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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For Quarterly Period Ended September 30, 2007

Commission file number 1-4858

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

(Exact name of registrant as specified in its charter)



**New York**  
(State or other jurisdiction of  
incorporation or organization)

**13-1432060**  
(IRS Employer  
Identification No.)

**521 West 57th Street, New York, N.Y.**  
(Address of principal executive offices)

**10019-2960**  
(Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares outstanding as of October 19, 2007: 80,971,042

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.  
CONSOLIDATED BALANCE SHEET  
(DOLLARS IN THOUSANDS)  
(Unaudited)

ASSETS	9/30/07	12/31/06
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 61,964	\$ 114,508
Short-term investments	600	604
Trade receivables	443,493	369,870
Allowance for doubtful accounts	(12,832)	(12,715)
Inventories: Raw materials	232,905	213,675
Work in process	9,671	12,686
Finished goods	225,327	220,245
Total Inventories	467,903	446,606
Deferred income taxes	69,076	89,448
Other current assets	88,057	71,482
Total Current Assets	1,118,261	1,079,803
Property, Plant and Equipment, at cost	1,145,395	1,074,772
Accumulated depreciation	(652,802)	(579,648)
	492,593	495,124
Goodwill	665,582	665,582
Intangible Assets, net	69,467	80,134
Other Assets	187,756	158,261
Total Assets	\$ 2,533,659	\$ 2,478,904
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Bank borrowings and overdrafts	\$ 52,578	\$ 15,897
Accounts payable	116,919	111,661
Accrued payrolls and bonuses	51,883	71,976
Dividends payable	20,352	18,764
Income taxes	—	45,251
Restructuring and other charges	4,958	15,288
Other current liabilities	167,318	167,934
Total Current Liabilities	414,008	446,771
<b>Other Liabilities:</b>		
Long-term debt	1,134,493	791,443
Deferred gains	62,415	64,686
Retirement liabilities	161,066	170,719
Other liabilities	213,970	100,117
Total Other Liabilities	1,571,944	1,126,965
Commitments and Contingencies (Note 13)		
<b>Shareholders' Equity:</b>		
Common stock 12½¢ par value; authorized 500,000,000 shares; issued 115,761,840 shares	14,470	14,470
Capital in excess of par value	42,869	96,635
Retained earnings	2,050,343	1,909,599
<b>Accumulated other comprehensive income:</b>		
Cumulative translation adjustment	(27,811)	(31,854)
Accumulated gains (losses) on derivatives qualifying as hedges (net of tax)	(1,432)	(2,465)
Pension and postemployment liability adjustment (net of tax)	(141,828)	(162,553)
	1,936,611	1,823,832
Treasury stock, at cost – 34,843,214 shares in 2007 and 26,344,638 shares in 2006	(1,388,904)	(918,664)
Total Shareholders' Equity	547,707	905,168
Total Liabilities and Shareholders' Equity	\$ 2,533,659	\$ 2,478,904

See Notes to Consolidated Financial Statements

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net sales	\$ 583,313	\$ 539,135	\$ 1,723,140	\$ 1,581,072
Cost of goods sold	339,175	310,149	996,225	907,856
Research and development expenses	49,733	46,471	145,125	137,661
Selling and administrative expenses	94,464	88,092	276,933	261,364
Amortization of intangibles	3,555	3,713	10,666	11,134
Restructuring and other charges	—	316	—	673
Curtailment loss	5,943	—	5,943	—
Interest expense	8,596	6,475	25,306	18,148
Other (income) expense, net	1,239	(6,783)	(1,747)	(6,630)
	<u>502,705</u>	<u>448,433</u>	<u>1,458,451</u>	<u>1,330,206</u>
Income before taxes on income	80,608	90,702	264,689	250,866
Taxes on income	21,764	27,056	64,784	72,348
Net income	58,844	63,646	199,905	178,518
Other comprehensive income:				
Foreign currency translation adjustments	(12,959)	10,050	4,043	24,404
Accumulated gains (losses) on derivatives qualifying as hedges (net of tax)	(1,587)	7,351	1,033	(10,396)
Pension and postemployment plan adjustment (net of tax)	14,183	—	20,725	—
Comprehensive income	<u>\$58,481</u>	<u>\$81,047</u>	<u>\$225,706</u>	<u>\$192,526</u>
Net Income per share – basic	\$0.68	\$0.71	\$2.26	\$1.97
Net Income per share – diluted	\$0.67	\$0.70	\$2.23	\$1.95
Average number of shares outstanding – basic	87,063	90,053	88,538	90,786
Average number of shares outstanding – diluted	88,056	90,988	89,612	91,489
Dividends declared per share	\$0.230	\$0.185	\$0.650	\$0.555

*See Notes to Consolidated Financial Statements*

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(DOLLARS IN THOUSANDS)  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 199,905	\$ 178,518
Adjustments to reconcile to net cash provided by operations:		
Depreciation and amortization	62,825	66,910
Deferred income taxes	(12,202)	(8,904)
Gain on disposal of assets	(7,358)	(14,682)
Equity based compensation	13,310	13,015
Curtailed loss	5,943	—
Changes in assets and liabilities:		
Current receivables	(66,354)	(59,694)
Inventories	(2,381)	12,328
Current payables	(19,338)	34,439
Changes in other assets, net	37,760	34,237
Changes in other liabilities, net	(24,087)	(18,660)
Net cash provided by operations	<u>188,023</u>	<u>237,507</u>
<b>Cash flows from investing activities:</b>		
Net change in short-term investments	(311)	25
Additions to property, plant and equipment	(36,504)	(30,883)
Proceeds from disposal of assets	9,139	14,888
Net cash used in investing activities	<u>(27,676)</u>	<u>(15,970)</u>
<b>Cash flows from financing activities:</b>		
Cash dividends paid to shareholders	(56,248)	(50,815)
Net change in bank borrowings and overdrafts	(137,837)	(36,804)
Proceeds from long-term debt	500,000	375,000
Repayments of long-term debt	—	(499,300)
Proceeds from issuance of stock under stock plans	48,441	40,494
Excess tax benefits on stock options exercised	6,353	362
Purchase of treasury stock	(576,832)	(162,221)
Net cash used in financing activities	<u>(216,123)</u>	<u>(333,284)</u>
Effect of exchange rate changes on cash and cash equivalents	3,232	1,965
<b>Net change in cash and cash equivalents</b>	<b>(52,544)</b>	<b>(109,782)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>114,508</b>	<b>272,545</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 61,964</b>	<b>\$ 162,763</b>
Interest paid	\$ 33,513	\$ 27,271
Income taxes paid	\$ 37,497	\$ 48,680

*See Notes to Consolidated Financial Statements*

## **Notes to Consolidated Financial Statements**

These interim statements and management's related discussion and analysis should be read in conjunction with the consolidated financial statements and their related notes and management's discussion and analysis of results of operations and financial condition included in the Company's 2006 Annual Report on Form 10-K. These interim statements are unaudited. In the opinion of the Company's management, all adjustments, including normal recurring accruals necessary for a fair presentation of the results for the interim periods, have been made.

### **Note 1. New Accounting Pronouncements:**

In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" ("FAS 157"). This standard defines fair value, establishes a framework for measuring fair value and expands disclosures regarding fair value measurements. FAS 157 is effective for years beginning after November 15, 2007. The Company is currently evaluating the potential impact of this standard.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Liabilities – Including an amendment of FASB No. 115" ("FAS 159"). This standard allows companies to elect, at specific election dates, to measure eligible financial assets and liabilities at fair value that are not otherwise required to be measured at fair value. If a company elects the fair value option, subsequent changes in that item's fair value must be recognized in current earnings. FAS 159 is effective for years beginning after November 15, 2007. The Company is currently evaluating the potential impact of this standard.

### **Note 2. Reclassifications:**

Certain reclassifications have been made to the prior period's financial statements to conform to 2007 classifications.

### **Note 3. Net Income Per Share:**

Net income per share is based on the weighted average number of shares outstanding. A reconciliation of the shares used in the computation of basic and diluted net income per share is as follows:

<u>(SHARES IN THOUSANDS)</u>	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Basic	87,063	90,053	88,538	90,786
Assumed conversion under stock plan	993	935	1,074	703
Diluted	<u>88,056</u>	<u>90,988</u>	<u>89,612</u>	<u>91,489</u>

Stock options to purchase 252,000 and 171,000 shares for the third quarter and the nine months of 2007, respectively, and 1,357,000 and 1,416,000 for the third quarter and nine months of 2006, respectively, were excluded from the computation of diluted net income per share for the respective periods since the impact was anti-dilutive.

### **Note 4. Common Stock Repurchases:**

During the first six months of 2007, under a share repurchase program of \$300 million authorized in October 2006 (the "October 2006 Plan"), the Company repurchased approximately 1.6 million shares at a cost of \$81 million; at June 30, 2007, the Company had approximately \$125 million remaining under the October 2006 Plan. In July 2007, the October 2006 Plan was terminated and superseded by a new program authorized by the Company's Board of Directors ("Board") to repurchase up to 15% or \$750 million worth of the Company's outstanding common stock, whichever is less (the "July 2007 Plan").

In September 2007, under the July 2007 Plan, the Company entered into two agreements to purchase shares of its common stock under a \$450 million accelerated share repurchase ("ASR")

program. On September 28, 2007, the Company paid \$450 million in exchange for an initial delivery of 7.6 million shares under the ASR, representing 90% of the shares that could have been purchased, based on the average trading price of the Company's stock, on that date. The remaining 10%, or \$45 million, not used in the initial settlement will be included in the determination of the cost of the shares purchased on completion of the ASR. This amount was reflected in the accompanying Consolidated Balance sheet as a reduction to Capital in excess of par value.

Under the first agreement (the "Collared ASR"), \$112.5 million of share purchases are subject to collar provisions that establish minimum and maximum number of shares based on the volume-weighted average price of the Company's stock ("VWAP") over an initial hedge period. Under the Collared ASR, the minimum number of shares was set at 1.9 million and the maximum number of shares was set at 2.2 million shares when the hedge period ended on October 3, 2007.

Under the second agreement (the "Uncollared ASR"), the number of shares to be repurchased is based on the VWAP of the common stock during the term of the Uncollared ASR.

On completion of the ASR, the Company may receive additional shares or may be required to pay cash or additional shares at the option of the Company, based on the VWAP of the common stock during the agreement term. Proceeds from the \$500 million Senior Unsecured Notes described in Note 8 funded the ASR payment.

#### Note 5. Restructuring and Other Charges:

As described in Note 2 to the Consolidated Financial Statements in the Company's 2006 Annual Report, the Company had undertaken a significant reorganization, including management changes, consolidation of production facilities and related actions.

Movements in restructuring liabilities, included in Other current liabilities in the accompanying balance sheet, were (in millions):

	Employee- Related	Asset- Related and Other	Total
Balance December 31, 2006	\$ 12.9	\$ 2.4	\$ 15.3
Cash and other costs	(8.2)	(2.1)	(10.3)
Balance September 30, 2007	<u>\$ 4.7</u>	<u>\$ 0.3</u>	<u>\$ 5.0</u>

The balance of the employee-related liabilities are expected to be utilized by the end of 2008 as obligations are satisfied; the asset-related charges are expected to be utilized in 2007 on final decommissioning and disposal of the affected equipment.

#### Note 6. Goodwill and Other Intangible Assets, Net:

Goodwill by operating segment at September 30, 2007 and December 31, 2006 are as follows:

(DOLLARS IN THOUSANDS)	Amount
Flavors	\$ 319,479
Fragrances	346,103
Total	<u>\$ 665,582</u>

Trademark and other intangible assets consist of the following amounts:

(DOLLARS IN THOUSANDS)	September 30, 2007	December 31, 2006
Gross carrying value	\$ 165,406	\$ 165,406
Accumulated amortization	95,939	85,272
Total	<u>\$ 69,467</u>	<u>\$ 80,134</u>

Amortization expense for the nine months ended September 30, 2007 was \$10.7 million compared to \$11.1 million for the nine months ended September 30, 2006; estimated annual amortization is \$13 million in 2007 and \$6 million in each year from 2008 through 2012.

**Note 7. Accumulated Other Comprehensive Income:**

Changes in the Accumulated other comprehensive income component of Shareholders' Equity were as follows:

(DOLLARS IN THOUSANDS)	Translation adjustments	Accumulated (losses) gains on derivatives qualifying as hedges, net of tax	Pension and post-employment plan adjustment, net of tax	Total
Balance December 31, 2006	\$ (31,854)	\$ (2,465)	\$ (162,553)	\$ (196,872)
Change	4,043	1,033	20,725	25,801
Balance September 30, 2007	<u>\$ (27,811)</u>	<u>\$ (1,432)</u>	<u>\$ (141,828)</u>	<u>\$ (171,071)</u>

(DOLLARS IN THOUSANDS)	Translation adjustments	Accumulated losses on derivatives qualifying as hedges, net of tax	Minimum pension obligation, net of tax	Total
Balance December 31, 2005	\$ (47,369)	\$ (2,606)	\$ (100,380)	\$ (150,355)
Change	24,404	(10,396)	—	14,008
Balance September 30, 2006	<u>\$ (22,965)</u>	<u>\$ (13,002)</u>	<u>\$ (100,380)</u>	<u>\$ (136,347)</u>

**Note 8. Borrowings:**

Debt consists of the following:

(DOLLARS IN THOUSANDS)	Rate	Maturities	September 30, 2007	December 31, 2006
Bank borrowings and overdrafts			\$ 52,578	\$ 15,897
Total current debt			52,578	15,897
Senior notes – 2006	5.94%	2009 – 16	375,000	375,000
Senior notes – 2007	6.37%	2017 – 27	500,000	—
Bank borrowings	4.29%	Various	127,916	287,904
Japanese Yen notes	2.45%	2008 – 11	132,544	127,684
Other		2011	32	38
Deferred realized gains on interest rate swaps			848	817
FAS 133 adjustment			(1,847)	—
Total long-term debt			1,134,493	791,443
Total debt			<u>\$ 1,187,071</u>	<u>\$ 807,340</u>

On September 27, 2007, the Company issued \$500 million of Senior Unsecured Notes (“Senior Notes – 2007”) in four series: (i) \$250 million in aggregate principal amount of 6.25% Series A Senior Notes due September 27, 2017, (ii) \$100 million in aggregate principal amount of 6.35% Series B Notes due September 27, 2019, (iii) \$50 million in aggregate principal amount of 6.50% Series C Notes due September 27, 2022 and (iv) \$100 million in aggregate principal amount of 6.79% Series D Notes due September 27, 2027. In contemplation of this debt issuance, the Company entered into interest rate hedge contracts, with a notional amount of \$400 million to manage its exposure to changes in interest rates. The contracts were designated as hedges of the variability of the cash flows due to changes in the long-term benchmark interest rates and the credit spread. The Company recorded a \$1.6 million gain on the settlement of these interest rate hedge contracts, which coincided with the issuance of the long-term fixed-rate debt. The gain was recorded in Other comprehensive income and is being amortized as a reduction of interest expense over the term of the related debt.

**Note 9. Income Taxes:**

In June 2006, the FASB issued Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, which clarifies the application of FAS 109 by prescribing the minimum threshold a tax position must meet before being recognized in the financial statements. Under FIN 48, the financial statement effect of a tax position is initially recognized when it is more likely than not the position will be sustained upon examination. A tax position that meets the "more likely than not" recognition threshold is initially and subsequently measured as the largest amount of benefit, determined on a cumulative probability basis, that is more likely than not to be realized upon ultimate settlement with the taxing authority.

As a result of adopting FIN 48, the Company recognized a \$1 million increase in Other liabilities for unrecognized tax benefits and a corresponding cumulative effect adjustment to Retained earnings. Also as prescribed by FIN 48, certain tax related amounts in the Consolidated Balance Sheet are classified differently than in prior periods. Amounts receivable from various tax jurisdictions are now included in Other current assets and tax reserves previously classified as accrued taxes on income are now included in Other liabilities.

As of the adoption date, the Company had \$73 million of gross unrecognized tax benefits; if recognized, \$72 million, net of federal benefits, would have been recorded as a component of income tax expense and affected the effective tax rate. At September 30, 2007, the Company had \$79 million of gross unrecognized tax benefits, included in Other Liabilities. If recognized, \$78 million, net of federal benefits, would be recorded as a component of income tax expense and affect the effective tax rate.

The Company has consistently recognized interest and penalties related to unrecognized tax benefits as a component of income tax expense. At December 31, 2006, the Company had accrued \$7 million of interest and penalties. On adoption of FIN 48, this balance was reclassified to Other liabilities.

The Company conducts business globally and remains open to examination in several tax jurisdictions for various years from 2000 to 2006. The Company is currently under examination in several significant tax jurisdictions for various years from 2001 to 2006. Upon the completion of these examinations, it is reasonably possible that a change in certain unrecognized tax benefits may occur; currently, it is not reasonably possible to estimate the magnitude of these changes.

The effective tax rate for the three and nine months ended September 30, 2007 was 27.0% and 24.5% compared with 29.8% and 28.8% in the three and nine months ended September 30, 2006. The lower effective tax rate for the three months ended September 30, 2007 was the result of a greater percentage of pre-tax earnings in lower tax jurisdictions. The lower effective tax rate for the nine months ended September 30, 2007 was due primarily to the release of tax accruals related to favorable rulings from applicable tax jurisdictions and the greater percentage of pre-tax earnings in lower tax jurisdictions.

**Note 10. Equity Compensation Plans:**

The Company has various plans under which the Company's officers, senior management, other key employees and directors may be granted equity-based awards including restricted stock, restricted stock units ("RSU's"), stock settled appreciation rights ("SSAR's") or stock options to purchase the Company's common stock.

In 2007, the Company's Board changed the operating methodology of the Company's Long Term Incentive Plan ("LTIP") for executive officers and other Company executives beginning with the three year cycle from 2007 through 2009 and thereafter. Under this modified LTIP, the targeted payout of the LTIP 2007 – 2009 cycle and thereafter will be 50% cash and 50% Company common stock. The targeted number of shares for the 50% stock portion was determined by the closing share price on the first trading day at the beginning of the cycle. The executive generally must remain employed with the Company during the cycle to receive the award.

