

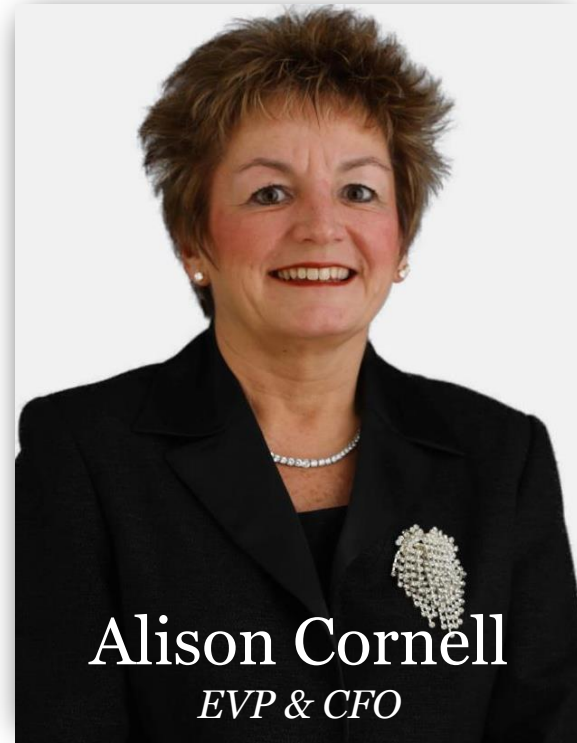
IFF
Q4 & FY 2015
Earnings
Conference
Call

February 11, 2016

Cautionary Statement

Statements made in this presentation that relate to our future performance or future financial results or other future events (identified by such terms as “expect”, “anticipate”, “believe”, “outlook”, “guidance”, “may”, “should”, “target” or similar terms and variations thereof) are forward-looking statements, including the Company’s 2016 guidance, its long-term financial guidance, and the Company’s expectations regarding the impact of its 2020 strategy on its financial and operational results, including its ability to fund through cost-savings and the impact of acquisitions. These statements are based on our current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may materially differ from those set forth in the forward-looking statements. Factors that could cause IFF’s actual results to differ materially include (1) macroeconomic trends affecting the emerging markets; (2) the Company’s ability to implement its Vision 2020 strategy; (3) the Company’s ability to benefit from its investments and expansion in emerging markets; (4) the impact of currency fluctuations or devaluations in the principal foreign markets in which the Company operates, including the devaluation of the Euro; (5) risks associated with the Company’s supply chain, including availability and pricing of raw materials, energy and transportation; (6) economic, regulatory and political risks associated with the Company’s international operations; (7) changes in consumer demand, either due to changes in preferences or consumer confidence; (8) the Company’s ability to successfully increase its sales through acquisitions, collaborations and joint ventures including its ability to identify, acquire on terms consistent with the Company’s return criteria and successfully integrate bolt-on or adjacent companies; (9) the Company’s ability to realize expected cost savings and efficiencies from its profitability improvement initiative and other optimization activities; (10) the Company’s ability to implement its business strategy, including the ability to fund growth through anticipated cost savings; (11) any adverse impact on the availability, effectiveness and cost of the Company’s hedging and risk management strategies; and (12) the Company’s ability to successfully develop new and competitive products and technology that appeal to its customers and consumers as well as those risks described in the Risk Factor forward-looking statements sections of our Annual Report on Form 10-K for the year ended December 31, 2014 and in our other periodic reports filed with the SEC, all of which are available on our website at ir.iff.com. We do not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements. We have disclosed certain non-GAAP measures within this presentation. Please see reconciliations to their respective measures prescribed by accounting principles generally accepted in the U.S., all of which are available on our website under Investor Relations, at www.iff.com.

