IFF” or the “Company”), dated May 7, 2018, reporting IFF’s financial results for the quarter ended March 31, 2018.

A live webcast to discuss the Company’s first quarter 2018 financial results will be held on May 8, 2018, at 8:00 a.m. (Eastern Time). Investors may access the webcast on the Company’s IR website at ir.iff.com. For those unable to listen to the live webcast, a recorded version will be made available on the Company’s website approximately one hour after the event and will remain available on IFF’s website for one year. Exhibit 99.1 is being furnished under Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section, nor shall such exhibits be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On May 7, 2018, IFF and Frutarom Industries Ltd., a company organized under the laws of the State of Israel (“Frutarom”), issued a joint press release announcing the execution of the Merger Agreement (as defined below). The full text of the joint press release issued in connection with the announcement is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

In connection with the announcement of the Merger Agreement and IFF’s reporting of its financial results for the quarter ended March 31, 2018, the IFF management team will discuss the pending transaction and its first quarter 2018 financial results with analysts and investors on a conference call today at 8:00 a.m. (Eastern Time). Interested parties can participate in the conference by dialing (866) 610-1072 (U.S.) or (973) 935-2840 (International), conference code 1788618, five to 10 minutes prior to the start of the call. Investors may access the webcast and accompanying slide presentation on the Company’s IR website at ir.iff.com.

A copy of a presentation regarding the proposed transaction, which was made available by IFF on May 7, 2018, is attached hereto as Exhibit 99.3 and is available on IFF’s website at www.iff.com under the Investor section. Exhibit 99.2 and Exhibit 99.3 are being furnished under Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of such section, nor shall such exhibits be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act.

Item 8.01 Other Events.

On May 7, 2018, IFF entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among IFF, Icon Newco Ltd., a wholly owned subsidiary of IFF (“Merger Sub”), and Frutarom. Subject to the terms and conditions of the Merger Agreement, which has been unanimously approved by the boards of directors of IFF and Frutarom, Merger Sub will be merged with and into Frutarom (the “Merger”), with Frutarom continuing as the surviving company in the Merger and a wholly owned subsidiary of IFF.

Cautionary Statement Regarding Forward Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements regarding IFF’s expected future financial position, results of operations, cash flows, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management and statements containing the words such as “anticipate,” “approximate,” “believe,” “plan,” “estimate,” “expect,” “project,” “could,” “should,” “will,” “intend,” “may” and other similar expressions, are forward-looking statements. Statements in this communication concerning IFF’s business outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items, and product or services line growth, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting the best judgment of IFF based upon currently available information. Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ materially from IFF’s expectations as a result of a variety of factors, including, without limitation, those discussed below. Such forward-looking statements are based upon

management's current expectations and include known and unknown risks, uncertainties and other factors, many of which IFF is unable to predict or control, that may cause IFF's actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. These statements involve risks, uncertainties and other factors discussed below and detailed from time to time in IFF's filings with the Securities and Exchange Commission (the "SEC").

Risks and uncertainties related to IFF's proposed acquisition of Frutarom include, but are not limited to, the inability to obtain required regulatory approvals for the acquisition, the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition, the inability to obtain the requisite Frutarom shareholder approval of the transaction, the risk that a condition to closing of the acquisition may not be satisfied on a timely basis or at all, the failure of the proposed transaction to close for any other reason, uncertainties as to access to available financing (including financing for the acquisition or refinancing of IFF or Frutarom debt) on a timely basis and on reasonable terms, the impact of IFF's proposed financing on its liquidity and flexibility to respond to other business opportunities, whether the acquisition will have the accretive effect on IFF's earnings or cash flows that it expects, the inability to obtain, or delays in obtaining, cost savings and synergies from the acquisition, costs and difficulties related to the integration of Frutarom's businesses and operations with IFF businesses and operations, unexpected costs, liabilities, charges or expenses resulting from the acquisition, adverse effects on IFF's stock price resulting from the acquisition, the inability to retain key personnel, and potential adverse reactions, changes to business relationships or competitive responses resulting from the acquisition.

In addition to the factors set forth above, other factors that may affect IFF's plans, results or stock price are set forth in IFF's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Many of these factors are beyond IFF's control and IFF cautions investors that any forward-looking statements made by IFF are not guarantees of future performance. IFF disclaims any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

Important Additional Information and Where to Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. IFF will file with the SEC a registration statement on Form S-4 that will include a proxy statement of Frutarom that also constitutes a prospectus of IFF. INVESTORS AND SECURITY HOLDERS OF FRUTAROM ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement (when available) and other documents filed with the SEC by the parties through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by IFF will be available free of charge on IFF's internet website at ir.iff.com.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 99.1	Press Release of International Flavors & Fragrances Inc., dated May 7, 2018
Exhibit 99.2	Joint Press Release of IFF and Frutarom, dated May 7, 2018
Exhibit 99.3	Investor Presentation, dated May 7, 2018

Exhibit Index

<u>Number</u>	<u>Description</u>
99.1	<u>Press Release of International Flavors & Fragrances Inc., dated May 7, 2018</u>
99.2	<u>Joint Press Release of IFF and Frutarom, dated May 7, 2018</u>
99.3	<u>Investor Presentation, dated May 7, 2018</u>

SIGNATURE

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.

Dated: May 7, 2018

/s/ Richard A. O'Leary

Name: Richard A. O'Leary

Title: Executive Vice President and Chief Financial Officer



Press Release

FOR IMMEDIATE RELEASE

Contact: Michael DeVeau
 VP, Corporate Strategy, Investor Relations & Communications
 212.708.7164
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IFF Reports First Quarter 2018 Results

Achieved strong growth across all financial metrics;

Targeting upper end of 2018 sales and operating profit guidance range

NEW YORK, N.Y., (May 7, 2018) – International Flavors & Fragrances Inc. (NYSE: IFF) (Euronext Paris: IFF) reported financial results and strategic achievements for the first quarter ended March 31, 2018.

First Quarter 2018 Consolidated Summary: Change vs. Prior Year

	Reported (GAAP)			Adjusted (Non-GAAP) ¹			Currency Neutral (Non-GAAP) ¹		
	Sales	Operating Profit	EPS	Sales	Operating Profit	EPS	Sales	Operating Profit	EPS
Consolidated	12%	34%	12%	12%	16%	11%	7%	12%	12%

¹ Schedules at the end of this release contain reconciliations of reported GAAP to non-GAAP metrics.

Management Commentary

“We have started the year very well, with robust growth across all of our key financial metrics,” said IFF Chairman and CEO Andreas Fibig. “Top-line trends remained strong in both businesses, with new wins, volume and pricing all contributing to growth. Our focus to drive differentiation, balance our customer base, maximize our portfolio and generate return is yielding strong results. Growth with local and regional customers was strong, growing four times faster than our global customers. Cosmetic Active Ingredients, sweetness and savory modulation, and POWDERPURE, on a standalone basis, also all grew double-digits.

“Cost and productivity initiatives continued to play an integral role in our ability to invest in the business while delivering robust profit growth. Through the combination of these initiatives, as well as our strong sales growth, we delivered double-digit operating profit and EPS growth.”

Mr. Fibig added, “We are off to a strong start to the year and that gives us added confidence in achieving our financial objectives for 2018. And while it’s still early in the year, we believe we will be closer to the upper end of our previously communicated sales and operating profit guidance range.”

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First Quarter 2018 Consolidated Financial Highlights

- Reported net sales for the first quarter totaled \$931 million, an increase of 12% from \$828 million in 2017. Excluding the impact of foreign exchange, currency neutral sales increased 7% over the prior year.
- Reported operating profit for the first quarter was \$175 million versus \$130 million reported in 2017, an increase of 34%. Excluding the impact of foreign exchange and those items that affect comparability, currency neutral adjusted operating profit grew 12%, principally driven by volume growth, the benefits associated with cost and productivity initiatives and favorable sales mix.
- Reported earnings per share (EPS) for the first quarter was \$1.63 per diluted share versus \$1.45 per diluted share reported in 2017. Excluding the impact of foreign exchange and those items that affect comparability, currency neutral adjusted EPS improved 12%.

