SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2002 Commission File Number 1-4858

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(Exact name of Registrant as specified in its charter)

NEW YORK	13-1432060
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
521 WEST 57TH STREET, NEW YORK, N.Y.	10019
(Address of principal executive offices)	(Zip Code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value 12 1/2(cent) per share	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act) Yes [X] No [ ].

For the purpose of reporting the following market value of Registrant's outstanding common stock, the term "affiliate" refers to persons, entities or groups which directly or indirectly control, are controlled by, or are under common control with the Registrant and does not include individual executive officers or directors or under 10% shareholders. The aggregate market value of Registrant's common stock not held by affiliates as of June 28, 2002 was $3,080,187,516.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of March 1, 2003:

93,869,384 shares of Common Stock, par value 12 1/2 (cent) per share

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended December 31, 2002 (the "IFF 2002 Annual Report") are incorporated by reference in Parts I, II and IV of this Form 10-K.

Portions of the Registrant's Proxy Statement to be sent to shareholders in connection with the 2003 Annual Meeting (the "IFF 2003 Proxy Statement") are incorporated by reference in Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

International Flavors & Fragrances Inc., incorporated in New York in 1909 (the "Company"), is a leading creator and manufacturer of flavor and fragrance products used by other manufacturers to impart or improve flavor or fragrance in a wide variety of consumer products. Fragrance products are sold principally to manufacturers of perfumes, cosmetics, toiletries, hair care products, deodorants, soaps, detergents and air care products; flavor products are sold principally to manufacturers of prepared foods, beverages, dairy foods, pharmaceuticals and confectionery products.

The present world-wide scope of the Company's business is in part the result of the 1958 combination of (i) the business conducted prior to the combination primarily in the United States by the Company under the name van Ameringen-Haebler, Inc. ("VAH") with (ii) the business conducted prior to the combination primarily in Europe by N. V. Polak & Schwarz's Essencefabrieken, a Dutch corporation ("P & S"). The P & S enterprise, founded in Holland in 1889, was also engaged in the manufacture and sale of flavor and fragrance products, with operations in a number of countries where VAH was not an important factor.

In October 2000, the Company implemented a global reorganization under the broad umbrellas of Business Development and Operations, rather than separate divisions for flavors and fragrances. The responsibilities of Business Development, whose purpose is to drive top line growth of the Company, include category strategy, consumer research, product development, global sales and marketing, research and development coordination and technical application. The responsibilities of Operations, whose focus is on product delivery, product planning and increasing productivity, include global supply chain, manufacturing, customer service, quality control, logistics and distribution. The Company has a Regional Manager covering each major geographical region of the world. The Regional Managers work with and are supported by both Business Development and Operations.

In November 2000, the Company acquired Bush Boake Allen Inc. ("BBA"), an international flavor, fragrance and aroma chemical company with worldwide annual sales of $499 million. This acquisition enhanced the Company's position as a global leader in flavor markets, strengthened the Company's already leading global fragrance position, expanded the Company's product line and customer base, particularly in certain emerging markets, and broadened and enhanced the Company's management pool.

The Company currently has 35 manufacturing facilities with the major manufacturing facilities being located in the United States, The Netherlands, France, Great Britain, Ireland, Spain, Switzerland, Argentina, Brazil, Mexico, China, Singapore, Philippines, Indonesia, Japan, India and Australia. The remaining manufacturing facilities are located in 8 other countries. The Company maintains its own sales and distribution facilities in 34 countries and is represented by sales agents in other countries. The Company's principal executive offices are located at 521 West 57th Street, New York, New York 10019 (212-765-5500). Except as the context otherwise indicates, the term "the Company" as used in this report refers to the Registrant and its subsidiaries.