Conference Call Participants



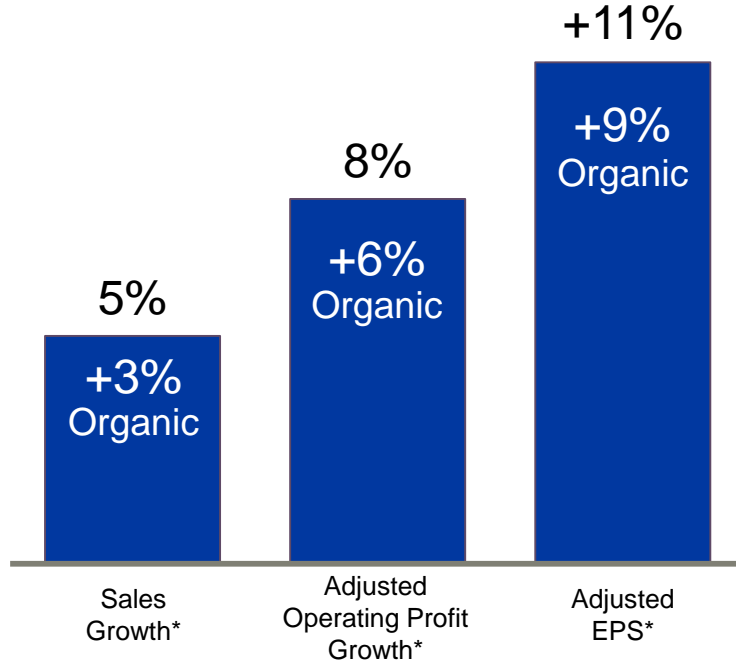
Agenda

1. Executive Overview
2. Financial Review
3. Outlook
4. Q&A

FY 2015 Financial Performance

Solid Performance Across all Metrics

Currency Neutral Performance



Currency Neutral Sales Growth

- Driven by 2% contribution from acquisitions and strong new win performance, particularly in Fragrance Compounds

Currency Neutral Adjusted Operating Profit

- As a result of sales growth, benefit from cost savings and productivity programs, acquisition related mix gains and lower incentive compensation expense

