

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.

Third Quarter 2015
Items Impacting Comparability

	Reported (GAAP)	Operational Improvement Initiative Costs	Acquisition related costs	Adjusted (Non- GAAP)
Net sales	765,092			
Cost of goods sold	417,966	(279) (a)	(2,465) (b)	415,222
Gross profit	347,126	279	2,465	349,870
Research and development expenses	62,750			
Selling and administrative expenses	127,663		(4,365) (b)	123,298
RSA Expense	190,413			
Restructuring and other charges, net	—			
Operating profit	156,713	279	6,830	163,822
Interest expense	11,855			
Other expense (income), net	1,959			
Income before taxes	142,899	279	6,830	150,008
Taxes on income	36,452	70	829	37,351
Net income	106,447	209	6,001	112,657
Earnings per share - diluted	\$ 1.31	\$ —	\$ 0.07	\$ 1.39 (c)

(a) Related to a partial plant closing in Asia.

(b) Transaction costs related to acquisitions (Ottens Flavors and Lucas Meyer Cosmetics) as well as expense related to the fair value step up of inventory on the Lucas Meyer acquisition.

(c) Item 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: \$3.5M.

Third Quarter 2014
Items Impacting Comparability

	Reported (GAAP)	Restructuring and Other Charges	Operational Improvement Initiative Costs	Adjusted (Non- GAAP)
Net sales	773,813			
Cost of goods sold	433,702		(282) (b)	433,420
Gross profit	340,111		282	340,393
Research and development expenses	63,701			
Selling and administrative expenses	123,212			
RSA Expense	186,913			
Restructuring and other charges, net	608	(608) (a)		-
Operating profit	152,590	608	282	153,480
Interest expense	10,968			
Other expense (income), net	(563)			
Income before taxes	142,185	608	282	143,075
Taxes on income	34,770	213	70	35,053
Net income	107,415	395	212	108,022
Earnings per share - diluted	\$ 1.31	\$ 0.01	\$ —	\$ 1.32

(a) Costs related to the Fragrance Ingredients Rationalization.

(b) Related to plant closing in Europe and partial closing in Asia.

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Third Quarter Year-to-Date 2015
Items Impacting Comparability

	Reported (GAAP)	Restructuring and Other Charges	Operational Improvement Initiative Costs	Acquisition related costs	Tax settlements	Adjusted (Non- GAAP)
Net sales	2,307,540					
Cost of goods sold	1,269,097		(841) (b)	(3,309) (c)		1,264,947
Gross profit	1,038,443		841	3,309		1,042,593
Research and development	188,725					
Selling and administrative	382,560			(10,587) (c)		371,973
RSA Expense	571,285					
Restructuring and other charges,	(170)	170 (a)				—
Operating profit	467,328	(170)	841	13,896		481,895
Interest expense	34,357					
Other expense (income), net	(3,315)					
Income before taxes	436,286	(170)	841	13,896		450,853
Taxes on income	96,206	(60)	210	1,879	10,478 (d)	108,713
Net income	340,080	(110)	631	12,017	(10,478)	342,140
Earnings per share - diluted	\$ 4.18	\$ —	\$ 0.01	\$ 0.15	\$ (0.13)	\$ 4.20 (e)

(a) Costs related to the Fragrance Ingredients Rationalization

(b) Related to plant closings in Europe and partial closing in Asia

(c) Transaction costs related to acquisitions (Ottens Flavors and Lucas Meyer Cosmetics) as well as expense related to the fair value step up of inventory for both acquisitions.

(d) Settlements due to favorable tax rulings in jurisdictions for which reserves were previously recorded for ongoing tax disputes.

(e) Item 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: \$4.7M.

Third Quarter Year-to-Date 2014
Items Impacting Comparability

	Reported (GAAP)	Restructuring and Other Charges	Operational Improvement Initiative Costs	Adjusted (Non- GAAP)
Net sales	2,332,451			
Cost of goods sold	1,298,281	(5,100) (a)	(914) (b)	1,292,267
Gross profit	1,034,170	5,100	914	1,040,184
Research and development	191,635			
Selling and administrative	379,864			
RSA Expense	571,499			
net	912	(912)		—
Operating profit	461,759	6,012	914	468,685
Interest expense	34,048			
Other expense (income), net	(3,761)			
Income before taxes	431,472	6,012	914	438,398
Taxes on income	107,064	2,104	227	109,395
Net income	324,408	3,908	687	329,003
Earnings per share - diluted	\$ 3.95	\$ 0.05	\$ 0.01	\$ 4.01

(a) Costs related to the Fragrance Ingredients Rationalization

(b) Related to plant closings in Europe and partial closing in Asia