Principal assumptions used in the Binomial model were:

	2007	2006
Weighted average fair value of options and SSAR's granted during the period	\$ 11.50	\$ 7.66
Assumptions:		
Expected volatility	21.8 %	21.3 %
Expected dividend yield	1.6 %	2.1 %
Risk-free interest rate	5.0 %	5.0 %
Expected life, in years	5	5

Stock option and SSAR activity for the nine months ended September 30, 2007 was as follows:

(SHARE AMOUNTS IN THOUSANDS)	Shares Subject to Options/SSAR's	Weighted Average Exercise Price
Balance at December 31, 2006	3,633	\$ 33.56
Exercised	(439)	\$ 31.72
Cancelled	(4)	\$ 30.82
Balance at March 31, 2007	3,190	\$ 33.91
Granted	254	\$ 51.47
Exercised	(590)	\$ 36.51
Cancelled	(53)	\$ 41.50
Balance at June 30, 2007	2,801	\$ 35.41
Exercised	(200)	\$ 32.92
Cancelled	(12)	\$ 41.04
Balance at September 30, 2007	<u>2,589</u>	<u>\$ 35.57</u>

Restricted stock and RSU activity for the nine months ended September 30, 2007 was as follows:

(SHARE AMOUNTS IN THOUSANDS)	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2006	1,346	\$ 37.22
Cancelled	(16)	\$ 38.10
Balance at March 31, 2007	1,330	\$ 37.21
Granted	418	\$ 51.78
Vested	(420)	\$ 50.89
Cancelled	(20)	\$ 38.40
Balance at June 30, 2007	1,308	\$ 42.53
Granted	18	\$ 51.83
Vested	(11)	\$ 50.12
Cancelled	(14)	\$ 42.29
Balance at September 30, 2007	<u>1,301</u>	<u>\$ 42.72</u>

Pre-tax expense related to all forms of equity compensation was as follows:

(DOLLARS IN THOUSANDS)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Restricted stock and RSU's	\$ 4,241	\$ 4,104	\$ 10,682	\$ 10,019
Stock options and SSAR's	821	817	2,628	2,996
Total equity compensation expense	<u>\$ 5,062</u>	<u>\$ 4,921</u>	<u>\$ 13,310</u>	<u>\$ 13,015</u>

Tax related benefits of \$1.6 million and \$4.2 million were recognized for the third quarter and nine months of 2007, respectively, and \$1.5 million and \$4.1 million for the third quarter and nine months of 2006, respectively.

**Note 11. Segment Information:**

On January 1, 2007, the Company was reorganized into two business segments, Flavors and Fragrances; these segments align with the internal structure used to manage these businesses. Accounting policies used for segment reporting are identical to those described in Note 1 of the Notes to the Consolidated Financial Statements included in the Company's 2006 Annual Report. Prior year segment information, which had been reported by major geographic region, has been reclassified to conform to the current presentation.

The Company evaluates the performance of its business segments based on segment profit which is Income before taxes on income, excluding Interest expense, Other income (expense), net and the effects of Restructuring and other charges and Accounting changes. Segment profit is equal to Operating profit in periods where Restructuring and other charges were not incurred. The Global expense caption represents corporate and headquarters-related expenses which include legal, finance, human resources and other administrative expenses that are not allocated to individual business units. Unallocated assets are principally cash, short-term investments and other corporate and headquarters-related assets.

The Company's reportable segment information follows:

(DOLLARS IN THOUSANDS)	Three Months Ended September 30, 2007			
	Flavors	Fragrances	Global Expenses	Consolidated
Net sales	\$ 256,423	\$ 326,890	\$ —	\$ 583,313
Operating profit	\$ 48,111	\$ 55,779	\$ (7,504)	96,386
Interest expense				(8,596)
Curtailement loss				(5,943)
Other income (expense), net				(1,239)
Income before taxes on income				<u>\$ 80,608</u>

**Three Months Ended September 30, 2006**

<b>(DOLLARS IN THOUSANDS)</b>	<b>Flavors</b>	<b>Fragrances</b>	<b>Global Expenses</b>	<b>Consolidated</b>
Net sales	\$ 229,734	\$ 309,401	\$ —	\$ 539,135
Segment profit	\$ 44,080	\$ 56,486	\$ (9,856)	\$ 90,710
Restructuring and other charges	553	(824)	(45)	(316)
Operating profit	\$ 44,633	\$ 55,662	\$ (9,901)	90,394
Interest expense				(6,475)
Other income (expense), net				6,783
Income before taxes on income				\$ 90,702

**Nine Months Ended September 30, 2007**

<b>(DOLLARS IN THOUSANDS)</b>	<b>Flavors</b>	<b>Fragrances</b>	<b>Global Expenses</b>	<b>Consolidated</b>
Net sales	\$ 752,406	\$ 970,734	\$ —	\$ 1,723,140
Operating profit	\$ 145,505	\$ 172,920	\$ (24,234)	294,191
Interest expense				(25,306)
Curtailement loss				(5,943)
Other income (expense), net				1,747
Income before taxes on income				\$ 264,689

**Nine Months Ended September 30, 2006**

<b>(DOLLARS IN THOUSANDS)</b>	<b>Flavors</b>	<b>Fragrances</b>	<b>Global Expenses</b>	<b>Consolidated</b>
Net sales	\$ 676,164	\$ 904,908	\$ —	\$ 1,581,072
Segment profit	\$ 120,621	\$ 166,884	\$ (24,448)	\$ 263,057
Restructuring and other charges	1,526	(1,698)	(501)	(673)
Operating profit	\$ 122,147	\$ 165,186	\$ (24,949)	262,384
Interest expense				(18,148)
Other income (expense), net				6,630
Income before taxes on income				\$ 250,866

Segment assets were \$973 million for Flavors and \$1,245 million for Fragrances at December 31, 2006. Global assets were \$261 million at December 31, 2006. There were no significant changes in segment assets from December 31, 2006 to September 30, 2007.

**Note 12. Retirement Benefits:**

Pension expense included the following components:

U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Service cost for benefits earned	\$ 2,726	\$ 2,336	\$ 7,734	\$ 7,608
Interest cost on projected benefit obligation	6,592	5,394	17,966	16,324
Expected return on plan assets	(6,355)	(5,467)	(18,199)	(16,453)
Curtailement loss	5,943	—	5,943	—
Net amortization and deferrals	1,841	1,705	4,943	5,735
Defined benefit plans	10,747	3,968	18,387	13,214
Defined contribution and other retirement plans	1,359	703	4,021	2,248
Total pension expense	<u>\$ 12,106</u>	<u>\$ 4,671</u>	<u>\$ 22,408</u>	<u>\$ 15,462</u>

Non-U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Service cost for benefits earned	\$ 2,617	\$ 3,356	\$ 7,851	\$ 9,734
Interest cost on projected benefit obligation	8,173	8,015	24,519	22,029
Expected return on plan assets	(12,124)	(10,768)	(36,372)	(29,686)
Net amortization and deferrals	1,395	2,448	4,185	6,654
Defined benefit plans	61	3,051	183	8,731
Defined contribution and other retirement plans	1,074	837	3,012	2,452
Total pension expense	<u>\$ 1,135</u>	<u>\$ 3,888</u>	<u>\$ 3,195</u>	<u>\$ 11,183</u>

The Company does not expect to contribute to its qualified U.S. pension plans in 2007. In the quarter and nine months ended September 30, 2007, \$1 million and \$3 million of benefit payments were made, respectively, with respect to the non-qualified plan. The Company expects to contribute \$24 million to its non-U.S. pension plans in 2007. In the quarter and nine months ended September 30, 2007, \$5 million and \$12 million of contributions were made, respectively, to these plans.

In the third quarter of 2007, the Company's Board approved an amendment to the Company's U.S. salaried qualified and non-qualified pension defined benefit plans under which accrual of future benefits was suspended for all participants that will not meet the rule of 70 (age plus years of service equal at least 70) by year end. As a result of this suspension, the Company recorded a curtailment loss of \$5.9 million to recognize a portion of the unrecognized prior service costs at July 31, 2007 associated with years of service no longer expected to be rendered and credited as service under the plans.

Expense recognized for postretirement benefits other than pensions included the following components:

(DOLLARS IN THOUSANDS)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Service cost for benefits earned	\$ 439	\$ 598	\$ 1,971	\$ 2,310
Interest on benefit obligation	1,318	1,169	4,402	4,319
Net amortization and deferrals	(181)	(245)	(255)	137
Total postretirement benefit expense	<u>\$ 1,576</u>	<u>\$ 1,522</u>	<u>\$ 6,118</u>	<u>\$ 6,766</u>

The Company expects to contribute \$3 million to its postretirement benefit plans in 2007. In the quarter and nine months ended September 30, 2007, \$1 million and \$2.5 million of contributions were made, respectively.

**Note 13. Commitments and Contingencies:**

The Company is party to a number of lawsuits and claims related primarily to flavoring supplied by the Company to manufacturers of butter flavor popcorn. At each balance sheet date, or more frequently as conditions warrant, the Company reviews the status of each pending claim, as well as its insurance coverage for such claims with due consideration given to potentially applicable deductibles, retentions and reservation of rights under its insurance policies, and the advice of its outside legal counsel and a third party expert in modeling insurance deductible amounts with respect to all these matters. While the ultimate outcome of any litigation cannot be predicted, management believes that adequate provision has been made with respect to all known claims. Based on information presently available and in light of the merits of its defenses and the availability of insurance, the Company does not expect the outcome of the above cases, singly or in the aggregate, to have a material adverse effect on the Company's financial condition, results of operation or liquidity. There can be no assurance that future events will not require the Company to increase the amount it has accrued for any matter or accrue for a matter that has not been previously accrued.

The Company has recognized its expected liability with respect to these claims in Other current liabilities and expected recoveries from its insurance carrier group in other receivables recorded in Other current assets in the accompanying Consolidated Balance Sheet. The Company believes that realization of the insurance receivable is probable due to the terms of the insurance policies and the payment experience to date of the carrier group as it relates to these claims.

## **Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition**

### **Overview**

The Company is a leading creator and manufacturer of compounds used to impart or improve the flavor or fragrance in a wide variety of consumer products.

Fragrance compounds are used in perfumes, cosmetics, toiletries, hair care products, deodorants, soaps, detergents and softeners as well as air care products. Flavor products are sold to the food and beverage industries for use in consumer products such as prepared foods, beverages, dairy, food and confectionery products. The Company is also a leading manufacturer of synthetic ingredients used in making fragrances. Approximately 55% of the Company's ingredient production is consumed internally; the balance is sold to third party customers.

Changing social habits resulting from such factors as changes in disposable income, leisure time, health concerns, urbanization and population growth stimulate demand for consumer products utilizing flavors and fragrances. These developments expand the market for products with finer fragrance quality, as well as the market for colognes and toiletries. Such developments also stimulate demand for convenience foods, soft drinks and low-fat food products that must conform to expected tastes. These developments necessitate the creation and development of flavors and fragrances and ingredients that are compatible with newly introduced materials and methods of application used in consumer products.

Flavors and fragrances are generally:

- created for the exclusive use of a specific customer;
- sold in solid or liquid form, in amounts ranging from a few pounds to several tons depending on the nature of the end product in which they are used;
- a small percentage of the volume and cost of the end product sold to the consumer; and
- a major factor in consumer selection and acceptance of the product.

The flavor and fragrance industry is impacted by macroeconomic factors in all product categories and geographic regions. Such factors include the impact of currency on the price of raw materials and operating costs as well as on translation of reported results. In addition, pricing pressure placed on the Company's customers by large and powerful retailers and distributors is inevitably passed along to the Company, and its competitors. Leadership in innovation and creativity mitigates the impact of pricing pressure. Success and growth in the industry is dependent upon creativity and innovation in meeting the many and varied needs of the customers' products in a cost-efficient and effective manner, and with a consistently high level of timely service and delivery.

The Company's strategic direction is defined by the following:

- Be a global leader in fragrances and flavors; and
- Provide our customers with differentiated solutions.

The Company's plan to achieve this strategy is to:

- Execute on our business unit focus that will align management and resources with the needs of its strategic customers and provide greater accountability; this will drive improved results.
- Focus its research and development efforts on those projects considered most likely to drive future profitable growth. The Company anticipates much of this research will be conducted internally, but such efforts may be augmented by joint research undertakings and through acquisition of technology.
- Provide quality products, safe and suitable for inclusion in its customers' end products; an essential element is the consistent quality and safety of raw materials achieved through a combination of steps including but not limited to vendor certification and quality assurance testing.

- Continuously improving its operations, customer service and related initiatives.
- Build a culture that attracts, retains and develops the best talent in the world. The customers, shareholders and employees expect the best.

As implementation of our strategy progresses, setting strategic initiatives requires regular establishment and reassessment of priorities and necessitates choices in order to provide the best opportunity for continuous improvement in shareholder value.

## Operations

### Third Quarter 2007

Third quarter 2007 sales totaled \$583 million, increasing 8% over the prior year quarter; fragrance and flavor sales increased 6% and 12%, respectively. Reported sales for the 2007 quarter benefited from the generally weaker U.S. dollar, mainly against the Euro and Pound Sterling; at comparable exchange rates, sales would have increased 5% compared to the prior year quarter.

Fragrance sales increased 6%, led by 11% growth in fine fragrance and beauty care sales, as a result of new product introductions and the continued success of existing creations, partially offset by a 1% decline in functional fragrance sales. The 11% increase in ingredient sales was volume related.

Flavor sales grew 12%, due to a combination of new wins and volume growth. Flavor sales increased in each region, both in local currency and U.S. dollars.

Sales performance by region and product category in comparison to the prior year quarter in both reported dollars and local currency, where applicable, follows:

		% Change in Sales – Third Quarter 2007 vs. Third Quarter 2006					
		Fine	Func'l.	Ingr.	Total Frag.	Flavors	Total
<b>North America</b>	<b>Reported</b>	4%	-14%	5%	-3%	5%	0%
<b>Europe</b>	<b>Reported</b>	14%	9%	22%	14%	9%	13%
	<i>Local Currency</i>	7%	4%	15%	8%	4%	6%
<b>Latin America</b>	<b>Reported</b>	14%	-5%	7%	2%	31%	10%
<b>Greater Asia</b>	<b>Reported</b>	19%	3%	-10%	4%	14%	10%
	<i>Local Currency</i>	16%	2%	-9%	2%	10%	7%
<b>Total</b>	<b>Reported</b>	11%	-1%	11%	6%	12%	8%
	<i>Local Currency</i>	8%	-3%	8%	3%	9%	5%

- North America fine fragrance growth was driven mainly by new product introductions of \$8 million partially offset by volume declines. Functional fragrance declines were volume related. Ingredients volume growth was partially offset by lower pricing. Flavors sales growth resulted mainly from new product introductions of \$5 million.
- Europe sales growth was strong across both business segments. Flavor sales growth resulted mainly from new product introductions of \$9 million. Fine fragrance and functional fragrance growth was strong primarily due to new product introductions of \$8 million and \$6 million, respectively; ingredients performance was volume driven, partially offset by lower pricing.
- Latin America's flavors sales growth resulted primarily from new product introductions of \$7 million. Fine fragrances sales growth was driven by new product introductions of \$3 million. Functional fragrance performance reflects the short-term impact of some product erosion, the effects of which are expected to begin to reverse in the 2007 fourth quarter. Ingredients growth was volume related, partially offset by pricing declines.
- Greater Asia sales growth was driven by new product introductions of \$17 million in flavors. Fragrance growth was mainly the result of new product introductions of \$11 million. Ingredients performance was volume related.

The percentage relationship of cost of goods sold and other operating expenses to sales for the third quarter 2007 and 2006 are detailed below.

	<u>Third Quarter</u>	
	<u>2007</u>	<u>2006</u>
Cost of Goods Sold	58.1%	57.5%
Research and Development Expenses	8.5%	8.6%
Selling and Administrative Expenses	16.2%	16.3%

- Gross profit, as a percentage of sales, was 41.9% compared with 42.5% in the prior year quarter. The decline was mainly due to lower selling prices for fragrance ingredients and some impact of higher material costs as well as lower functional fragrance volumes.
- Research and Development (“R&D”) spending, as a percentage of sales, remained at the prior year level.
- Selling and Administrative (“S&A”) expenses, as a percentage of sales, were 16.2% in the current quarter compared to 16.3% in 2006, reflecting good cost control. The 2006 results included the benefit of a \$3 million insurance recovery related to the 2005 product contamination matter; excluding this benefit, the 2006 S&A expenses would have been 16.9% of sales.
- Interest expense increased by \$2 million from the prior year, primarily due to higher average interest rates on borrowings; the average interest rate for the third quarter was 4.4% compared to 3.2% for the 2006 quarter.
- The Company’s third quarter effective tax rate was 27.0% compared to 29.8% in the prior year quarter. The lower effective tax rate for the three months ended September 30, 2007 was the result of a greater percentage of consolidated pre-tax earnings in lower tax jurisdictions.

#### **Nine Months 2007**

Sales for the nine-month period ended September 30, 2007 totaled \$1,723 million, representing a 9% increase over the 2006 period. This strong growth was driven by an 11% increase in flavor sales due to a combination of new wins and volume growth of existing creations. Reported sales for the 2007 period also benefited from the generally weaker U.S. dollar, mainly against the Euro and Pound Sterling; at comparable exchange rates, sales would have increased 6% compared to the prior year period.

Fragrance sales were led by higher fine and beauty care sales of 11%, driven by both new product introductions and continued success of existing creations. Fragrance ingredient sales grew 10%, driven mainly by higher volumes, partially offset by lower average selling prices. Functional fragrance sales essentially remained at the prior year level.

Sales performance by region and product category in comparison to the prior year period in both reported dollars and local currency, where applicable, follows:

		% Change in Sales – Nine Months 2007 vs. Nine Months 2006					
		Fine	Func'L	Ingr.	Total Frag.	Flavors	Total
<b>North America</b>	<b>Reported</b>	<b>9%</b>	<b>3%</b>	<b>2%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Europe</b>	<b>Reported</b>	<b>12%</b>	<b>11%</b>	<b>21%</b>	<b>14%</b>	<b>11%</b>	<b>13%</b>
	<i>Local Currency</i>	4%	4%	13%	6%	4%	5%
<b>Latin America</b>	<b>Reported</b>	<b>14%</b>	<b>-9%</b>	<b>6%</b>	<b>-1%</b>	<b>21%</b>	<b>5%</b>
<b>Greater Asia</b>	<b>Reported</b>	<b>14%</b>	<b>2%</b>	<b>-1%</b>	<b>4%</b>	<b>15%</b>	<b>10%</b>
	<i>Local Currency</i>	12%	—	-1%	2%	12%	8%
<b>Total</b>	<b>Reported</b>	<b>11%</b>	<b>3%</b>	<b>10%</b>	<b>7%</b>	<b>11%</b>	<b>9%</b>
	<i>Local Currency</i>	7%	—	7%	4%	8%	6%

- North America fine fragrance growth was driven mainly by new product introductions of \$14 million. Ingredients volume growth was partially offset by pricing declines. Functional fragrances increases were mainly volume related. Flavors sales growth mainly resulted from new product introductions of \$13 million.
- Europe flavor sales growth resulted mainly from new product introductions of \$18 million. Functional fragrance growth was strong primarily due to new product introductions of \$17 million. The growth in fine fragrance related to new product introductions of \$22 million partially offset by volume declines. Ingredients sales growth was volume related, partially offset by lower pricing.
- Latin America sales growth reflects strong performances in both flavors and fine fragrances. Flavors growth was driven by new product introductions of \$15 million. Fine fragrances sales growth is largely attributable to new product introductions of \$9 million partially offset by some product erosion. Functional fragrance performance was volume related, reflecting the short-term impact of some product erosion, the effects of which are expected to begin to reverse in the 2007 fourth quarter. Ingredients sales performance was largely due to volume increases partially offset by price declines.
- Greater Asia sales growth was driven by new product introductions of \$29 million in flavors. Fragrance sales growth was mainly the result of new product introductions of \$17 million.