First Quarter 2018 Segment Summary: Growth vs. Prior Year

	<u>Reported (GAAP)</u>		<u>Currency Neutral (Non-GAAP)</u>	
	Sales	Segment Profit	Sales	Segment Profit
Flavors	11%	18%	6%	15%
Fragrances	14%	20%	8%	12%

Flavors Business Unit

- On a reported basis, sales increased 11%, or \$42.9 million, to \$449.0 million. Currency neutral sales grew 6% driven by growth in all categories and nearly all regions.
- EAME increased 24% on a reported basis and 11% on a currency neutral basis, led by strong double-digit growth in Africa and the Middle East as well as mid-single digit growth in Europe. Growth was achieved across all categories, led by strong performances in Dairy, Savory, and Beverage.
- North America improved 10% driven by double-digit growth at TastepointSM and strong new wins in Beverage and Dairy.
- Latin America decreased 2% on a reported and currency neutral basis. Mid-single digit growth in South Cone was more than offset by softness in Mexico and Colombia – both of which grew strong double-digits in the year-ago period. On a category basis, strong double-digit growth was achieved in Savory as well as low-single digit growth in Dairy.
- Greater Asia increased 6% on a reported basis and 2% on a currency neutral basis, as double-digit growth in India and China was muted by softness in Indonesia and the ASEAN region. On a category basis, growth was strongest in Sweet, Savory and Dairy.
- Flavors segment profit increased 18% on a reported basis and 15% on a currency neutral basis, driven primarily by volume growth, the benefits from productivity initiatives and favorable sales mix.

Fragrances Business Unit

- On a reported basis, sales increased 14%, or \$59.8 million, to \$481.9 million. Currency neutral sales improved 8%, with broad-based growth from all categories and regions.
- Fine Fragrances increased 12% on a reported basis and 4% on a currency neutral basis led by strong double-digit growth in LATAM and North America.
- Consumer Fragrances grew 11% on a reported basis and 6% on a currency neutral basis with growth achieved in all categories. Performance was led by high-single digit increases in Home Care, Toiletries, and Hair Care. On a geographic basis, growth was broad-based, with all regions contributing positively to the results.
- Fragrance Ingredients grew 26% on a reported basis and 18% on a currency neutral basis, with growth in all regions as well as very strong double-digit growth in Cosmetic Active Ingredients.
- Fragrances segment profit increased 20% on a reported basis and 12% on a currency neutral basis driven primarily by volume growth and the benefits from cost and productivity initiatives.

The Company's full year 2018 guidance:

	<u>Currency Neutral</u>	<u>FX Impact¹</u>	<u>Adjusted²</u>
Sales	3.0% - 5.0%	~3.0%	6.0% - 8.0%
Operating Profit	5.0% - 7.0%	~1.5%	6.5% - 8.5%
EPS	4.0% - 6.0%	~1.5%	5.5% - 7.5%

¹ See Use of Non-GAAP Financial Measures

² Excludes items impacting comparability

A copy of the Company's Quarterly Report on Form 10-Q will be available on its website at www.iff.com or at www.sec.gov by May 9, 2018.

IFF to Combine with Frutarom Industries Ltd.

In a separate press release issued today, IFF announced its intention to combine with Frutarom Industries Ltd. to create a global leader in taste, scent and nutrition. To access the press release, please visit our press release page [here](#).

Audio Webcast

A live webcast to discuss the Company's first quarter 2018 financial results will be held on May 7, 2018, at 8:00 a.m. ET. Investors may access the webcast and accompanying slide presentation on the Company's IR website at ir.iff.com. For those unable to listen to the live webcast, a recorded version will be made available on the Company's website approximately one hour after the event and will remain available on IFF's website for one year.

Cautionary Statement Under The Private Securities Litigation Reform Act of 1995

This press release includes "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995, including statements regarding our outlook in our full year 2018 guidance, including our focus to drive differentiation, balance our customer base, maximize our

portfolio and our ability to deliver growth across all of our key financial metrics and the impact of our actions on value creation for our shareholders. These forward-looking statements are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K filed with the Commission on February 27, 2018. The Company wishes to caution readers that certain important factors may have affected 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: (1) macroeconomic trends affecting the emerging markets; (2) the Company's ability to implement and adapt its refreshed Vision 2020 strategy; (3) the Company's ability to successfully identify and complete acquisitions in line with its Vision 2020 strategy, and to realize the anticipated benefits of those acquisitions; (4) the Company's ability to realize the benefits of its cost and productivity initiatives, (5) the impact of the disruption in supply of citral from BASF on the price and availability of citral in 2018; (6) the Company's ability to effectively compete in its market, and to successfully develop new, cost-effective and competitive products that appeal to its customers and consumers; (7) changes in consumer preferences and demand for the Company's products or a decline in consumer confidence and spending; (8) the Company's ability to benefit from its investments and expansion in emerging markets; (9) the impact of recently enacted U.S. tax legislation on the Company's effective tax rate in 2018 and beyond; (10) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates; (11) the economic and political risks associated with the Company's international operations, including challenging economic conditions in China and Latin America; (12) the impact of any failure or interruption of the Company's key information technology systems or a breach of information security; (13) the Company's ability to attract and retain talented employees; (14) the Company's ability to comply with, and the costs associated with compliance with U.S. and foreign environmental protection laws; (15) the Company's ability to realize expected cost savings and efficiencies from its profitability improvement initiative and other optimization activities; (16) volatility and increases in the price of raw materials, energy and transportation; (17) price realization in a rising input cost environment (18) fluctuations in the quality and availability of raw materials; (19) the impact of a disruption in the Company's supply chain or its relationship with its suppliers; (20) any adverse impact on the availability, effectiveness and cost of the Company's hedging and risk management strategies; (21) the Company's ability to successfully manage its working capital and inventory balances; (22) uncertainties regarding the outcome of, or funding requirements related to litigation or settlement of pending litigation uncertain tax positions or other contingencies; (23) the effect of legal and regulatory developments, as well as restrictions or costs that may be imposed on the Company or its operations by U.S. and foreign governments; (24) adverse changes in federal, state, local and international tax legislation or policies, including with respect to transfer pricing and state aid, and adverse results of tax audits, assessments, or disputes; and (25) changes in market conditions or governmental regulations relating to our pension and postretirement obligations. 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 revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Use of Non-GAAP Financial Measures

We provide in this press release (1) Currency Neutral Sales, (2) Adjusted Operating Profit and Currency Neutral Adjusted Operating Profit and (3) Adjusted EPS and Currency Neutral Adjusted EPS, which exclude restructuring costs and other significant items of a non-recurring and/or nonoperational nature such as legal charges/credits, gain on sale of assets, operational improvement initiatives, integration costs, FDA mandated recall costs, acquisition related costs and U.S. Tax reform (often referred to as “Items Impacting Comparability”) and, with respect to the currency neutral items, the impact of foreign currency movements. We provide these metrics as we believe that they are useful in providing period to period comparisons of the results of our operational performance. When we provide our expectations for our currency neutral metrics in our full year 2018 guidance, we estimate the anticipated FX impact by comparing prior year results to the prior year results restated at exchange rates in effect for the current year based on the currency of the underlying transaction. When we provide our expectations for our Adjusted Operating Profit and our Adjusted EPS in our full year 2018 guidance, the closest corresponding GAAP measures (expected reported Operating Profit and EPS) and a reconciliation of the differences between the non-GAAP expectation and the corresponding GAAP measure generally are not available without unreasonable effort due to inherent difficulty of forecasting the timing and amount of reconciling items that would be excluded from the GAAP measure in the relevant future period and the relevant tax impact of such reconciling items on EPS. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results. Currency Neutral Sales, Adjusted Operating Profit, Currency Neutral Adjusted Operating Profit, Adjusted EPS and Currency Neutral Adjusted EPS should not be considered in isolation or as substitutes for analysis of the Company’s results under GAAP and may not be comparable to other companies’ calculation of such metrics.

Meet IFF

International Flavors & Fragrances Inc. (NYSE:IFF) (Euronext Paris: IFF) is a leading innovator of sensorial experiences that move the world. At the heart of our company, we are fueled by a sense of discovery, constantly asking “what if?”. That passion for exploration drives us to co-create unique products that consumers taste, smell, or feel in fine fragrances and beauty, detergents and household goods, as well as beloved foods and beverages. Our 7,300 team members globally take advantage of leading consumer insights, research and development, creative expertise, and customer intimacy to develop differentiated offerings for consumer products. Learn more at www.iff.com, [Twitter](#), [Facebook](#), [Instagram](#), and [LinkedIn](#).