Currency Neutral Adjusted EPS

- Led by more favorable effective tax rate and a reduction in shares outstanding

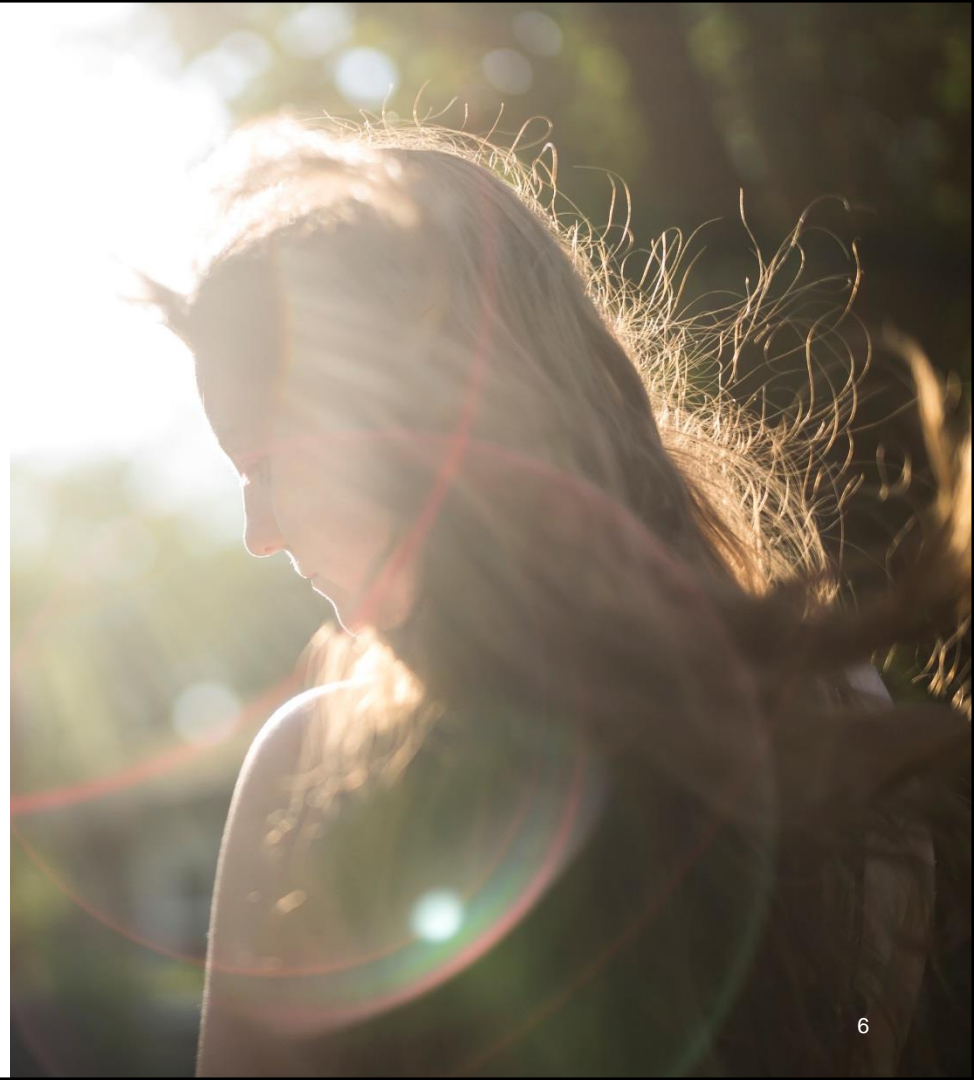


* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Vision 2020 Execution

Win Where We Compete

- Middle East & Africa currency neutral sales +14%, with strong growth across flavors and fragrances
- China Fragrances currency neutral sales improved high-single-digits led by regional customer growth
- Home Care grew high-single-digits in 2015, on a currency neutral basis, as a result of strong new wins
- Flavors Latin America increased 16%, on a currency neutral basis
- Became the #2 Flavors company in North America with the acquisition of Ottens Flavors



Vision 2020 Execution

Innovating Firsts

- Commercialized 4 captive fragrance ingredients in 2015 – double IFF’s historical annual output
- Encapsulation related sales grew mid-teens led by Fabric Care & Home Care
- Developed new encapsulation capsule to expand technology into Personal Care categories
- Sweetness & savory modulation portfolio sales grew strong double-digits led by Savory, Dairy & Beverage
- Commercialized two new natural taste modulators geared at building consumer-preferred products



Vision 2020 Execution

Customers' Partner of Choice

- Completed branding initiative geared towards showcasing IFF's vision, imagination & innovation
- IFF recognized by several customers; named top performing business partner & received several innovation awards for IFF Lucas Meyer Cosmetics
- Sustainability achievements:
 - Surpassed initial 2020 water reduction goal
 - Recognized by CDP as climate leader
 - "For Life" social responsibility certification for Turkish Rose, Patchouli, Basil, and Vetiver
 - First in industry to join Together for Sustainability sustainable sourcing initiative
 - Committed to 100% renewable energy by joining RE 100



