

INTERNATIONAL FLAVORS & FRAGRANCES INC

Form 424B5

September 14, 2018

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**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-209889**

| <b>Title of Each Class of Securities to be Registered</b> | <b>Amount to be Registered(1)</b> | <b>Maximum Offering Price per Unit(1)</b> | <b>Maximum Aggregate Offering Price(1)</b> | <b>Amount of Registration Fee(2)</b> |
|---|-----------------------------------|---|--|--------------------------------------|
| Common Stock, par value \$0.125 per share                 | 12,667,947                        | \$130.25                                  | \$1,650,000,096.75                         | \$205,425.01                         |

(1) Assumes full exercise of the underwriters' option to purchase up to an additional 1,151,632 shares of our Common Stock.

(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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**PROSPECTUS SUPPLEMENT**

**(to Prospectus dated August 6, 2018)**

**11,516,315 Shares**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**Common Stock**

We are offering 11,516,315 shares of our common stock, par value \$0.125 per share ( Common Stock ).

We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 1,151,632 additional shares of our Common Stock at the public offering price less the underwriting discount. See Underwriting in this prospectus supplement.

On May 7, 2018, International Flavors & Fragrances Inc. ( IFF ) entered into an Agreement and Plan of Merger (the Merger Agreement ) with Frutarom Industries Ltd., a company organized under the laws of the State of Israel ( Frutarom ), and Icon Newco Ltd., a company organized under the laws of the State of Israel and a wholly owned subsidiary of IFF ( Merger Sub ). Pursuant to the Merger Agreement, subject to the satisfaction or waiver of specified conditions, and in accordance with the Companies Law 5759-1999 of the State of Israel (together with the rules and regulations thereunder, the ICL ), Merger Sub will merge with and into Frutarom (the Merger ), with Frutarom continuing as the surviving company in the Merger and a wholly owned subsidiary of IFF.

Our Common Stock is listed on the NYSE and Euronext Paris under the symbol IFF . On September 12, 2018, the last reported sale price of our Common Stock on the NYSE was \$131.15 per share.

Concurrently with this offering of Common Stock, we are offering \$750 million in aggregate amount of our tangible equity units (or up to \$825 million in tangible equity units if the underwriters for that offering exercise their option to purchase additional tangible equity units) pursuant to a separate prospectus supplement. The completion of this Common Stock offering is not contingent on the completion of the tangible equity units offering, and the completion of the tangible equity units offering is not contingent on the completion of this Common Stock offering. Neither this offering nor the tangible equity units offering is contingent on the completion of the Merger or any debt financing. If the Merger is not consummated, we intend to use the net proceeds from this offering for general corporate purposes, as described under Use of Proceeds.

Subsequent to this offering, we expect to offer, pursuant to separate prospectus supplements, approximately \$2,750 million aggregate principal amount of senior notes at varying maturities, a portion of which may be denominated in currencies other than the U.S. dollar, as additional financing for the Merger. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any notes being offered in the notes offering.

**Investing in our Common Stock involves significant risks. See Risk Factors in this prospectus supplement and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2017.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

|   | <b>Per Share</b> | <b>Total</b>        |
|---|------------------|---------------------|
| Public offering price <sup>(1)</sup>                                  | \$ 130.250000    | \$ 1,500,000,028.75 |
| Underwriting discount and commissions                                 | \$ 3.712125      | \$ 42,750,000.82    |
| Proceeds, before expenses, to International Flavors & Fragrances Inc. | \$ 126.537875    | \$ 1,457,250,027.93 |

The underwriters expect to deliver the shares of Common Stock to purchasers on or about September 17, 2018.

*Joint Book-Running Managers*

**Morgan Stanley**

**Citigroup**  
*Senior Lead Manager*

**J.P. Morgan**

**BNP PARIBAS**

*Co-Managers*

**BTIG**  
**MUFG**

**Citizens Capital Markets**  
**Wells Fargo Securities**

**ING**  
**HSBC**

The date of this prospectus supplement is September 12, 2018.

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Unless we have indicated, or the context otherwise requires, references in this prospectus supplement to IFF, the Company, we, us, our, or similar terms are to International Flavors & Fragrances Inc. and its subsidiaries.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

We are providing information to you about this offering in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering. The second part is the accompanying prospectus, which provides general information. Generally, when we refer to this prospectus, we are referring to both documents combined. This prospectus supplement may add, update or change information contained in or incorporated by reference in the accompanying prospectus. Some of the information contained in or incorporated by reference in the accompanying prospectus may not apply to this offering. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with information contained in or incorporated by reference in the accompanying prospectus, you should rely on the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement.

**We are responsible for the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus with respect to this offering filed by us with the Securities and Exchange Commission (the SEC). We have not, and the underwriters have not, authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. This prospectus supplement, the accompanying prospectus and any such free writing prospectus may be used only for the purposes for which they have been prepared. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference herein and therein is accurate as of any date other than their respective dates. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.**

The shares of Common Stock are being offered for sale only in jurisdictions where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the shares of Common Stock in certain jurisdictions may be restricted by law. Persons outside the United States who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting in this prospectus supplement.

Unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, assumes the completion of the concurrent tangible equity units offering described herein and that the underwriters for this Common Stock offering do not exercise their option to purchase additional shares of Common Stock and the underwriters of the concurrent tangible equity units offering do not exercise their option to purchase additional tangible equity units. In addition, unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, does not give effect to the Merger or the Debt Financings (each as defined below).

**Table of Contents****SUMMARY**

*This summary is not complete and does not contain all of the information that may be important to you. You should read the entire prospectus supplement and accompanying prospectus carefully, including the section entitled Risk Factors, as well as the documents incorporated by reference, before making an investment decision.*

**The Company**

We are a leading innovator of sensory experiences that move the world. We co-create unique products that consumers taste, smell, or feel in fine fragrances and beauty, detergents and household goods, and food and beverages. Our approximately 7,300 team members globally take advantage of our capabilities in consumer insights, research and product development ( R&D ), creative expertise and customer intimacy to partner with our customers in developing innovative and differentiated offerings for consumer products. We believe that our collaborative approach will generate market share gains for our customers.

Our international presence positions us to serve both our global customers and the increasing number of regional and high-end and middle-market specialty consumer goods producers. We operate thirty-seven manufacturing facilities and sixty-nine creative centers and application laboratories located in thirty-seven different countries. We partner with our customers to develop over 46,000 products that are provided to customers in approximately 162 countries.

We principally compete in the flavors and fragrances market, which is part of a larger market that supplies a wide variety of ingredients and compounds used in consumer products. The broader market includes large multi-national companies and smaller regional and local participants that supply products such as seasonings, texturizers, spices, enzymes, certain food-related commodities, fortified products and cosmetic ingredients. The global market for flavors and fragrances has expanded consistently, primarily as a result of an increase in demand for, and an increase in the variety of, consumer products containing flavors and fragrances. Management estimates that in 2017 the flavors and fragrances market was approximately \$24.8 billion, and forecasted to grow approximately 2-3% by 2021, primarily driven by expected growth in emerging markets.

In 2017, we achieved sales of approximately \$3.4 billion, making us one of the top four companies in the global flavors and fragrances sub-segment of the broader consumer products ingredients and compounds market. We believe that our global presence, diversified business platform, broad product portfolio and global and regional customer base position us to achieve long-term growth as the flavors and fragrances markets expand.

We operate in two business segments, Flavors and Fragrances. In 2017, our Flavors business represented 48% of our sales, while our Fragrances business represented 52% of sales. Our business is geographically diverse, with sales to customers in the four regions set forth below:

| <b>Region</b>               | <b>% of 2017 Sales</b> |
|-----------------------------|------------------------|
| Europe, Africa, Middle East | 31%                    |
| Greater Asia                | 27%                    |
| North America               | 27%                    |
| Latin America               | 15%                    |

We are committed to winning in emerging markets. We believe that more significant future growth potential for the flavors and fragrances industry, and for our business, exists in the emerging markets (all markets except North America, Japan, Australia, and Western, Southern and Northern Europe). Over the past five years our currency neutral

sales growth rate in emerging markets has outpaced that of developed markets. We expect this long-term trend to continue for the foreseeable future.

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We have operated in some of the largest emerging markets for multiple decades. As a result of these established operations, sales in emerging markets represented 48% of 2017 sales and 51% of 2016 sales. As our customers seek to grow their businesses in emerging markets, we provide them the ability to leverage our long-standing international presence and extensive market knowledge to help drive their brands in these markets. To stay competitive in our industry, we must adapt to rapidly shifting consumer preferences and customer demands. We believe our consumer insights and customer relationships help to drive innovation that benefits us and our customers. During 2017, our 25 largest customers accounted for 50% of our sales. Sales to our largest customer across all end-use categories accounted for 11% to 12% of our sales for each of the last three fiscal years. These sales were principally in our Fragrances business.

### **Our Strategic Priorities**

We are focused on generating sustainable profitable growth in our business and positioning our portfolio for long-term growth. We have continued to execute against the four pillars of our Vision 2020 strategy originally announced in 2015 and refreshed in 2017, which focuses on building differentiation and accelerating growth to create shareholder value:

- (1) Innovating Firsts** We seek to strengthen our position by driving differentiation in priority R&D platforms across both businesses. In 2017, we launched three captive fragrance molecules and three new flavor modulators. We achieved continued growth of our sweetness and savory modulation portfolio sales and encapsulated-related sales. We also launched Re-Imagine, a program to accelerate flavor innovation and increase agility to capture unmet opportunities in the changing food and beverage market.
- (2) Winning Where We Compete** Our goal is to achieve a #1 or #2 market leadership position in key markets and categories and with specific customers. In 2017, we grew our sales in both our Flavors and Fragrances businesses in North America and the Middle East and Africa geographic area we targeted for growth. We also created Tastepoint by IFF, designed to leverage our expertise in and to service the middle-market customer in North America, and opened an expanded facility in Cairo, Egypt to support our regional focus on growth in the Middle East and Africa.
- (3) Becoming Our Customers Partner of Choice** Our goal is to attain commercial excellence by providing our customers with in-depth, local consumer understanding, industry-leading innovation, outstanding service and the highest quality products. In 2017, we introduced IFF Taste Design, a combination of artisanal, handcrafted techniques and proprietary technologies that drive consumer preference and market differentiation. In addition, we were rated gold by EcoVadis for sustainability, received an A rating and were awarded leadership status for our climate change and an A- for water management strategy by CDP.
- (4) Strengthening and Expanding the Portfolio** We actively pursue value-creation through partnerships, collaborations, and acquisitions within flavors, fragrances and adjacencies. We prioritize opportunities that provide (i) access to new technologies, (ii) the ability to increase our market share in key markets and with key customers or (iii) access to adjacent products or services that will position us to leverage our expertise in science and technology and our customer base. During 2017, we acquired Fragrance Resources to further improve our market position with regional customers in specialty fine fragrances, and PowderPure to further expand product

offerings of clean label flavors solutions. We also became the first sensorial innovator of flavors, fragrances and cosmetic actives to join the MIT Media Lab, a leader in research and technologies that transform the everyday for consumers around the world.

**General**

Our principal executive offices are located at 521 West 57<sup>th</sup> Street, New York, New York 10019. Our telephone number at that location is (212) 765-5500. Our home page on the internet is *www.iff.com*. Other than the information expressly set forth or incorporated by reference, the information contained, or referred to, on our website is not part of this prospectus supplement or the accompanying prospectus.

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**Recent Developments**

**Acquisition of Frutarom**

On May 7, 2018, IFF entered into an Agreement and Plan of Merger (the Merger Agreement) with Frutarom Industries Ltd., a company organized under the laws of the State of Israel (Frutarom), and Icon Newco Ltd., a company organized under the laws of the State of Israel and a wholly owned subsidiary of IFF (Merger Sub). Frutarom, through its subsidiaries, develops, produces and markets flavors and fine ingredients used in manufacturing food, beverages, flavors and fragrances, pharma/nutraceuticals, cosmetics and personal care products.