The percentage relationship of cost of goods sold and other operating expenses to sales for the nine-month period ended September 30, 2007 and 2006 are detailed below.

	Nine Months	
	2007	2006
Cost of Goods Sold	57.8%	57.4%
Research and Development Expenses	8.4%	8.7%
Selling and Administrative Expenses	16.1%	16.5%

- Gross profit, as a percentage of sales, decreased from the prior year period mainly as a result of product mix, notably higher sales of fragrance ingredients and flavor compounds; lower selling prices for fragrance ingredients also contributed to the decline. Gross margin was also impacted by under absorption of manufacturing costs at the new fragrance ingredient facility in China, which scaled up production in 2007.
- R&D expenses, as a percentage of sales, declined compared to the prior year mainly due to such expenses increasing at a slower rate than sales during the year.
- S&A expenses, as a percentage of sales, were 16.1% in the current period compared to 16.5% in the prior year period, reflecting good cost control and the benefit of headcount reductions that occurred in the first half of 2006. The 2006 results also included the benefit of a \$3 million insurance recovery related to the 2005 product contamination matter.

- Interest expense increased by \$7 million in comparison to the prior year period, primarily due to higher average interest rates on borrowings; the average interest rate for the 2007 period was 4.3% compared to 2.8% for the comparable 2006 period.
- The effective tax rate was 24.5% compared to 28.8% in the prior year period. The lower effective tax rate for the nine months ended September 30, 2007 was due primarily to the release of tax accruals related to favorable rulings from applicable tax jurisdictions as well as a greater percentage of consolidated pre-tax earnings in lower tax jurisdictions. The Company currently expects the effective tax rate to approximate 25.5% for 2007.

### **Income Taxes**

In September 2006, the FASB issued Interpretation No. 48 (“FIN 48”), Accounting for Uncertainty in Income Taxes, which clarifies the application of FAS 109 by prescribing the minimum threshold a tax position must meet before being recognized in the financial statements. The adoption of FIN 48 did not have a material impact on the Consolidated Financial Statements. See Note 9 for more information.

### **Restructuring and Other Charges**

As described in Note 2 to the Consolidated Financial Statements in the Company’s 2006 Annual Report, the Company had undertaken a significant reorganization, including management changes, consolidation of production facilities and related actions. There have been no charges through the first nine months of 2007.

The balance of the employee-related liabilities of \$4.7 million are expected to be utilized by the end of 2008 as obligations are satisfied; the asset-related charges of \$0.3 million are expected to be utilized in 2007 on final decommissioning and disposal of the affected equipment.

### **Retirement Benefits**

In the third quarter of 2007, the Company’s Board approved an amendment to the Company’s U.S. salaried qualified and non-qualified pension plans under which accrual of future benefits was suspended for all participants that will not meet the rule of 70 (age plus years of service equal at least 70) by year end. As a result of this suspension, the Company recorded a curtailment loss of \$5.9 million to recognize a portion of the unrecognized prior service costs at July 31, 2007 associated with years of service no longer expected to be rendered and credited as service under the plans.

The Company also introduced an enhanced 401K defined contribution plan for those employees affected by the pension curtailment that will become effective January 1, 2008. As a result of these events, the Company expects to realize a net annual cost savings of approximately \$4 million beginning in 2008.

### **Financial Condition**

Cash, cash equivalents and short-term investments totaled \$63 million at September 30, 2007 compared to \$115 million at December 31, 2006. Working capital totaled \$704 million at September 30, 2007 compared to \$633 million at December 31, 2006. Gross additions to property, plant and equipment were \$37 million during the first nine months of 2007 and are expected to approximate \$60 million in 2007.

Operating cash flows for the nine months ended September 30, 2007 were \$188 million compared to \$238 million for the nine months ended September 30, 2006. The decrease in 2007 compared to the prior year period was mainly due to the payout of \$45 million of incentive compensation with respect to 2006 operating results paid in 2007; in the 2006 period, payouts totaled \$9 million with respect to 2005 results.

At September 30, 2007, the Company had \$1,187 million of debt outstanding. On September 27, 2007, the Company issued \$500 million of Senior Unsecured Notes (“Senior Notes – 2007”) in four

series under the Note Purchase Agreement (“NPA”): (i) \$250 million in aggregate principal amount of 6.25% Series A Senior Notes due September 27, 2017, (ii) \$100 million in aggregate principal amount of 6.35% Series B Notes due September 27, 2019, (iii) \$50 million in aggregate principal amount of 6.50% Series C Notes due September 27, 2022 and (iv) \$100 million in aggregate principal amount of 6.79% Series D Notes due September 27, 2027. Proceeds of the offering were used primarily to fund an accelerated repurchase of the Company’s stock (discussed below). Under the NPA, the Company may at any time, with notice, prepay all or a portion equal to or greater than 10% of the Notes, for an amount equal to the principal, accrued interest and a “make-whole” prepayment premium as calculated under the NPA. The Company may also prepay the Notes solely for the principal and accrued interest thereon in connection with certain asset sales. The Company will be required to make an offer to prepay the Notes following a change in control (as defined in the NPA) for an amount equal to the principal and accrued interest but without a “make-whole” or other premium.

In contemplation of this debt issuance, the Company entered into interest rate hedge contracts, with a notional amount of \$400 million to manage its exposure to changes in interest rates. The contracts were designated as hedges of the variability of the cash flows due to changes in the long-term benchmark interest rates and the credit spread. The Company recorded a \$1.6 million gain on the settlement of these interest rate hedge contracts, which coincided with the issuance of the long-term fixed-rate debt. For additional information regarding this transaction see Note 8, Borrowings, of the Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Pursuant to the NPA, the Company is required to maintain a consolidated net debt to consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) ratio of 3.5:1 (as calculated under the NPA), provided that such ratio may exceed 3.5:1 (but not 4:1) upon the payment of certain additional interest and provided further that such ratio does not exceed 3.5:1 for more than eight consecutive quarters. In addition, the Company is required not to permit the aggregate amount of its subsidiaries’ debt to exceed 20% of its consolidated total assets as calculated under the NPA, with certain exceptions. The Company and its subsidiaries will not incur any liens, subject to certain permitted categories of liens and a general lien allowance of \$120 million. The Company also made certain affirmative and negative covenants relating to the operation of its business; material events such as asset sales and mergers, and the pari passu ranking of the Notes.

The Company’s current borrowing facilities require that it maintain, at the end of each quarter, a ratio of net debt for borrowed money to EBITDA in respect of the previous 12-month period of not more than 3.25 to 1. The Company has complied with this covenant at all times.

As a result of the additional debt, Moody’s and Standard & Poor’s (“S&P”) affirmed their short-term credit rating for the Company at P2 and A2, respectively; Moody’s and S&P adjusted their long-term ratings to BAA1 and BBB, respectively, with a stable outlook.

On October 4, 2007, the Company paid a quarterly cash dividend of \$.23 per share to shareholders, a 10% increase from the prior quarter dividend payment. In April 2007 and July 2007, the Company paid a quarterly cash dividend of \$.21 per share to shareholders.

During the first six months of 2007, under a share repurchase program of \$300 million authorized in October 2006 (the “October 2006 Plan”), the Company repurchased approximately 1.6 million shares at a cost of \$81 million; at June 30, 2007, the Company had approximately \$125 million remaining under the October 2006 Plan. In July 2007, the October 2006 Plan was terminated and superseded by a new program authorized by the Company’s Board of Directors to repurchase up to 15% or \$750 million worth of the Company’s outstanding common stock, whichever is less (the “July 2007 Plan”).

In September 2007, under the July 2007 Plan, the Company entered into two agreements to purchase shares of its common stock under a \$450 million accelerated share repurchase (“ASR”) program. On September 28, 2007, the Company paid \$450 million in exchange for an initial delivery of 7.6 million shares under the ASR, representing 90% of the shares that could have been purchased, based on the average trading price of the Company’s stock, on that date. The remaining 10%, or

\$45 million, not used in the initial settlement will be included in the determination of the cost of the shares purchased on completion of the ASR. This amount was reflected in the accompanying Consolidated Balance sheet as a reduction to Capital in excess of par value.

On completion of the ASR, which is expected to be by the end of the second quarter of 2008, the Company may receive additional shares or may be required to pay cash or additional shares at the option of the Company, based on the volume-weighted average price (“VWAP”) of the common stock during the agreement term. For additional information regarding these transactions, see Note 4, Common Stock Repurchases, of the Notes to Consolidated Financial Statements in this Quarterly Report on Form 10-Q. Proceeds from the \$500 million Senior Unsecured Notes described above funded the ASR payment.

In the quarter ended September 30, 2007, the Company purchased in the open market 0.9 million shares at a cost of \$46 million under the July 2007 Plan in addition to the 7.6 million shares acquired under the ASR program. In the quarter ended September 30, 2006, 1.9 million shares were purchased at a cost of \$71 million. In the nine months ended September 30, 2007, the Company purchased 10.2 million shares at a cost of \$532 million. In the nine months ended September 30, 2006, the Company purchased 4.6 million shares at a cost of \$162 million.

Cash flows from operations and availability under its existing credit facilities are expected to be sufficient to fund the Company’s currently anticipated normal capital spending and other currently expected cash requirements for at least the next eighteen months.

#### **Non-GAAP Financial Measures**

To supplement the Company’s financial results presented in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), the Company uses certain non-GAAP financial measures. These non-GAAP financial measures should not be considered in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP financial measures as disclosed by the Company may also be calculated differently from similar measures disclosed by other companies. To ease the use and understanding of the supplemental non-GAAP financial measures, the Company includes the most directly comparable GAAP financial measure.

The Company discloses, and management internally monitors, the sales performance of international operations on a basis that eliminates the positive or negative effects that result from translating foreign currency sales into U.S. dollars. Management uses this measure because it believes that it enhances the assessment of the sales performance of its international operations and the comparability between reporting periods.

#### **Cautionary Statement Under The Private Securities Litigation Reform Act of 1995**

Statements in this report, 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. Certain of such forward-looking information may be identified by such terms as “expect,” “believe,” “outlook,” “guidance,” “may,” and similar terms or variations thereof. All information concerning future revenues, tax rates or benefits, interest savings, earnings and other future financial results or financial position, constitutes forward-looking information. Such forward-looking statements involve significant risks, uncertainties and other factors. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions in the Company’s markets, including economic, population health and political uncertainties; interest rates; the price, quality and availability of raw materials; the Company’s ability to implement its business strategy, including the achievement of anticipated cost savings, profitability and growth targets; the impact on cash and the impact of increased borrowings related to the July 2007 share repurchase program; the impact of currency fluctuation or devaluation in the

Company's principal foreign markets and the success of the Company's hedging and risk management strategies; the outcome of uncertainties related to litigation; the impact of possible pension funding obligations and increased pension expense on the Company's cash flow and results of operations; and the effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by U.S. and foreign governments. 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.

Any public statements or disclosures by IFF following this report that modify or impact any of the forward-looking statements contained in or accompanying this report will be deemed to modify or supersede such outlook or other forward-looking statements in or accompanying this report.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

For a discussion of the Company's market risk, see "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in the Company's 2006 Form 10-K.

In September 2007, the Company entered into a \$250 million interest rate swap agreement effectively converting the fixed rate on its long-term U.S. dollar borrowings to a variable short-term rate based on USD LIBOR rate plus an interest markup. These swaps are designated as qualified fair value hedges. To the extent the Company has not received cash or otherwise amended or settled any swap agreements, any applicable mark-to-market adjustment relating to that swap is included as a separate component of debt. The Company had no ineffective interest rate swaps at September 30, 2007.

In September 2007, the Company also entered into a \$250 million Cross Currency Interest Rate Swap transaction to hedge a portion of its consolidated Euro net investment. The derivative was structured as a swap of floating USD LIBOR to floating EURIBOR, with both floating interest rates reset and paid semi-annually, ensuring that the terms of the swap match identically. Because the derivative is structured as a floating to floating swap, the only value, other than that derived from changes in the foreign exchange (FX) spot rate, are interest rate accruals which are reset semi-annually. These accruals are netted and booked in current earnings. Mark-to-market changes due to differences in the underlying FX rate are recorded in Accumulated other comprehensive income ("AOCI") and provide an offset to the cumulative translation adjustment of the underlying Euro assets being hedged, which are also being valued based on changes in the FX spot rate. Effectiveness is assessed quarterly. At maturity, or if the swap is terminated early, any gain or loss will not be recorded to earnings, but will be recorded to AOCI until the Euro net investment is divested.

### **Item 4. Controls and Procedures**

The Company's Chief Executive Officer and Chief Financial Officer, with the assistance of other members of the Company's management, have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of the end of the reporting period covered by this report.

The Company has established controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosure.

The Company's Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in the Company's internal control over financial reporting during the quarter ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The Company is subject to various claims and legal actions in the ordinary course of its business.

In September 2001, the Company was named as a defendant in a purported class action brought against it in the Circuit Court of Jasper County, Missouri, on behalf of employees of a plant owned and operated by Gilster-Mary Lee Corp. in Jasper, Missouri (Benavides case). The plaintiffs alleged that they sustained respiratory injuries in the workplace due to the use by Gilster-Mary Lee of a BBA and/or IFF flavor. For purposes of reporting these actions, BBA and/or IFF are referred to as the “Company”.

In January 2004, the Court ruled that class action status was not warranted. As a result of this decision, each of the 47 plaintiff cases was to be tried separately. Subsequently, 8 cases were tried to a verdict, 4 verdicts resulted for the plaintiffs and 4 verdicts resulted for the Company, all of which were appealed by the losing party. Subsequently, all plaintiff cases related to the Benavides case, including those on appeal, were settled.

Fifteen actions based on similar claims of alleged respiratory illness due to workplace exposure to flavor ingredients are currently pending against the Company and other flavor suppliers and related companies.

In May 2004, the Company and another flavor supplier were named defendants, and subsequently a number of third party defendants were added, in a lawsuit by 4 former workers and their spouses at a Ridgeway, Illinois factory in an action brought in the Circuit Court for the Second Judicial Circuit, Gallatin County, Illinois (Barker case) and another concerning 8 other workers and 5 spouses at this same plant was filed in July 2004 and is pending in this same Court against the same defendants (Batteese case). In June 2004, the Company and 2 other flavor suppliers were named defendants in a lawsuit by 1 former worker and spouse at a Northlake, Illinois facility in an action brought in the Circuit Court of Cook County, Illinois. Fourteen third party defendants have been added (Lopez case). In March 2005, the Company and 8 other companies were named defendants in a lawsuit by 1 former employee and spouse of Bell Flavors and Fragrances, Inc. in an action brought in the Circuit Court of Cook County, Illinois (Robinson case). In July 2005, the Company and 9 other flavor and chemical suppliers were named defendants in a lawsuit by 1 former worker and spouse of Brach’s Confections, Inc. in an action brought in the Circuit Court of Cook County, Illinois. Brach’s has been added as a third party defendant (Campbell case). In August 2005, the Company and 12 other companies were named defendants in a lawsuit by 3 former employees of the Gilster-Mary Lee facility in McBride, Missouri in the Missouri Circuit Court, 32nd Judicial Circuit (Fults case). In August 2006, the Company and 3 other flavor and chemical suppliers were named defendants in a lawsuit by 34 current and former employees and/or a neighbor of the Gilster-Mary Lee facility in Jasper, Missouri in the Missouri Circuit Court of Jasper County (Arles case) and 5 other current and former employees in the same Court (Bowan case). A similar case involving 5 former employees, originally plaintiffs in the Arles case, was filed in the same Court in August 2006 and then removed to the U.S. District Court, Western District of Missouri, Southwest Division (Parker case). In November 2006, the Company and 15 other flavor and chemical suppliers were named defendants in a lawsuit filed in the Circuit Court of Cook County, Illinois by 1 plaintiff allegedly injured by exposure to butter flavor and other substances at various facilities in which he worked (Solis case). In January 2007, the Company and another flavor supplier were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by approximately 233 current and former employees of two separate Marion, Ohio factories and 103 spouses of such employees (Aldrich case). In June 2007, the Company and another flavor supplier were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by 58 current and former employees of a Marion, Ohio facility and 18 spouses of such employees (Arnold case). In May 2007, the Company and 14 other companies were named defendants in a lawsuit filed in Circuit Court of Cook County, Illinois by 5 former employees of Brach’s Confections, Inc. in Chicago, Illinois (Williams case). In June 2007, the Company and 21 other companies were named defendants in a lawsuit in the Missouri Circuit Court, 32nd Judicial Circuit by

5 former employees of a McBride, Missouri facility (Geile case). In July 2007, the Company and another flavor manufacturer were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by 128 current and former workers of two Ohio facilities and 52 spouses of such employees (Adamson case).

The Company believes that all IFF and BBA flavors at issue in these matters meet the requirements of the U.S. Food and Drug Administration and are safe for handling and use by workers in food manufacturing plants when used according to specified safety procedures. These procedures are detailed in instructions that IFF and BBA provided to all their customers for the safe handling and use of their flavors. It is the responsibility of IFF's customers to ensure that these instructions, which include the use of appropriate engineering controls, such as adequate ventilation, prior handling procedures and respiratory protection for workers, are followed in the workplace.

At each balance sheet date, or more frequently as conditions warrant, the Company reviews the status of each pending claim, as well as its insurance coverage for such claims with due consideration given to potentially applicable deductibles, retentions and reservation of rights under its insurance policies, and the advice of its outside legal counsel and a third party expert in modeling insurance deductible amounts with respect to all these matters. While the ultimate outcome of any litigation cannot be predicted, management believes that adequate provision has been made with respect to all known claims. Based on information presently available and in light of the merits of its defenses and the availability of insurance, the Company does not expect the outcome of the above cases, singly or in the aggregate, to have a material adverse effect on the Company's financial condition, results of operation or liquidity. There can be no assurance that future events will not require the Company to increase the amount it has accrued for any matter or accrue for a matter that has not been previously accrued. See Note 13 of the Notes to the Consolidated Financial Statements in this Quarterly report on Form 10-Q.