Vision 2020 Execution

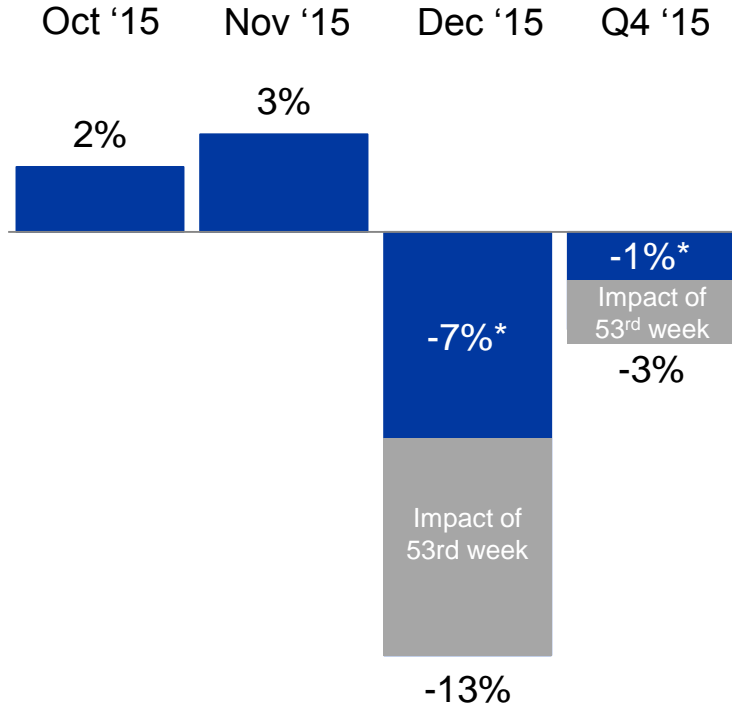
Strengthen & Expand Portfolio

- Strengthened Flavors North America with the acquisition of Ottens Flavors: Sales grew double-digits with strongest growth coming from regional customers
- Expanded into Cosmetic Actives with the acquisition of Lucas Meyer Cosmetics: Achieved solid currency neutral sales growth on a standalone basis
- Established collaborations with Duke University for flavor modulation & the University of Liverpool for delivery systems in fragrances
- Announced collaboration with Vapor Communications to pioneer the future of digital scent



Greater Insight into Q4 2015 Sales

Quarterly organic growth challenged due to a weak December



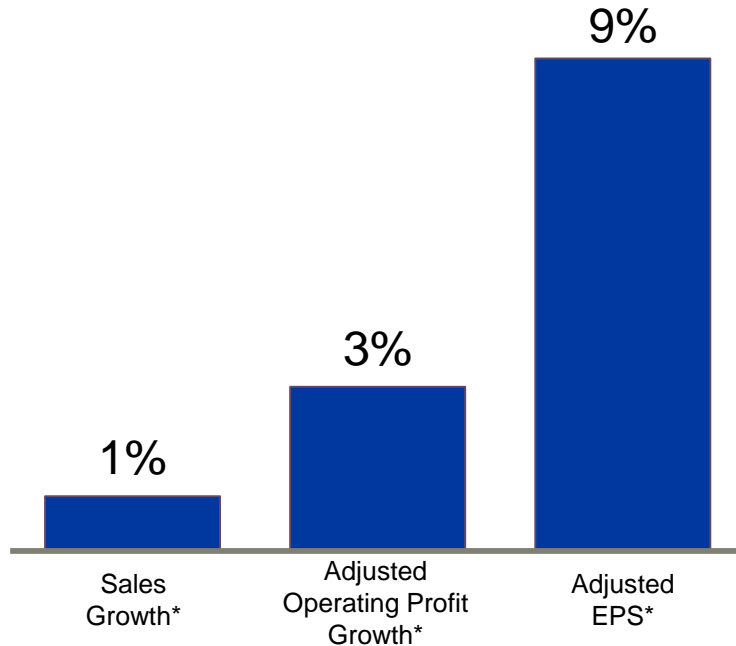
Reconciling our Performance vs. Guidance

- Expected a challenging quarter given additional sales in the year-ago period relating to the 53rd week
- Timing of order patterns associated with customer's year-end inventory levels
- Portfolio rationalization of one of our largest Fragrance customers intensified – predominately in Fragrance Ingredients
- Increased economic pressures in key emerging markets such as China

Q4 2015 Financial Performance

In light of challenging top-line results, delivered high-single-digit EPS growth

Currency Neutral Performance



Achieved modest currency neutral sales growth

- Acquisitions contributed 4 percentage points of growth
- Strong trends in Latin America continued in Flavors
- Fine Fragrance posted its strongest growth of the year

Currency Neutral adj. operating profit margin +40 bps

- Gross margin expansion, benefits of productivity initiatives, reduced incentive compensation and M&A were the primary drivers of profit growth

Delivered strong adj. EPS growth

- Adjusted effective tax rate declined 210 bps as a result of mix of earnings & tax improvement initiatives
- Shares outstanding declined about 830K driven by share repurchase program



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FY 2015 Financial Performance

Solid Performance Across all Metrics

**Currency
Neutral Sales***

+5%

**Currency Neutral
Adjusted Operating
Profit Growth***

+8%

**Currency Neutral
Adjusted EPS
Growth***

+11%



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Cash Flow Analysis

Continue to generate strong operating cash flows

	FY '14	FY '15
Net Income	\$415	\$412
Core Working Capital*	(23)	(35)
D&A	89	90
Pension	(44)	(68)
Other	81	35
Operating Cash Flow	518	434