MARKETS

Fragrance products are used by customers in the manufacture of consumer products such as soaps, detergents, cosmetic creams, lotions and powders, lipsticks, after-shave lotions, deodorants, hair preparations, candles, air fresheners and all-purpose cleaners, as well as in other consumer products designed solely to appeal to the sense of smell, such as perfumes and colognes. The cosmetics industry, including perfume and toiletries manufacturers, is one of the Company's two largest fragrance customer groups. Most of the major United States companies in this industry are customers of the Company, and five of the largest United States cosmetics companies are among its principal customers. The household products industry, including soaps and detergents, is the other important fragrance customer group. Four of the largest United States household product manufacturers are major customers of the Company. In the three years ended December 31, 2002, sales of fragrance products accounted for approximately 55%, 55% and 59%, respectively, of the Company's total sales on a reported basis.

Flavor products are sold principally to the food and beverage industries for use in consumer products such as soft drinks, candies, baked goods, desserts, prepared foods, dietary foods, dairy products, drink powders, pharmaceuticals, snack foods and alcoholic beverages. Two of the Company's largest customers for flavor products are major producers of prepared foods and beverages in the United States. In the three years ended December 31, 2002 sales of flavor products accounted for approximately 45%, 45% and 41%, respectively, of the Company's total sales on a reported basis.

PRODUCTS

The Company's principal fragrance and flavor products consist of compounds of large numbers of ingredients blended under formulas created by its perfumers and flavorists. Most of these compounds contribute the total fragrance or flavor to the consumer products in which they are used. This fragrance or flavor characteristic is often a major factor in the public selection and acceptance of the consumer end product. A smaller number of compounds is sold to manufacturers who further blend them to achieve the finished fragrance or flavor in their products. The Company produces thousands of compounds, and new compounds are constantly being created in order to meet the many and changing characteristics of its customers' end products. Most of the fragrance and flavor compounds are created and produced for the exclusive use of particular customers. The Company's products are sold in solid and liquid forms and in amounts ranging from a few pounds to many tons, depending upon the nature of the product.

The ingredients used by the Company in its compounds are both synthetic and natural. The Company manufactures most of the synthetic ingredients and key strategic natural ingredients. While the major part of the Company's production of synthetic ingredients is used by it in its compounds, a substantial portion is sold to others. The natural ingredients are derived from flowers, fruits and other botanical products as well as from animal products. They contain varying numbers of organic chemicals, which are responsible for the fragrance or flavor of the natural product. The natural products are purchased for the larger part in processed or semi-processed form. Some are used in compounds in the state in which they are purchased and others after further processing. Natural products, together with various chemicals, are also used as raw materials for the manufacture of synthetic ingredients by chemical processes. The Company's flavor products also include extracts and seasonings derived from various fruits, vegetables, nuts, herbs and spices as well as microbiologically-derived ingredients.

MARKET DEVELOPMENTS

The demand for consumer products utilizing flavors and fragrances has been stimulated and broadened by changing social habits resulting from various factors such as increases in personal income, employment of women, teen-age population, leisure time, health concerns and urbanization and by the continued growth in world population. In the fragrance field, these developments have expanded the market for hair care, candles and air care products and deodorant and personal wash products with finer fragrance quality, as well as the market for colognes, toilet waters, men's toiletries and other products beyond traditional luxury items such as perfumes. In the flavor field, similar market characteristics have stimulated the demand for products such as convenience foods, soft drinks and low-cholesterol and low-fat food products that must conform to expected tastes. New and improved methods of packaging, application and dispensing have been developed for many consumer products that utilize some of the Company's flavor or fragrance products. These developments have called for the creation by the Company of many new compounds and ingredients compatible with the newly introduced materials and methods of application used in consumer end products.

PRODUCT DEVELOPMENT AND RESEARCH

The development of new fragrance and flavor compounds is a complex artistic and technical process calling upon the combined knowledge and talents of the Company's creative perfumers and flavorists and its application chemists and research chemists. Through long experience, the perfumers and flavorists develop and refine their skills for creating fragrances or flavors best suited to the market requirements of the customers' products.