International Flavors & Fragrances Inc.
Consolidated Income Statement
(Amounts in thousands except per share data)
(Unaudited)

	Three Months Ended March 31,		
	2018	2017	% Change
Net sales	\$930,928	\$828,293	12%
Cost of goods sold	525,119	465,210	13%
Gross profit	405,809	363,083	12%
Research and development expenses	78,476	72,126	9%
Selling and administrative expenses	142,644	143,704	(1)%
Amortization of acquisition-related intangibles	9,185	7,066	30%
Restructuring and other charges, net	717	10,143	(93)%
Gain on sales of fixed assets	(69)	(21)	229%
Operating profit	174,856	130,065	34%
Interest expense	16,595	12,807	30%
Other (income), net	(576)	(21,229)	(97)%
Income before taxes	158,837	138,487	15%
Taxes on income	29,421	22,723	29%
Net income	<u>\$129,416</u>	<u>\$115,764</u>	12%
Earnings per share—basic	\$ 1.63	\$ 1.46	
Earnings per share—diluted	\$ 1.63	\$ 1.45	
Average shares outstanding			
Basic	79,018	79,098	
Diluted	79,393	79,409	

International Flavors & Fragrances Inc.
Condensed Consolidated Balance Sheet
(Amounts in thousands)
(Unaudited)

	March 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 305,276	\$ 368,046
Receivables	734,378	663,663
Inventories	687,817	649,448
Other current assets	242,870	215,387
Total current assets	1,970,341	1,896,544
Property, plant and equipment, net	887,483	880,580
Goodwill and other intangibles, net	1,580,077	1,572,075
Other assets	243,375	249,727
Total assets	\$4,681,276	\$4,598,926
Bank borrowings and overdrafts, commercial paper and current portion of long-term debt	\$ 36,819	\$ 6,966
Other current liabilities	679,933	761,802
Total current liabilities	716,752	768,768
Long-term debt	1,676,211	1,632,186
Non-current liabilities	509,351	508,678
Shareholders' equity	1,778,962	1,689,294
Total liabilities and shareholders' equity	\$4,681,276	\$4,598,926

International Flavors & Fragrances Inc.
Consolidated Statement of Cash Flows
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31, 2018	2017
Cash flows from operating activities:		
Net income	\$ 129,416	\$ 115,764
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	33,384	26,802
Deferred income taxes	18,404	(3,766)
Gain on disposal of assets	(69)	(21)
Stock-based compensation	7,620	5,819
Pension contributions	(4,387)	(25,263)
Product Recall Claim Settlement	(12,969)	—
Foreign currency gain on liquidation of entity	—	(12,214)
Changes in assets and liabilities, net of acquisitions:		
Trade receivables	(61,301)	(60,858)
Inventories	(30,185)	(109)
Accounts payable	(8,435)	(1,978)
Accruals for incentive compensation	(36,583)	(23,485)
Other current payables and accrued expenses	(18,540)	(7,586)
Other assets	(26,035)	30,284
Other liabilities	(1,715)	(24,894)
Net cash (used in) provided by operating activities	<u>(11,395)</u>	<u>18,495</u>
Cash flows from investing activities:		
Cash paid for acquisitions, net of cash received	(22)	(138,093)
Additions to property, plant and equipment	(33,105)	(26,662)
Maturity of net investment hedges	(2,405)	1,948
Proceeds from disposal of assets	293	619
Net cash used in investing activities	<u>(35,239)</u>	<u>(162,188)</u>
Cash flows from financing activities:		
Cash dividends paid to shareholders	(54,420)	(50,677)
Increase in revolving credit facility borrowings and overdrafts	23,762	100,481
Increase in commercial paper	29,926	107,441
Gain (Loss) on pre-issuance hedges	—	300
Employee withholding taxes paid	(3,266)	(3,000)
Purchase of treasury stock	(10,617)	(37,612)
Net cash (used in) provided by financing activities	<u>(14,615)</u>	<u>116,933</u>
Effect of exchange rates changes on cash and cash equivalents	(1,521)	2,835
Net change in cash and cash equivalents	<u>(62,770)</u>	<u>(23,925)</u>
Cash and cash equivalents at beginning of year	<u>368,046</u>	<u>323,992</u>
Cash and cash equivalents at end of period	<u>\$ 305,276</u>	<u>\$ 300,067</u>

International Flavors & Fragrances Inc.
Business Unit Performance
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31, 2018	2017
Net Sales		
Flavors	\$ 449,019	\$ 406,164
Fragrances	481,909	422,129
Consolidated	<u>930,928</u>	<u>828,293</u>
Segment Profit		
Flavors	111,564	94,556
Fragrances	93,277	77,875
Global Expenses	(23,825)	(16,293)
Operational Improvement Initiatives	(1,026)	(621)
Acquisition Related Costs	514	(8,788)
Integration Related Costs	—	(1,192)
Tax Assessment	—	(5,350)
Restructuring and Other Charges, net	(717)	(10,143)
Gain on Sale of Assets	69	21
FDA Mandated Product Recall	(5,000)	—
Operating profit	<u>174,856</u>	<u>130,065</u>
Interest Expense	(16,595)	(12,807)
Other income (expense), net	576	21,229
Income before taxes	<u>\$ 158,837</u>	<u>\$ 138,487</u>
Operating Margin		
Flavors	24.8%	23.3%
Fragrances	19.4%	18.4%
Consolidated	18.8%	15.7%

International Flavors & Fragrances Inc.
Sales Performance by Region and Category
(Unaudited)

		First Quarter 2018 vs . First Quarter 2017 Percentage Change in Sales by Region of Destination					
		Fine	Consumer Fragrances	Ingredients	Total Frag.	Flavors	Total
North America	Reported	10%	13%	6%	11%	10%	10%
EAME	Reported	7%	19%	28%	17%	24%	20%
	<i>Currency Neutral</i>	<i>-5%</i>	<i>5%</i>	<i>15%</i>	<i>4%</i>	<i>11%</i>	<i>7%</i>
Latin America	Reported	37%	3%	26%	11%	-2%	6%
	<i>Currency Neutral</i>	<i>35%</i>	<i>3%</i>	<i>24%</i>	<i>11%</i>	<i>-2%</i>	<i>6%</i>
Greater Asia	Reported	-15%	8%	56%	14%	6%	9%
	<i>Currency Neutral</i>	<i>-17%</i>	<i>5%</i>	<i>49%</i>	<i>11%</i>	<i>2%</i>	<i>6%</i>
Total	Reported	12%	11%	26%	14%	11%	12%
	<i>Currency Neutral</i>	<i>4%</i>	<i>6%</i>	<i>18%</i>	<i>8%</i>	<i>6%</i>	<i>7%</i>

Currency neutral growth is calculated by translating prior year sales at the exchange rates used for the corresponding 2018 period.

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
Foreign Exchange Impact
(Unaudited)

	<u>Sales</u>	<u>Operating Profit</u>	<u>EPS</u>
<u>Q1 Consolidated</u>			
% Change—Reported (GAAP)	12%	34%	12%
Items Impacting Comparability	0%	-19%	-1%
% Change—Adjusted (Non-GAAP)	12%	16%*	11%
Currency Impact	-5%	-4%	1%
% Change—Currency Neutral (Adjusted)	7%	12%	12%

	<u>Sales</u>	<u>Segment Profit</u>
<u>Q1 Flavors</u>		
% Change—Reported (GAAP)	11%	18%
Currency Impact	-4%	-3%
% Change—Currency Neutral	6%*	15%

	<u>Sales</u>	<u>Segment Profit</u>
<u>Q1 Fragrances</u>		
% Change—Reported (GAAP)	14%	20%
Currency Impact	-6%	-8%
% Change—Currency Neutral	8%	12%

* Item does not foot due to rounding

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
(Amounts in thousands)
(Unaudited)

The following information and schedules provide reconciliation information between reported GAAP amounts and non-GAAP certain adjusted amounts. This information and schedules are not intended as, and should not be viewed as, a substitute for reported GAAP amounts or financial statements of the Company prepared and presented in accordance with GAAP.

Reconciliation of Gross Profit		
<i>(DOLLARS IN THOUSANDS)</i>	First Quarter	
	2018	2017
Reported (GAAP)	\$405,809	\$363,083
Operational Improvement Initiatives (a)	453	621
Acquisition Related Costs (b)	—	5,301
Integration Related Costs (c)	—	88
FDA Mandated Product Recall (g)	5,000	—
Adjusted (Non-GAAP)	\$411,262	\$369,093

Reconciliation of Selling and Administrative Expenses		
<i>(DOLLARS IN THOUSANDS)</i>	First Quarter	
	2018	2017
Reported (GAAP)	\$142,644	\$143,704
Acquisition Related Costs (b)	514	(3,487)
Integration Related Costs (c)	—	(943)
Tax Assessment (d)	—	(5,350)
Adjusted (Non-GAAP)	\$143,158	\$133,924

Reconciliation of Operating Profit		
<i>(DOLLARS IN THOUSANDS)</i>	First Quarter	
	2018	2017
Reported (GAAP)	\$174,856	\$130,065
Operational Improvement Initiatives (a)	1,026	621
Acquisition Related Costs (b)	(514)	8,788
Integration Related Costs (c)	—	1,192
Tax Assessment (d)	—	5,350
Restructuring and Other Charges, net (e)	717	10,143
Gain on Sale of Assets	(69)	(21)
FDA Mandated Product Recall (g)	5,000	—
Adjusted (Non-GAAP)	\$181,016	\$156,138

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
(Amounts in thousands)
(Unaudited)

The following information and schedules provide reconciliation information between reported GAAP amounts and non-GAAP certain adjusted amounts. This information and schedules are not intended as, and should not be viewed as, a substitute for reported GAAP amounts or financial statements of the Company prepared and presented in accordance with GAAP.