Working capital continues to be a source of cash

- Improvements driven by accounts payable initiative
- DPO increased by 9 days to 54 days

Operating cash flows remain strong at 14.4% of sales

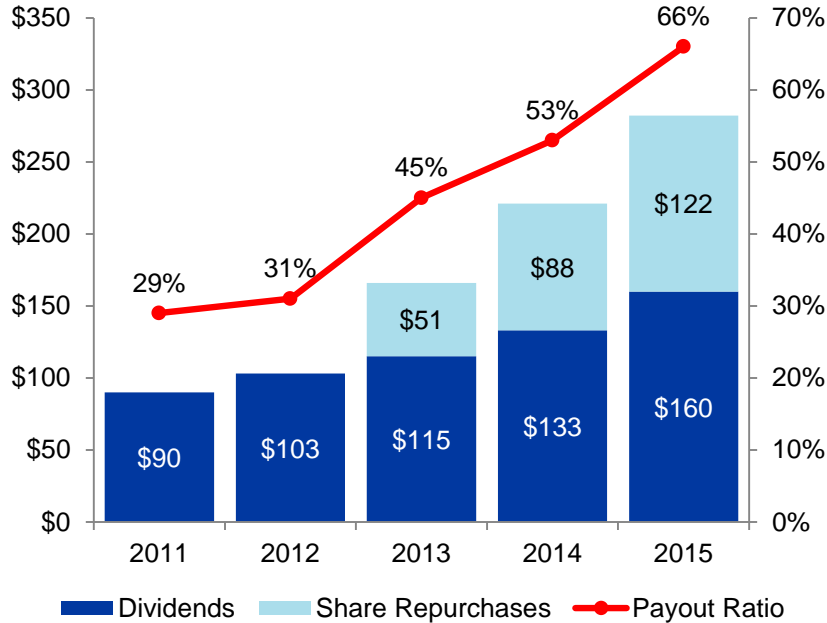
- Cash flows from operations declined principally as a result of the year-over-year impact of higher pension contributions, increased core working capital requirements, and increased requirements related to various operating items (i.e., taxes, employee benefits & prepaids)

Continued to invest in the business via Capex

- Capex as a percentage of sales ended the year at 3.3% vs. 4.5% estimate driven primarily by the timing of vendor payments that will now occur in 2016

Cash Returned to Shareholders

Accelerated total payout ratio as a percentage of adjusted net income



Dividends

- Increased dividend by 20% to provide a more competitive yield while simultaneously balancing growth objectives

Share Repurchases

- Executing against authorized share repurchase program to supplement dividend payout

Total Payout Ratio

- The combination of dividend and share repurchases totaled 66% in 2015, slightly above our targeted range of 50% to 60% of adjusted net income

Assessing External Environment

Elaborating on 4 key themes heading into 2016

Key Themes

Description

1

Economic Indicators

- Develop market economies starting to improve
- Emerging market volatility remains – China & Brazil soft

2

Customer Volumes

- Global CPG companies expecting limited volume growth
- Regional players exhibiting stronger volume trends

3

Raw Materials

- Synthetic materials are exhibiting year-over-year declines
- Naturals remain elevated – predominately vanilla & citrus

4

Foreign Exchange

- USD continues to strengthen versus world currencies
- Forecast for EURO to USD varies significantly