We believe that the acquisition of Frutarom will provide us with several strategic and financial benefits, including:

*Differentiated Portfolio with Enhanced Capabilities:* In addition to IFF's and Frutarom's complementary flavor capabilities, we expect that Frutarom's portfolio will provide opportunities to expand into attractive and fast-growing categories, such as natural colors, enzymes, antioxidants and health ingredients. We believe that the combined company's increased breadth of products will provide complementary offerings and expanded choices to its customers.

*Complementary and Growing Customer Base:* We expect that Frutarom's customer base will provide IFF with increased exposure to fast-growing small- and mid-sized customers, including private label manufacturers.

*Synergy Potential:* IFF and Frutarom expect to realize approximately \$145 million of run-rate cost synergies by the third full year after the completion of the merger, with approximately 25% of such synergies expected to be achieved in the first full year. We believe that cross-selling opportunities and integrated solutions will provide revenue synergies, creating further value to shareholders over time.

Pursuant to the Merger Agreement, subject to the satisfaction or waiver of specified conditions, and in accordance with the ICL, Merger Sub will merge with and into Frutarom, with Frutarom continuing as the surviving company in the Merger and a wholly owned subsidiary of IFF. We refer in this prospectus supplement to our acquisition of Frutarom pursuant to the Merger Agreement as the Merger. Under the terms of the Merger Agreement, for each share of outstanding stock of Frutarom, Frutarom shareholders will receive \$71.19 in cash and 0.2490 of a share of IFF's Common Stock, or an aggregate of approximately \$4,238.8 million and 14.8 million shares based on the number of Frutarom's outstanding ordinary shares and share-based awards as of May 7, 2018, the date of the Merger Agreement, and without taking into account this Common Stock offering or the tangible equity units offering.

Consummation of the Merger is subject to customary closing conditions. The shareholders of Frutarom approved the Merger on August 6, 2018. The completion of the Merger is not subject to the approval of IFF shareholders or the receipt of financing by IFF. As of the date of this prospectus supplement, the completion of the Merger remains subject to the following closing conditions: (i) the receipt of regulatory clearance under certain foreign antitrust laws, including the European Union; (ii) receipt of all governmental and stock exchange approvals necessary for the issuance and listing of shares of IFF Common Stock as contemplated by the Merger Agreement, (iii) the absence of any order, or the enactment of any law, prohibiting the Merger; (iv) subject to certain exceptions, the accuracy of the representations and warranties of the parties and compliance by the parties with their respective obligations under the Merger Agreement; and (v) the absence of any material adverse effect on Frutarom or the Company since the date of

the Merger Agreement. The Merger Agreement also contains certain termination rights for IFF and Frutarom.

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The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by the full text of such agreement. The Merger Agreement is an exhibit to the registration statement to which this prospectus supplement relates.

### **Merger Financing**

IFF anticipates that approximately \$4.3 billion will be required to pay the aggregate cash portion of the Merger consideration to the Frutarom shareholders and to pay fees and expenses relating to the Merger.

In addition to the proceeds from this Common Stock offering, IFF intends to obtain or otherwise incur additional financing for the Merger as follows:

#### *Concurrent Tangible Equity Units Offering*

Concurrently with this offering of Common Stock, we are offering \$750 million in aggregate amount of our tangible equity units (or up to \$825 million in tangible equity units if the underwriters for that offering exercise their option to purchase additional tangible equity units) pursuant to a separate prospectus supplement. This prospectus supplement is not an offer with respect to the concurrent tangible equity units offering.

#### *Debt Financings*

We intend to obtain or otherwise incur up to approximately \$3.1 billion of indebtedness to fund the Merger, and related fees and expenses, which we refer to in this prospectus supplement as the Debt Financings. We currently expect that the Debt Financings will include:

*Notes Offerings.* Subsequent to this Common Stock offering, we expect to offer, pursuant to separate prospectus supplements, approximately \$2,750 million aggregate principal amount of senior notes (the New Notes ) at varying maturities, a portion of which may be denominated in currencies other than the U.S. dollar. This prospectus supplement is not an offer with respect to the potential New Notes offering.

*Term Loan.* On June 6, 2018, IFF entered into a senior unsecured term loan credit agreement (the New Term Loan ) with the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, that provides for a three-year \$350 million senior unsecured term loan facility. The commitments under the New Term Loan terminate on February 7, 2019 or, under certain circumstances, on May 7, 2019.

In connection with entering into the Merger Agreement, IFF entered into a debt commitment letter, dated as of May 7, 2018, with Morgan Stanley Senior Funding, Inc., that provided for a commitment for an up to \$5.45 billion 364-day bridge loan facility (the Bridge Facility ) to the extent IFF has not received \$5.45 billion of net cash proceeds (and/or qualified bank commitments) from a combination of (a) the issuance by IFF of a combination of equity securities, equity-linked securities and/or unsecured debt securities and/or (b) unsecured term loans, in each case, at or prior to completion of the Merger. The commitments under the debt commitment letter terminate on February 7, 2019 or, under certain circumstances, on May 7, 2019. Although we do not currently expect to incur any borrowings under the Bridge Facility, there can be no assurance that such borrowings will not be made. In that regard, we may be required to borrow under the Bridge Facility if we do not generate sufficient net proceeds from this Common Stock offering, the concurrent tangible equity units offering, the New Notes offering or unsecured term loans to finance the Merger and related fees and expenses.

The completion of this Common Stock offering is not contingent on the completion of the tangible equity units offering, the Debt Financings or the Merger. Accordingly, even if the Merger or the other financing

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transactions do not occur, the shares of Common Stock sold in this offering will remain outstanding, and investors will not have any rights to require us to repurchase, redeem or repay any shares of Common Stock sold in this offering.

In addition, if the Merger is not consummated, we do not expect any debt under the New Term Loan to be incurred, and we expect the terms of the New Notes to contain a special mandatory redemption requirement if the Merger is not consummated by a specified date. See Use of Proceeds.

We cannot assure you that we will complete the Merger or any of the other financing transactions on the terms contemplated in this prospectus supplement or at all.

## **About Frutarom**

Frutarom is a global company established in Israel in 1933 and operating in the global flavors and specialty fine ingredients markets. Frutarom, through its subsidiaries, develops, produces and markets flavors and fine ingredients used in manufacturing food, beverages, flavors and fragrances, pharma/nutraceuticals, cosmetics and personal care products. As of December 31, 2017, Frutarom operated 72 production sites, 90 research and development laboratories, and 109 sales offices in Europe, North America, Latin America, Israel, Asia, Africa and New Zealand, and employed 5,223 people throughout the world. In 2017, Frutarom marketed and sold over 70,000 products to more than 30,000 customers in more than 150 countries.

Frutarom operates in two main activities which constitute its core businesses and are reported as business segments in its financial statements: flavors activity and specialty fine ingredients activity. In addition, as part of a comprehensive solution offered to customers, Frutarom imports and markets raw materials manufactured by third parties. This activity is presented as part of trade and marketing operations, which is not a core business.

Frutarom generated sales of \$1,362.4 million, \$1,147.0 million, and \$872.8 million for the twelve months ended December 31, 2017, December 31, 2016, and December 31, 2015, respectively. Sales for the six months ended June 30, 2018 and June 30, 2017 were \$786.1 million and \$646.1 million, respectively. During the twelve months ended December 31, 2017, December 31, 2016, and December 31, 2015, Frutarom's net income was \$151.6 million, \$111.1 million, and \$96.1 million, respectively. Net income for the six months ended June 30, 2018 and June 30, 2017 was \$98.6 million and \$70.9 million, respectively.

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**The Offering**

Issuer International Flavors & Fragrances Inc., a New York corporation

Securities Offered 11,516,315 shares of Common Stock

Shares of Common Stock Outstanding after this Offering

90,564,368 shares of Common Stock (or up to 91,716,000 shares if the underwriters exercise their option to purchase additional shares), which is based on 79,048,053 shares of Common Stock outstanding as of September 4, 2018 and excludes:

an additional 938,995 shares of Common Stock available for issuance under our stock compensation plans as of August 24, 2018;

5,758,500 shares of Common Stock reserved for issuance upon conversion of tangible equity units (assuming no exercise of the underwriters' option to purchase additional tangible equity units in the concurrent tangible equity units offering); and

an estimated 14,826,119 shares of Common Stock issuable as consideration upon closing of the Merger.

Common Stock NYSE Symbol IFF

Underwriters' Option We have granted the underwriters an option, exercisable within a 30-day period, to purchase up to an additional 1,151,632 shares of our Common Stock at the public offering price less the underwriting discount.

Use of Proceeds We estimate that the net proceeds to us from this Common Stock offering, after deducting underwriting discounts and estimated offering expenses payable by us, will be approximately \$1,456 million (or up to approximately \$1,602 million if the underwriters exercise their option to purchase additional shares of our Common Stock). We intend to use the



net proceeds from this offering, together with the net proceeds from the concurrent tangible equity units offering, the Debt Financings and cash on hand to finance the Merger and to pay related fees and expenses. If for any reason the Merger is not consummated, we intend to use the net proceeds from this offering for general corporate purposes, as described under Use of Proceeds.

**Concurrent Tangible Equity Units Offering** Concurrently with this Common Stock offering, we are offering \$750 million in aggregate amount of our tangible equity units (or up to \$825 million of our tangible equity units if the underwriters for that offering exercise their option to purchase additional tangible equity units solely to cover over-allotments, if any), each with a stated amount of \$50, in an underwritten public offering pursuant to a separate prospectus supplement. This prospectus supplement is not an offer with respect to the concurrent tangible equity units offering.

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There can be no assurance that the tangible equity units offering will be completed. The completion of this Common Stock offering is not contingent on the completion of the tangible equity units offering, and the completion of the tangible equity units offering is not contingent on the completion of this Common Stock offering. Neither this Common Stock offering nor the tangible equity unit offering is contingent on the consummation of the Merger or any debt financing.

Risk Factors

Investing in our Common Stock involves significant risks. See Risk Factors in this prospectus supplement, as well as other information included in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2017, for a discussion of the factors you should carefully consider before deciding to invest in our Common Stock.

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**SUMMARY SELECTED CONSOLIDATED FINANCIAL DATA OF IFF**

The following table presents selected historical consolidated financial data for IFF and unaudited pro forma combined financial data for IFF and Frutarom as of the dates and for the periods indicated. The historical statement of income data and cash flow data for IFF for the fiscal years ended December 31, 2017, 2016 and 2015 and the historical balance sheet data as of December 31, 2017 and 2016 have been obtained from IFF's audited consolidated financial statements included in IFF's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this prospectus supplement and accompanying prospectus. The historical statement of income data and cash flow data for IFF for the six-month periods ended June 30, 2018 and 2017 and the historical balance sheet data as of June 30, 2018 have been obtained from IFF's unaudited interim consolidated financial statements included in IFF's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which is incorporated by reference into this prospectus supplement and accompanying prospectus. The historical balance sheet data as of June 30, 2017 has been derived from IFF's unaudited consolidated financial statements included in IFF's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, which is not incorporated by reference into this prospectus supplement or accompanying prospectus. The historical statement of income data for IFF included below for the fiscal years ended December 31, 2017, 2016 and 2015 and IFF's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this prospectus supplement and accompanying prospectus, have not been revised to reflect the required retrospective adoption of the Financial Accounting Standards Board amendment to Compensation Retirement Benefits guidance (ASU 2017-07), which we refer to as the "FASB amendment", as the guidance had no impact on net income and the effect of the revision was not material for those periods. For more information on the adoption of the FASB amendment, please refer to IFF's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which is incorporated by reference into this prospectus supplement and accompanying prospectus. The unaudited pro forma combined financial data are based upon the historical consolidated financial data of IFF and Frutarom, after giving effect to the merger as of the dates and for the periods indicated. The unaudited pro forma combined financial data should be read in conjunction with the financial statements presented in "Unaudited Pro Forma Condensed Combined Financial Information" in this prospectus supplement and the related notes thereto.