Over the past 20 years, various federal and state authorities and private parties have claimed that the Company is a potentially responsible party as a generator of waste materials for alleged pollution at a number of waste sites operated by third parties located principally in New Jersey and seek to recover costs incurred and to be incurred to clean up the sites.

The waste site claims and suits usually involve million dollar amounts, and most of them are asserted against many potentially responsible parties. Remedial activities typically consist of several phases carried out over a period of years. Most site remedies begin with investigation and feasibility studies, followed by physical removal, destruction, treatment or containment of contaminated soil and debris, and sometimes by groundwater monitoring and treatment. To date, the Company's financial responsibility for some sites has been settled through agreements granting the Company, in exchange for one or more cash payments made or to be made, either complete release of liability or, for certain sites, release from further liability for early and/or later remediation phases, subject to certain "re-opener" clauses for later-discovered conditions. Settlements in respect of some sites involve, in part, payment by the Company and other parties of a percentage of the site's future remediation costs over a period of years.

The Company believes that the amounts it has paid and anticipates paying in the future for clean-up costs and damages at all sites are not and will not be material to the Company's financial condition, results of operations or liquidity, because of the involvement of other large potentially responsible parties at most sites, because payment will be made over an extended time period and because, pursuant to an agreement reached in July 1994 with three of the Company's liability insurers, defense costs and indemnity amounts payable by the Company in respect of the sites will be shared by the insurers up to an agreed amount.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

### **(c) Issuer Purchases of Equity Securities**

The following table presents the total number of shares purchased during the third quarter of 2007, the average price paid per share, the number of shares that were purchased as part of a publicly announced repurchase program, and the approximate dollar value of shares that still could have been purchased for the quarter ended September 30, 2007:

		<b>Total Number of Shares Purchased(1) (2)</b>	<b>Average Price Paid per Share(2)</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Program(1)(2)</b>	<b>Approximate Dollar Value of Shares that may yet be purchased under the Program(1)(2)</b>
July	1–31, 2007	0	\$ 0	0	\$ 750,000,000
August	1–31, 2007	677,500	\$ 48.93	677,500	\$ 716,851,008
Sept.	1–30, 2007	7,886,377	\$ 53.02	7,886,377	\$ 298,727,156
Total shares purchased		8,563,877	\$ 52.70	8,563,877	

(1) On July 24, 2007, the October 2006 Stock Repurchase Plan was terminated and superseded by a new program authorized by the Company's Board of Directors to repurchase up to 15% or \$750 million worth of the Company's outstanding common stock, whichever is less. In September 2007, under the new authorization, the Company entered into two agreements to purchase shares of its common stock under a \$450 million accelerated share repurchase ("ASR") program. On September 28, 2007, the Company paid \$450 million in exchange for an initial delivery of 7.6 million shares under the ASR, representing 90% of the shares that could have been purchased, based on the average trading price, on that date. The remaining 10% not used in the initial settlement will be included in the determination of the cost of the shares purchased on completion of the ASR.

(2) The Average Price Paid per Share is based on the price paid per share in the open market and the price paid per share on the initial purchase of shares under the ASR. The average price and number of shares purchased under the ASR will not be determinable until the completion of the ASR program.

## **Item 6. Exhibits**

- 3(ii) By-laws of the Company, as amended and restated effective as of July 23, 2007 (incorporated by reference to Exhibit 3(ii) to the Company's Form 8-K filed with the SEC on July 16, 2007).
- 4.1 Note Purchase Agreement, dated as of September 27, 2007, by and among International Flavors & Fragrances Inc. and the various purchasers named therein (incorporated by reference to Exhibit 4.7 to the Company's Form 8-K filed with the SEC on October 1, 2007).
- 4.2 Form of Series A, Series B, Series C and Series D Senior Notes (incorporated by reference to Exhibit 4.8 to the Company's Form 8-K filed with the SEC on October 1, 2007).
- 10.1 Amendment Agreement dated September 17, 2007 to the Multicurrency Revolving Credit Facility Agreement dated November 23, 2005 among the Company, certain subsidiaries of the Company, and Citibank International PLC as agent on behalf of itself and others.
- 10.2 Confirmation, dated September 14, 2007, between International Flavors & Fragrances Inc. and Morgan Stanley & Co. Incorporated (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on September 18, 2007).
- 10.3 Confirmation, dated September 14, 2007, between International Flavors & Fragrances Inc. and Morgan Stanley & Co. Incorporated (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed with the SEC on September 18, 2007).
- 10.4 Form of International Flavors & Fragrances Inc. 2000 Stock Award and Incentive Plan Purchased Restricted Stock Agreement.
- 10.5 Form of International Flavors & Fragrances Inc. 2000 Stock Award and Incentive Plan Restricted Stock Unit Agreement.
- 10.6 Form of International Flavors & Fragrances Inc. 2000 Stock Award and Incentive Plan Stock Settled Appreciation Rights Agreement.
- 10.7 Form of International Flavors & Fragrances Inc. 2000 Stock Award and Incentive Plan Restricted Stock Units Agreement – Non-Employee Director.
- 31.1 Certification of Robert M. Amen pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Douglas J. Wetmore pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Robert M. Amen and Douglas J. Wetmore pursuant to 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

Dated: October 31, 2007

By: /s/ Douglas J. Wetmore \_\_\_\_\_  
Name: Douglas J. Wetmore  
Title: Senior Vice President  
and Chief Financial Officer

Dated: October 31, 2007

By: /s/ Dennis M. Meany \_\_\_\_\_  
Name: Dennis M. Meany  
Title: Senior Vice President,  
General Counsel and Secretary

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## EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
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AMENDMENT AGREEMENT

Dated 17 September 2007

for

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

as the Parent

**AND OTHERS**  
as the Subsidiaries

WITH

**CITIBANK INTERNATIONAL PLC**  
acting as Agent

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RELATING TO A MULTICURRENCY REVOLVING  
FACILITY AGREEMENT  
DATED 23 NOVEMBER 2005

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## CONTENTS

	<u>Clause</u>	<u>Page</u>
1.	Definitions And Interpretation	2
2.	Amendment	3
3.	Confirmation	3
4.	Representations	3
5.	Continuity And Further Assurance	3
6.	Fees, Costs And Expenses	3
7.	Miscellaneous	4
8.	Governing Law	4
Schedule 1	CONDITIONS PRECEDENT	5
Schedule 2	AMENDMENT LETTER	6

**THIS AGREEMENT** is dated 17 September 2007 and made between:

- (1) **INTERNATIONAL FLAVORS & FRAGRANCES INC.** (the “**Parent**”);
- (2) **THE SUBSIDIARIES** of the Parent listed as Original Borrowers on the signature pages (the “**Subsidiaries**”);
- (3) **CITIBANK INTERNATIONAL PLC** as agent on behalf of itself and the other Finance Parties (the “**Agent**”).

## **RECITALS**

- (A) The Lenders made a facility available to the Parent and certain of its Subsidiaries pursuant to the Original Facility Agreement (as defined below).
- (B) The Parent has requested that the Finance Parties amend the Original Facility Agreement so that it may become a Tranche B Borrower for the purposes of the Original Facility Agreement.
- (C) The Finance Parties, with the Agent effecting such amendments on their behalf pursuant to Clause 37.1(b) (*Required consents*) of the Original Facility Agreement, the Parent and its Subsidiaries have agreed to amend the Original Facility Agreement as set out below.

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

“**Amended Agreement**” means the Original Facility Agreement, as amended by this Agreement.

“**Effective Date**” means the date on which the Agent confirms to the Lenders and the Parent that it has received each of the documents listed in Schedule 1 (*Conditions Precedent*) in a form and substance satisfactory to the Agent.

“**Original Facility Agreement**” means the multicurrency revolving facility agreement dated 23 November 2005 between the Parent, the Subsidiaries, the Agent, the Arrangers and others (each as defined therein).

### **1.2 Incorporation of defined terms**

- (a) Unless a contrary indication appears, a term defined in Original Facility Agreement has the same meaning in this Agreement.
- (b) The principles of construction set out in the Original Facility Agreement shall have effect as if set out in this Agreement.

### **1.3 Clauses**

In this Agreement any reference to a “Clause” or a “Schedule” is, unless the context otherwise requires, a reference to a Clause or a Schedule to this Agreement.

### **1.4 Third party rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

### **1.5 Designation**

In accordance with the Original Facility Agreement, each of the Parent and the Agent designates this Agreement as a Finance Document.

## **2. AMENDMENT**

Each of the parties to this Agreement hereby agrees that as of the Effective Date the definition of “Tranche B Borrower” shall be read and construed so as to include the Parent and each reference to “Tranche B Borrower” shall be deemed to include the Parent.

## **3. CONFIRMATION**

Each of the parties to this Agreement hereby confirms the amendments to the Original Facility Agreement made by the amendment letter dated 3 August 2006 between the Agent, the Parent and each of the Subsidiaries a copy of which is attached as Schedule 2 to this Agreement.

## **4. REPRESENTATIONS**

The Repeating Representations are deemed to be made by each Subsidiary and the Parent (by reference to the facts and circumstances then existing) on:

- (a) the date of this Agreement; and
- (b) the Effective Date.

## **5. CONTINUITY AND FURTHER ASSURANCE**

### **5.1 Continuing obligations**

The provisions of the Original Facility Agreement and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect.

### **5.2 Further assurance**

Each Subsidiary and the Parent shall, at the request of the Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

## **6. FEES, COSTS AND EXPENSES**

### **6.1 Transaction expenses**

The Parent shall promptly on demand pay the Agent the amount of all costs and expenses (including legal fees subject to any limit as may be separately agreed between the Parent and the Agent) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Agreement and any other documents referred to in this Agreement.

### **6.2 Enforcement costs**

The Parent shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, this Agreement.

### **6.3 Stamp taxes**

The Parent shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Agreement.

## **7. MISCELLANEOUS**

### **7.1 Incorporation of terms**

The provisions of Clause 33 (*Notices*), Clause 35 (*Partial Invalidity*), Clause 36 (*Remedies and waivers*) and Clause 40 (*Enforcement*) of the Original Facility Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to “this Agreement” or “the Finance Documents” are references to this Agreement.

### **7.2 Counterparts**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

## **8. GOVERNING LAW**

This Agreement is governed by English law.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

## SCHEDULE 1

### CONDITIONS PRECEDENT

#### 1. Corporate documents

- (a) A copy of the constitutional documents of each Subsidiary and the Parent or a certificate of an authorised signatory of each relevant Subsidiary and the Parent certifying that the constitutional documents previously delivered to the Agent for the purposes of the Original Facility Agreement have not been amended and remain in full force and effect.
- (b) A copy of a resolution of the board of directors of each Subsidiary and the Parent:
  - (i) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute this Agreement; and
  - (ii) authorising a specified person or persons to execute this Agreement on its behalf.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (d) A certificate of an authorised signatory of the relevant Subsidiary and the Parent certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

#### 2. Legal Opinions

- (a) A legal opinion of Clifford Chance LLP, Amsterdam, legal advisers to the Arranger and the Agent as to English law, substantially in the form distributed to the Lenders prior to signing this Agreement.
- (b) If a Subsidiary or the Parent is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arranger and the Agent in the relevant jurisdiction, substantially in the form distributed to the Lenders prior to signing this Agreement.

#### 3. Other documents and evidence

A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Parent accordingly) in connection with the entry into and performance of the transaction contemplated by this Agreement or for the validity and enforceability of this Agreement.

## SCHEDULE 2

### AMENDMENT LETTER

To: International Flavors & Fragrances (Luxembourg) S.à.r.l  
6 rue de Mamer  
L-8081 Bertrange  
Luxembourg

Attn: Iain Campbell

Date: 3 August 2006

Dear Sirs,

**Multicurrency Revolving Facility Agreement dated 23 November 2005 between International Flavors & Fragrances (Luxembourg) S.à.r.l and the Original Borrowers as Borrowers, International Flavors & Fragrances Inc. as Guarantor and Parent, Citigroup Global Markets Limited, Fortis Bank S.A./N.V., Bank of America, N.A., Bank of Tokyo-Mitsubishi, BNP Paribas, ING Bank N.V., J.P. Morgan Securities Inc. and Wachovia Bank, National Association as Mandated Lead Arrangers, Citibank International PLC as Agent and Euro Swingline Agent, Citibank N.A. as US Swingline Agent and the financial institutions named therein as Lenders (the “Facility Agreement”)**

#### 1. DEFINITIONS

We refer to the Facility Agreement. All terms herein, unless otherwise defined, shall have the same meaning as in the Facility Agreement. The Majority Lenders, pursuant to Clause 37 (*Amendments and Waivers*) of the Facility Agreement, have authorised the Agent to sign this letter on behalf of the Lenders.

#### 2. FACILITY AGREEMENT AMENDMENTS

Subject to Clause 3 below, we confirm that the Majority Lenders consent to the following amendments to the Facility Agreement (with such amendments to take effect on the date on which the last person to countersign a copy of this letter countersigns a copy of this letter):

- 2.1 Clause 25.12 (*Material adverse change*) shall be deleted in its entirety;
- 2.2 Clause 25.13 (*Acceleration*) shall be renumbered as Clause 25.12 (*Acceleration*); and
- 2.3 A new sub-clause 37.1(c) shall be inserted as follows:

“(c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 37 which is agreed to by the Parent. This includes any amendment or waiver which would, but for this paragraph (c), require the consent of the Guarantor.”

#### 3. GENERAL CONDITIONS

- 3.1 Nothing in this letter shall be deemed to be an amendment, waiver or consent of the Agent or the Lenders of any provision of the Facility Agreement or any other Finance Document or any default (howsoever described), save to the extent expressly referred to in this letter.
- 3.2 This letter is a Finance Document and is governed by English Law.
- 3.3 This letter may be executed in any number of counterparts, all of which when taken together will constitute one and the same instrument.

Yours faithfully,

**CITIBANK INTERNATIONAL PLC**  
as Agent

**SIGNATURES NOT REPRODUCED**

**SIGNATURES**

**The Parent**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

By: Douglas J. Wetmore  
Title: Senior Vice President and Chief Financial Officer  
Address: 521 West 57th St., New York NY 10019  
Fax: + 1 212 708 7191  
Tel: + 1 212 765 5500  
Attention: Dennis Meany

**The Original Borrowers**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

By: Douglas J. Wetmore  
Title: Senior Vice President and Chief Financial Officer  
Address: 521 West 57th St., New York, NY 10019  
Fax: + 1 212 708 7191  
Tel: + 1 212 765 5500  
Attention: Dennis Meany

**INTERNATIONAL FLAVORS & FRAGRANCES (LUXEMBOURG) S.À.R.L**

By: J.H.M. van Noorden  
Title: VP Legal Affairs EAME  
Address: 6 Rue de Mamer  
L-8081 Bertrange, Luxembourg  
Fax: + 35 2 26 11 41 41  
Tel: + 35 2 26 11 41 1  
Attention: I. Campbell

**INTERNATIONAL FLAVORS & FRAGRANCES I.F.F. (NEDERLAND) B.V.**

By: J.H.M. van Noorden  
Title: Managing Director  
Address: P.O. Box 309  
1200 AH Hilversum  
The Netherlands  
Fax: + 31 (0)35 6883 202  
Tel: + 31 (0)35 6883 911  
Attention: J.H.M. van Noorden

**INTERNATIONAL FLAVORS & FRAGRANCES (NEDERLAND) HOLDING B.V.**

By: J.H.M. van Noorden  
Title: Managing Director  
Address: P.O. Box 309  
1200 AH Hilversum  
The Netherlands  
Fax: + 31 (0)35 6883 202  
Tel: + 31 (0)35 6883 911  
Attention: J.H.M. van Noorden

**IRISH FLAVOURS AND FRAGRANCES LTD**

By: J.H.M. van Noorden  
Title: VP Legal Affairs EAME  
Address: Industrial Estate, Drogheda, Co. Louth  
Fax: + 353 (0)41 983 5119  
Tel: + 353 (0)41 983 1031  
Attention: M. Tolan

**IFF BENICARLO SA**

By: J.H.M. van Noorden  
Title: VP Legal Affairs EAME  
Address: Avenida Felipe Klein, 2  
Benicarlo – 12580 – Castellón  
Fax: +34 (0)964 473 411  
Tel: +34 (0)964 470 200  
Attention: A. Dantart

**INTERNATIONAL FLAVOURS & FRAGRANCES I.F.F. (GREAT BRITAIN) LTD**

By: J.H.M. van Noorden  
Title: VP Legal Affairs EAME  
Address: Duddery Hill, Haverhill, Suffolk, CB9 8LG  
United Kingdom  
Fax: + 44 (0)1440 76 1599  
Tel: + 44 (0)1440 71 5000  
Attention: P.J. Gardner

**BUSH BOAKE ALLEN HOLDINGS (UK) LTD**

By: J.H.M. van Noorden  
Title: VP Legal Affairs EAME  
Address: Duddery Hill, Haverhill, Suffolk, CB9 8LG  
United Kingdom  
Fax: + 44 (0)1440 76 1599  
Tel: + 44 (0)1440 71 5000  
Attention: P.J. Gardner

**THE AGENT**

**CITIBANK INTERNATIONAL PLC**

By: John Nelson  
Title: Specialist  
Address: Canada Square  
Canary Wharf  
London  
E14 5L  
Fax: +44 208 663 3824  
Tel: +44 207 500 4246  
Attention: John Nelson  
john1.nelson@citi.com

INTERNATIONAL FLAVORS & FRAGRANCES INC.

2000 Stock Award and Incentive Plan,  
as amended and restated effective as of March 6, 2007 (the "Plan")

Purchased Restricted Stock Agreement

This Purchased Restricted Stock Agreement (the "Agreement") confirms the grant on \_\_\_\_\_, 20\_\_ (the "Grant Date") by INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Company"), to \_\_\_\_\_ ("Employee"), for the purpose set forth in Section 1 of the Plan, of an Award of Restricted Stock (the "Restricted Stock"), as follows:

Restricted Stock granted: \_\_\_\_\_ Shares

Purchase Price per Share: \$\_\_\_\_ per Share, being 50% of the fair market value thereof on the Grant Date

Aggregate Purchase Price: \$\_\_\_\_ (equal to the number of Shares granted times the Purchase Price per Share); the Company acknowledges receipt of the Purchase Price from Employee in cash, as of the Grant Date

Restricted Stock Vests: As to 100% of the Restricted Stock on the third anniversary of the Grant Date (the "Stated Vesting Date"), except that different vesting provisions may apply upon the occurrence of certain events specified in Section 3 or 5 hereof

The Restricted Stock is an award of shares of the Company's Common Stock (the "Common Stock") granted under Section 6(d) of the Plan, and is subject to the risk of forfeiture and other restrictions specified in the Plan and this Agreement, including the Terms and Conditions of Purchased Restricted Stock attached hereto. The number and kind of shares of Restricted Stock and other terms of the Restricted Stock are subject to adjustment in accordance with Section 4 hereof and Section 11(c) of the Plan.