Currency Neutral Outlook for 2016

Cautiously optimistic in light of challenging operating environment

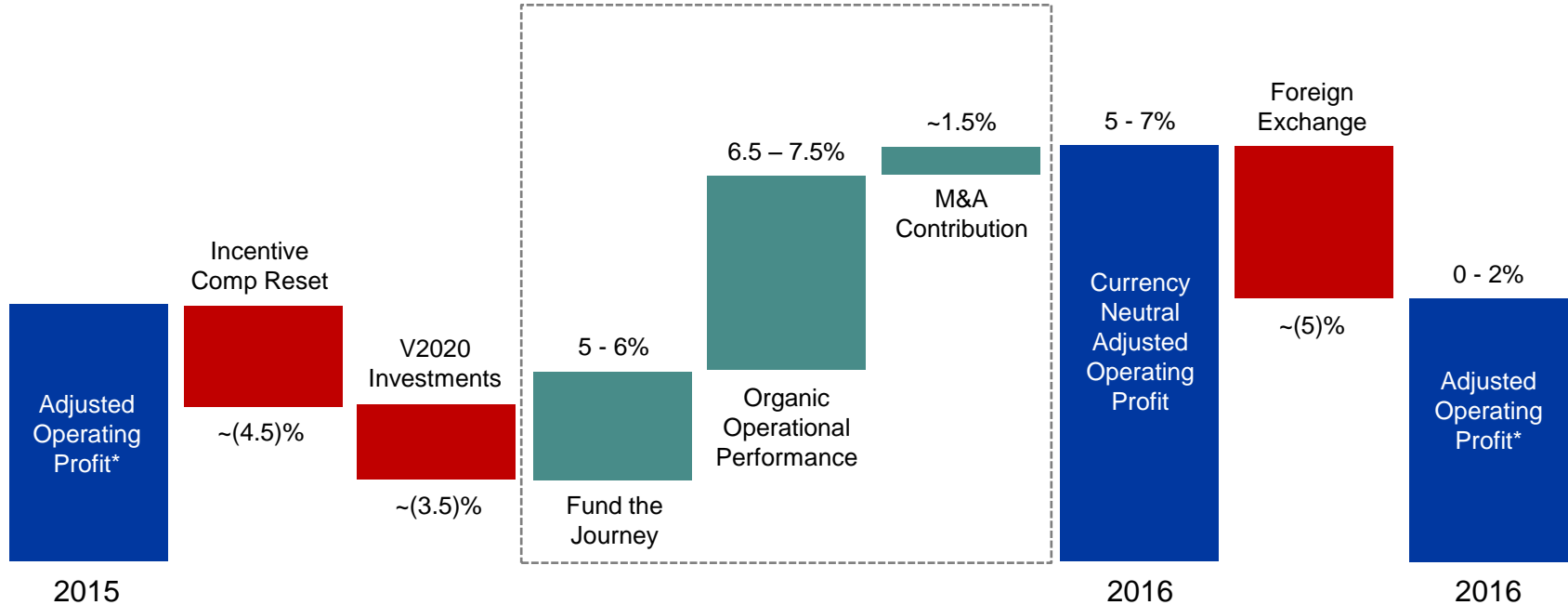
	Organic	M&A	Total
Sales*	2.0 - 3.0%	~1.5%	3.5 - 4.5%
Operating Profit*	3.5 - 5.5%	~1.5%	5.0 - 7.0%
EPS*	5.0 - 7.0%	~1.5%	6.5 - 8.5%



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Insight into the 2016 Profitability