Reconciliation of Net Income

<i>(DOLLARS IN THOUSANDS)</i>	2018				2017			
	Income before taxes	Taxes on income (i)	Net income	EPS (j)	Income before taxes	Taxes on income (i)	Net income	EPS
Reported (GAAP)	\$ 158,837	\$ 29,421	\$ 129,416	\$ 1.63	\$ 138,487	\$ 22,723	\$ 115,764	\$ 1.45
Operational Improvement Initiatives (a)	1,026	294	732	0.01	621	155	466	0.01
Acquisition Related Costs (b)	(514)	(134)	(380)	—	8,788	3,138	5,650	0.07
Integration Related Costs (c)	—	—	—	—	1,191	362	829	0.01
Tax Assessment (d)	—	—	—	—	5,350	1,892	3,458	0.04
Restructuring and Other Charges, net (e)	717	169	548	0.01	10,143	2,967	7,176	0.09
Gain on Sale of Assets	(69)	(17)	(52)	—	(21)	(7)	(14)	—
CTA Realization (f)	—	—	—	—	(12,214)	—	(12,214)	(0.15)
FDA Mandated Product Recall (g)	5,000	1,196	3,804	0.05	—	—	—	—
U.S. Tax Reform (h)	—	(649)	649	0.01	—	—	—	—
Adjusted (Non-GAAP)	\$ 164,997	\$ 30,280	\$ 134,717	\$ 1.69	\$ 152,345	\$ 31,230	\$ 121,115	\$ 1.52

- (a) For 2018, represents accelerated depreciation related to a plant relocation in India and a lab closure in Taiwan. For 2017, represents accelerated depreciation and idle labor costs in Hangzhou, China.
- (b) For 2018, represents adjustments to the contingent consideration payable for PowderPure and transaction costs related to Fragrance Resources and PowderPure within Selling and administrative expenses. For 2017, represents the amortization of inventory “step-up” related to the acquisitions of David Michael and Fragrance Resources, included in cost of goods sold and transaction costs related to the acquisitions of David Michael, Fragrance Resources and PowderPure, included in Selling and administrative expenses.
- (c) Represents costs related to the integration of the David Michael and Fragrance Resources acquisitions.
- (d) Represents the reserve for payment of a tax assessment related to commercial rent for prior periods.
- (e) Represents severance costs related to the 2017 Productivity Program and Taiwan lab closure.
- (f) Represents the release of CTA related to the liquidation of a foreign entity.
- (g) Represents management’s best estimate of losses related to the previously disclosed FDA mandated recall.
- (h) Represents charges incurred related to enactment of certain U.S. tax legislation changes in December 2017.
- (i) The income tax expense (benefit) on non-GAAP adjustments is computed in accordance with ASC 740 using the same methodology as the GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on the applicable statutory tax rate for each jurisdiction in which such charges were incurred, except for those items which are non-taxable for which the tax expense (benefit) was calculated at 0%. For first quarter of 2018, these non-GAAP adjustments were not subject to foreign tax credits or valuation allowances, but to the extent that such factors are applicable to any future non-GAAP adjustments we will take such factors into consideration in calculating the tax expense (benefit).
- (j) The sum of these items does not foot due to rounding.

The Company tracks the amount of amortization recorded on recent acquisitions in order to monitor its progress with respect to its Vision 2020 goals. The following amounts were recorded with respect to recent acquisitions: \$0.7M related to PowderPure, \$2.0M related to Fragrance Resources, \$1.1M related to David Michael, \$1.6M related to Ottens Flavors, and \$2.0M related to Lucas Meyer Cosmetics.

FOR IMMEDIATE RELEASE

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IFF to Combine with Frutarom to Create a Global Leader in Taste, Scent and Nutrition

- Establishes an industry leader in naturals; broadens complementary customer base and expands differentiated product portfolio
- \$7.1 billion transaction unlocks significant value creation opportunity; substantial cross-selling opportunities to accelerate long-term profitable growth
- Expected to realize approximately \$145 million in run-rate cost synergies by the third full year
- Double-digit cash EPS accretive in second full year
- IFF expects to maintain its quarterly dividend consistent with prior guidance
- Frutarom shareholder representing 36% of shares outstanding has entered into an agreement to vote in favor of the transaction
- IFF and Frutarom to host conference call today at 8:00 am EST (3:00 pm IDT) to discuss transaction and IFF's first quarter 2018 financial results

NEW YORK and TEL AVIV, Israel – May 7, 2018 – International Flavors & Fragrances Inc. (NYSE: IFF) (Euronext Paris: IFF) and Frutarom (TASE: FRUT) (LSE: FRUTq) today announced that they have entered into a definitive agreement under which IFF will acquire Frutarom in a cash and stock transaction valued at approximately \$7.1 billion, including the assumption of Frutarom's net debt. Under the terms of the agreement, which has been unanimously approved by the Boards of Directors of both companies, Frutarom's shareholders will receive for each Frutarom share \$71.19 in cash and 0.249 of a share of IFF common stock, which, based on the 10-day volume weighted average price (VWAP) for IFF's common stock for the period ending May 4, 2018, represents a total value of \$106.25 per share.

By combining with Frutarom, IFF is accelerating its Vision 2020 strategy to create a global leader in taste, scent and nutrition. The combination unites two industry-leading, innovative companies with complementary customers, capabilities and geographic reach, resulting in more exposure to fast growing end markets and an enhanced platform to deliver sustainable, profitable growth. The combined company's customers will have access to comprehensive and differentiated integrated solutions with increased focus on naturals and health and wellness.

“This transaction is a big win and a fantastic outcome for shareholders, customers and employees of both companies,” said IFF Chairman and CEO, Andreas Fibig. “Frutarom has an extremely attractive product portfolio, including broad expertise in naturals and diverse adjacencies with capabilities beyond our core taste and scent businesses. It also has significant exposure to complementary and fast-growing small- and mid-sized customers. By combining our deep R&D expertise with Frutarom’s, we are offering our customers a broader range of solutions and accelerating our growth strategy. We believe this combination will lead to faster and more profitable growth, enhanced free cash flow and generate greater returns for our shareholders.”

Mr. Fibig added, “We have long admired Frutarom and have a great deal of respect for its team and all of its dedicated and talented employees around the globe. We look forward to welcoming Frutarom to the IFF family.”

Ori Yehudai, President and CEO of Frutarom remarked, “Frutarom has had a fascinating journey of accelerated growth, far above our industry benchmarks through our investment in unique technologies and focus on natural products in the growing world of health and taste.”

Mr. Yehudai continued, “Today, we are extremely excited to combine Frutarom with IFF and together create global leadership in natural taste, scent and nutrition. The growth potential for the combined company is substantial and our shareholders will continue to enjoy this upside.

“Today marks the culmination of a decades-long vision to become a global leader in taste and health. This combination provides great opportunities for both our dedicated employees and highly valued customers who will enjoy our combined technologies and global reach while maximizing value for our shareholders. Frutarom and IFF are committed to maintaining a presence in Israel, and I look forward to working with Andreas and the team to ensure a seamless integration of these two terrific companies. I would like to personally thank Dr. John Farber, our Chairman, for his vision and tireless support together with the contribution of our devoted excellent employees in the transformation of Frutarom from a small, local company to a global leader in the fields of taste and health.”

“This transaction represents a major milestone for Frutarom and opens the door to a new chapter of growth and shareholder value creation,” said John Farber, Frutarom Chairman of the Board and Chairman of ICC Industries Inc., Frutarom’s largest shareholder. “I am pleased to support this historic combination of two world-class companies and look forward to the next chapter of the IFF and Frutarom story.”