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The results of operations for the six-month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2018, and you should not assume the results of operations for any past periods indicate results for any future period. The information set forth below should be read together with the other information contained in IFF's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and IFF's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes therein. See the section entitled "Incorporation of Certain Information by Reference."

| <i>Dollars in thousands except per share amounts</i> | <b>Pro Forma Combined Six-Month Period Ended June 30, 2018</b> | <b>Historical International Flavors &amp; Fragrances Inc.</b> |   | <b>Pro Forma Combined Year Ended December 31, 2017</b> | <b>Historical International Flavors &amp; Fragrances Inc.</b> |              |              |
|--|--|---|---|--|---|--------------|--------------|
|  |  | <b>Six-Month Period Ended June 30, 2018</b>                   | <b>Six-Month Period Ended June 30, 2017</b> |  | <b>Year Ended December 31, 2017 2016 2015</b>                 |              |              |
| <b>Statement of Income Data:</b>                     |  |   |   |  |   |              |              |
| Net sales  | \$ 2,637,054   | \$ 1,850,944  | \$ 1,671,154                                | \$ 4,761,115   | \$ 3,398,719  | \$ 3,116,350 | \$ 3,023,189 |
| Cost of goods sold                                   | 1,513,347  | 1,046,419   | 935,088                                     | 2,763,527  | 1,919,718   | 1,717,280    | 1,671,590    |
| Gross profit   | 1,123,707  | 804,525   | 736,066                                     | 1,997,588  | 1,479,001   | 1,399,070    | 1,351,599    |
| Research and development expenses                    | 184,014  | 153,244   | 144,887                                     | 339,113  | 286,026   | 254,263      | 246,101      |
| Selling and administrative expenses                  | 429,236  | 300,051   | 283,023                                     | 816,476  | 557,311   | 566,224      | 494,517      |
| Restructuring and other charges, net                 | 1,903  | 1,903   | 10,934                                      | 19,371   | 19,711  | (1,700)      | 7,594        |
| Amortization of acquisition-related intangibles      | 90,647   | 18,769  | 15,561                                      | 173,711  | 34,694  | 23,763       | 15,040       |
| Gain on sales of fixed assets                        | 504  | 1,195   | (89)  | 1,750  | (184)   | (10,836)     |              |
| Operating profit                                     | 417,403  | 329,363   | 281,750                                     | 647,167  | 581,443   | 567,356      | 588,347      |
| Interest expense                                     | 125,994  | 69,841  | 30,363                                      | 159,285  | 65,363  | 52,989       | 46,062       |
| Other (income) expense, net                          | (33,161)   | (21,232)  | (29,140)                                    | (36,454)   | (20,965)  | (9,350)      | 3,184        |
| Income before taxes                                  | 324,570  | 280,754   | 280,527                                     | 524,336  | 537,045   | 523,717      | 539,101      |
| Taxes on income                                      | 60,190   | 52,190  | 54,968                                      | 233,584  | 241,380   | 118,686      | 119,854      |

|  |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net income<br>(Including<br>noncontrolling<br>interest)              | 264,380        |                |                | 290,752        |                |                |                |
| Less:<br>noncontrolling<br>interest                                  | 3,204          |                |                | 4,895          |                |                |                |
| <b>Net Income</b>  | <b>261,176</b> | <b>228,564</b> | <b>225,559</b> | <b>285,857</b> | <b>295,665</b> | <b>405,031</b> | <b>419,247</b> |
| Net income per<br>share:   |                |                |                |                |                |                |                |
| Basic  | 2.34           | 2.89           | 2.85           | 2.56           | 3.73           | 5.07           | 5.19           |
| Diluted  | 2.31           | 2.87           | 2.84           | 2.54           | 3.72           | 5.05           | 5.16           |
| Cash dividends<br>declared per share                                 |                | 1.38           | 1.28           |                | 2.66           | 2.40           | 2.06           |
| <b>Balance Sheet</b>   |                |                |                |                |                |                |                |
| <b>Data at Period</b>  |                |                |                |                |                |                |                |
| <b>End:</b>  |                |                |                |                |                |                |                |
| Total Assets   | \$ 12,415,264  | \$ 4,673,442   | \$ 4,618,875   |                | \$ 4,598,926   | \$ 4,016,984   |                |
| Long-term debt   | 4,078,015      | 1,717,189      | 1,636,338      |                | 1,632,186      | 1,066,855      |                |
| Total Shareholders<br>Equity including<br>noncontrolling<br>interest | 5,632,979      | 1,756,203      | 1,680,086      |                | 1,689,294      | 1,631,134      |                |

**Table of Contents****SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FRUTAROM**

The following table presents selected historical consolidated financial data for Frutarom as of the dates and for the periods indicated. Frutarom's financial data has been prepared under International Financial Reporting Standards (IFRS), as issued by the International Auditing Standards Board (IASB). The balance sheet data as of December 31, 2017 and 2016 and the statement of income data and cash flow data for the fiscal years ended December 31, 2017, 2016 and 2015 have been obtained from Frutarom's audited annual consolidated financial statements, which are included in this prospectus supplement. The financial data as of and for the six-month periods ended June 30, 2018 and 2017 have been obtained from Frutarom's unaudited, interim consolidated financial statements, which are included in this prospectus supplement.

The results of operations for the six-month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2018, and you should not assume the results of operations for any past periods indicate results for any future period. The information set forth below should be read together with the other information contained in Frutarom's audited annual consolidated financial statements and unaudited interim consolidated financial statements, which are included in this prospectus supplement.

| <i>Dollars in thousands except per share amounts</i>           | <b>Six-Month Period Ended</b> |             | <b>Year Ended December 31,</b> |              |             |
|--|-------------------------------|-------------|--------------------------------|--------------|-------------|
|  | <b>2018</b>                   | <b>2017</b> | <b>2017</b>                    | <b>2016</b>  | <b>2015</b> |
| <b>Statement of Income Data:</b>                               |                               |             |                                |              |             |
| Sales  | \$ 786,110                    | \$ 646,120  | \$ 1,362,396                   | \$ 1,147,041 | \$ 872,796  |
| Cost of sales  | 466,928                       | 398,243     | 837,271                        | 709,488      | 534,737     |
| Gross profit   | 319,182                       | 247,877     | 525,125                        | 437,553      | 338,059     |
| Selling, marketing, research and development expenses net      | 134,697                       | 101,792     | 220,014                        | 196,001      | 141,237     |
| General and administrative expenses                            | 51,179                        | 45,601      | 92,155                         | 81,637       | 63,742      |
| Other expenses net   | (315)                         | 385         | 3,392                          | 11,772       | 2,826       |
| Group's share of earnings of companies accounted for at equity | 1,326                         | 444         | 1,402                          | 1,113        |             |
| Income from operations   | 134,947                       | 100,543     | 210,966                        | 149,256      | 130,254     |
| Financial Expenses net   | 12,758                        | 10,204      | 24,606                         | 12,841       | 12,197      |
| Income before taxes on income                                  | 122,189                       | 90,339      | 186,360                        | 136,415      | 118,057     |
| Income tax   | 23,600                        | 19,413      | 34,797                         | 25,346       | 21,972      |
| Net Income   | 98,589                        | 70,296      | 151,563                        | 111,069      | 96,085      |
| Earnings per share:  |                               |             |                                |              |             |
| Basic  | 1.64                          | 1.17        | 2.52                           | 1.85         | 1.62        |
| Fully diluted  | 1.63                          | 1.17        | 2.51                           | 1.84         | 1.60        |
| Cash dividends declared per share                              |                               |             | 0.12                           | 0.11         | 0.09        |
| <b>Balance Sheet Data at Period End:</b>                       |                               |             |                                |              |             |

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|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| Total Assets                               | \$ 2,255,414 | \$ 1,790,072 | \$ 1,947,188 | \$ 1,585,461 |
| Long term loans, net of current maturities | 399,833      | 260,339      | 262,151      | 299,576      |
| Total equity                               | 921,420      | 768,856      | 878,913      | 664,604      |

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**RISK FACTORS**

*An investment in our Common Stock involves significant risks. You should consult with your own financial and legal advisers and carefully consider, among other matters, the following risks and those described in our Annual Report on Form 10-K for the year ended December 31, 2017, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018, respectively, and the other documents incorporated herein by reference. You should carefully consider the risks described in those reports and the other information in this prospectus supplement and accompanying prospectus before you decide to invest in our Common Stock. Such risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect us. If any of those risks were to occur, our financial condition, operating results and prospects, as well as the value of our Common Stock, could be materially adversely affected.*

**Risks Related to Our Business**

For a discussion of risks related to our business and operations, please see Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for our fiscal year ended December 31, 2017, as well as similar disclosures contained in our other filings with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus. See Incorporation of Certain Information by Reference.

**Risks Related to the Merger**

*If we are unable to complete the Merger, in a timely manner or at all, our business and our stock price may be adversely affected.*

Our and Frutarom's obligations to consummate the Merger are subject to the satisfaction or waiver of the following customary conditions, including: (i) the approval of the Merger Agreement and the Merger by the shareholders of Frutarom, which was obtained on August 6, 2018; (ii) the receipt of regulatory clearance under certain foreign antitrust laws, including the European Union; (iii) receipt of all governmental and stock exchange approvals necessary for the issuance and listing of shares of IFF Common Stock as contemplated by the Merger Agreement, (iv) the absence of any order, or the enactment of any law, prohibiting the Merger; (v) subject to certain exceptions, the accuracy of the representations and warranties of the parties and compliance by the parties with their respective obligations under the Merger Agreement; and (vi) the absence of any material adverse effect on Frutarom or our company since the date of the Merger Agreement. Furthermore, our ability to access the bridge financing facility is subject to customary conditions. As many of these conditions are outside of our control, we cannot assure you if the conditions to the completion of the Merger and the associated financings will be satisfied in a timely manner or at all which may affect when and whether the Merger will occur. If the Merger is not completed, our share price could fall to the extent that our current price reflects an assumption that we will complete the Merger. Furthermore, if the Merger is not completed and the Merger Agreement is terminated, we may suffer other consequences that could adversely affect our business, results of operations and share price, including the following:

we have incurred and will continue to incur costs relating to the Merger (including significant legal and financial advisory fees) and many of these costs are payable by us whether or not the Merger is completed;



matters relating to the Merger (including integration planning) may require substantial commitments of time and resources by our management team, which could otherwise have been devoted to our historical core businesses or other opportunities that may have been beneficial to us;

we may be subject to legal proceedings related to the Merger or the failure to complete the Merger;

the failure to consummate the Merger may result in negative publicity and a negative impression of us in the investment community; and

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any disruptions to our business resulting from the announcement and pendency of the Merger, including any adverse changes in our relationships with our customers, suppliers and employees, may continue or intensify in the event the Merger is not consummated.