Operational performance, M&A & productivity driving growth

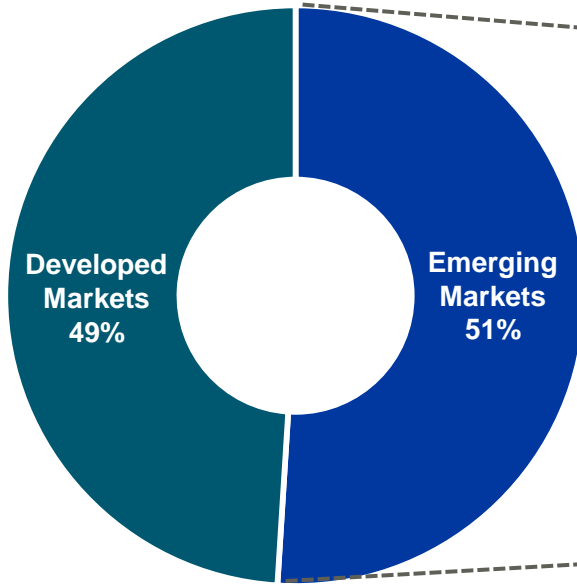


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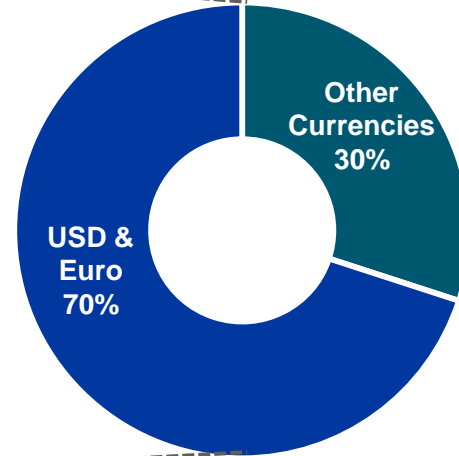
Sales Exposure to FX in Emerging Markets

Majority of our agreements are priced in USD or other hard currencies

FY 2015
Net Sales

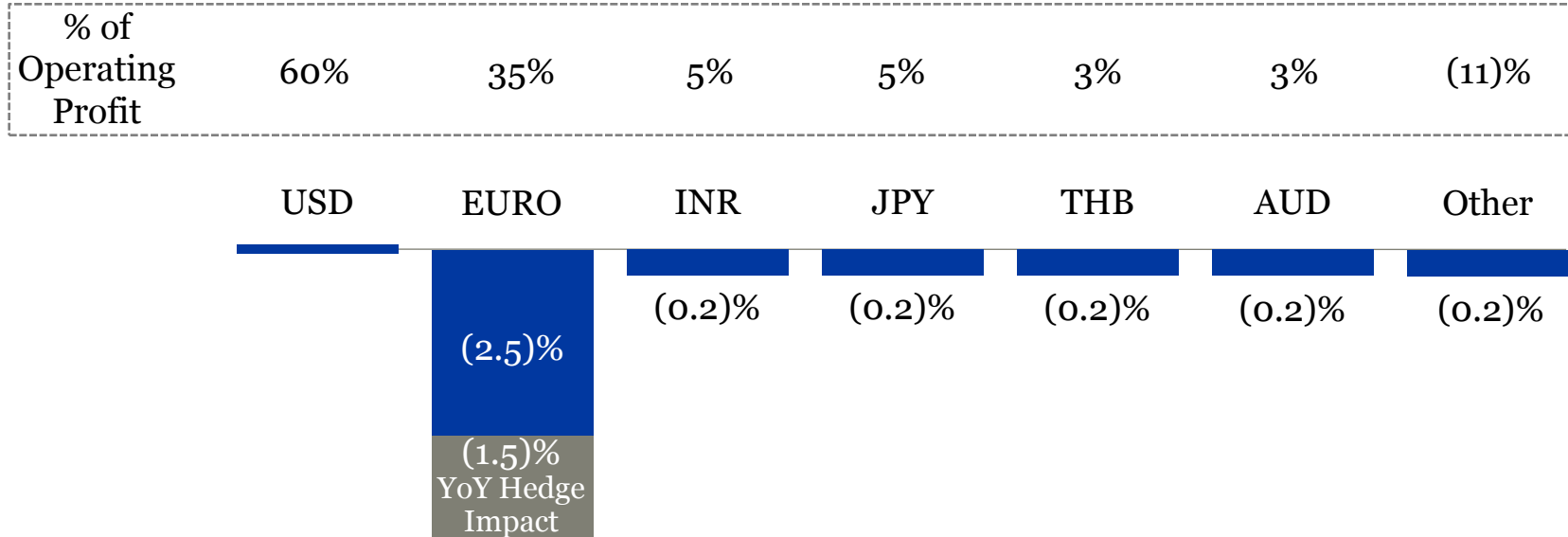


Emerging Markets
Pricing Currencies



Expected Foreign Exchange Impact in 2016

5 percentage point headwind to operating profit driven by EURO exposure



2015 Rate	-	1.12	0.157	8.2816	0.0295	0.7619	-
2016 Rate	-	1.05	0.153	7.8740	0.0278	0.700	-

Summary

**Solid Financial
Performance in 2015**

Focused on the Execution of Vision 2020

Committed to our Long-Term Targets

Q&A