Frutarom is a flavors, savory solutions and natural ingredients company, with production and development centers on six continents. It markets and sells over 70,000 products to more than 30,000 customers in over 150 countries. Frutarom is primarily focused on natural products, which drive more than 75% of its sales. Frutarom’s product portfolio consists of innovative and integrated solutions combining taste and health, natural and clean label products. In addition, Frutarom mainly serves local and mid-size customers, and has a compelling presence in fast-growing adjacent and complementary categories such as natural colors, health and beauty ingredients, natural food protection and enzymes. Frutarom has a strong track record of growth, with expected sales of above \$1.6 billion in 2018, and their previously announced target of \$2.25 billion in sales by 2020.

Compelling Strategic Rationale

- **Establishes Industry Leadership in Naturals:** The transaction creates a global leader in natural taste, scent and nutrition, as 75% of Frutarom’s sales are natural.
- **Creates Differentiated Portfolio and Enhances Capabilities:** In addition to IFF’s and Frutarom’s highly complementary flavor capabilities, Frutarom’s portfolio creates opportunities to expand into attractive and fast-growing categories, such as natural colors, enzymes, antioxidants and health ingredients. The combined company’s customers will have access to a comprehensive portfolio with more integrated solutions.

- **Broadens Complementary and Growing Customer Base:** Frutarom significantly enhances IFF's exposure to the fast-growing small- and mid-sized customers, including private label. Approximately 70% of Frutarom's sales are to these two customer groups.

Driving Enhanced Financial Performance

- **Accelerates Profitable Growth:** On a pro forma basis, the combined company would be expected to have approximately \$5.3 billion of revenue in 2018. Following the completion of the transaction, IFF is expected to benefit from enhanced top line growth rates and a strong EBITDA margin.
- **Provides Significant Synergy Potential:** IFF and Frutarom expect to realize approximately \$145 million of run-rate cost synergies by the third full year after closing, with approximately 25% achieved in the first full year. Synergies are expected to come from procurement, footprint optimization and streamlining overhead expenses. In addition, cross-selling opportunities and integrated solutions are expected to provide revenue synergies, creating further value to shareholders over time.
- **Drives Strong Earnings and Cash Flow Accretion:** The transaction is expected to be neutral to adjusted cash earnings per share in the first full year and double-digit accretive to adjusted cash earnings per share in the second full year. The combined company is also expected to generate enhanced cash flow to meet operating, financing and strategic needs.
- **Maintains Dividend:** IFF expects to maintain its quarterly dividend consistent with prior guidance.

Management and Headquarters

Following the close of the transaction, Ori Yehudai, President and CEO of Frutarom, will serve as a strategic advisor supporting Andreas Fibig, Chairman and Chief Executive Officer of IFF. IFF will remain headquartered in New York City and will maintain a presence in Israel. IFF's stock at closing will be listed on the New York Stock Exchange (NYSE) and the Tel Aviv Stock Exchange (TASE).

Additional Terms, Financing and Approvals

The purchase price represents a 13% premium to Frutarom's 30-day VWAP for the period ended May 6, 2018, and an 11% premium based on the closing price on May 6, 2018, at current exchange rates. The transaction is valued at approximately \$7.1 billion, including the assumption of Frutarom's net debt, and reflects a multiple of Frutarom's expected 2018 EBITDA of 20.3x, and 14.3x expected 2018 EBITDA inclusive of full run-rate cost synergies.

Frutarom shareholders will also receive a special dividend, on a per share basis, equal to 0.249 of the per share value of IFF dividends with a record date after the date hereof and prior to the closing.

IFF intends to finance the cash portion of the transaction consideration through a combination of existing cash on hand, new debt raised and approximately \$2.2 billion in new equity. IFF has secured committed bridge financing from Morgan Stanley Senior Funding Inc. The transaction is not subject to a financing condition.

While IFF's pro forma net debt to adjusted EBITDA ratio at the close of the transaction is expected to be approximately 3.7x, IFF is committed to maintaining an investment grade credit rating and will prioritize deleveraging through its anticipated strong cash flow generation. IFF expects to deleverage to 3.0x net debt to adjusted EBITDA or lower within 18-24 months after closing. To support this goal, IFF plans to suspend share repurchases until the target is met.

The transaction is expected to close in six to nine months and is subject to approval by Frutarom shareholders, clearance by the relevant regulatory authorities and other customary closing conditions.

IFF has entered into a voting agreement with affiliates of ICC Industries Inc., which hold in total approximately 36% of Frutarom's outstanding shares, pursuant to which they will vote their Frutarom shares in favor of the transaction.

IFF First Quarter 2018 Earnings Results

In a separate press release issued today, IFF announced its First Quarter 2018 financial results. To access the earnings release, please visit [here](#).

Advisors

Greenhill & Co., LLC and Morgan Stanley & Co. LLC are serving as financial advisors to IFF. Cleary Gottlieb Steen & Hamilton LLP and Gornitzky & Co. are serving as legal counsel to IFF. BofA Merrill Lynch is serving as exclusive financial advisor to Frutarom. Wachtell, Lipton, Rosen & Katz and Naschitz, Brandes, Amir & Co. are serving as legal counsel to Frutarom. King & Spalding LLP is serving as legal counsel to ICC Industries Inc.

Conference Call

IFF and Frutarom will hold a conference call for analysts, investors and media representatives today at 8:00 am EST (3:00 pm IDT). The press release and the presentation can be downloaded on ir.iff.com. Investors may access the webcast and accompanying slide presentation on IFF's IR website at ir.iff.com. Individuals who wish to dial into the conference call may do so at (866) 610-1072 and enter the conference ID 1788618. International callers should dial (973) 935-2840 and enter the conference ID 1788618. For those unable to listen to the live webcast, a recorded version will be made available on IFF's website approximately one hour after the event and will remain available on IFF's website for one year.

Meet IFF

International Flavors & Fragrances Inc. (NYSE:IFF) (Euronext Paris: IFF) is a leading innovator of sensorial experiences that move the world. At the heart of our company, we are fueled by a sense of discovery, constantly asking “what if?”. That passion for exploration drives us to co-create unique products that consumers taste, smell, or feel in fine fragrances and beauty, detergents and household goods, as well as beloved foods and beverages. Our 7,300 team members globally take advantage of leading consumer insights, research and development, creative expertise, and customer intimacy to develop differentiated offerings for consumer products. Learn more at www.iff.com, Twitter, Facebook, Instagram, and LinkedIn.

Meet Frutarom

Frutarom (LSE:FRUTq) (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 six continents and markets and sells over 70,000 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.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding IFF’s or Frutarom’s expected future financial position, results of operations, cash flows, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management and statements containing the words such as “anticipate,” “approximate,” “believe,” “plan,” “estimate,” “expect,” “project,” “could,” “should,” “will,” “intend,” “may” and other similar expressions, are forward-looking statements. Statements in this communication concerning IFF’s or Frutarom’s business outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items, and product or services line growth, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting management’s best judgment based upon currently available information. Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ materially from expectations as a result of a variety of factors, including, without limitation, those discussed below. Such forward-looking statements are based upon management’s current expectations and include known and unknown risks, uncertainties and other factors, many of which IFF and Frutarom are unable to predict or control, that may cause IFF’s or Frutarom’s actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. These statements involve risks, uncertainties and other factors discussed below and detailed from time to time in IFF’s filings with the Securities and Exchange Commission (the “SEC”) and Frutarom’s filings with the Israeli Securities Authority.

Risks and uncertainties related to IFF’s proposed acquisition of Frutarom include, but are not limited to, the inability to obtain required regulatory approvals for the acquisition, the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition, the inability to obtain the requisite Frutarom shareholder approval of the transaction, the risk that a condition to closing of the

acquisition may not be satisfied on a timely basis or at all, the failure of the proposed transaction to close for any other reason, uncertainties as to access to available financing (including financing for the acquisition or refinancing of IFF or Frutarom debt) on a timely basis and on reasonable terms, the impact of IFF's proposed financing on its liquidity and flexibility to respond to other business opportunities, whether the acquisition will have the accretive effect on IFF's earnings or cash flows that it expects, the inability to obtain, or delays in obtaining, cost savings and synergies from the acquisition, costs and difficulties related to the integration of Frutarom's businesses and operations with IFF businesses and operations, unexpected costs, liabilities, charges or expenses resulting from the acquisition, adverse effects on IFF's stock price resulting from the acquisition, the inability to retain key personnel, and potential adverse reactions, changes to business relationships or competitive responses resulting from the acquisition.

In addition to the factors set forth above, other factors that may affect IFF's plans, results or stock price are set forth in IFF's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Other factors that may affect Frutarom's plans, results or stock price are set forth in Frutarom's filings with the Israeli Securities Authority.