Employee acknowledges and agrees that (i) the Restricted Stock is nontransferable, (ii) the Restricted Stock, and certain amounts of gain realized upon vesting and delivery of the Shares, is subject to forfeiture in the event Employee fails to meet applicable requirements relating to non-competition, confidentiality, non-solicitation of customers, suppliers, business associates, employees and service providers, non-disparagement and cooperation in litigation with respect to the Company and its subsidiaries and affiliates, and financial reporting, as set forth in Section 7 hereof and Section 10 of the Plan, (iii) the Restricted Stock is subject to forfeiture in the event of Employee's Termination of Employment in certain circumstances prior to vesting, as specified in Section 3 hereof, (iv) sales of shares delivered upon vesting of the Restricted Stock will be subject to the Company's policies regulating trading by employees and (v) a copy of the Plan and related prospectus have previously been delivered to Employee, are being delivered to Employee or are available as specified in Section 1 hereof. ***In addition, and without limiting the foregoing, Employee consents, acknowledges and agrees that, as a condition to the grant of Restricted Stock hereunder, Section 10(d) of the Plan, which relates to forfeitures of Awards (as defined in the Plan) in the event of financial reporting misconduct, will apply to the Restricted Stock granted hereunder as well as to any other Awards that may have been granted to Employee prior to the Grant Date set forth above.***

IN WITNESS WHEREOF, INTERNATIONAL FLAVORS & FRAGRANCES INC. has caused this Agreement to be executed by its officer thereunto duly authorized, and Employee has duly executed this Agreement, by which each has agreed to the terms of this Agreement.

**Employee**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

\_\_\_\_\_  
Name

By:

\_\_\_\_\_  
Dennis M. Meany  
Senior Vice President,  
General Counsel and Secretary

## TERMS AND CONDITIONS OF PURCHASED RESTRICTED STOCK

The following Terms and Conditions apply to the Restricted Stock granted to Employee by INTERNATIONAL FLAVORS & FRAGRANCES INC. (the "Company"), as specified in the Purchased Restricted Stock Agreement (of which these Terms and Conditions form a part). Certain terms of the Restricted Stock, including the number of Shares granted, Purchase Price per Share and vesting date, are set forth on the preceding pages.

1. **General.** The Restricted Stock is granted to Employee under the Company's 2000 Stock Award and Incentive Plan (the "Plan"), a copy of which is available for review, along with other documents constituting the "prospectus" for the Plan, on the Company's intranet site at One IFF/Corporate/Law Department. All of the applicable terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the Restricted Stock, Employee agrees to be bound by all of the terms and provisions of the Plan (as presently in effect or later amended), the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Company's Compensation Committee (the "Committee") made from time to time, provided that no such Plan amendment, rule or regulation or Committee decision or determination shall materially and adversely affect the rights of the Employee with respect to outstanding Restricted Stock without the consent of Employee.

2. **Nontransferability.** Until such time as the Restricted Stock has become vested in accordance with the terms of this Agreement, Employee may not transfer Restricted Stock or any rights hereunder to any third party other than by will or the laws of descent and distribution. This restriction on transfer precludes any sale, assignment, pledge, or other encumbrance or disposition of the shares of Restricted Stock (except for forfeitures to the Company).

3. **Termination Provisions.** The following provisions will govern the vesting and forfeiture of the Restricted Stock in the event of Employee's Termination of Employment (as defined below), provided that the Committee retains its powers to accelerate vesting or modify these terms subject to the consent of Employee in the case of a modification materially adverse to Employee:

(a) *Voluntary Resignation and Termination by the Company for Cause.* In the event of Employee's Termination of Employment due to his or her voluntarily resignation (other than a Normal or Early Retirement governed by clause (b) or (c) below) or Termination of Employment by the Company for Cause (as defined below), all unvested Restricted Stock will be immediately forfeited.

(b) *Disability or Normal Retirement.* In the event of Employee's Termination of Employment due to Disability (as defined below) or Normal Retirement (as defined below), Employee's unvested Restricted Stock will not be forfeited, but will remain outstanding and will become vested at the applicable date under this Agreement as though Employee had not had such a Termination of Employment; provided that Employee shall forfeit the unvested Restricted Stock if during the period following Termination of Employment up to the date of vesting Employee engages in activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(d) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.

(c) *Termination by the Company Not for Cause or Early Retirement.* In the event of Employee's Termination of Employment by the Company not for Cause or Employee's Early Retirement, the following rules apply:

- A pro rata portion of Employee's then unvested Restricted Stock will not be forfeited, but will remain outstanding and will become vested at the applicable date under this Agreement as though Employee had not had such a Termination of Employment. This pro rata portion will be determined by multiplying the number of unvested Shares of Restricted Stock by a fraction the numerator of which is the number of days from the

Grant Date to the date of Employee's Termination of Employment and the denominator of which is 1,095; provided that Employee shall forfeit the unvested Restricted Stock if during the period following Termination of Employment up to the date of vesting Employee engages in activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(d) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.

- Employee's Shares of Restricted Stock that had not become vested before such Termination of Employment and which are not included in the pro rata portion subject to continued vesting will be immediately forfeited.

(d) *Death.* In the event of Employee's Termination of Employment due to death or the death of Employee following Termination but prior to vesting of Restricted Stock not otherwise forfeited hereunder, Employee's unvested Restricted Stock will not be forfeited but will become immediately vested.

(e) *Certain Definitions.* The following definitions apply for purposes of this Agreement:

(i) "Cause" has the meaning as defined in the Company's Executive Separation Policy or any successor policy thereto, as in effect at the time of Employee's Termination of Employment.

(ii) "Disability" means a disability entitling Employee to long-term disability benefits under the Company's long-term disability policy as in effect at the date of Employee's termination of employment, upon written evidence of such permanent disability from a medical doctor in a form satisfactory to the Company.

(iii) "Early Retirement" means Termination of Employment by either the Company or Employee after Employee has attained age 55 and before he or she has attained age 62 if at the time of Termination Employee has ten or more years in the employ of the Company and/or its subsidiaries.

(iv) "Normal Retirement" means Termination of Employment by either the Company or Employee after Employee has attained age 62.

(v) "Termination of Employment" means the event by which Employee ceases to be employed by the Company or any subsidiary of the Company and, immediately thereafter, is not employed by or providing substantial services to any of the Company or a subsidiary of the Company. If Employee is granted a leave of absence for military or governmental service or other purposes approved by the Board, he or she shall be considered as continuing in the employ of the Company, or of a subsidiary of the Company, for the purpose of this subsection, while on such authorized leave of absence.

#### 4. *Dividends and Distributions and Adjustments.*

(a) *Dividends and Distributions.* Employee shall be entitled to receive with respect to the Restricted Stock all dividends and distributions payable on Common Stock (including for this purpose any forward stock split) if and to the extent that he is the record owner of such Restricted Stock on any record date for such a dividend or distribution and he has not forfeited such Restricted Stock on or before the payment date for such dividend or distribution, subject to the following terms and conditions (except as provided in Section 4(b) below):

(i) In the event of a cash dividend or cash distribution on Common Stock other than an extraordinary dividend or distribution with a per-Share value at the payment date exceeding 8% of the then Fair Market Value of a Share, such dividend or distribution shall be paid in cash to Employee and shall be non-forfeitable;

(ii) In the event of any non-cash dividend or distribution in the form of property other than Common Stock payable on Common Stock, such as shares of a subsidiary of the Company distributed in a spin-off, the Company shall retain in its custody the property so

distributed in respect of Employee's Restricted Stock, which property thereafter will become vested if and to the same extent as the original Restricted Stock with respect to which the property was distributed becomes vested and, to the greatest extent practicable, shall be subject to all other terms and conditions as applied to the original Restricted Stock, including in the event of any dividends or distributions paid in respect of such property or with respect to the placement of any legend on certificate(s) or documents representing such property; provided, however, that any dividend or distribution of rights that expire before the applicable vesting date will be unrestricted and exercisable by Employee in accordance with their terms;

(iii) In the event of a dividend or distribution in the form of Common Stock or split-up of shares, the Common Stock issued or delivered as such dividend or distribution or resulting from such split-up will be deemed to be additional Restricted Stock and will become vested if and to the same extent as the original Restricted Stock with respect to which the dividend or distribution was payable becomes vested, and shall be subject to all other terms and conditions as applied to the original Restricted Stock; and

(iv) In the event of an extraordinary cash dividend or distribution not payable under clause (i) above, the amount of such cash shall be deemed reinvested in additional Restricted Stock at the Fair Market Value of Shares on the payment date, and the resulting Restricted Stock will become vested if and to the same extent as the original Restricted Stock with respect to which the dividend or distribution was payable becomes vested, and shall be subject to all other terms and conditions as applied to the original Restricted Stock.

(b) *Adjustments.* The number and kind of shares of Restricted Stock and other terms and conditions of Restricted Stock or otherwise contained in this Agreement, including the Purchase Price per Share (for purposes of Section 6), shall be appropriately adjusted, in order to prevent dilution or enlargement of Employee's rights hereunder, to reflect any changes in the number of outstanding shares of Common Stock resulting from any event referred to in Section 11(c) of the Plan, taking into account any Restricted Stock or other amounts paid or credited to Employee in connection with such event under Section 4(a) hereof, in the sole discretion of the Committee. In addition, the Committee may vary the treatment of any dividend or distribution as specified under Section 4(a) (ii), (iii) or (iv), in its discretion. The Committee may determine how to treat or settle any fractional share resulting under this Agreement.

5. ***Change in Control Provisions.*** The provisions of Section 9(a) of the Plan shall apply to the Restricted Stock, such that vesting of Restricted Stock shall accelerate upon a Change in Control.

6. ***Refund of Purchase Price Upon Forfeiture.*** In the event of Employee's forfeiture of Restricted Stock under Section 3, the Company will repay to Employee, for each Share of Restricted Stock forfeited, an amount equal to the lesser of the Purchase Price per Share (subject to any adjustment under Section 4(b)) or 100% of the Fair Market Value of a Share at the date of forfeiture. In the case of any forfeiture under Section 7, a refund will be paid calculated as the greater of the amount determined under this Section 6 or the amount, if any, payable under Section 10 of the Plan.

7. ***Additional Forfeiture Provisions.*** Employee agrees that, by signing this Agreement and accepting the grant of the Restricted Stock, the forfeiture conditions set forth in Section 10 of the Plan shall apply to the Restricted Stock and to gains realized upon the vesting of the Restricted Stock.

8. ***Other Terms of Restricted Stock.***

(a) *Voting and Other Shareholder Rights.* Employee shall be entitled to vote Restricted Stock on any matter submitted to a vote of holders of Common Stock, and shall have all other rights of a shareholder of the Company except as expressly limited by this Agreement.

(b) *Employee Representations and Warranties Upon Vesting.* As a condition to the vesting of Restricted Stock, the Company may require Employee to make any representation or warranty to the Company as may be required under any applicable law or regulation, and to make a representation and warranty that no Forfeiture Event has occurred or is contemplated within the meaning of Section 10 of the Plan.

(c) *Certificates/DRS.* Restricted Stock shall be evidenced by issuance of one or more certificates or in certificate-less form under the Direct Registration System (“DRS”) established by the Company, in the name of Employee, bearing an appropriate legend referring to the terms, conditions, and restrictions applicable hereunder, and shall remain in the physical custody of the General Counsel of the Company or his designee until such time as such Shares of Restricted Stock have been vested and the restrictions hereunder have therefore lapsed. In addition, Restricted Stock shall be subject to such stop-transfer orders and other restrictive measures as the General Counsel of the Company shall deem advisable under federal or state securities laws, rules and regulations thereunder, and the rules of the New York Stock Exchange, or to implement the terms, conditions and restrictions hereunder, and the General Counsel may cause a legend or legends to be placed on any such certificates or DRS accounts to make appropriate reference to the terms, conditions and restrictions hereunder.

(d) *Stock Powers.* Employee agrees to execute and deliver to the Company one or more stock powers, in such form as may be specified by the General Counsel, authorizing the transfer of the Restricted Stock to the Company, upon the request of the Company.

(e) *Mandatory Tax Withholding.* Unless otherwise determined by the Committee, at the time of settlement the Company will withhold from any Shares deliverable to Employee, in accordance with Section 11(d) of the Plan, the number of shares having a value nearest to, but not exceeding, the amount of income taxes, employment taxes or other withholding amounts required to be withheld under applicable local laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Employee will be responsible for any taxes relating to the Restricted Stock not satisfied by means of such mandatory withholding.

(f) *Employee Consent.* By signing this Agreement, Employee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8(f). Employee is not obliged to consent to such collection, use, processing and transfer of personal data; however, failure to provide the consent may affect Employee’s ability to participate in the Plan. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Employee, including Employee’s name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, and details of all options or any other entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in Employee’s favor (“Data”). The Company and/or its subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Employee’s participation in the Plan and the Company and/or any of its subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Employee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Employee’s participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Employee’s behalf to a broker or other third party with whom Employee may elect to deposit any shares acquired pursuant to the Plan. Employee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Employee’s ability to participate in the Plan.

(g) *Voluntary Participation.* Employee’s participation in the Plan is voluntary. The value of the Restricted Stock is an extraordinary item of compensation. As such, the Restricted Stock is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. Rather, the awarding of Restricted Stock to Employee under the Plan represents a mere investment opportunity.

(h) *Consent to Electronic Delivery.* EMPLOYEE HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, THE PROSPECTUS FOR THE PLAN AND OTHER DOCUMENTS RELATED TO THE PLAN (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY WILL DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO EMPLOYEE BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. THE COMPANY WILL SEND TO EMPLOYEE AN E-MAIL ANNOUNCEMENT WHEN A NEW PLAN DOCUMENT IS AVAILABLE ELECTRONICALLY FOR EMPLOYEE'S REVIEW, DOWNLOAD OR PRINTING AND WILL PROVIDE INSTRUCTIONS ON WHERE THE PLAN DOCUMENT CAN BE FOUND. UNLESS OTHERWISE SPECIFIED IN WRITING BY THE COMPANY, EMPLOYEE WILL NOT INCUR ANY COSTS FOR RECEIVING THE PLAN DOCUMENTS ELECTRONICALLY THROUGH THE COMPANY'S COMPUTER NETWORK. EMPLOYEE WILL HAVE THE RIGHT TO RECEIVE PAPER COPIES OF ANY PLAN DOCUMENT BY SENDING A WRITTEN REQUEST FOR A PAPER COPY TO THE ADDRESS SPECIFIED IN SECTION 9(e) HEREOF. EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS WILL BE VALID AND REMAIN EFFECTIVE UNTIL THE EARLIER OF (I) THE TERMINATION OF EMPLOYEE'S PARTICIPATION IN THE PLAN AND (II) THE WITHDRAWAL OF EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS. THE COMPANY ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS THE RIGHT AT ANY TIME TO WITHDRAW HIS OR HER CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS BY SENDING A WRITTEN NOTICE OF WITHDRAWAL TO THE ADDRESS SPECIFIED IN SECTION 9(e) HEREOF. IF EMPLOYEE WITHDRAWS HIS OR HER CONSENT TO ELECTRONIC DELIVERY, THE COMPANY WILL RESUME SENDING PAPER COPIES OF THE PLAN DOCUMENTS WITHIN TEN (10) BUSINESS DAYS OF ITS RECEIPT OF THE WITHDRAWAL NOTICE. EMPLOYEE ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING EMPLOYEE THAT THE PLAN DOCUMENTS ARE AVAILABLE IN EITHER HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

#### 9. *Miscellaneous.*

(a) *Binding Agreement; Written Amendments.* This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties. This Agreement constitutes the entire agreement between the parties with respect to the Restricted Stock, and supersedes any prior agreements or documents with respect thereto. No amendment or alteration of this Agreement which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Agreement which may materially impair the rights of Employee with respect to the Restricted Stock shall be valid unless expressed in a written instrument executed by Employee.

(b) *No Promise of Employment.* The Restricted Stock and the granting thereof shall not constitute or be evidence of any agreement or understanding, express or implied, that Employee has a right to continue as an officer or employee of the Company for any period of time, or at any particular rate of compensation. Employee acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time, provided, however that any outstanding Restricted Stock shall not be materially and adversely affected. The grant of Restricted Stock under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of restricted stock or other equity awards or benefits in lieu of equity awards in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of Shares and vesting provisions.

(d) *Governing Law.* THE VALIDITY, CONSTRUCTION, AND EFFECT OF THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS (INCLUDING THOSE GOVERNING CONTRACTS) OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAW. The Restricted Stock and the granting thereof are subject to the Employee's compliance with the applicable law of the jurisdiction of Employee's employment.

(e) *Notices.* Any notice to be given the Company under this Agreement shall be addressed to the Company at 521 West 57th Street, New York, NY 10019, attention: Corporate Secretary, and any notice to the Employee shall be addressed to the Employee at Employee's address as then appearing in the records of the Company.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

2000 Stock Award and Incentive Plan,  
as amended and restated effective as of March 6, 2007

U.S. Restricted Stock Units Agreement

This Restricted Stock Units Agreement (the "Agreement") confirms the grant on \_\_\_\_\_, 20\_\_ (the "Grant Date") by INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Company"), to \_\_\_\_\_ & nbsp; \_\_\_\_\_ ("Employee") of Restricted Stock Units (the "Units"), as follows:

Number granted: \_\_\_\_\_ Units

Units vest: All Units will vest on \_\_\_\_\_, 20\_\_ (the "Stated Vesting Date"), if not previously forfeited. In addition, the Units will become immediately vested upon a Change in Control or upon the occurrence of certain events relating to termination of employment in accordance with Section 4 hereof.