***We may not realize the benefits anticipated from the Merger, which could adversely affect our stock price.***

The Merger, if completed, will be our largest acquisition to date. The anticipated benefits from the Merger are, necessarily, based on projections and assumptions about the combined businesses of our company and Frutarom, which may not materialize as expected or which may prove to be inaccurate. Our ability to achieve the anticipated benefits will depend on our ability to successfully and efficiently integrate the business and operations of Frutarom with our business and achieve the expected synergies. We may encounter significant challenges with successfully integrating and recognizing the anticipated benefits of the potential Merger, including the following:

potential disruption of, or reduced growth in, our historical core businesses, due to diversion of management attention and uncertainty with our current customer and supplier relationships;

challenges arising from the expansion of our product offerings into adjacencies with which we have limited experience, including flavor ingredients, food additives and nutraceuticals;

challenges arising from the expansion into those Frutarom jurisdictions where we do not currently operate or have significant operations;

coordinating and integrating research and development teams across technologies and products to enhance product development while reducing costs;

consolidating and integrating corporate, information technology, finance and administrative infrastructures, and integrating and harmonizing business systems, which may be more difficult than anticipated due to the significant number of acquisitions completed by Frutarom over the past few years;

coordinating sales and marketing efforts to effectively position our capabilities and the direction of product development;

difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining Frutarom's business with our business;

limitations prior to the completion of the Merger on the ability of management of our company and of Frutarom to conduct planning regarding the integration of the two companies;

the increased scale and complexity of our operations resulting from the Merger;

retaining key employees, suppliers and other partners of our company and Frutarom;

retaining and efficiently managing Frutarom's expanded and decentralized customer base;

obligations that we will have to counterparties of Frutarom that arise as a result of the change in control of Frutarom;

difficulties in anticipating and responding to actions that may be taken by competitors in response to the transaction; and

the assumption of and exposure to unknown or contingent liabilities of Frutarom.

In addition, our anticipated benefits of the transaction with Frutarom contemplate significant cost-saving synergies. Consequently, even if we are able to successfully integrate the operations of Frutarom with ours, we may not realize the full benefits of the transactions if we are unable to identify and implement the anticipated cost savings or if the actions taken to implement such cost-savings have unintended consequences on our other business operations.

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If we do not successfully manage these issues and the other challenges inherent in integrating an acquired business of the scale of Frutarom, then we may not achieve the anticipated benefits of the Merger, we could incur unanticipated expenses and charges and our operating results and the value of our Common Stock could be materially and adversely affected.

***Uncertainty about the Merger may adversely affect our relationships with customers and employees, which could negatively affect our business, whether or not the Merger is completed.***

The announcement of the Merger on May 7, 2018, whether or not completed, may cause uncertainties in our relationships with our customers which could impair our ability to or expand our historical customer sales growth. Furthermore, uncertainties about the Merger may cause our current and prospective employees to experience uncertainty about their future with us. These uncertainties may impair our ability to retain, recruit or motivate key employees which could affect our business.

***The Merger may result in significant charges or other liabilities that could adversely affect the financial results of the combined company.***

The financial results of the combined company, following IFF's acquisition of Frutarom, may be adversely affected by cash expenses and non-cash accounting charges incurred in connection with our integration of the business and operations of Frutarom. Furthermore, as a result of the transaction we will record a significant amount of goodwill and other intangible assets on our consolidated financial statements, which could be subject to impairment based upon future adverse changes in our business or prospects including our inability to recognize the benefits anticipated by the transaction.

In addition, upon the acquisition of Frutarom we will assume all their liabilities, including unknown and contingent liabilities that Frutarom assumed in connection with their acquisitions, that we failed or were unable to identify in the course of performing due diligence. Frutarom has completed 47 acquisitions since 2011, including 22 since the beginning of 2016. Our ability to accurately identify and assess the magnitude of the liabilities assumed by Frutarom in these acquisitions may be limited by, among other things, the information available to us and Frutarom and the limited operating experience that Frutarom has with these acquired entities. Furthermore, Frutarom has additional future obligations regarding certain of these acquisitions including outstanding earn-out obligations and put options requiring Frutarom to purchase additional shares in the target company, which we will assume upon consummation of the transaction. If we are not able to completely assess the scope of these liabilities or if these liabilities are neither probable nor estimable at this time, our future financial results could be adversely affected by unanticipated reserves or charges, unexpected litigation or regulatory exposure, unfavorable accounting charges, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition. The price of our Common Stock following the Merger could decline to the extent the combined company's financial results are materially affected by any of these events.

***The regulatory approvals required in connection with the Merger may not be obtained or may contain materially burdensome conditions.***

Completion of the Merger is conditioned upon the receipt of certain regulatory approvals, and we cannot provide assurance that these approvals will be obtained. If any conditions or changes to the proposed structure of the Merger are required to obtain these regulatory approvals, they may have the effect of jeopardizing or delaying completion of the Merger or reducing the anticipated benefits of the Merger. If we agree to any material conditions in order to obtain any approvals required to complete the Merger, the business and results of operations of the combined company may be adversely affected.

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***The use of cash and incurrence of significant indebtedness in connection with the financing of the Merger may have an adverse impact on our liquidity, limit our flexibility in responding to other business opportunities and increase our vulnerability to adverse economic and industry conditions.***

The Merger will be financed in part by the use of our cash on hand, the incurrence of a significant amount of indebtedness and issuances of equity. As of June 30, 2018, we had approximately \$322.4 million of cash and cash equivalents and approximately \$1,723.7 million of total debt outstanding. In connection with the Merger, we expect to incur significant new debt. The proceeds from the new debt are expected to be used to pay part of the purchase price, refinance existing debt of both our company and Frutarom and pay transaction related fees and expenses. If we are unable to raise financing on acceptable terms, we may need to rely on our bridge loan facility, which may result in higher borrowing costs and a shorter maturity than those from other anticipated financing alternatives. The use of cash on hand and indebtedness to finance the Merger will reduce our liquidity and could cause us to place more reliance on cash generated from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow for working capital, dividend and capital expenditure needs or to pursue other potential strategic plans. The increased indebtedness may also have the effect, among other things, of limiting our ability to obtain additional financing, if needed, limiting our flexibility in the conduct of our business and making us more vulnerable to economic downturns and adverse competitive and industry conditions.

## **Risks Related to our Common Stock**

***The market price of our Common Stock may be volatile and could fall.***

The market price of our Common Stock has experienced, and may continue to experience, significant volatility. Between January 1, 2017 and September 12, 2018, the closing sale price of our Common Stock on the NYSE has ranged from a low of \$115.26 per share to a high of \$156.87 per share. Numerous factors, including many over which we have no control, may have a significant impact on the market price of our Common Stock. These risks include those described or referred to in this Risk Factors section and in the other documents incorporated herein by reference as well as, among other things:

failure to complete the Merger and, if completed, failure to realize the anticipated benefits of the Merger;

our operating and financial performance and prospects that vary from expectations of management, securities analysts and investors;

developments in our business or in sectors in which we operate generally;

our ability to repay our debt or adverse market reaction to any additional debt that we may incur;

the market valuation and operating and securities price performance of companies that investors consider to be comparable to us;

investor perceptions of us and the industry and markets in which we operate;

announcements of strategic developments, acquisitions and other material events by us or our competitors;

our dividend policy;

proposed or adopted regulatory changes or developments affecting the industries in which we operate;

future sales of equity or equity-related securities;

changes in earnings estimates or buy/sell recommendations by analysts;

anticipated or pending investigations, proceedings, or litigation that involve or affect us

actions by institutional shareholders; and

general financial, domestic, international, economic and other market conditions.

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In addition, the stock market experiences extreme price and trading volume fluctuations that have often been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of our Common Stock, regardless of our operating performance. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our stock drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management. As a result of these factors, among others, the value of your investment may decline because a decrease in the market price of our Common Stock would likely adversely impact the trading price of the amortizing notes.

### ***Future sales of substantial amounts of our Common Stock could affect the market price of our Common Stock.***

Future sales of substantial numbers of shares of our Common Stock, or securities convertible or exchangeable into shares of our Common Stock, into the public market, future issuances of substantial numbers of additional shares of Common Stock in connection with any future acquisitions or pursuant to employee benefit plans and future issuances of shares of Common Stock upon exercise of options or warrants or settlement of the purchase contracts, or perceptions that those sales, issuances and/or exercises or settlements could occur, could adversely affect the prevailing market price of our Common Stock and our ability to raise capital in the future.

### ***This offering, the concurrent offering of tangible equity units and the issuance of additional stock in connection with acquisitions (including the Merger) or otherwise will dilute all other shareholdings.***

Upon the issuance of the shares of Common Stock in this offering and the concurrent offering of tangible equity units, holders of our Common Stock will incur immediate and substantial net tangible book value dilution on a per share basis. After this offering and the concurrent offering of tangible equity units, we will have an aggregate of approximately 372.6 million (or as few as approximately 371.5 million if the underwriters for this offering exercise their option) authorized but unissued shares of Common Stock. Subject to certain volume limitations imposed by the NYSE, we may issue all of these shares without any action or approval by our stockholders, including, without limitation, in connection with acquisitions. Upon the completion of the Merger, in particular, based on the exchange ratio of 0.2490, the estimated number of shares of our Common Stock issuable as a portion of the Merger consideration is expected to be approximately 14.8 million shares. Any shares issued in connection with the activities described in this paragraph, our stock compensation plans or otherwise would dilute the percentage ownership held by holders of our Common Stock.

## **Risks Related to Frutarom**

In addition to the risks we face, Frutarom also faces the following risks.

### ***Frutarom's operations are subject to effects of the global economy.***

Due to the nature and type of its global activity, Frutarom is exposed to fluctuations in the global economy. Economic crisis and recession in various countries in which Frutarom operates could curb demand for Frutarom's products and significantly slow down the development and launch of new products by Frutarom customers.

### ***Frutarom's operations in emerging markets are subject to political, economic and legal developments that are less predictable than those in developed markets.***

Frutarom operates in a number of countries besides the United States and Western Europe, such as Russia, Ukraine, Turkey, Slovenia, Kazakhstan, China, countries in South and Central America (including Brazil, Guatemala, Peru, Chile and Mexico) and countries in northern, southern and western Africa, and is therefore



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exposed to political, economic and legal developments in these countries which are generally less predictable than in developed countries. Frutarom's facilities in these countries could be subject to disruption as a result of economic and/or political instability as well as from nationalization and/or expropriation of assets situated there. There is also substantial risk relating to restrictions on Frutarom in collecting payment from its customers, distributors, or agents, as well as foreign exchange restrictions which could impede Frutarom's ability to realize its profits or to sell its assets in these countries. While none of the emerging market countries in which Frutarom operates impose foreign exchange restrictions that affect Frutarom, such restrictions existed not long ago and there is no assurance that they will not be reinstated in the future.

***Fluctuations or devaluations in currencies may negatively affect Frutarom's results of operations.***

Over 70% of Frutarom's sales in 2017 were conducted in currencies other than the U.S. dollar, mainly the Euro, Russian Ruble, Pound Sterling, Swiss Franc, New Israeli Shekel, Chinese Yuan, Canadian Dollar, Brazilian Real, South African Rand, Peruvian Nuevo Sol and Mexican Peso, and changes in exchange rates affect Frutarom's reported results in US dollar terms. In addition, in cases of extreme fluctuations in exchange rates, and since a large part of the raw materials used in the manufacture of Frutarom's products is paid for in U.S. dollars, in Euros, or other currencies, there is no assurance that Frutarom can completely update its selling prices denominated in local currency (which is different from the currency used in buying the raw material) and maintain its margin. Frutarom does not generally undertake external hedging action nor does it use other financial instruments for protection against currency fluctuations. For further information see Frutarom's audited financial statements included in this prospectus supplement.

***Frutarom operates in a highly competitive industry.***

Frutarom faces competition from large multinationals as well as medium-sized, small and local companies across the sectors in which it operates. Some of Frutarom's competitors have greater financial and technological resources, larger sales and marketing platforms and more established reputation, and may therefore be better equipped to adapt to changes and industry trends.

The global market for flavors is characterized by close relations between flavor manufacturers and their customers, particularly with regard to large multinationals. Furthermore, many large multinational customers, along with increasing numbers of medium-sized customers in recent years, sometimes limit the number of their suppliers and work predominantly with a list of approved suppliers. To compete more effectively under these conditions, Frutarom must invest more resources in customer relations, in R&D and in matching products to customers' needs in order to provide high quality and efficient service. Any failure to maintain good relations with its customers, forge strong relations with new customers, or secure the status of approved supplier with some of its customers could lead to substantial adverse effects on Frutarom's business, operating results and financial condition.