Many of these factors are beyond IFF's and Frutarom's control and IFF and Frutarom caution investors that any forward-looking statements made by IFF or Frutarom are not guarantees of future performance. IFF and Frutarom disclaim any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

Important Additional Information and Where to Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. IFF will file with the SEC a registration statement on Form S-4 that will include a proxy statement of Frutarom that also constitutes a prospectus of IFF. INVESTORS AND SECURITY HOLDERS OF FRUTAROM ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement (when available) and other documents filed with the SEC by the parties through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by IFF will be available free of charge on IFF's internet website at ir.iff.com.

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**IFF &
Frutarom**
Creating a Global
Leader in Taste,
Scent & Nutrition

May 7, 2018

IFF

FRUTAROM
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Risks and uncertainties related to IFF's proposed acquisition of Frutarom include, but are not limited to, the inability to obtain required regulatory approvals for the acquisition, the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition, the inability to obtain the requisite Frutarom shareholder approval of the transaction, the risk that a condition to closing of the acquisition may not be satisfied on a timely basis or at all, the failure of the proposed transaction to close for any other reason, uncertainties as to access to available financing (including financing for the acquisition or refinancing of IFF or Frutarom debt) on a timely basis and on reasonable terms, the impact of IFF's proposed financing on its liquidity and flexibility to respond to other business opportunities, whether the acquisition will have the accretive effect on IFF's earnings or cash flows that it expects, the inability to obtain, or delays in obtaining, cost savings and synergies from the acquisition, costs and difficulties related to the integration of Frutarom's businesses and operations with IFF businesses and operations, unexpected costs, liabilities, charges or expenses resulting from the acquisition, adverse effects on IFF's stock price resulting from the acquisition, the inability to retain key personnel, and potential adverse reactions, changes to business relationships or competitive responses resulting from the acquisition.

Factors that could cause IFF's actual results to differ materially include, but are not limited to: (1) macroeconomic trends affecting the emerging markets; (2) IFF's ability to implement and adapt its refreshed Vision 2020 strategy; (3) IFF's ability to successfully identify and complete acquisitions in line with its Vision 2020 strategy, and to realize the anticipated benefits of those acquisitions; (4) IFF's ability to realize the benefits of its cost and productivity initiatives; (5) the impact of the disruption in supply of citral from BASF on the price and availability of citral in 2018; (6) IFF's ability to effectively compete in its market, and to successfully develop new, cost-effective and competitive products that appeal to its customers and consumers; (7) changes in consumer preferences and demand for IFF's products or a decline in consumer confidence and spending; (8) IFF's ability to benefit from its investments and expansion in emerging markets; (9) the impact of recently enacted U.S. tax legislation on IFF's effective tax rate in 2018 and beyond; (10) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates; (11) the economic and political risks associated with IFF's international operations, including challenging economic conditions in China and Latin America; (12) the impact of any failure or interruption of IFF's key information technology systems or a breach of information security; (13) IFF's ability to attract and retain talented employees; (14) IFF's ability to comply with, and the costs associated with compliance with U.S. and foreign environmental protection laws; (15) IFF's ability to realize expected cost savings and efficiencies from its profitability improvement initiative and other optimization activities; (16) volatility and increases in the price of raw materials, energy and transportation; (17) price realization in a rising input cost environment (18) fluctuations in the quality and availability of raw materials; (19) the impact of a disruption in IFF's supply chain or its relationship with its suppliers; (20) any adverse impact on the availability, effectiveness and cost of IFF's hedging and risk management strategies; (21) IFF's ability to successfully manage its working capital and inventory balances; (22) uncertainties regarding the outcome of, or funding requirements related to litigation or settlement of pending litigation uncertain tax positions or other contingencies; (23) the effect of legal and regulatory developments, as well as restrictions or costs that may be imposed on IFF or its operations by U.S. and foreign governments; (24) adverse changes in federal, state, local and international tax legislation or policies, including with respect to transfer pricing and state aid, and adverse results of tax audits, assessments, or disputes; and (25) changes in market conditions or governmental regulations relating to our pension and postretirement obligations. 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 IFF's business.

In addition to the factors set forth above, other factors that may affect IFF's plans, results or stock price are set forth in IFF's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Many of these factors are beyond IFF's control and IFF cautions investors that any forward-looking statements made by IFF are not guarantees of future performance. IFF disclaims any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.



Important Additional Information & Where to Find It

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Conference Call Participants



Andreas Fibig

Chairman & Chief Executive Officer,
IFF



Ori Yehudai

President & Chief Executive Officer,
Frutarom



Richard O'Leary

Executive Vice President &
Chief Financial Officer, IFF

Agenda

IFF & Frutarom: A Compelling Combination

IFF Q1 2018 Earnings Results & FY 2018 Outlook

Q&A Discussion

A Compelling Combination

- Establishes a **global leader** in natural taste, scent and nutrition with expected 2018 pro-forma sales of \$5.3 billion
- Unique position in **natural solutions**
- Brings new opportunities in **attractive and fast-growing adjacencies**, including enzymes, antioxidants, health ingredients and natural colors
- Strengthens IFF's exposure to **fast-growing small- and mid-sized customers**
- Expected to be **double-digit cash EPS accretive** in year two
- Combined company expects to realize **\$145 million** in run-rate cost synergies
- **Additional value** driven by cross-selling and integrated solutions
- **Strong talent** comprising extraordinarily talented employees globally



Enhanced Value for Shareholders

CONSIDERATION

- IFF to acquire Frutarom for \$106.25* per share; 67% cash / 33% stock
- Represents \$71.19 per share in cash and 0.249 of a share of IFF common stock

VALUE

- Transaction valued at ~\$7.1 billion, including assumption of Frutarom's net debt
- Represents a 13% premium to Frutarom's 30-day VWAP for the period ended May 6, 2018, and an 11% premium based on the closing price on May 6, 2018, at current exchange rates
- Reflects a multiple of 20.3x of Frutarom's expected 2018 EBITDA, and 14.3x expected 2018 EBITDA inclusive of full run-rate cost synergies

VALUE CREATION

- Expected to be neutral to IFF's adjusted EPS on an adjusted cash basis for the first full year and double-digit accretive to adjusted cash EPS in the second full year
- Expect to realize approximately \$145 million of run-rate cost synergies by the third full year after close; in addition cross-selling and integrated solutions providing revenue synergies opportunities

Note: *Based on IFF 10 day VWAP for the period ending May 4, 2018



Foundation for Growth

FINANCING

- Cash consideration expected to be financed with a combination of existing cash on hand, new debt raised and new equity
- Commitment to maintain investment grade credit rating; reduce leverage to 3.0x adjusted EBITDA or lower within 18-24 months after closing
- Fully committed bridge financing in place; transaction not subject to a financing condition

CAPITAL ALLOCATION

- IFF expected to maintain its quarterly dividend consistent with prior guidance
- Repurchase program suspended to prioritize debt reduction
- Frutarom shareholders will receive special dividend equal to 0.249 of the per share value of IFF dividends with record date between now and closing

LEADERSHIP

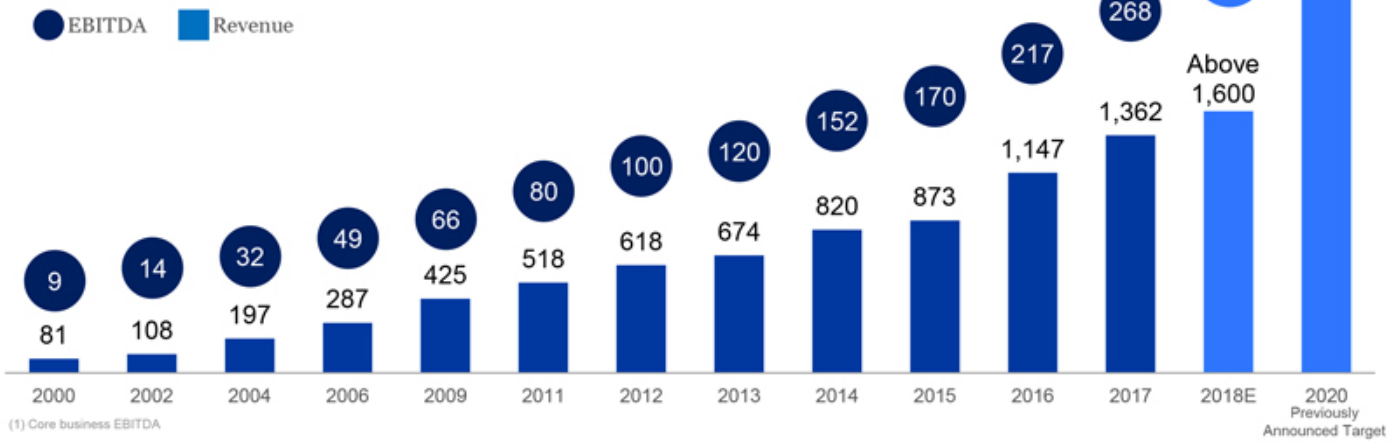
- Andreas Fibig, Chairman and Chief Executive Officer of IFF
- Ori Yehudai, President and CEO of Frutarom will serve as strategic advisor
- Experienced management teams, with strong integration roadmap