Settlement: Units granted hereunder will be settled by delivery of one share of the Company's Common Stock, par value \$.12-1/2 per share, for each Unit being settled. Such settlement shall occur promptly on or following the vesting (the lapse of the risk of forfeiture) of each Unit as specified above, subject to Section 6. Any reference in this Agreement to settlement "promptly" upon a settlement date requires that shares be delivered no more than 60 days after the settlement date; Employee may not influence the Company's determination of when to deliver shares within such 60-day period. The foregoing notwithstanding, settlement shall be deferred in certain cases if so elected by Employee by filling out the following section, executing the Agreement and returning it to the Company by \_\_\_\_\_, 20\_\_, or as otherwise provided under Section 6 hereof:

Check Only One:

- I hereby elect to have my Units settled at the date of vesting (this includes any date following Termination of Employment deemed to result from continued vesting under Section 4(b) or (c)) (Note: this election will apply if this form is not returned or if no box is checked).
- I hereby elect to defer the settlement of my Units until the first business day of the year \_\_\_\_\_ (date must be after the Stated Vesting Date) (subject to accelerated settlement of the deferred Units in the event of a Change in Control (subject to Section 6) and accelerated settlement of previously vested Units in the event of Employee's Termination of Employment for any reason, including Normal or Early Retirement, after the Stated Vesting Date, at which time settlement will occur promptly but subject to the six-month delay rule of Section 6(b), if applicable).
- I hereby elect to defer the settlement of my Units until my Termination of Employment for any reason, including Retirement, at which time settlement will occur promptly but subject to the six-month delay rule of Section 6(b), if applicable, and in all events subject to accelerated settlement in the event of a Change in Control (subject to Section 6).

If I elect to defer the settlement of my Units, I acknowledge and agree that, if the Company declares and pays a dividend of any kind on the Company's Common Stock, amounts equivalent to such dividends will be paid on any vested Units after the Stated Vesting Date, even if such Units have not been settled, and that such dividend equivalents will be treated as compensation to me.

\* \* \* \* \*

The Units are granted under Section 6(e) of the 2000 Stock Award and Incentive Plan, as amended and restated effective as of March 6, 2007 (the "Plan"), and are subject to the terms and conditions of the Plan and this Agreement, including the Terms and Conditions of Restricted Stock Units attached hereto. The number of Units and the kind of shares deliverable in settlement of Units are subject to adjustment in accordance with Section 5 hereof and Section 11(c) of the Plan.

Employee acknowledges and agrees that (i) Units are nontransferable, except as provided in Section 3 hereof and Section 11(b) of the Plan, (ii) Units, and certain amounts of gain realized upon settlement of Units, are subject to forfeiture in the event Employee fails to meet applicable requirements relating to non-competition, confidentiality, non-solicitation of customers, suppliers, business associates, employees and service providers, non-disparagement and cooperation in litigation with respect to the Company and its subsidiaries and affiliates, and financial reporting, as set forth in Section 7 hereof and Section 10 of the Plan, (iii) Units are subject to forfeiture in the event of Employee's Termination of Employment in certain circumstances prior to vesting, as specified in Section 4 hereof, (iv) sales of shares delivered in settlement of Units will be subject to the Company's policies regulating trading by employees and (v) a copy of the Plan and related prospectus have previously been delivered to Employee, are being delivered to Employee or are available as specified in Section 1 hereof. ***In addition, and without limiting the foregoing, Employee consents, acknowledges and agrees that, as a condition to the grant of Units hereunder, Section 10(d) of the Plan, which relates to forfeitures of Awards (as defined in the Plan) in the event of financial reporting misconduct, will apply to the Units granted hereunder as well as to any other Awards that may have been granted to Employee prior to the Grant Date set forth above.***

IN WITNESS WHEREOF, INTERNATIONAL FLAVORS & FRAGRANCES INC. has caused this Agreement to be executed by its officer thereunto duly authorized, and Employee has duly executed this Agreement, by which each has agreed to the terms of this Agreement.

Employee

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Name

By:

Dennis M. Meany  
Senior Vice President,  
General Counsel and Secretary

## TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

The following Terms and Conditions apply to the Units granted to Employee by INTERNATIONAL FLAVORS & FRAGRANCES INC. (the “Company”), as specified in the U.S. Restricted Stock Units Agreement (of which these Terms and Conditions form a part). Certain terms of the Units, including the number of Units granted, vesting date(s) and settlement date, are set forth on the preceding pages.

1. **General.** The Units are granted to Employee under the Company’s 2000 Stock Award and Incentive Plan (the “Plan”), a copy of which is available for review, along with other documents constituting the “prospectus” for the Plan, on the Company’s intranet site at One IFF/Corporate/Law Department. All of the applicable terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the Units, Employee agrees to be bound by all of the terms and provisions of the Plan (as presently in effect or later amended), the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Company’s Compensation Committee (the “Committee”) made from time to time, provided that no such Plan amendment, rule or regulation or Committee decision or determination shall materially and adversely affect the rights of the Employee with respect to outstanding Units.

2. **Account for Employee.** The Company shall maintain a bookkeeping account for Employee (the “Account”) reflecting the number of Units then credited to Employee hereunder as a result of such grant of Units.

3. **Nontransferability.** Until Units become settleable in accordance with the terms of this Agreement, Employee may not transfer Units or any rights hereunder to any third party other than by will or the applicable laws of descent and distribution, except for transfers to a Beneficiary upon death of Employee or otherwise if and to the extent permitted by the Company and subject to the conditions under Section 11(b) of the Plan.

4. **Termination Provisions.** The following provisions will govern the vesting and forfeiture of the Units in the event of Employee’s Termination of Employment (as defined below), provided that the Committee retains its powers to accelerate vesting or modify these terms, subject to the consent of Employee in the case of a modification materially adverse to Employee and subject to Section 6(b) hereof:

(a) **Voluntary Resignation and Termination by the Company for Cause.** In the event of Employee’s Termination of Employment due to his or her voluntary resignation (other than a Normal or Early Retirement governed by clause (b) or (c) below) or Termination of Employment by the Company for Cause (as defined below), all unvested Units will be immediately forfeited, and the portion of the then-outstanding Units that is vested and non-forfeitable at the date of Termination will be settled promptly following such Termination, subject to the six-month delay rule in Section 6(b) if applicable.

(b) **Disability or Normal Retirement.** In the event of Employee’s Termination of Employment due to Disability (as defined below) or Normal Retirement (as defined below), Employee’s unvested Units will not be forfeited, but will remain outstanding and will become vested at the applicable date under this Agreement as though Employee had not had such a Termination of Employment; provided that Employee shall forfeit the unvested Units if before the date of vesting Employee engages in an activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Upon vesting, such Units will be settled promptly. Units vested prior to such Termination will be settled promptly following such Termination, subject to the six-month delay rule in Section 6(b) if applicable. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(e) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.

(c) *Termination by the Company Not for Cause or Early Retirement.* In the event of Employee's Termination of Employment by the Company not for Cause or Employee's Early Retirement, the following rules apply:

- A pro rata portion of Employee's then unvested Units will not be forfeited, but will remain outstanding and will become vested at the applicable date under this Agreement as though Employee had not had such a Termination of Employment. This pro rata portion will be determined by multiplying the number of unvested Units by a fraction the numerator of which is the number of days from the Grant Date to the date of Employee's Termination of Employment and the denominator of which is 1,095; provided that Employee shall forfeit such unvested Units if before the date of vesting Employee engages in activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(e) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.
- Employee's Units that had not become vested before such Termination of Employment and which are not included in the pro rata portion subject to continued vesting will be immediately forfeited.
- Upon vesting of the Units included in the pro rata portion subject to continued vesting, such Units will be settled promptly as provided herein.
- Units vested prior to such Termination will be settled promptly after such Termination, subject to the six-month delay rule in Section 6(b) if applicable.

(d) *Death.* In the event of Employee's Termination of Employment due to death or the death of Employee following Termination (including death after Termination but prior to vesting of Units not otherwise forfeited hereunder), Employee's unvested Units will not be forfeited but will become immediately vested, and such Units and any Units vested prior to death will be settled promptly as provided herein.

(e) *Certain Definitions.* The following definitions apply for purposes of this Agreement:

(i) "Cause" has the meaning as defined in the Company's Executive Separation Policy or any successor policy thereto, as in effect at the time of Employee's Termination of Employment.

(ii) "Disability" means a disability entitling Employee to long-term disability benefits under the Company's long-term disability policy as in effect at the date of Employee's termination of employment, upon written evidence of such total disability from a medical doctor in a form satisfactory to the Company.

(iii) "Early Retirement" means Termination of Employment by either the Company or Employee after Employee has attained age 55 and before he or she has attained age 62 if at the time of Termination Employee has ten or more years in the employ of the Company and/or its subsidiaries.

(iv) "Normal Retirement" means Termination of Employment by either the Company or Employee after Employee has attained age 62.

(v) "Termination of Employment" means the event by which Employee ceases to be employed by the Company or any subsidiary of the Company and, immediately thereafter, is not employed by or providing substantial services to any of the Company or a subsidiary of the Company. If Employee is granted a leave of absence for military or governmental service or other purposes approved by the Board, he or she shall be considered as continuing in the employ of the Company, or of a subsidiary of the Company, for the purpose of this subsection, while on such authorized leave of absence.

## 5. *Dividends and Adjustments.*

(a) *Dividends.* No dividends or dividend equivalents will be credited or paid on any unvested Units. Units that, at the relevant dividend record date that occurs before the issuance of shares in settlement of Units, previously have been vested (i.e., Units deferred as to settlement under Section 6), shall be entitled to payments or credits equivalent to dividends that would have been paid if the Units had been outstanding shares at such record date. The form and timing of such payments will be in the discretion of the Committee.

(b) *Adjustments.* The number of Units credited to Employee's Account and/or the property deliverable upon settlement of Units shall be appropriately adjusted, in order to prevent dilution or enlargement of Employee's rights with respect to Units in connection with, or to reflect any changes in the number and kind of outstanding shares of Common Stock resulting from, any corporate transaction or event referred to in the first sentence of Section 11(c) of the Plan (this provision takes precedence over Section 5(a) in the case of a large and non-recurring cash dividend or any non-cash dividend).

(c) *Risk of Forfeiture and Settlement of Units Resulting from Adjustments.* Units (and other property deliverable in settlement of Units) which directly or indirectly result from adjustments to a Unit granted hereunder shall be subject to the same risk of forfeiture (including additional forfeiture terms of Section 10 of the Plan) as applies to the granted Unit and will be settled at the same time as the granted Unit.

## 6. *Deferral of Settlement.*

(a) *Voluntary Deferral.* Settlement of any Unit, which otherwise would occur upon the vesting or lapse of the risk of forfeiture of such Unit, will be deferred in certain cases if and to the extent so elected by Employee in accordance with the cover page of this Agreement.

(b) *Code Section 409A Compliance.* Deferrals, whether elective or mandatory under the terms of this Agreement (this generally includes terms providing for post-termination vesting), shall comply with requirements under Section 409A of the Internal Revenue Code (the "Code"). Other provisions of this Agreement notwithstanding, under U.S. federal income tax laws and Treasury Regulations (including any other applicable guidance) as presently in effect or hereafter implemented, (i) a distribution in settlement of Units to Employee triggered by a Termination of Employment will occur only if the Termination constitutes a "separation from service" within the meaning of Code Section 409A(a)(2)(A)(i) and, if at the time of such separation from service Employee is a "specified employee" under Code Section 409A(a)(2)(B)(i) and a delay in distribution is required in order that Employee will not be subject to a tax penalty under Code Section 409A, such distribution in settlement of Units will be subject to the six-month delay rule as specified in the Company's document titled "Compliance Rules Under Section 409A of the Internal Revenue Code (Including Global Amendment to Certain Outstanding Restricted Stock Units)" (the "Compliance Rules"); (ii) any Units deemed to constitute a deferral of compensation under Code Section 409A will be subject to accelerated settlement under Section 9(a) of the Plan or otherwise upon a Change in Control only if the Change in Control constitutes a change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation within the meaning of Section 409A(a)(2)(A)(v), as specified in the "Change in Control Rule" in the Compliance Rules; and (iii) any rights of Employee or retained authority of the Company with respect to Units hereunder shall be automatically modified and limited to the extent necessary so that Employee will not be deemed to be in constructive receipt of income relating to the Units prior to the distribution and so that Employee shall not be subject to any penalty under Code Section 409A, to the extent permitted under 409A. In this regard, the Company shall have no retained discretion to accelerate the settlement of the Units beyond that permitted under Code Section 409A without triggering any tax penalty. This Award shall be subject to applicable provisions of the Compliance Rules in all other respects.

7. **Additional Forfeiture Provisions.** Employee agrees that, by signing this Agreement and accepting the grant of the Units, the forfeiture conditions set forth in Section 10 of the Plan shall apply to all Units hereunder and to gains realized upon the vesting of the Units. For the purpose of the forfeiture conditions set forth in Section 10 of the Plan, gains will be deemed to be realized at the time of vesting for any Units the settlement of which is deferred at the election of Employee.

8. **Employee Representations and Warranties Upon Settlement.** As a condition to the settlement of the Units, the Company may require Employee to make any representation or warranty to the Company as may be required under any applicable law or regulation, and to make a representation and warranty that no Forfeiture Event has occurred or is contemplated within the meaning of Section 10 of the Plan.

9. **Other Terms Relating to Units.**

(a) **Fractional Units and Shares.** The number of Units credited to Employee's Account shall include fractional Units, if any, calculated to at least three decimal places, unless otherwise determined by the Committee. Unless settlement is effected through a third-party broker or agent that can accommodate fractional shares (without requiring issuance of a fractional share by the Company), upon settlement of the Units Employee shall be paid, in cash, an amount equal to the value of any fractional share that would have otherwise been deliverable in settlement of such Units.

(b) **Mandatory Tax Withholding.** Unless otherwise determined by the Committee, at the time of settlement the Company will withhold from any shares deliverable in settlement of the Units, in accordance with Section 11(d) of the Plan, the number of shares having a value nearest to, but not exceeding, the amount of income taxes, employment taxes or other withholding amounts required to be withheld under applicable local laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Employee will be responsible for any taxes relating to the Units not satisfied by means of such mandatory withholding.

(c) **Statements.** An individual statement of each Employee's Account will be issued to each Employee at such times as may be determined by the Company. Such a statement shall reflect the number of Units credited to Employee's Account, transactions therein during the period covered by the statement, and other information deemed relevant by the Committee. Such a statement may be combined with or include information regarding other plans and compensatory arrangements for employees. Any statement containing an error shall not, however, represent a binding obligation to the extent of such error.

(d) **Employee Consent.** By signing this Agreement, Employee voluntarily acknowledges and consents to the collection, use processing and transfer of personal data as described in this Section 9(d). Employee is not obliged to consent to such collection, use, processing and transfer of personal data; however, failure to provide the consent may affect Employee's ability to participate in the Plan. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Employee, including Employee's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, and details of all options or any other entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in Employee's favor ("Data"). The Company and/or its subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Employee's participation in the Plan and the Company and/or any of its subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Employee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Employee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on

Employee's behalf to a broker or other third party with whom Employee may elect to deposit any shares acquired pursuant to the Plan. Employee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Employee's ability to participate in the Plan.

(e) *Voluntary Participation.* Employee's participation in the Plan is voluntary. The value of the Units is an extraordinary item of compensation. As such, the Units are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. Rather, the awarding of Units to Employee under the Plan represents a mere investment opportunity.

(f) *Consent to Electronic Delivery.* EMPLOYEE HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, THE PROSPECTUS FOR THE PLAN AND OTHER DOCUMENTS RELATED TO THE PLAN (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY WILL DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO EMPLOYEE BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. THE COMPANY WILL SEND TO EMPLOYEE AN E-MAIL ANNOUNCEMENT WHEN A NEW PLAN DOCUMENT IS AVAILABLE ELECTRONICALLY FOR EMPLOYEE'S REVIEW, DOWNLOAD OR PRINTING AND WILL PROVIDE INSTRUCTIONS ON WHERE THE PLAN DOCUMENT CAN BE FOUND. UNLESS OTHERWISE SPECIFIED IN WRITING BY THE COMPANY, EMPLOYEE WILL NOT INCUR ANY COSTS FOR RECEIVING THE PLAN DOCUMENTS ELECTRONICALLY THROUGH THE COMPANY'S COMPUTER NETWORK. EMPLOYEE WILL HAVE THE RIGHT TO RECEIVE PAPER COPIES OF ANY PLAN DOCUMENT BY SENDING A WRITTEN REQUEST FOR A PAPER COPY TO THE ADDRESS SPECIFIED IN SECTION 10(e) HEREOF. EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS WILL BE VALID AND REMAIN EFFECTIVE UNTIL THE EARLIER OF (I) THE TERMINATION OF EMPLOYEE'S PARTICIPATION IN THE PLAN AND (II) THE WITHDRAWAL OF EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS. THE COMPANY ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS THE RIGHT AT ANY TIME TO WITHDRAW HIS OR HER CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS BY SENDING A WRITTEN NOTICE OF WITHDRAWAL TO THE ADDRESS SPECIFIED IN SECTION 10(e) HEREOF. IF EMPLOYEE WITHDRAWS HIS OR HER CONSENT TO ELECTRONIC DELIVERY, THE COMPANY WILL RESUME SENDING PAPER COPIES OF THE PLAN DOCUMENTS WITHIN TEN (10) BUSINESS DAYS OF ITS RECEIPT OF THE WITHDRAWAL NOTICE. EMPLOYEE ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING EMPLOYEE THAT THE PLAN DOCUMENTS ARE AVAILABLE IN EITHER HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

10. *Miscellaneous.*

(a) *Binding Agreement; Written Amendments.* This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties. This Agreement constitutes the entire agreement between the parties with respect to the Units, and supersedes any prior agreements or documents with respect thereto. No amendment or alteration of this Agreement which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Agreement which may materially impair the rights of Employee with respect to the Units shall be valid unless expressed in a written instrument executed by Employee.

(b) *No Promise of Employment.* The Units and the granting thereof shall not constitute or be evidence of any agreement or understanding, express or implied, that Employee has a right to continue as an officer or employee of the Company for any period of time, or at any particular rate of compensation. Employee acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time, provided, however that any outstanding Units shall not be materially and adversely affected. The grant of Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of restricted stock units or stock options or benefits in lieu of units or stock options in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of units and vesting provisions.

(c) *Unfunded Plan.* Any provision for distribution in settlement of Employee's Account hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in Employee any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for Employee. With respect to Employee's entitlement to any distribution hereunder, Employee shall be a general creditor of the Company.

(d) *Governing Law.* THE VALIDITY, CONSTRUCTION, AND EFFECT OF THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS (INCLUDING THOSE GOVERNING CONTRACTS) OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAW. The Units and the granting thereof are subject to the Employee's compliance with the applicable law of the jurisdiction of Employee's employment.