The specialty fine ingredients market is more price sensitive than the flavors market and is characterized by relatively lower profit margins. Some fine ingredients products manufactured by Frutarom are less unique and more replaceable by competitors' products. Production overcapacity for fine ingredients globally could also negatively impact Frutarom's sales and profitability. Although as part of its strategy Frutarom focuses on specialty fine ingredients with higher profit margins, there is no assurance that operating margins will not erode in the future, which could substantially impact Frutarom's business, operating results and financial condition.

***Increased environmental, health and safety regulations or the loss of necessary environmental permits could adversely affect Frutarom's operating results and financial condition.***

Frutarom is subject to a variety of international and domestic health, safety and environmental statutes in the various countries in which it operates. In general, there is a trend towards increased regulation in the fields of Frutarom's activities. This trend stems from, among other things, growing consumer sensitivity concerning the

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inclusion of flavor additives in food products and the fact that regulators perceive nutraceuticals, medical food and functional food products as having medicinal attributes. In some countries such products may be subjected to the same standards and regulations as applied to drugs or targeted regulation for these categories. In addition, regulators in different countries can change regulations applying to infant nutrition or clinical nutrition for the elderly in a way that might affect Frutarom's sales in these categories. Frutarom has identified the markets for nutraceuticals, functional food, specialty fine ingredients for infant nutrition, especially infant formulas, and clinical nutrition for the elderly as important to its future growth. The subjecting of these markets to increased regulation could give rise to additional expenses which might have an adverse effect on Frutarom's business, operating results and financial condition.

Companies such as Frutarom that operate in the flavor and fine ingredients industry make use of, manufacture, sell, and distribute substances that are sometimes considered hazardous and are therefore subject to extensive regulation concerning the storage, handling, manufacture, transport, use and disposal of such substances and their components and byproducts. Frutarom's production and R&D activities in the various countries where it operates are subject to various regulations and standards relating to air emissions, sewage treatment and the use, handling and discharge of hazardous material as well as clean-up of existing environmental contamination. Any further tightening of such laws and regulations could have a substantial adverse effect on Frutarom's business, operating results and financial condition.

In addition to covering its ongoing environmental compliance costs, Frutarom might also incur nonrecurring charges associated with remedial action needed to be taken at its production sites. As environment-related incidents cannot be foreseen with any certainty, the sums that Frutarom allocates or will allocate for such matters may turn out to be inadequate. Ongoing and nonrecurring environment-related expenses could each have a substantial adverse effect on Frutarom's business, operating results and financial condition.

Frutarom is required to obtain various environmental permits concerning operations at its various production facilities and to meet the conditions set by these permits. The expansion of existing plants is also subject to securing necessary permits. Such permits might be unilaterally revoked or modified by the issuer, or might be for a limited amount of time. Any cancellation, modification and/or failure to renew or obtain a permit could have a significant adverse effect on Frutarom's business, operating results and financial condition.

### ***Failure to comply with environmental, health and safety laws and regulations may expose Frutarom to civil and criminal liability.***

The laws and regulations concerning the environment, health and safety may subject Frutarom to civil and/or criminal liability for non-compliance or environmental pollution. Environmental, health and safety laws may include criminal sanctions (including substantial penalties) for violating them. Some environmental laws also include provisions imposing complete responsibility for the release of hazardous substances into the environment which could result in Frutarom becoming liable for clean-up efforts without any negligence or fault on its part. Other environmental laws impose liability jointly and severally, which could expose Frutarom to responsibility for cleaning up environmental pollution caused by others.

In addition, some environmental, health and safety laws are applied retroactively and could impose responsibility for acts done in the past even if such acts were carried out in accordance with the relevant legal provisions in force at the time. Criminal or civil liability under such laws may have significant adverse effects on Frutarom's business, operating results and financial condition.

Frutarom may also become subjected to claims for personal injury or property damage arising from exposure to hazardous substances. Laws in the major countries where Frutarom operates permit legal proceedings to be instituted

against it if personal injury or environmental contamination was ostensibly caused by activity at its production sites in these countries. Such legal proceedings could also be instituted by private individuals or non-governmental organizations.

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**Table of Contents*****Fluctuations in prices of raw materials needed for producing Frutarom's products may negatively impact its results of operations.***

The price, quality and availability of the main raw materials that Frutarom uses, especially in the field of natural products, are subject to fluctuations arising from global supply and demand. Many raw materials used by Frutarom are agricultural products whose prices, quality and availability could be affected by, among other things, poor weather conditions. Frutarom does not normally conduct futures transactions in raw materials and is exposed to price fluctuations in the raw materials it uses according to changes in global trends for prices of these raw materials. In recent periods, there has been a rise in the prices of a number of principal raw materials used by Frutarom, and such trends may have a significant adverse effect on Frutarom's business, operating results and financial condition.

***The inability to obtain raw materials due to the loss of third party suppliers or unavailability of raw materials could impair Frutarom's sales and adversely affect its operating results.***

Frutarom is dependent on third parties for the supply of raw materials needed for manufacturing its products. Although Frutarom purchases raw materials from a very wide range of suppliers and no individual supplier accounted for more than 3% of its total raw material usage in 2017, and even though there is more than one supplier for most of the raw materials bought by Frutarom and they are usually readily available, there is no assurance that this will also continue to be the case in the future. Severe weather conditions may cause a significant shortage of natural raw materials used by Frutarom. A shortage of these raw materials could impair Frutarom's sales for a certain period of time and adversely affect its operating results.

***Product liability claims against Frutarom and potential damages under those claims could have significant adverse effects on Frutarom's business, operating results and financial condition.***

Frutarom is exposed to product liability risk, particularly due to the fact that it supplies flavors to the food and beverage, flavor and fragrance, functional food, pharma/nutraceutical and personal care industries. Should Frutarom be found responsible in a large claim of this type, its insurance coverage might be inadequate to cover damages and/or legal expenses. A lack of adequate insurance coverage could result in a significant adverse effect on Frutarom's business, operating results and financial condition. Product liability claims brought against Frutarom could damage its reputation as well as put heavy demand on management's time and efforts, and this could have significant adverse effects on Frutarom's business regardless of the outcome of the claim.

***The inability to integrate the businesses acquired by Frutarom during its recent growth period may lead to disruptions in its business and failure to capitalize on anticipated synergies.***

A key element of Frutarom's growth strategy has been growth through the acquisition of flavor and specialty fine ingredients manufacturers. In line with this strategy, Frutarom has made many strategic acquisitions of companies and business activities in recent years. The integration of acquired activities involves a number of risks, including possible adverse effects on Frutarom's operating results, the loss of customers, the consuming of senior management's time and attention, and the failure to retain key personnel including managers of the acquired activities, along with risks associated with unanticipated events in the integration of the operations, technologies, systems and services of the acquired business. In addition, Frutarom may be unable to capitalize on the anticipated synergies (including those aimed at cost savings) inherent in such acquisitions. Failure in successfully integrating its acquisitions could have adverse effects on Frutarom's business, operating results and financial condition.

The rapid growth, as in recent years, in both Frutarom's activities and its geographical spread requires effective management to ensure that the financial benefits, tapping of synergies and the economies of scale are achieved. An

inability to adapt to the rapid growth could result in losses or acquisition costs that will not be recovered as quickly as anticipated, if at all. Such circumstances could have significant adverse effects on Frutarom's business, its operating results and financial condition.

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***The loss of skilled personnel, members of senior management or other key employees could negatively impact Frutarom's ability to compete and implement its strategy.***

Frutarom's continued future success depends on its ability to attract and retain proficient flavorists (flavor developers), lab technicians and other skilled personnel. Frutarom operates in a highly specialized market where product quality is of critical importance and having skilled personnel is necessary for ensuring the supply of high quality products. If a number of such employees were to leave at the same time, Frutarom could encounter difficulties in finding replacements with equivalent experience and abilities, a situation which could impair Frutarom's R&D capabilities. Furthermore, Frutarom's continued success depends to a large extent on its senior management team. The loss of services from members of senior management or other key employees could have a negative impact on Frutarom's results and its ability to implement its strategy. A failure to recruit and retain skilled personnel or members of senior management could have a significant adverse effect on Frutarom's business, operating results and financial condition.

***The inability to protect its intellectual property or the loss of exclusive use of its proprietary formulas to create flavors may have a significant adverse impact on Frutarom's business, operating results and financial condition.***

Frutarom's business relies on intellectual property, mainly consisting of formulas used to create its flavors. Frutarom does not register these formulas but they are kept highly confidential and considered trade secrets and, as such, are accessible to just a very limited circle of people within Frutarom. Although Frutarom believes it is not significantly reliant on any individual intellectual property right, proprietary formula, patent or license, a breach of confidentiality with respect to the formulas or loss of access to them and/or the future expiration of intellectual property rights could have a significant adverse impact on Frutarom's business, operating results and financial condition.

Frutarom relies, in part, on confidentiality agreements, ownership of intellectual property, and non-competition agreements with employees, vendors and third parties in order to protect its intellectual property. It is possible that these agreements will be breached and that Frutarom may lack an adequate remedy for any such breach. Disputes may arise concerning the ownership of intellectual property or the extent to which the confidentiality agreements remain in force. Furthermore, Frutarom's trade secrets may become revealed to its competitors or developed independently by them, in which case Frutarom will not be able to enjoy exclusive use of some of its formulas or maintain confidentiality concerning its products.



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**FORWARD-LOOKING STATEMENTS**

Statements in this prospectus supplement and the documents incorporated by reference, which are not historical facts or information, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current assumptions, estimates and expectations and include statements concerning (i) our ability to achieve long-term sustainable growth and increase shareholder value, (ii) growth potential in the emerging markets, (iii) the anticipated impact of our acquisitions on our market position within key markets, (iv) our competitive position in the market and expected financial results in 2018, (v) expected savings from profit improvement initiatives, (vi) expected capital expenditures and cost pressures in 2018, (vii) the impact of the Tax Cuts and Jobs Act (the Tax Act) on the Company's effective tax rate in 2018, (viii) the expected level of share repurchases under the Company's share repurchase program, (ix) our ability to innovate and execute on specific consumer trends and demands, (x) timing of completion or relocation of our plants in China, (xi) expected increases in raw material costs in 2018, (xii) the impact of operational performance, cost reduction efforts and mix enhancement on margin improvement, and (xiii) the amount of expected pension contributions in 2018. These forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Certain of such forward-looking information may be identified by such terms as expect, anticipate, believe, intend, outlook, may, estimate, should, and predict and similar terms or variations thereof. Such forward-looking statements are based on a series of expectations, assumptions, estimates and projections about the Company, are not guarantees of future results or performance, and involve significant risks, uncertainties and other factors, including assumptions and projections, for all forward periods. Our actual results may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others, those discussed in the Risk Factors section of this prospectus supplement and the following:

the impact of the Merger;

our ability to effectively compete in our market, and to successfully develop new products that appeal to our customers and consumers;

our ability to provide our customers with innovative, cost-effective products;

the impact of a disruption in our manufacturing operations;

the impact of the BASF Group supply chain disruption on the supply and price of a key ingredient in 2018;

our ability to implement our Vision 2020 strategy;

the impact of the recently-enacted Tax Act on our effective tax rate in 2018 and beyond;

our ability to successfully market to our expanding and decentralized Flavors customer base;

our ability to react in a timely manner to changes in the consumer products industry related to health and wellness;

our ability to establish and maintain collaborations, joint ventures or partnerships, which lead to the development or commercialization of products;

our ability to benefit from our investments and expansion in emerging markets;

the impact of international operations that are subject to regulatory, political, economic, currency exchange and other risks, including in countries such as Turkey and Argentina;

the impact of economic uncertainty which may adversely affect demand for consumer products using flavors and fragrances;

our ability to attract and retain talented employees;

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our ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws;

our ability to realize the expected cost savings and efficiencies from our profitability improvement initiatives and the optimization of our manufacturing facilities;

volatility and increases in the price of raw materials, energy and transportation;

our ability to maintain the integrity of our raw materials, supply chain and finished goods, and comply with applicable regulations;

our ability to successfully manage our inventory and/or working capital balances;

the impact of violations of the U.S. Foreign Corrupt Practices Act or similar U.S. or foreign anti-bribery and anti-corruption laws and regulations in the markets in which we operate;

our ability to protect our intellectual property rights;

uncertainties regarding the outcome of, or funding requirements, related to litigation or settlement of pending litigation, uncertain tax positions or other contingencies;

the impact of any future impairment of our tangible or intangible long-lived assets;

the impact of changes in our tax rates, tax liabilities, the adoption of new United States or international tax legislation, or changes in existing tax laws;

our ability to successfully estimate the impact of certain accounting and tax matters; and

the potential adverse impact of Brexit on currency exchange rates, global economic conditions and cross-border agreements that affect our business.