CLOSING

- Targeted to close in six to nine months
- Affiliates of ICC Industries Inc. representing 36% of Frutarom's outstanding shares agreed to vote its shares in favor of the transaction

Frutarom's Impressive Growth Story

Sales in \$M



(1) Core business EBITDA

16x

Growth in sales, 2000-2017

30x

Growth in EBITDA, 2000-2017

>\$1.7B

Run-rate 2018 estimated revenue



Frutarom's Business Profile

Taste Solutions 75% OF SALES

- Unique, high quality creation of sweet and savory flavors for food and beverage
- Leader in value-added functional savory solutions
- Comprehensive sweet and savory food systems
- Unique technologies for fruit, spice, vegetable, meat and fish preparations



Fine Ingredients

18% OF SALES

- Innovative, science-based health ingredients for phyto-pharmaceuticals, dietary supplements, functional food, specialty infant & elderly nutrition and cosmetics & personal care
- Supports growing demand for natural health & beauty
- Specialty botanical extracts, distillates, essential oils and aroma chemicals
- Array of natural colors for food, beverage & cosmetics
- Natural anti-oxidants and anti-microbials
- Biotechnology-based products for natural food preservation and shelf life extension

Trade & Marketing

7% OF SALES

Attractive Business Profile in Taste Solutions & Fine Ingredients Geared to Growth

Compelling Strategic Rationale

NATURAL

- Creates global leader in natural solutions
- Well-positioned to address customer & consumer demands

PORTFOLIO

- Expands beyond flavors and fragrances into fast-growing categories of natural colors, enzymes, antioxidants & health ingredients
- Comprehensive portfolio with integrated solutions

CUSTOMERS

- Significantly increases exposure to fast-growing small- and mid-sized customers, including private label
- Opportunity to leverage TastepointSM model



Compelling Product Portfolio

Leading in Naturals Capabilities

Natural Extracts

Natural Botanicals

Natural Antioxidants

Natural Colors

Scent



Fragrance

Top-tier player in the Fragrance market

Taste



Flavor

Leader in the Flavor market

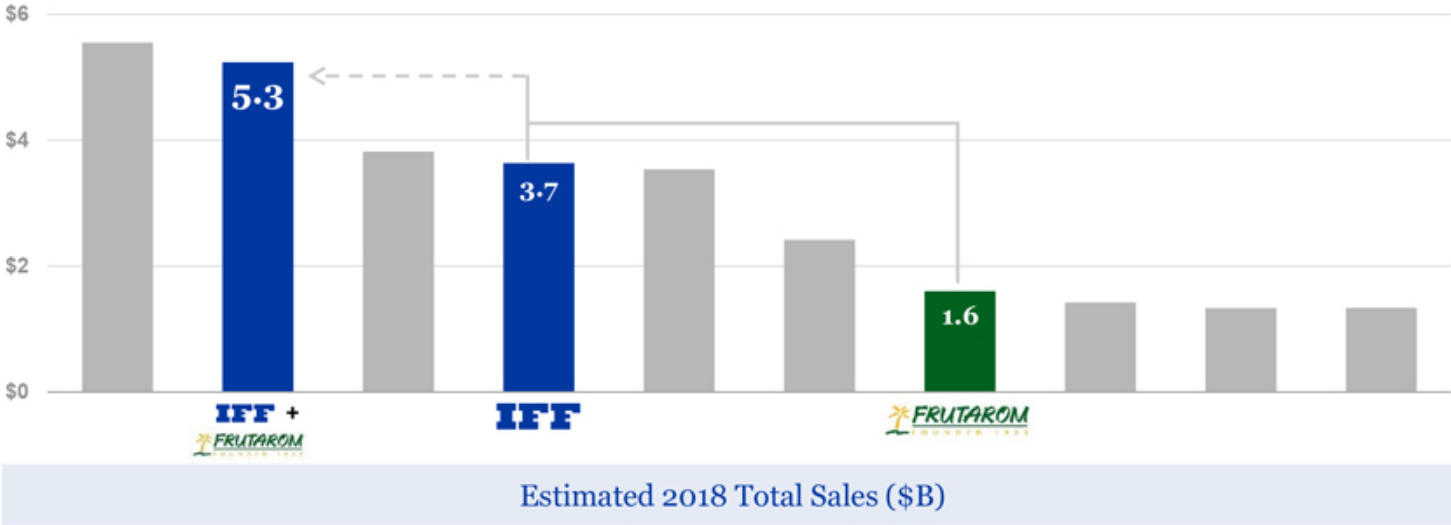
Nutrition



Health & Wellness

Unique exposure to prioritized Adjacencies








IFF & Frutarom Creates a Global Leader



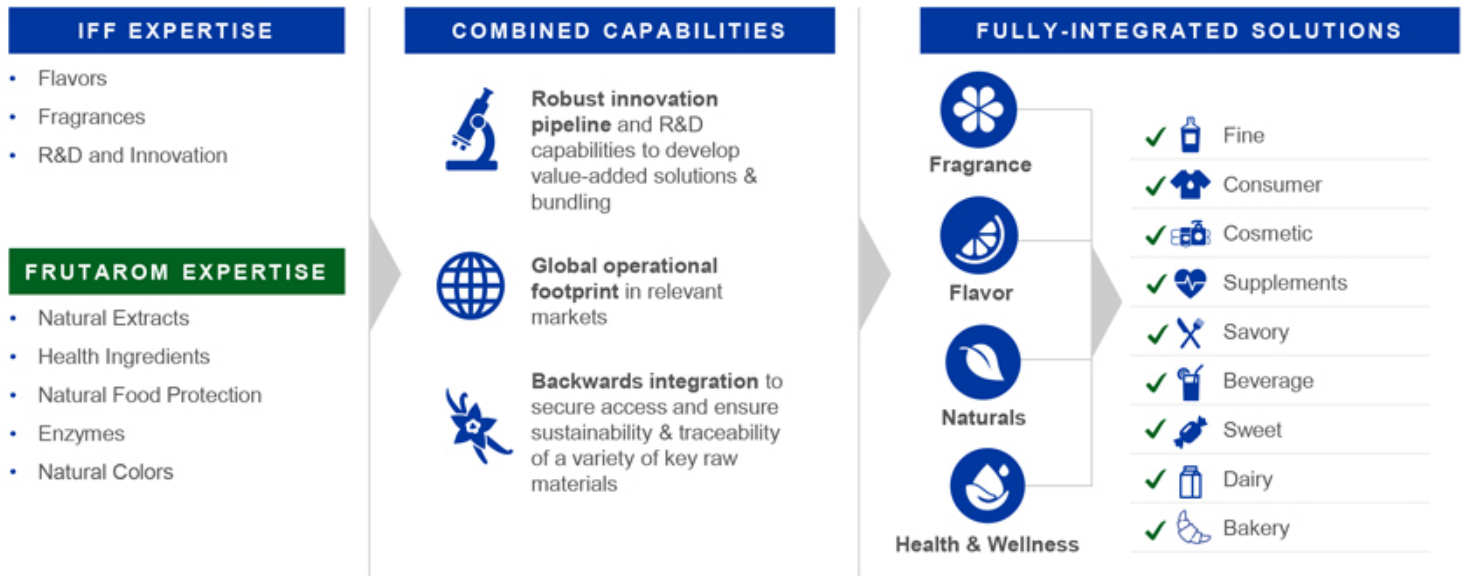
Note: Market data & company estimates



Differentiating Portfolio of Fast-Growing Categories

CATEGORIES	IFF	IFF + Frutarom	Expected Growth Rates
 Enzymes	○	●	
 Natural Food Protection	○	●	
 Health Ingredients	◐	●	
 Natural Colors	◐	●	
 Cosmetic Ingredients	●	●	
 Flavors	●	●	
 Fragrance	●	●	