(e) *Notices.* Any notice to be given the Company under this Agreement shall be addressed to the Company at 521 West 57th Street, New York, NY 10019, attention: Corporate Secretary, and any notice to the Employee shall be addressed to the Employee at Employee's address as then appearing in the records of the Company.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

2000 Stock Award and Incentive Plan,  
as amended and restated effective as of March 6, 2007 (the "Plan")

Stock-Settled Appreciation Rights Agreement

This Stock-Settled Appreciation Rights Agreement (the "Agreement") confirms the grant on \_\_\_\_\_, 20\_\_ (the "Grant Date") by INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Company"), to \_\_\_\_\_ ("Employee"), for the purpose set forth in Section 1 of the Plan, of stock appreciation rights (the "SARs") covering shares of the Company's Common Stock, par value \$.12½ per share (the "Shares"), pursuant to Section 6(c) of the Plan, as follows:

Shares covered by SARs: \_\_\_\_\_ Shares

Base Price (akin to exercise price): \$\_\_ per Share, being the fair market value thereof on the Grant Date

SARs vest and become exercisable: As to 100% of the Shares covered by the SARs on the third anniversary of the Grant Date, except that different vesting and exercisability provisions may apply upon the occurrence of certain events specified in Section 5 or 6 hereof

Expiration Date: The seventh anniversary of the Grant Date (at the close of business) (the "Stated Expiration Date") or, in the event Employee's employment by the Company or its subsidiaries earlier terminates, then at the date the SARs expire or cease to be exercisable as provided under Section 5 hereof, or, in the event of a Change in Control, as provided in Section 6

Payment to Employee Upon Exercise: Upon exercise of SARs, Employee shall be entitled to receive payment in Shares determined by the following formula:

$$\text{Shares} = ((\text{FMV} - \text{Base Price}) * \text{SARs Exercised}) / \text{FMV}$$

Where: "Shares" is the number of Shares to be delivered

"FMV" is the Fair Market Value of a Share at the \_\_\_\_\_ exercise date

"Base Price" is as set forth above

"SARs Exercised" is the number of Shares covered by \_\_\_\_\_ the SARs then being exercised

"\*" means "multiplied by"

"/" means "divided by"

Other Exercise Conditions SARs may only be exercised at a date that the Fair Market Value of a Share exceeds the Base Price, and only if the SARs are otherwise exercisable at such date. If, on the date the SARs expire or terminate, both conditions in the preceding sentence have been met, the SARs shall be automatically exercised.

The SARs are subject to the terms and conditions of the Plan and this Agreement, including the Terms and Conditions of Stock Appreciation Rights Grant attached hereto. The number and kind of shares purchasable and the Base Price are subject to adjustment in accordance with Section 11(c) of the Plan.

Employee acknowledges and agrees that (i) the SARs are nontransferable, except as provided in Section 4 hereof and Section 11(b) of the Plan, (ii) the SARs, and certain amounts of gain realized upon exercise of the SARs, are subject to forfeiture in the event Employee fails to meet applicable requirements relating to non-competition, confidentiality, non-solicitation of customers, suppliers, business associates, employees and service providers, non-disparagement and cooperation in litigation with respect to the Company and its subsidiaries and affiliates, as set forth in Section 7 hereof and Section 10 of the Plan, (iii) the SARs are subject to forfeiture in the event of Employee's termination of employment in certain circumstances, as provided in Section 10 of the Plan and Section 5 hereof, (iv) sales of Shares will be subject to the Company's policies regulating securities trading by employees and the securities laws of the United States and (v) a copy of the Plan and related prospectus have previously been delivered to Employee, are being delivered to Employee or are available as specified in Section 1 hereof. ***In addition, and without limiting the foregoing, Employee consents, acknowledges and agrees that, as a condition to the grant of SARs hereunder, Section 10(d) of the Plan, which relates to forfeitures of Awards (as defined in the Plan) in the event of financial reporting misconduct, will apply to the SARs granted hereunder as well as to any other Awards that may have been granted to Employee prior to the Grant Date set forth above.***

IN WITNESS WHEREOF, International Flavors & Fragrances Inc. has caused this Agreement to be executed by its officer thereunto duly authorized, and Employee has duly executed this Agreement, as of the Grant Date, both parties intending to be legally bound hereby.

Employee

**INTERNATIONAL FLAVORS &  
FRAGRANCES INC.**

\_\_\_\_\_  
Name

By:

\_\_\_\_\_  
Dennis M. Meany  
Senior Vice President,  
General Counsel & Secretary

## TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS GRANT

The following Terms and Conditions apply to the SARs granted to Employee by INTERNATIONAL FLAVORS & FRAGRANCES INC. (the “Company”), as specified on the preceding page. Certain specific terms of the SARs, including the number of shares purchasable, vesting and expiration dates, and the Base Price, are set forth on the preceding page.

1. **General.** The SARs are granted to Employee under the Company’s 2000 Stock Award and Incentive Plan (the “Plan”), a copy of which is available for review, along with other documents constituting the “prospectus” for the Plan, on the Company’s intranet site at One IFF/Corporate/Law Department. All of the terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Agreement but not defined herein (or in the preceding page) shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the SARs, Employee agrees to be bound by all of the terms and provisions of the Plan (as presently in effect or later amended), rules and regulations under the Plan adopted from time to time, and decisions and determinations of the Company’s Compensation Committee (the “Committee”) made from time to time, provided that no such Plan amendment, rule or regulation or Committee decision or determination shall materially and adversely affect the rights of the Employee with respect to the SARs without Employee’s consent.

2. **Right to Exercise SARs.** Subject to all applicable laws, rules, regulations and the terms of the Plan and this Agreement, Employee may exercise the SARs if and to the extent it has become vested and exercisable but not after the Stated Expiration Date of the SARs.

3. **Method of Exercise.** To exercise the SARs, unless otherwise permitted by the Company, Employee must give written notice to the Company or its agent, which notice shall specifically refer to this Agreement, state the number of Shares as to which the SARs are being exercised, the name in which he or she wishes the Shares to be issued, and be signed by Employee. Once Employee gives a valid notice of exercise, such notice may not be revoked. When Employee exercises the SARs, or part thereof, the Company will transfer Shares (or make a certificate-less credit) to Employee’s brokerage account at a designated securities brokerage firm or otherwise deliver Shares to Employee. No Employee or Beneficiary shall have at any time any rights with respect to shares covered by this Agreement prior to issuance of certificates (or certificate-less credit) therefor following exercise of the SARs as provided above. No adjustment shall be made for dividends or other rights for which the record date is prior to the date of issue of such stock certificates (or credit). If any fractional Share would be deliverable upon exercise, after taking into account withholding for mandatory taxes in accordance with Section 9(a), the Company will pay cash in lieu of delivery of such fractional Share or will use such cash to apply towards withholding for taxes.

4. **Transferability.** Except to the extent permitted under and subject to the conditions of Section 11(b) of the Plan, the SARs may not be assigned or transferred in any way by the Employee, except at the Employee’s death, by his or her will or pursuant to the applicable laws of descent and distribution or to his or her designated Beneficiary, and in the event of his or her death the SARs shall be exercisable as provided in Section 5 hereof. If Employee shall attempt to make such prohibited assignment or transfer, the unexercised portion of the SARs shall be null and void and the Company shall have no further liability hereunder.

5. **Termination Provisions.** The following provisions will govern the vesting, exercisability and expiration of the SARs in the event of Employee’s Termination of Employment (as defined below); provided that the Committee retains its powers to accelerate vesting or modify these terms subject to the consent of Employee in the case of a modification materially adverse to Employee:

(a) **Exercise While Employed; Voluntary Resignation and Termination by the Company for Cause.** Except as provided in this Section 5, Employee shall have the right to exercise the SARs only so long as he or she remains in the employ of the Company or a subsidiary of the Company, including a subsidiary which becomes such after the date of this Agreement. Accordingly, in the event of Employee’s Termination of Employment due to his or her voluntarily resignation (other

than a Normal or Early Retirement governed by clause (b) or (c) below) or Termination of Employment by the Company for Cause (as defined below), all unvested SARs will be immediately forfeited, and all vested SARs (i) will cease to be exercisable and will terminate on the date three months after Termination of Employment due to such Voluntary Resignation (but in no event after the Stated Expiration Date) and (ii) will cease to be exercisable and will terminate immediately in the case of a Termination by the Company for Cause.

(b) *Disability or Normal Retirement.* In the event of Employee's Termination of Employment due to Disability (as defined below) or Normal Retirement (as defined below), the following rules will apply:

- Employee's unvested SARs will not be forfeited, but will remain outstanding and will become exercisable at the applicable date under this Agreement as though Employee had not had such a Termination of Employment; provided that, in the case of Termination of Employment due to Disability or Normal Retirement, Employee shall forfeit the unvested SARs if before the date of vesting Employee engages in activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(e) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.
- Unless forfeited, Employee's SARs shall remain outstanding and exercisable until the Stated Expiration Date, at which date the SARs will cease to be exercisable and will terminate, except as otherwise provided herein.

(c) *Termination by the Company Not for Cause or Early Retirement.* In the event of Employee's Termination of Employment by the Company not for Cause or Employee's Early Retirement, the following rules apply:

- A pro rata portion of Employee's then unvested SARs will not be forfeited, but will remain outstanding and will become exercisable at the applicable date under this Agreement as though Employee had not had such a Termination of Employment. This pro rata portion will be determined by multiplying the number of such unvested SARs by a fraction the numerator of which is the number of days from the Grant Date to the date of Employee's Termination of Employment and the denominator of which is 1,095; provided that Employee shall forfeit the unvested SARs if before the date of vesting Employee engages in activity that results in a Forfeiture Event set forth in Section 10 of the Plan. Employee acknowledges that the Committee has relied on the discretion granted to it under Section 10(e) of the Plan in requiring forfeiture upon occurrence of a Forfeiture Event during the applicable post-Termination period.
- Employee's SARs that had not become vested before such Termination of Employment and are not included in the pro rata portion subject to continued vesting will be immediately forfeited.
- Employee's SARs that were vested at the time of such Termination of Employment and those that thereafter become vested under this Section 5(c) shall remain outstanding and exercisable until the Stated Expiration Date, at which date the SARs will cease to be exercisable and will terminate.

(d) *Death.* In the event of Employee's Termination of Employment due to death or death of Employee following Termination but prior to vesting of SARs not otherwise forfeited hereunder, Employee's unvested SARs will not be forfeited but will become immediately vested and exercisable, and all vested SARs shall remain outstanding and exercisable until the Stated Expiration Date, at which date the SARs will cease to be exercisable and will terminate, except as otherwise provided herein. Any SARs exercisable under this Section 5(d) following Employee's death may be exercised by Employee's legal representative, distributee, legatee or designated Beneficiary, as the case may be.

(e) *Certain Definitions.* The following definitions apply for purposes of this Agreement:

(i) “Cause” has the meaning as defined in the Company’s Executive Separation Policy or any successor policy thereto, as in effect at the time of Employee’s Termination of Employment.

(ii) “Disability” means a disability entitling Employee to long-term disability benefits under the Company’s long-term disability policy as in effect at the date of Employee’s termination of employment, upon written evidence of such permanent disability from a medical doctor in a form satisfactory to the Company.

(iii) “Early Retirement” means Termination of Employment by either the Company or Employee after Employee has attained age 55 and before he or she has attained age 62 if at the time of Termination Employee has ten or more years in the employ of the Company and/or its subsidiaries.

(iv) “Normal Retirement” means Termination of Employment by either the Company or Employee after Employee has attained age 62.

(v) “Termination of Employment” means the event by which Employee ceases to be employed by the Company or any subsidiary of the Company and, immediately thereafter, is not employed by or providing substantial services to any of the Company or a subsidiary of the Company. If Employee is granted a leave of absence for military or governmental service or other purposes approved by the Board, he or she shall be considered as continuing in the employ of the Company, or of a subsidiary of the Company, for the purpose of this subsection, while on such authorized leave of absence.

6. ***Change in Control Provisions.*** The provisions of Section 9 of the Plan shall not apply to the SARs, except as specifically provided in this Section 6. In the event of a Change in Control (as defined in Section 9 of the Plan), the SARs, if not previously forfeited, will be fully vested and exercisable for a period of 90-days commencing at the date of the Change in Control, during which period Employee may elect to receive, instead of shares upon exercise, cash in an amount equal to (i) the Fair Market Value of a Share at the date of exercise minus the Base Price per share of the SARs times (ii) the number of shares that remained subject to the SARs (whether or not vested) at the time of the Change in Control (this payment will be required only if it is a positive amount). Such cash payment shall be made in a lump sum at the date of exercise. At the expiration of such 90-day period following the Change in Control, Employee will have no further rights with respect to the SARs, which thereupon will terminate.

7. ***Forfeiture Provisions.*** Employee agrees that, by signing this Agreement and accepting the grant of the SARs, the forfeiture conditions set forth in Section 5(b) hereof and in Section 10 of the Plan shall apply to the SARs and to gains realized upon the exercise of the SARs (in addition to the requirements of Section 5(b) and (c) applicable during any period of continued vesting following Termination of Employment).

8. ***Employee Representations and Warranties, Consents and Acknowledgements.***

(a) As a condition to the exercise of the SARs, the Company may require Employee to make any representation or warranty to the Company as may be required under any applicable law or regulation, and to make a representation and warranty that no Forfeiture Event has occurred or is contemplated within the meaning of Section 5(b) hereof and Section 10 of the Plan.

(b) By signing this Agreement, Employee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this clause (b). Employee is not obliged to consent to such collection, use, processing and transfer of personal data; however, failure to provide the consent may affect Employee’s ability to participate in the Plan. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Employee, including Employee’s name, home address and telephone number, date of birth, social security number or other employee identification number,

salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options and SARs or any other entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in Employee's favor ("Data"). The Company and/or its subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Employee's participation in the Plan and the Company and/or any of its subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Employee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Employee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on Employee's behalf to a broker or other third party with whom Employee may elect to deposit any Shares acquired pursuant to the Plan. Employee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Employee's ability to participate in the Plan.

(c) Employee's participation in the Plan is voluntary. The value of the SARs is an extraordinary item of compensation. As such, the SARs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. Rather, the awarding of the SARs to Employee under the Plan represents a mere investment opportunity.

(d) EMPLOYEE HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, THE PROSPECTUS FOR THE PLAN AND OTHER DOCUMENTS RELATED TO THE PLAN (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY WILL DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO EMPLOYEE BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. THE COMPANY WILL SEND TO EMPLOYEE AN E-MAIL ANNOUNCEMENT WHEN A NEW PLAN DOCUMENT IS AVAILABLE ELECTRONICALLY FOR EMPLOYEE'S REVIEW, DOWNLOAD OR PRINTING AND WILL PROVIDE INSTRUCTIONS ON WHERE THE PLAN DOCUMENT CAN BE FOUND. UNLESS OTHERWISE SPECIFIED IN WRITING BY THE COMPANY, EMPLOYEE WILL NOT INCUR ANY COSTS FOR RECEIVING THE PLAN DOCUMENTS ELECTRONICALLY THROUGH THE COMPANY'S COMPUTER NETWORK. EMPLOYEE WILL HAVE THE RIGHT TO RECEIVE PAPER COPIES OF ANY PLAN DOCUMENT BY SENDING A WRITTEN REQUEST FOR A PAPER COPY TO THE ADDRESS SPECIFIED IN SECTION 9(e) HEREOF. EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS WILL BE VALID AND REMAIN EFFECTIVE UNTIL THE EARLIER OF (I) THE TERMINATION OF EMPLOYEE'S PARTICIPATION IN THE PLAN AND (II) THE WITHDRAWAL OF EMPLOYEE'S CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS. THE COMPANY ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS THE RIGHT AT ANY TIME TO WITHDRAW HIS OR HER CONSENT TO ELECTRONIC DELIVERY OF THE PLAN DOCUMENTS BY SENDING A WRITTEN NOTICE OF WITHDRAWAL TO THE ADDRESS SPECIFIED IN SECTION 9(e) HEREOF. IF EMPLOYEE WITHDRAWS HIS OR HER CONSENT TO ELECTRONIC DELIVERY, THE COMPANY WILL RESUME SENDING PAPER COPIES OF THE PLAN DOCUMENTS WITHIN TEN (10) BUSINESS DAYS OF ITS RECEIPT OF THE WITHDRAWAL NOTICE. EMPLOYEE ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING EMPLOYEE THAT THE PLAN DOCUMENTS ARE AVAILABLE IN EITHER HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

9. **Miscellaneous.**

(a) *Mandatory Tax Withholding.* Unless otherwise determined by the Committee, at the time of exercise the Company will withhold from any shares deliverable upon exercise, in accordance with Section 11(d) of the Plan, the number of shares having a value nearest to, but not exceeding, the amount of income taxes, employment taxes or other withholding amounts required to be withheld under applicable local laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Employee will be responsible for any taxes relating to the SARs and the exercise thereof not satisfied by means of such mandatory withholding.

(b) *Binding Agreement; Written Amendments.* This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties. This Agreement constitutes the entire agreement between the parties with respect to the SARs, and supersedes any prior agreements or documents with respect to the SARs. No amendment or alteration of this Agreement which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Agreement which may materially and adversely affect the rights of Employee under the SARs shall be valid unless expressed in a written instrument executed by Employee.

(c) *No Promise of Employment.* The SARs and the granting thereof shall not constitute or be evidence of any agreement or understanding, express or implied, that Employee has a right to continue as an employee of the Company for any period of time, or at any particular rate of compensation. Employee acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time, provided, however that any outstanding SARs shall not be affected. The grant of stock SARs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of stock SARs or benefits in lieu of stock SARs in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of SARs, vesting provisions and the exercise or base price.

(d) *Governing Law.* The validity, construction, and effect of this Agreement shall be determined in accordance with the laws (including those governing contracts) of the State of New York, without giving effect to principles of conflicts of laws, and applicable federal law. The SARs and the granting thereof are subject to the Company's compliance with the applicable law of the jurisdiction of Employee's employment.

(e) *Notices.* Any notice to be given the Company under this Agreement shall be addressed to the Company at 521 West 57th Street, New York, NY 10019, attention: Corporate Secretary, and any notice to the Employee shall be addressed to the Employee at Employee's address as then appearing in the records of the Company.

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**2000 Stock Award and Incentive Plan  
As Amended and Restated**

**Restricted Stock Units Agreement — Non-Employee Director**

This Restricted Stock Units Agreement (the "Agreement") confirms the grant on \_\_\_\_\_, 20\_\_ (the "Grant Date") by INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Company"), to \_\_\_\_\_&nb sp; ("Grantee") of Restricted Stock Units (the "Units"), as follows:

*Number granted:* \_\_\_\_\_ Units (equal to \$\_\_\_\_\_ divided by the Fair Market Value of one Share on \_\_\_\_\_, 20\_\_).

*Units vest:* All Units will vest on the third anniversary of the Grant Date, \_\_\_\_\_, 20\_\_ (the "Stated Vesting Date"), if not previously forfeited. In addition, the Units will become immediately vested upon a Change in Control or upon the occurrence of certain events relating to termination of service, in accordance with Section 4 hereof.