The foregoing list of important factors does not include all such factors, nor necessarily present them in order of importance. In addition, you should consult other disclosures made by the Company (such as in our other filings with the SEC or in company press releases) for other factors that may cause actual results to differ materially from those projected by the Company. For additional information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see "Risk Factors" in this prospectus supplement and the accompanying prospectus, as well as the risks described in the "Risk Factors" section of the Company's most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q and as may be included from time to time in our reports filed

with the SEC.

The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results. The Company can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this prospectus supplement and the accompanying prospectus, or included in any of our periodic reports filed with the SEC and incorporated by reference into this prospectus supplement could materially and adversely impact our results of operations, financial condition and liquidity and our future financial results.

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**Table of Contents****USE OF PROCEEDS**

We estimate that the net proceeds to us from this Common Stock offering, after deducting underwriting discounts and estimated offering expenses payable by us, will be approximately \$1,456 million (or up to approximately \$1,602 million if the underwriters exercise their option to purchase additional shares of our Common Stock). We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent tangible equity units offering, the Debt Financings and cash on hand to finance the Merger and to pay related fees and expenses. If for any reason the Merger is not consummated, we intend to use the net proceeds from this offering for general corporate purposes. See Summary Recent Developments.

Completion of this Common Stock offering is not contingent on completion of the concurrent tangible equity units offering, the Debt Financings or the Merger. The concurrent tangible equity units offering, the Debt Financings and the Merger are not contingent on the completion of this offering. Accordingly, even if the Merger is not consummated, our shares of Common Stock sold in this offering will remain outstanding, and we will not have any obligation to offer to repurchase any or all of the shares of Common Stock sold in this offering.

The following table outlines the sources and uses of funds for the Merger, assuming the underwriters do not exercise their respective options to purchase additional shares of Common Stock in this offering and additional tangible equity units in the concurrent tangible equity units offering. The table assumes that the Merger, this Common Stock offering, the concurrent tangible equity units offering and the Debt Financings are completed simultaneously, but this Common Stock offering, the concurrent tangible equity units offering and the Debt Financings are expected to occur before completion of the Merger. Amounts in the table are in millions of dollars and are estimated, and actual amounts may vary from the estimated amounts.

| Sources of Funds  | (in millions)   |   | Uses of Funds   |
|---|-----------------|---|-----------------|
| Cash and cash equivalents   | \$ 241          | Merger consideration <sup>(2)</sup>                     | \$ 6,189        |
| New Term Loan   | 350             | Merger and offering fees and expenses <sup>(3)</sup>    | 179             |
| New Notes <sup>(1)</sup>  | 2,750           | Repayment of outstanding indebtedness <sup>(4)(5)</sup> | 1,047           |
| Tangible equity units offering <sup>(1)</sup>                                   | 750             | Breakage costs related to debt repayment <sup>(6)</sup> | 40              |
| Common Stock offered hereby <sup>(1)</sup>                                      | 1,500           | General corporate purposes                              | 40              |
| Equity consideration to Frutarom shareholders and option holders <sup>(2)</sup> | 1,904           |   |                 |
| <b>Total Sources</b>  | <b>\$ 7,495</b> | <b>Total Uses</b>                                       | <b>\$ 7,495</b> |

(1) Before underwriting discounts and expenses and, with respect to the Common Stock offering and the tangible equity units offering, assumes no exercise of the underwriters' respective options.

(2) Based on the number of Frutarom's outstanding ordinary shares and share-based awards as of June 30, 2018 and a price per share of our common stock of \$127.72, which was the closing price of our common stock on the NYSE on September 5, 2018.

(3) Includes estimated underwriting discounts and expenses of this offering, the concurrent tangible equity units offering and the Debt Financings and the Merger.

(4)

- We intend to prepay in full our (i) \$100 million in aggregate principal amount of 6.35% Series B Senior Notes due 2019, (ii) \$50 million in aggregate principal amount of 6.50% Series C Senior Notes due 2022 and (iii) \$100 million in aggregate principal amount of 6.79% Series D Senior Notes due 2027.
- (5) We intend to repay \$797 million of outstanding Frutarom debt. The calculation of the amount of Frutarom's debt to be repaid is as of June 30, 2018, and reflects the conversion into U.S. dollars of indebtedness denominated in foreign currencies (primarily euros) based on exchange rates as of June 30, 2018.
  - (6) The make-whole amounts included are estimated amounts calculated based on relevant treasury yields as of August 15, 2018.

**Table of Contents****CAPITALIZATION**

The following sets forth our capitalization on a consolidated basis as of June 30, 2018:

on an actual basis;

on an as adjusted basis to reflect the issuance and sale of Common Stock offered hereby (but not the application of the proceeds therefrom), after deducting underwriting discounts and estimated offering expenses payable by us (assuming no exercise of the underwriters' option to purchase additional shares of our Common Stock);

on an as further adjusted basis to reflect the concurrent issuance and sale of our tangible equity units after deducting the underwriting discounts and estimated offering expenses (but not the application of the proceeds therefrom), assuming no exercise of the underwriters' option to purchase additional tangible equity units; and

on a pro forma as further adjusted basis to give further effect to (i) the Debt Financings and the payment of related fees and expenses and (ii) the Merger.

This table should be read in conjunction with the other sections of this prospectus supplement and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Incorporation of Certain Information by Reference" in this prospectus supplement. In addition, investors should not place undue reliance on the as adjusted, as further adjusted or pro forma as further adjusted information included below because this offering is not contingent upon completion of any of the transactions reflected in the adjustments below.

| (in thousands)   | As of June 30, 2018 |              |                        | Pro Forma<br>As Further<br>Adjusted |
|--|---------------------|--------------|------------------------|-------------------------------------|
|  | Actual              | As Adjusted  | As Further<br>Adjusted |                                     |
| Cash and cash equivalents  | \$ 322,423          | \$ 1,778,673 | \$ 2,504,798           | \$ 296,947                          |
| Commercial paper   |                     |              |                        |                                     |
| Long-term debt:  |                     |              |                        |                                     |
| Credit facilities  | 103,988             | 103,988      | 103,988                | 103,988                             |
| Series B, C, D Senior Notes <sup>(1)</sup>   | 249,776             | 249,776      | 249,776                |                                     |
| 3.20% Senior Notes due 2023  | 298,823             | 298,823      | 298,823                | 298,823                             |
| 1.75% Senior Notes due 2024  | 573,514             | 573,514      | 573,514                | 573,514                             |
| 4.375% Senior Notes due 2047   | 492,941             | 492,941      | 492,941                | 492,941                             |
| Senior amortizing notes that are components of the tangible equity units being offered concurrently <sup>(2)</sup> |                     |              | 122,778                | 122,778                             |

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|   |              |              |              |               |
|---|--------------|--------------|--------------|---------------|
| New Notes                                     |              |              |              | 2,732,116     |
| New Term Loan                                 |              |              |              | 347,429       |
| Other   | 4,647        | 4,647        | 4,647        | 4,647         |
| Total debt <sup>(3)</sup>                     | 1,723,689    | 1,723,689    | 1,846,467    | 4,676,236     |
| Shareholders' equity:                         |              |              |              |               |
| Common Stock                                  | 14,470       | 15,910       | 15,910       | 15,910        |
| Capital in excess of par value <sup>(4)</sup> | 167,432      | 1,622,242    | 2,225,589    | 3,428,168     |
| Retained earnings                             | 3,992,452    | 3,992,452    | 3,992,452    | 3,901,607     |
| Accumulated other comprehensive loss          | (692,498)    | (692,498)    | (692,498)    | (692,498)     |
| Treasury stock, at cost                       | (1,732,001)  | (1,732,001)  | (1,732,001)  | (1,030,611)   |
| Total shareholders' equity <sup>(5)</sup>     | 1,749,855    | 3,206,105    | 3,809,452    | 5,622,576     |
| Total capitalization                          | \$ 3,473,544 | \$ 4,929,794 | \$ 5,655,919 | \$ 10,298,812 |

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- (1) Includes (i) \$100,000,000 aggregate principal amount 6.35% Series B Senior Notes due 2019, (ii) \$50,000,000 aggregate principal amount 6.50% Series C Senior Notes due 2022 and (iii) \$100,000,000 aggregate principal amount 6.79% Series D Senior Notes due 2027.
- (2) Each tangible equity unit will include an amortizing note. Approximately 17% of the stated amount of the tangible equity units is represented by the amortizing notes.
- (3) As of June 30, 2018, we had approximately \$104.0 million outstanding under our revolving credit facility (including 90 million euro converted at an exchange rate of U.S. \$1.1554 per euro as of June 30, 2018) and no borrowings outstanding under our commercial paper program.
- (4) Each tangible equity unit will include a purchase contract. We will account for the purchase contracts that are components of the tangible equity units as equity and expect to record the initial fair value of these purchase contracts, net of the underwriting discounts and offering expenses allocated to the purchase contracts, as additional paid-in capital. The exact amount we record as additional paid-in capital will not be determined until the determination of the final offering expenses of the tangible equity units offering. Approximately 83% of the stated amount of the tangible equity units will be represented by the purchase contracts and the underwriting discounts and offering expenses will be allocated to the purchase contracts.
- (5) Does not include noncontrolling interest.

**Table of Contents****PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Shares of our Common Stock are traded on the NYSE and Euronext Paris under the symbol IFF.

On September 12, 2018, the closing price of our Common Stock on the NYSE was \$131.15 per share. As of September 6, 2018, we had approximately 1,668 shareholders of record holding shares of our Common Stock.

Although we have paid dividends in the past, all future declarations of dividends are subject to the final determination of our board of directors, in its discretion, based on a number of factors that it deems relevant, including our financial position, results of operations, available cash resources, cash requirements, applicable law and alternative uses of cash that our board of directors may conclude would be in the best interest of the IFF and our shareholders.

The table below shows the high and low closing prices for our Common Stock, and the cash dividends we paid per share for the quarterly periods indicated.

|  | <b>High</b> | <b>Low</b> | <b>Dividends<br/>declared per<br/>share</b> |
|--|-------------|------------|---|
| <b>Fiscal Year 2018:</b>                   |             |            |   |
| First Quarter                              | \$ 156.87   | \$ 132.60  | \$ 0.69                                     |
| Second Quarter                             | 143.04      | 122.13     | 0.69  |
| Third Quarter (through September 12, 2018) | 134.45      | 122.95     | 0.73  |
| <b>Fiscal Year 2017:</b>                   |             |            |   |
| First Quarter                              | \$ 136.89   | \$ 115.26  | \$ 0.64                                     |
| Second Quarter                             | 139.73      | 128.98     | 0.64  |
| Third Quarter                              | 145.01      | 131.69     | 0.69  |
| Fourth Quarter                             | 155.44      | 144.47     | 0.69  |
| <b>Fiscal Year 2016:</b>                   |             |            |   |
| First Quarter                              | \$ 122.38   | \$ 97.24   | \$ 0.56                                     |
| Second Quarter                             | 131.30      | 114.65     | 0.56  |
| Third Quarter                              | 143.43      | 124.77     | 0.64  |
| Fourth Quarter                             | 143.64      | 116.64     | 0.64  |

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

On May 7, 2018, IFF, Frutarom and Merger Sub entered into a merger agreement that provides for the acquisition of Frutarom by IFF. Subject to the satisfaction or waiver of certain other closing conditions, IFF will acquire Frutarom through the merger of Merger Sub with and into Frutarom, with Frutarom surviving the merger and becoming a wholly owned subsidiary of IFF.