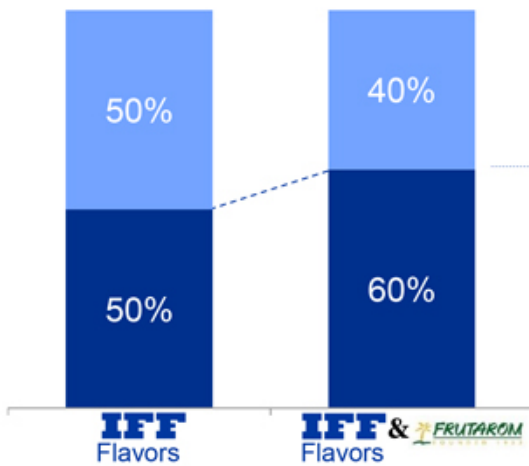
Integrated Solutions Create New Platform for Growth



Value Added Integrated Solutions

Expands Exposure to Small & Mid-Sized Customers

% of 2018 Sales



**Global
Multinational
Customers**



**Local, Regional
& Private Label
Customers**



Increased Exposure To Faster Growing Customers

Frutarom est. sales represents total company; Source: Company estimates



Combination Creates Significant Synergies

SIGNIFICANT POTENTIAL COST SYNERGIES

\$145M Annual Cost Synergies
By Third Full Year

Procurement: Accelerate rationalization & harmonization

Infrastructure: Optimize global footprint

General & Administrative: Streamline overhead expenses

OTHER VALUE LEVERS

- **Revenue Synergies:** additional value via cross-selling and integrated solutions
- **Optimize Capital Expenditures:** leverage complementary footprint for co-location and consolidation

Shared Experience to Drive Shareholder Value

Compelling Value Creation Opportunity

Sales



Accelerating Organic and Inorganic Revenue Generation

Profit



EBITDA Margin Expansion via Realization of Cost and Cross-Selling Synergies

EPS

Double Digit Adjusted Cash EPS Accretive in Year **2**

Cash Flow









Enhanced Cash Flow to Meet Operating, Financing and Strategic Needs



Note: Cash EPS, excluding the impact of Icon-Palate driven amortization



Transaction Aligns with IFF's Strategy

STRATEGIC PRIORITY	FRUTAROM IMPACT
 DRIVE DIFFERENTIATION	Drive enhancements in key R&D platforms: naturals, modulation, delivery, ingredients, active cosmetics and health & nutrition 
 BALANCE CUSTOMERS	Accelerate growth with regional & local customers, while strengthening IFF's position with key large multinationals 
 MAXIMIZE PORTFOLIO	Execute superior management of category mix to support margin expansions 
 GENERATE RETURN	Pursue continuous improvement, with a focus on cost productivity & reallocation of resources to efforts that drive greatest returns 

Strong Alignment With Vision 2020 Strategy

INTERNATIONAL FLAVORS & FRAGRANCES

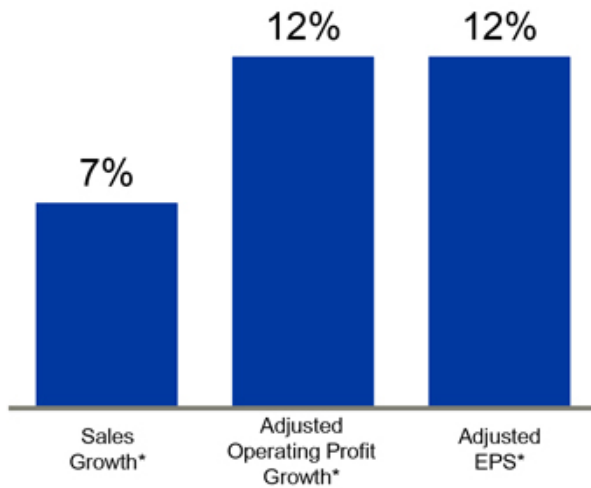
IFF Q1 2018 Earnings Results

May 7, 2018

IFF

Executive Summary: Q1 2018

Currency Neutral Performance



Currency Neutral Sales Growth*

- Broad-based growth driven by balanced contribution from both Flavors and Fragrances

Currency Neutral Adjusted Operating Profit*

- Principally driven by volume growth, the benefits associated with cost and productivity initiatives and favorable sales mix

Currency Neutral Adjusted EPS*

- Benefited primarily from adjusted operating profit growth and a more favorable year-over-year effective tax rate

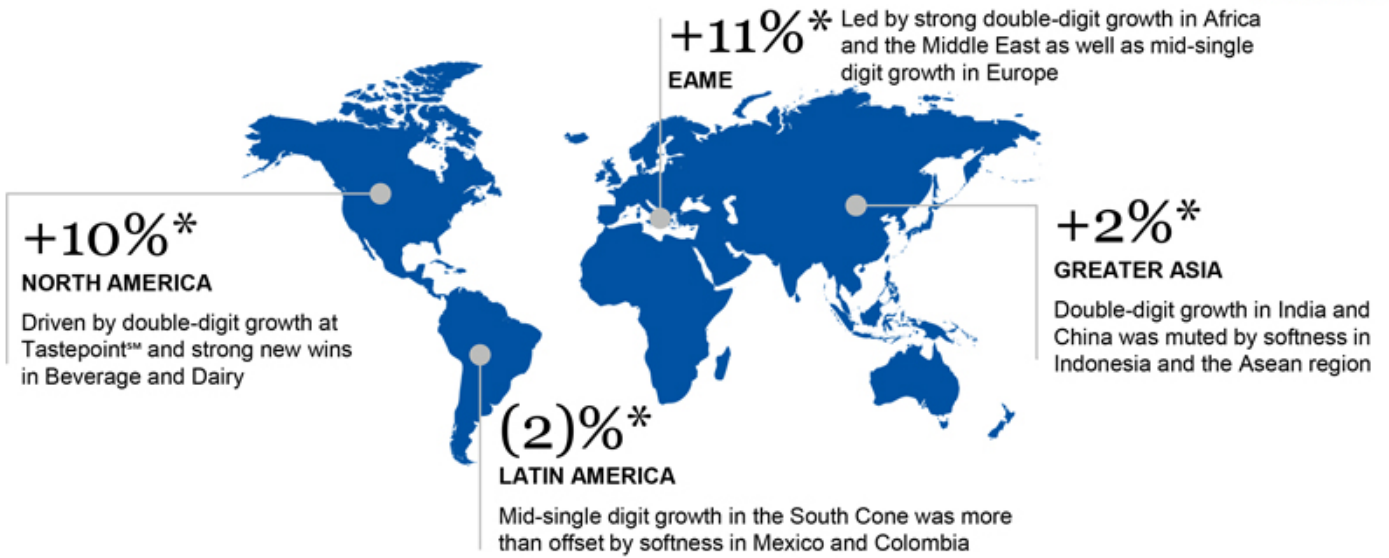
Achieved strong growth across all financial metrics



* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Flavors Review: Q1 2018

+6%
TOTAL SALES*



Currency Neutral Segment Profit: +15%*



* Currency Neutral Sales and Currency Neutral Adjusted Segment Profit are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Fragrance Review: Q1 2018

+8%
TOTAL SALES*



+6%*

CONSUMER FRAGRANCE

Growth achieved in all categories, led by high-single digit performances in Home Care, Toiletries, and Hair Care



+4%*

FINE FRAGRANCE

Led by strong double-digit growth in LATAM and North America



+18%*

FRAGRANCE INGREDIENTS

Driven by growth in nearly all regions as well as very strong double-digit growth in Cosmetic Active Ingredients

Currency Neutral Segment Profit: +12%*



* Currency Neutral Sales and Currency Neutral Adjusted Segment Profit are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

2018 Financial Outlook

	ADJUSTED CURRENCY NEUTRAL*	IMPACT OF CURRENCY	ADJUSTED*
SALES	3.0% - 5.0%	~3.0 ppt	6.0% - 8.0%
OPERATING PROFIT	5.0% - 7.0%	~1.5 ppt	6.5% - 8.5%
EPS	4.0% - 6.0%	~1.5 ppt	5.5% - 7.5%

Reconfirming 2018 Guidance; Expect to be closer to upper-end of sales & operating profit range



* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Summary

- IFF & Frutarom combination establishes a **global leader** in natural taste, scent and nutrition with expected 2018 pro-forma sales of \$5.3 billion
- Unique position in **natural solutions**, new opportunities in **attractive adjacencies** & strengthens exposure to **fast-growing customers**
- Enhanced platform for sustainable, **profitable growth**
- **Strong talent** of extraordinarily talented employees globally
- 2018 started very well, with **robust growth** across all key financial metrics
- Reconfirming 2018 guidance, with **operating profit & EPS at upper end of range**



INTERNATIONAL FLAVORS & FRAGRANCES

Q&A

IFF