*Settlement:* Units granted hereunder will be settled by delivery of one share of the Company's Common Stock, par value \$.12½ per share, for each Unit being settled. Such settlement of Units not otherwise forfeited shall occur promptly upon the Grantee's Termination of Service, except as otherwise provided in Section 4(b) (relating to Units invested at the time of Retirement) or Section 6 (relating to Change in Control and other cases). Any reference in this Agreement to settlement "promptly" upon a settlement date requires that shares be delivered no more than 60 days after the settlement date.

The Units are subject to the terms and conditions of the 2000 Stock Award and Incentive Plan, as amended and restated (the "Plan"), and this Agreement, including the Terms and Conditions of Restricted Stock Units attached hereto. The number of Units and the kind of shares deliverable in settlement of Units are subject to adjustment in accordance with Section 5 hereof and Section 11(c) of the Plan.

Grantee acknowledges and agrees that (i) Units are nontransferable, except as provided in Section 3 hereof and Section 11(b) of the Plan, (ii) Units are subject to forfeiture in the event of Grantee's Termination of Service in certain circumstances prior to vesting, as specified in Section 4 hereof, (iii) sales of shares delivered in settlement of Units will be subject to the Company's policies regulating trading by directors and (iv) a copy of the Plan and related prospectus have previously been delivered to Grantee or are being delivered to Grantee.

IN WITNESS WHEREOF, INTERNATIONAL FLAVORS & FRAGRANCES INC. has caused this Agreement to be executed by its officer thereunto duly authorized, and Grantee has duly executed this Agreement, by which each has agreed to the terms of this Agreement.

**INTERNATIONAL FLAVORS &  
FRAGRANCES INC.**

\_\_\_\_\_  
Name:

By: \_\_\_\_\_  
Name: Dennis M. Meany  
Title: Senior Vice President,  
General Counsel and Secretary

Attest:  
\_\_\_\_\_  
Assistant Secretary

## TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

The following Terms and Conditions apply to the Units granted to Grantee by INTERNATIONAL FLAVORS & FRAGRANCES INC. (the “Company”), as specified in the Restricted Stock Units Agreement (of which these Terms and Conditions form a part). Certain terms of the Units, including the number of Units granted, vesting date(s) and settlement date, are set forth on the preceding pages.

1. **General.** The Units are granted to Grantee under the Company’s 2000 Stock Award and Incentive Plan (the “Plan”), a copy of which, along with other documents constituting the “prospectus” for the Plan, have previously been delivered to Grantee or are being delivered to Grantee. All of the applicable terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the Units, Grantee agrees to be bound by all of the terms and provisions of the Plan (as presently in effect or later amended), the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Company’s Compensation Committee of the Company’s Board of Directors (the “Committee”) made from time to time, provided that no such Plan amendment, rule or regulation or Committee decision or determination shall materially and adversely affect the rights of the Grantee with respect to outstanding Units.

2. **Account for Grantee.** The Company shall maintain a bookkeeping account for Grantee (the “Account”) reflecting the number of Units then credited to Grantee hereunder as a result of such grant of Units.

3. **Nontransferability.** Until Units become settleable in accordance with the terms of this Agreement, Grantee may not transfer Units or any rights hereunder to any third party other than by will or the applicable laws of descent and distribution, except for transfers to a Beneficiary or otherwise if and to the extent permitted by the Company and subject to the conditions under Section 11(b) of the Plan.

4. **Termination Provisions.** The following provisions will govern the vesting and forfeiture of the Units in the event of Grantee’s Termination of Service (as defined below), unless otherwise determined by the Committee (subject to Section 8(a) hereof):

(a) **Death or Disability.** In the event of Grantee’s death or Termination of Service due to Disability (as defined below), all of the Units, to the extent then outstanding but not previously vested, will vest and become non-forfeitable immediately, and such Units, together with any then-outstanding Units that previously became vested and non-forfeitable, will be settled as promptly as practicable thereafter if not previously settled.

(b) **Retirement.** In the event of Grantee’s Termination of Service due to Retirement (as defined below), the Units, to the extent outstanding and whether or not previously vested or otherwise forfeited, will continue to be outstanding (i.e., will not be forfeited and, in that respect, will be deemed vested) and will be settled at the time the Units would have become vested if Grantee had not Retired or earlier as provided under Section 4(a) or Section 6. Then outstanding Units that became vested and non-forfeitable prior to Retirement will be settled as promptly as practicable following Retirement, if not previously settled.

(c) **Other Terminations.** In the event of Grantee’s Termination of Service for any reason other than death, Disability, or Retirement, any then-outstanding Units not vested at the date of Termination of Service will be forfeited, and Units that became vested and non-forfeitable prior to Termination of Service will be settled promptly following Termination, if not previously settled.

(d) **Certain Definitions.** The following definitions apply for purposes of this Agreement:

(i) “Disability” means Grantee’s physical or mental impairment which is expected to be of long-duration and which renders Grantee unable to perform his or her duties as a director. Determination of Disability will be in the sole discretion of the Board.

(ii) “Retirement” means retirement after attaining age 62.

(iii) “Termination of Service” means the event by which Grantee ceases to be a director of the Company, provided that such event constitutes a separation from service within the meaning of Treasury Regulation § 1.409A-1(h).

**5. Dividends and Adjustments.**

(a) *Dividends.* No dividends or dividend equivalents will be credited or paid on any unvested Units. Units that, at the relevant dividend record date that occurs before the issuance of shares in settlement of Units, previously have been vested (i.e., Units deferred as to settlement under Section 6), shall be entitled to credits equivalent to dividends that would have been paid if the Units had been outstanding shares at such record date. The form and timing of such payments will be in the discretion of the Committee.

(b) *Adjustments.* The number of Units credited to Grantee’s Account and/or the property deliverable upon settlement of Units shall be appropriately adjusted, in order to prevent dilution or enlargement of Grantee’s rights with respect to Units in connection with, or to reflect any changes in the number and kind of outstanding shares of Common Stock resulting from, any corporate transaction or event referred to in the first sentence of Section 11(c) of the Plan (this provision takes precedence over Section 5(a) in the case of a large and non-recurring cash dividend or any non-cash dividend).

(c) *Risk of Forfeiture and Settlement of Units Resulting from Adjustments.* Units (and other property deliverable in settlement of Units) which directly or indirectly result from adjustments to a Unit granted hereunder shall be subject to the same risk of forfeiture as applies to the granted Unit and will be settled at the same time as the granted Unit.

**6. Deferral of Settlement; Compliance with Section 409A.** Terms relating to the settlement of Units shall comply with the requirements under Section 409A of the Internal Revenue Code (the “Code”). Units will be subject to accelerated settlement under Section 9(a) of the Plan or otherwise upon a Change in Control only if the Change in Control constitutes a change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation within the meaning of Section 409A(a)(2)(A) (v). Other provisions of this Agreement notwithstanding, under U.S. federal income tax laws and Treasury Regulations (including proposed regulations) as presently in effect or hereafter implemented, (i) if the timing of any distribution in settlement of Units would result in Grantee’s constructive receipt of income relating to the Units prior to such distribution, the date of distribution will be the earliest date after the specified date of distribution that distribution could occur under Treasury Regulation § 1.409A-3 and can be effected without resulting in such constructive receipt; and (ii) any rights of Grantee or retained authority of the Company with respect to Units hereunder shall be automatically modified and limited to the extent necessary so that Grantee will not be deemed to be in constructive receipt of income relating to the Units prior to the distribution and so that Grantee shall not be subject to any penalty under Section 409A. In this regard, the Company shall have no retained discretion to accelerate the settlement of the Units beyond that permitted under Code Section 409A without triggering any tax penalty.

**7. Other Terms Relating to Units.**

(a) *Fractional Units and Shares.* The number of Units credited to Grantee’s Account shall include fractional Units, if any, calculated to at least three decimal places, unless otherwise determined by the Committee. Unless settlement is effected through a third-party broker or agent that can accommodate fractional shares (without requiring issuance of a fractional share by the Company), upon settlement of the Units Grantee shall be paid, in cash, an amount equal to the value of any fractional share that would have otherwise been deliverable in settlement of such Units.

(b) *Taxes.* Grantee shall be responsible for any income taxes and other taxes resulting from the grant, vesting or settlement of Units.

(c) *Statements.* An individual statement of each Grantee's Account will be issued to Grantee at such times as may be determined by the Company. Such a statement shall reflect the number of Units credited to Grantee's Account, transactions therein during the period covered by the statement, and other information deemed relevant by the Committee. Such a statement may be combined with or include information regarding other plans and compensatory arrangements for non-employee directors. Any statement containing an error shall not, however, represent a binding obligation to the extent of such error.

(d) *Grantee Consent.* By signing this Agreement, Grantee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 7(d). Grantee is not obliged to consent to such collection, use, processing and transfer of personal data; however, failure to provide the consent may affect Grantee's ability to participate in the Plan. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Grantee, including Grantee's name, home address and telephone number, date of birth, social security number or other Grantee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, and details of all options or any other entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in Grantee's favor ("Data"). The Company and/or its subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Grantee's participation in the Plan and the Company and/or any of its subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Grantee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Grantee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Grantee's behalf to a broker or other third party with whom Grantee may elect to deposit any shares acquired pursuant to the Plan. Grantee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Grantee's ability to participate in the Plan.

(e) *Consent to Electronic Delivery.* Grantee hereby consents to electronic delivery of the Plan, the Prospectus for the Plan and other documents related to the Plan (collectively, the "Plan Documents"). The Company will deliver the Plan documents electronically to Grantee by e-mail, by posting such documents on its intranet website or by another mode of electronic delivery as determined by the Company in its sole discretion. The Company will send to the Grantee an e-mail announcement when a new plan document is available electronically for Grantee's review, download or printing and will provide instructions on where the plan document can be found. Unless otherwise specified in writing to the Company, Grantee will not incur any costs for receiving the plan documents electronically through the Company's computer network. Grantee will have the right to receive paper copies of any plan document by sending a written request for a paper copy to the address specified in Section 8(e) hereof. Grantee's consent to electronic delivery of the plan documents will be valid and remain effective until the earlier of (i) the termination of Grantee's participation in the Plan and (ii) the withdrawal of Grantee's consent to electronic delivery of the Plan documents. The Company acknowledges and agrees that Grantee has the right at any time to withdraw his or her consent to electronic delivery of the Plan documents by sending a written notice of withdrawal to the address specified in Section 8(e) hereof. If Grantee withdraws his or her consent to electronic delivery, the Company will resume sending paper copies of the Plan documents within ten (10) business days of its receipt of the withdrawal notice. Grantee acknowledges that he or she is able to access, view and retain an e-mail announcement informing Grantee that the Plan documents are available in either HTML, PDF or such other format as the company determines in sole discretion.

8. **Miscellaneous.**

(a) *Binding Agreement; Written Amendments.* This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties. This Agreement constitutes the entire agreement between the parties with respect to the Units, and supersedes any prior agreements or documents with respect thereto. No amendment or alteration of this Agreement which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Agreement which may materially impair the rights of Grantee with respect to the Units shall be valid unless expressed in a written instrument executed by Grantee.

(b) *No Promise of Continued Service as Director.* The Units and the granting thereof shall not constitute or be evidence of any agreement or understanding, express or implied, that Grantee has a right to continue as a director of the Company for any period of time, or at any particular rate of compensation.

(c) *Unfunded Plan.* Any provision for distribution in settlement of Grantee's Account hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in Grantee any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for Grantee. With respect to Grantee's entitlement to any distribution hereunder, Grantee shall be a general creditor of the Company.

(d) *Governing Law.* THE VALIDITY, CONSTRUCTION, AND EFFECT OF THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS (INCLUDING THOSE GOVERNING CONTRACTS) OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAW.

(e) *Notices.* Any notice to be given the Company under this Agreement shall be addressed to the Company at 521 West 57th Street, New York, NY 10019, attention: Corporate Secretary, and any notice to the Grantee shall be addressed to the Grantee at Grantee's address as then appearing in the records of the Company.

CERTIFICATION

I, Robert M. Amen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 31, 2007

By: /s/ Robert M. Amen  
Name: Robert M. Amen  
Title: Chairman of the Board  
and Chief Executive Officer

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**CERTIFICATION**

I, Douglas J. Wetmore, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 31, 2007

By: /s/ Douglas J. Wetmore  
Name: Douglas J. Wetmore  
Title: Senior Vice President  
and Chief Financial Officer

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**CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc. (the "Company") for the quarterly period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert M. Amen, as Chief Executive Officer of the Company, and Douglas J. Wetmore, as Chief Financial Officer, each hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Robert M. Amen  
Name: Robert M. Amen  
Title: Chairman of the Board and  
Chief Executive Officer

Dated: October 31, 2007

By: /s/ Douglas J. Wetmore  
Name: Douglas J. Wetmore  
Title: Senior Vice President and  
Chief Financial Officer

Dated: October 31, 2007

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M!E('\$><1XCZ]FWZ+;=],6KMCUNWOPIL6X[KL&L5/ZDK-8L2WI;4V`<]W7A  
M,M95/JK\5]^?9H=.9CI"TM)B,-1X[04VA&TVYZY39#+XG2F6);;89;1\*!> M2MB/&2\_O;"@\$NK)/ON)43R3F?KTG??  
#!WY]H8?P\_88]E-O/2=]\*/0,\_4/[ MM/V%\_93;DS=,X7W=^;\Z7^M[R+-DO@S\$<9BQW-4RRP]Q1I:ID).T5UDWA%)  
M!>H7(CE%2O.YMZ+,[]PG:%6!U^;%%6PUG+P\O1Z@LZ>Q7ZM',B,B7=KL%JGM\*;;;<\$E`W.,K M;<&P]I13J0S  
MZ;NDC%`2+`7F(=B\*`CP#N[@]0?XV7];N3P<>1Z8M=6E;4#E"/P>GC[\$>9ZE M>;@I'95)+S"<%`K+\*O#1T9Y!;"^=!  
(5%L59/M#&ZG\*4!'9@\*!1`#IW?&'^ M=JO/?)T+DZ@V39VVL\_AY%i,2FFLBM5(@SD4AEEEE4[PO&\_,ZDN^  
M/V1G8\$@/BU15!#D?>OF=[R`6\_+A7V^TC]O=).W=N]N,Y^>L\*NN2\=4`C5.] MWZE4HHD[-  
&%MMK@:V:0!L0<"Q+,OV0NP0[5+MA;@H"(J\$!02\Y>\*5+,"R+ MG+>4G#=#)P@ODB]K(KH'(JBLDK:I91-  
5%1,3\$424(8ITSD,8AR&`Q1\$H@.UR M?PRH">[!0IQ[+F]SF7RK1OE"``G-P\_P#FX>OAM20#@'0#)?U4\_\` MX/\=7=]@;6(\_9J:-  
L6;I9(U817WI[^K41AMZAKIR(S5%#GW%=5);+4'3'EU#  
MSTN=]>^)\$]=T/SMBF(N`A(S,9',C,S<@TBHJ;A4[.05WLB\_6;M&J/.OAPY?@[:?KY].\$34ZXM++[>NV31G9USV#  
MHVJFMT9+IJR+% ,R:9@ M.Z0#X73!N`/^4E^D;ARJ)@`=1]7\$^T0^KIM\CU^\$C]ZI#!#CU#ZOLV[  
MTL>QW[%TOMG3NEUUQ4FUK+IEIT^Y%4YCNB12J,U2XM952G7I\$8K0ZRW,,!V0  
MRHCL..K02HM25(\N>],6SA,B0I];.XX`6K\$9UZI==(JHX<@I?^5L6]].ZBUY-M6P^]?&B?=  
M%%4N"V(C:>V'TGN2,E;HW=2\_:SL=ZDH7&B^&UWWDAD/.X(\*=RM[OYOS\$\_MY  
M`Q@=:UR)DW%!8F;WJ\_TFE+2D;\*J1B-LM<#7%9%-  
HV,FY.P3F[([PC^CH+X\GZ@:A>'.)`#C[JL4V\TNG'K]O?]>U\*D.`?"2\_JD\_P'[6>?9IZ1, M69I,U;KKM0>U=;@K?  
HZZ>B.U0OHJO7C1FPU-3+>54/O!,LOKWQ8GC\*#;> M^%;TLB]:@J5/3'[.P4J\*7-Q)<EF.X,YLO>  
M);7J4I^F)E3L8NL@M[E9\$?4("HF8/Y#TX\_7W]`Z\."S  
M/^%"Y0W52/+R\_M\*YIYN02CUV6HX=>7IQY>7AQ^!RVR>79J\_:96W>R-,%7,[  
MJ\*]8KMW6K\$CZ:\_2E\$;B55-.J[9K(NY"\_OQJ\*7W/^=0(R3)V#AEL]'V2[& MX,^B4&'E&87W>4?  
I\_I=C\_]A^[]W'QSFS%P#X@\_EM[L;&U%G4I]:KR+A/# M.7%8M7\*^),9Y-5A"NR0JF0\*+6+BI\$>F3%X2,/88N0.P\*  
[%!\$7)6HI`N\*28J M@<2%\$-^9=H[^BCINZ?N0QK[-=?OV-C98BW%<\$%A\$6#7:Q#C-;NU'BU.;'8; MW\*\*U;&67T-  
HW+4I:MJ1E1\*CR2>BE,,+)4MEI2C[J4VA1./;)/L/?`ET>9 M=H[^BCIN\_LAC7V:VSMAI\_P`#Q5\$E\81F%,2QV-  
9]Z\$C.X]8XZJ#2D34ASM51 M?RU50ATX\*1>=JP8J>-.V\*R\_.,VQP!D\$A\*;&PG[DN\*2&TR:]6I`>:D-!^J3  
MG0U(85O9?;#CZ@AYE0"FG4X6VH90H'GK\$QV\$Y\*66DY!2=K:!)E)X(.\$\@CW'L M?  
GK!/,OT>=\_FHZ;N/Q^AC3V:\_`6QYEVCOZ\*.F[K^Y#&OLUT^[8V-COJVZO M]37!\_P`S4O`T)!^6-  
\_EV^`:\_Z]9UC\_3]@;;%\$NZG\783Q+C>=>QRD2\FJ' MCJHU&6=Q:BR+M2-@\*886HJ6RTI1]U\*;0I  
M1XQR2"3QQ ;H\R\_1W]%'3;\_9#&OLUU^\_:=%"QSC[%\$%7QI1:=CRM`] =R05V MCFU&JD&\$B]%(7K\  
(J'9,6/CKL4TQESL3:C,E,IQ'(2OM/O+1O2%\$)5MW`\$@\$9/6(99;.YMII`L8W(;0DX\_ED - -"6;;&QL;)/1O7\_V3\\_` end