The following unaudited pro forma condensed combined financial information is presented to illustrate the estimated effects of the merger and certain other adjustments listed below.

The unaudited pro forma condensed combined balance sheet as of June 30, 2018, and the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2018 and the year ended December 31, 2017, respectively, are presented herein. The unaudited pro forma condensed combined balance sheet combines the unaudited consolidated balance sheets of IFF and Frutarom as of June 30, 2018, and gives effect to the merger as if it occurred on June 30, 2018. The unaudited pro forma condensed combined statements of operations combine the historical results of IFF and Frutarom for the six months ended June 30, 2018, and the year ended December 31, 2017, and give effect to the merger as if it occurred on January 1, 2017. The historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the merger, (ii) factually supportable, and (iii) with respect to the unaudited condensed combined statements of operations, expected to have a continuing impact on the combined entity's condensed results.

The merger of IFF and Frutarom will be accounted for using the acquisition method of accounting as per the provisions of Accounting Standards Codification 805, "Business Combinations", which we refer to as ASC 805, with IFF representing the accounting acquirer under this guidance. The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X and primarily give effect to the merger adjustments, which include:

Adjustments to reconcile Frutarom's historical audited and unaudited financial statements prepared in accordance with IFRS as issued by the IASB to U.S. GAAP;

Conforming accounting policies and presentation;

Application of the acquisition method of accounting in connection with the merger;

Adjustments to reflect repayment of certain existing debt facilities of Frutarom and IFF as well as financing arrangements entered into in connection with the merger; and

Effect of acquisition-related costs in connection with the merger.

The pro forma adjustments included in this document are subject to modification based on changes in interest rates, changes in share prices, the final determination of the fair value of the assets acquired and liabilities assumed, additional analysis, and additional information that may become available, which may cause the final adjustments to be materially different from the pro forma condensed combined financial statements presented below. Following the

consummation of the merger, IFF management will perform a detailed review of Frutarom's accounting policies in an effort to determine if differences in accounting policies require further reclassification of Frutarom's results of operations or reclassification of assets or liabilities to conform to IFF's accounting policies and classification. As a result, IFF may subsequently identify additional material differences in the accounting policies which could have a material impact on the unaudited pro forma combined financial information.

The unaudited pro forma condensed combined financial information presented is for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have been realized if the merger had been completed on the dates set forth above, nor is it indicative of future results or financial position of the combined company. Additionally, the final determination of the purchase price and the

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purchase price allocation, upon the completion of the merger, will be based on Frutarom's net assets acquired as of that date and will depend on a number of factors that cannot be predicted with certainty at this time. The unaudited pro forma condensed combined financial information does not reflect any anticipated synergies or dis-synergies, operating efficiencies or cost savings that may result from the merger or potential divestitures that may occur prior to, or subsequent to, the completion of the merger or any acquisition and integration costs that may be incurred. The pro forma adjustments, which IFF believes are reasonable under the circumstances, are preliminary and are based upon available information and certain assumptions described in the accompanying notes to the unaudited pro forma condensed combined financial information. Actual results and valuations may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. Any changes to IFF's stock price, from September 5, 2018 through the date the merger is completed, will also change the purchase price, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the pro forma condensed combined financial statements presented in this document.

The unaudited pro forma condensed combined financial information should be read in conjunction with the notes to the unaudited pro forma condensed combined financial information, Frutarom's audited financial statements for the year ended December 31, 2017 and Frutarom's unaudited quarterly financial statements for the quarterly period ended June 30, 2018, as well as IFF's consolidated financial statements and related notes thereto contained in its Annual Report on Form 10-K for the year ended December 31, 2017 and IFF's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018.

**Table of Contents****Unaudited Pro Forma Condensed Combined Balance Sheet**

As of June 30, 2018

(In thousands, except shares and per-share data)

|  | Historical          |                          | Purchase<br>Accounting<br>Adjustments | Notes | Other<br>Pro Forma<br>Adjustments |    | Notes                | Total |
|--|---------------------|--------------------------|---------------------------------------|-------|-----------------------------------|----|----------------------|-------|
|  | IFF<br>(US<br>GAAP) | FRUTAROM<br>(US<br>GAAP) |                                       |       |                                   |    |                      |       |
| <b>Assets</b>                              |                     |                          |                                       |       |                                   |    |                      |       |
| <b>Current Assets:</b>                     |                     |                          |                                       |       |                                   |    |                      |       |
| Cash and Cash Equivalents                  | \$ 322,423          | \$ 119,807               | \$ (4,258,273)                        | 3     | \$ 4,113,214                      | 6k | \$ 297,171           |       |
| Trade receivables, net                     | 723,855             | 321,797                  |                                       |       |                                   |    | 1,045,652            |       |
| Inventory                                  | 695,192             | 338,881                  | 33,119                                | 6c    |                                   |    | 1,067,192            |       |
| Prepaid expenses and other current assets  | 285,110             | 27,949                   |                                       |       | (26,141)                          | 6h | 286,918              |       |
| <b>Total Current Assets</b>                | <b>2,026,580</b>    | <b>808,434</b>           | <b>(4,225,154)</b>                    |       | <b>4,087,073</b>                  |    | <b>2,696,933</b>     |       |
| Property, plant and equipment, net         | 867,629             | 336,591                  |                                       | 4     |                                   |    | 1,204,220            |       |
| Goodwill                                   | 1,148,586           | 589,250                  | 3,630,062                             | 6b    |                                   |    | 5,367,898            |       |
| Other intangible assets, net               | 391,426             | 442,647                  | 2,027,353                             | 4     |                                   |    | 2,861,426            |       |
| Deferred income taxes assets               | 82,204              | 4,512                    |                                       |       |                                   |    | 86,716               |       |
| Other assets                               | 157,017             | 41,054                   |                                       |       |                                   |    | 198,071              |       |
| <b>Total Assets</b>                        | <b>\$ 4,673,442</b> | <b>\$ 2,222,488</b>      | <b>\$ 1,432,261</b>                   |       | <b>\$ 4,087,073</b>               |    | <b>\$ 12,415,264</b> |       |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b> |                     |                          |                                       |       |                                   |    |                      |       |
| <b>Current Liabilities:</b>                |                     |                          |                                       |       |                                   |    |                      |       |
| Short term borrowings                      | 6,500               | 397,601                  |                                       |       | 194,611                           | 6f | 598,712              |       |
| Accounts payable                           | 315,656             | 225,998                  |                                       |       |                                   |    | 541,654              |       |
| Dividends payable                          | 54,488              |                          | 10,843                                | 3     |                                   |    | 65,331               |       |
| Other current liabilities                  | 322,726             | 26,359                   | 46,392                                | 4     | (36,792)                          | 6l | 358,685              |       |
| <b>Total Current Liabilities</b>           | <b>699,370</b>      | <b>649,958</b>           | <b>57,235</b>                         |       | <b>157,819</b>                    |    | <b>1,564,382</b>     |       |
| Long-term debt                             | 1,717,189           | 399,833                  |                                       |       | 1,960,993                         | 6f | 4,078,015            |       |
| Retirement liabilities                     | 226,221             | 33,690                   |                                       |       |                                   |    | 259,911              |       |
| Deferred income tax liabilities            |                     | 66,234                   | 390,270                               | 6d    |                                   |    | 456,504              |       |
| Other liabilities                          | 274,459             | 19,802                   | (2,186)                               | 4     |                                   |    | 292,075              |       |
| <b>Total Other Liabilities</b>             | <b>2,217,869</b>    | <b>519,559</b>           | <b>388,084</b>                        |       | <b>1,960,993</b>                  |    | <b>5,086,505</b>     |       |

|  |                     |                     |                     |    |                     |    |                      |
|--|---------------------|---------------------|---------------------|----|---------------------|----|----------------------|
| <b>Redeemable Noncontrolling Interest</b>        |                     | 131,398             |                     |    |                     |    | 131,398              |
| <b>Shareholders Equity:</b>                      |                     |                     |                     |    |                     |    |                      |
| Common Stock                                     | 14,470              | 17,094              | (17,094)            | 6e | 1,468               | 6f | 15,938               |
| Capital in excess of par value                   | 167,432             | 116,132             | 1,086,447           | 6e | 2,057,638           | 6f | 3,427,649            |
| Treasury stock, at cost                          | (1,732,001)         | (3,693)             | 705,083             | 6e |                     |    | (1,030,611)          |
| Other equity                                     | 3,299,954           | 787,494             | (787,494)           | 6e | (90,845)            | 6e | 3,209,109            |
| Total Shareholders Equity                        | 1,749,855           | 917,027             | 986,942             |    | 1,968,261           |    | 5,622,085            |
| Noncontrolling interest                          | 6,348               | 4,546               |                     |    |                     |    | 10,894               |
| Total Shareholders Equity including NCI          | 1,756,203           | 921,573             | 986,942             |    | 1,968,261           |    | 5,632,979            |
| <b>Total Liabilities and Shareholders Equity</b> | <b>\$ 4,673,442</b> | <b>\$ 2,222,488</b> | <b>\$ 1,432,261</b> |    | <b>\$ 4,087,073</b> |    | <b>\$ 12,415,264</b> |

See the accompanying *Notes to the Unaudited Pro Forma Condensed Combined Financial Information*, which are an integral part hereof. The pro forma adjustments are explained in the notes below.

**Table of Contents****Unaudited Pro Forma Condensed Combined Statement of Operations****For the Six Months Ended June 30, 2018****(In thousands, except shares and per-share data)**

|   | <b>Historical</b> |                  | <b>Purchase</b>    |              | <b>Other</b>       |              |              |
|---|-------------------|------------------|--------------------|--------------|--------------------|--------------|--------------|
|   | <b>IFF</b>        | <b>FRUTAROM</b>  | <b>Accounting</b>  | <b>Notes</b> | <b>Pro Forma</b>   | <b>Notes</b> | <b>Total</b> |
|   | <b>(US GAAP)</b>  | <b>(US GAAP)</b> | <b>Adjustments</b> |              | <b>Adjustments</b> |              |              |
| <b>Revenue:</b>                                 |                   |                  |                    |              |                    |              |              |
| Net sales                                       | 1,850,944         | 786,110          |                    |              |                    |              | 2,637,054    |
| Cost of goods sold                              | 1,046,419         | 466,928          |                    |              |                    |              | 1,513,347    |
| <i>Gross profit</i>                             | 804,525           | 319,182          |                    |              |                    |              | 1,123,707    |
| <b>Expenses:</b>                                |                   |                  |                    |              |                    |              |              |
| Research and development expenses               | 153,244           | 30,770           |                    |              |                    |              | 184,014      |
| Selling and administrative expenses             | 300,051           | 141,640          |                    |              | (12,455)           | 6h           | 429,236      |
| Restructuring and other charges, net            | 1,903             |                  |                    |              |                    |              | 1,903        |
| Amortization of acquisition-related intangibles | 18,769            | 13,466           | 58,412             | 6a           |                    |              | 90,647       |
| Gain on sales of fixed assets                   | 1,195             | (691)            |                    |              |                    |              | 504          |
| <i>Total expenses</i>                           | 475,162           | 185,185          | 58,412             |              | (12,455)           |              | 706,304      |
| <i>Operating profit</i>                         | 329,363           | 133,997          | (58,412)           |              | 12,455             |              | 417,403      |
| <b>Other income (expense):</b>                  |                   |                  |                    |              |                    |              |              |
| Interest expense                                | 69,841            | 12,758           |                    |              | 43,395             | 6f           | 125,994      |
| Other (income) expense, net                     | (21,232)          | (950)            |                    |              | (10,979)           | 6g           | (33,161)     |
| <i>Total other (income) expense</i>             | 48,609            | 11,808           |                    |              | 32,416             |              | 92,833       |
| Income before taxes                             | 280,754           | 122,189          | (58,412)           |              | (19,961)           |              | 324,570      |
| Taxes on income                                 | 52,190            | 23,600           | (11,215)           | 6a           | (4,385)            | 6j           | 60,190       |
| Net income (Including Noncontrolling Interests) | 228,564           | 98,589           | (47,197)           |              | (15,576)           |              | 264,380      |
|   |                   | 3,204            |                    |              |                    |              | 3,204        |



Less: noncontrolling  
interests

|                                 |         |        |          |          |         |
|---------------------------------|---------|--------|----------|----------|---------|
| Net Income                      | 228,564 | 95,385 | (47,197) | (15,576) | 261,176 |
| Net income per share basic      | 2.89    | 1.61   |          |          | \$ 2.34 |
| Net income per<br>share diluted | 2.87    | 1.63   |          |          | \$ 2.31 |
| Basic shares outstanding        | 79,041  | 59,530 |          |          | 111,564 |
| Diluted shares outstanding      | 79,347  | 60,339 |          |          | 113,045 |

See the accompanying *Notes to the Unaudited Pro Forma Condensed Combined Financial Information*, which are an integral part hereof. The pro forma adjustments are explained in the notes below.

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**Table of Contents****Unaudited Pro Forma Condensed Combined Statement of Operations****For the Year Ended December 31, 2017**

|   | <b>IFF<br/>(US<br/>GAAP)</b> | <b>FRUTAROM<br/>(US GAAP)</b> | <b>Purchase<br/>Accounting<br/>Adjustments</b> | <b>Notes</b> | <b>Other<br/>Pro Forma<br/>Adjustments</b> | <b>Notes</b> | <b>Total</b> |
|---|------------------------------|-------------------------------|--|--------------|--|--------------|--------------|
| <b>Revenue:</b>                                 |                              |                               |  |              |  |              |              |
| Net sales                                       | \$ 3,398,719                 | \$ 1,362,396                  | \$   |              | \$   |              | \$ 4,761,115 |
| Cost of goods sold                              | 1,919,718                    | \$ 837,271                    |  |              | 6,538                                      | 6i           | \$ 2,763,527 |
| <i>Gross profit</i>                             | 1,479,001                    | 525,125                       |  |              | (6,538)                                    |              | 1,997,588    |
| <b>Expenses:</b>                                |                              |                               |  |              |  |              |              |
| Research and development expenses               | 286,026                      | 43,644                        |  |              | 9,443                                      | 6i           | 339,113      |
| Selling and administrative expenses             | 557,311                      | 246,332                       |  |              | 12,833                                     | 6i           | 816,476      |
| Restructuring and other charges, net            | 19,711                       | (340)                         |  |              |  |              | 19,371       |
| Amortization of acquisition-related intangibles | 34,694                       | 22,193                        | 116,824  | 6a           |  |              | 173,711      |
| Gain on sales of fixed assets                   | (184)                        | 1,934                         |  |              |  |              | 1,750        |
| <i>Total expenses</i>                           | 897,558                      | 313,763                       | 116,824  |              | 22,276                                     |              | 1,350,421    |
| <i>Operating profit</i>                         | 581,443                      | 211,362                       | (116,824)                                      |              | (28,814)                                   |              | 647,167      |
| <b>Other (income) expense:</b>                  |                              |                               |  |              |  |              |              |
| Interest expense                                | 65,363                       | 10,075                        |  |              | 83,847                                     | 6f           | 159,285      |
| Other (income) expense, net                     | (20,965)                     | 13,325                        |  |              | (28,814)                                   | 6i           | (36,454)     |
| <i>Total other (income) expense</i>             | 44,398                       | 23,400                        |  |              | 55,033                                     |              | 122,831      |
| Income before taxes                             | 537,045                      | 187,962                       | (116,824)                                      |              | (83,847)                                   |              | 524,336      |
| Taxes on income                                 | 241,380                      | 35,105                        | (22,898)                                       | 6a           | (20,003)                                   | 6j           | 233,584      |
| Net income (Including Noncontrolling Interests) | 295,665                      | 152,857                       | (93,926)                                       |              | (63,844)                                   |              | 290,752      |
| Less: noncontrolling interests                  |                              | 4,895                         |  |              |  |              | 4,895        |

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|                              |         |         |          |          |         |
|------------------------------|---------|---------|----------|----------|---------|
| Net Income                   | 295,665 | 147,962 | (93,926) | (63,844) | 285,857 |
| Net income per share basic   | 3.73    | 2.49    |          |          | 2.56    |
| Net income per share diluted | 3.72    | 2.48    |          |          | 2.54    |
| Basic shares outstanding     | 79,070  | 59,342  |          |          | 111,593 |
| Diluted shares outstanding   | 79,370  | 59,632  |          |          | 113,068 |

See the accompanying *Notes to the Unaudited Pro Forma Condensed Combined Financial Information*, which are an integral part hereof. The pro forma adjustments are explained in the notes below.

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**Table of Contents****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION****(In US\$ thousands, except share and per share data and as otherwise noted)****Note 1 Description of Business Combination**

On May 7, 2018, International Flavors & Fragrances (IFF) entered into an Agreement and Plan of Merger (the merger agreement) with Frutarom Industries Ltd., a company organized under the laws of the State of Israel (Frutarom) and Icon Newco Ltd., a company organized under the laws of the State of Israel and a wholly owned subsidiary of IFF (Merger Sub). Pursuant to the merger agreement, subject to the satisfaction or waiver of specified conditions, Merger Sub will merge with and into Frutarom (the merger), with Frutarom continuing as the surviving company in the merger and a wholly owned subsidiary of IFF.

At the completion of the merger, each ordinary share, par value Israeli New Shekel (to be referred as NIS) 1.00 per share, of Frutarom (the Frutarom ordinary shares) issued and outstanding immediately prior to the completion of the merger (other than Frutarom ordinary shares held by Frutarom as treasury stock (dormant shares) or held directly or indirectly by IFF, Merger Sub or any wholly owned subsidiary of Frutarom) will be converted into the right to receive (i) \$71.19 in cash (the cash consideration) and (ii) 0.249 of a validly issued, fully paid and non-assessable share of common stock, par value \$0.125 per share, of IFF (IFF common stock), with cash in lieu of fractional shares of IFF common stock otherwise issuable (such shares of IFF common stock and any such cash in lieu of fractional shares, together with the cash consideration, the merger consideration), in each case without interest and subject to applicable tax withholding.

At the completion of the merger, each Frutarom stock option and Frutarom restricted stock award that is outstanding and vested as of immediately prior to the completion of the merger, will be canceled in exchange for the right to receive the merger consideration in respect of each net share subject to such vested Frutarom stock option or Frutarom restricted stock award, less applicable tax withholding. For this purpose, net share means, with respect to a Frutarom stock option or Frutarom restricted stock award, the quotient of (i) the product of (A) the excess, if any, of the value of the merger consideration (calculated as specified in the merger agreement) over the exercise price or purchase price per Frutarom ordinary share (as applicable) subject to such Frutarom stock option or Frutarom restricted stock award, multiplied by (B) the number of Frutarom ordinary shares subject to such Frutarom stock option or Frutarom restricted stock award, divided by (ii) the value of the merger consideration.

The merger agreement provides for the Frutarom board of directors to declare a special dividend, on a per share basis, equal to the product of (a) 0.249 and (b) the aggregate per share value of IFF dividends with a record date after the date of the merger agreement and prior to the closing of the merger.

**Note 2 Basis of Presentation**

The accompanying unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X and was based on the historical financial statements of IFF and Frutarom as of and for the year ended December 31, 2017 and as of and for the six months ended June 30, 2018. IFF is deemed to be the accounting acquirer and the pro forma adjustments are preliminary and are based on estimates that are subject to change. The combined group will not be a foreign private issuer as defined in Rule 405 under the Securities Act and Rule 3b-4(c) under the Exchange Act, accordingly the pro forma information of the combined group is prepared in accordance with U.S. GAAP.

The unaudited pro forma condensed combined statements of operations were prepared using:

the historical unaudited consolidated statements of operations and comprehensive income of IFF for the six months ended June 30, 2018;

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the historical audited consolidated statements of operations and comprehensive income of IFF for the year ended December 31, 2017;

the historical unaudited condensed consolidated statements of operations of Frutarom for the six months ended June 30, 2018; and

the historical audited consolidated income statement of Frutarom for the year ended December 31, 2017. IFF's historical audited and unaudited financial statements were prepared in accordance with U.S. GAAP and presented in thousands of U.S. dollars. Frutarom's historical audited and unaudited financial statements were prepared in accordance with IFRS as issued by the IASB and presented in thousands of U.S. dollars. Certain reclassifications were made to align Frutarom's financial statement presentation with that of IFF (see Note 5).

Frutarom's historical audited and unaudited financial statements were reconciled to U.S. GAAP. In addition, a preliminary review of IFRS to U.S. GAAP differences and related accounting policies has been completed based on information made available to date (see Note 5 for further information). However, following the consummation of the merger, IFF management will conduct a detailed review. As a result of that review, IFF management may identify differences that, when finalized, could have a material impact on the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined statements of operations also include certain purchase accounting adjustments, including items expected to have a continuing impact on the condensed combined results.

**Note 3 Estimated Purchase Price**

Pursuant to the merger, shareholders of Frutarom will receive \$71.19 in cash and 0.249 shares of IFF's common stock for each Frutarom ordinary share held prior to the merger. If the aggregate number of shares of IFF common stock to be issued pursuant to the merger agreement would exceed 19.9% of the issued and outstanding shares of IFF common stock immediately prior to the entry into the merger agreement, rounded down to the nearest whole share, the exchange ratio will be reduced by the minimum extent necessary such that the foregoing clause is no longer true, and the cash component of the merger consideration will also be increased accordingly.

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The following table summarizes the components of the preliminary estimated purchase price:

*(In USD thousands, except share data and exchange ratio)*

|  |            |                     |
|--|------------|---------------------|
| Estimated Frutarom s shares outstanding(i)                                       |            | 59,654,657          |
| Cash consideration per share(ii)   |            | 71.19               |
| <b>Total cash paid to shareholders of Frutarom</b>                               |            | <b>\$ 4,246,815</b> |
| Estimated cash paid to vested stock option holders(iii)                          |            | 11,458              |
| Estimated accrual for unvested stock option holders(iv)                          |            | 16,392              |
| Estimated closing dividend payable(v)  |            | 10,843              |
| <b>Estimated cash portion of purchase price</b>                                  | <b>A</b>   | <b>\$ 4,285,508</b> |
| Estimated Frutarom s shares outstanding  |            | 59,654,657          |
| Exchange ratio(vi)   |            | 0.249               |
| Total common shares of IFF to be issued(viii)                                    |            | 14,854,010          |
| IFF s share price(vii)   |            | 127.72              |
| Total equity consideration paid to shareholders of Frutarom                      |            | 1,897,154           |
| Estimated equity consideration paid to vested stock Frutarom option holders(iii) |            | 6,815               |
| <b>Estimated equity portion of purchase price</b>                                | <b>B</b>   | <b>\$ 1,903,969</b> |
| <b>Total estimated consideration to be paid</b>                                  | <b>A+B</b> | <b>\$ 6,189,477</b> |

(i)