An important contribution to the creation of new fragrance and flavor products is the development of new ingredients having fragrance or flavor value. The principal functions of the fragrance research program are to isolate and synthesize fragrance components found in natural substances and through chemical synthesis in order to develop new materials and better techniques for utilization of such materials. The principal functions of the flavor research program are to isolate and synthesize flavor components found in natural substances and to isolate and produce natural flavor ingredients utilizing improved processes.

The work of the perfumers and flavorists is conducted in 37 fragrance and flavor laboratories in 27 countries. The Company maintains a research center at Union Beach, New Jersey. The Company spent $144,027,000 in 2002, $135,248,000 in 2001 and $112,671,000 in 2000 on its research and development activities. These expenditures are expected to increase in 2003 to approximately $160,000,000. Of the amount expended in 2002 on such activities, 64% was for fragrances and the balance was for flavors. The Company employed 1097 persons in 2002 and 1060 persons in 2001 in such activities.

The business of the Company is not materially dependent upon any patents, trademarks or licenses.

DISTRIBUTION

Most of the Company's sales are through its own sales force, operating from 7 sales offices in the United States and 52 sales offices in 33 foreign countries. Sales in other countries are made through sales agents and distributors. For the year ended December 31, 2002, 32% of the Company's sales were to customers in North America, 37% in Europe, 16% in Asia-Pacific, 12% in Latin America and 3% in the India Region. For additional information with respect to the management of the Company's operations by major geographical region, see Note 13 of the Notes to the Company's Consolidated Financial Statements on pages 46-47 of the IFF 2002 Annual Report.

During 2002 the Company's 30 largest customers accounted for approximately 52% of its sales, its four largest customers and their affiliates accounted for about 9%, 8%, 6% and 4%, respectively, of its sales, and no other single customer accounted for more than 3% of sales.

GOVERNMENTAL REGULATION

Manufacture and sale of the Company's products are subject to regulation in the United States by the Food and Drug Administration, the Agriculture Department, the Bureau of Alcohol, Tobacco and Firearms, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Drug Enforcement Administration and state authorities. Foreign subsidiaries are subject to similar regulation in a number of countries. Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. The Company expects to spend in 2003 approximately $3,800,000 in capital projects and $13,500,000 in operating expenses and governmental charges for the purpose of complying with such requirements. The Company expects that in 2004 capital expenditures, operating expenses and governmental charges for such purpose will not be materially different.

RAW MATERIAL PURCHASES

More than 5,000 different raw materials are purchased from many sources all over the world. The principal natural raw material purchases consist of essential oils, extracts and concentrates derived from fruits, vegetables, flowers, woods and other botanicals, animal products and raw fruits. The principal synthetic raw material purchases consist of organic chemicals. The Company believes that alternate sources of materials are available to enable it to maintain its competitive position in the event of any interruption in the supply of raw materials from present sources.

COMPETITION

The Company has more than 50 competitors in the United States and world markets. While no single factor is responsible, the Company's competitive position is based principally on the creative skills of its perfumers and flavorists, the technological advances resulting from its research and development, the quality of its customer service and the support provided by its marketing and application groups, and its understanding of consumers. The Company believes that it is the largest company producing and marketing on an international basis a wide range of fragrance and flavor products of the types manufactured for sale to manufacturers of consumer products. In particular countries and localities, the Company faces competition from numerous companies specializing in certain product lines, among which are some companies larger than the Company and some more important in a particular product line or lines. Most of the Company's customers do not buy all their fragrance or flavor products from the same supplier, and some customers make their own fragrance or flavor compounds with ingredients supplied by the Company or others.

EMPLOYEE RELATIONS

The Company at December 31, 2002 employed 5,728 persons, of whom 1,656 were employed in the United States. The Company has never experienced a work stoppage or strike and considers that its employee relations are satisfactory.

AVAILABLE INFORMATION

The Company makes available free of charge through its website, www.iff.com, all materials that it files electronically with the SEC, including its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after electronically filing such materials with, or furnishing them to, the SEC. During the period covered by this Form 10-K, the Company made all such materials available through its website as soon as reasonably practicable after filing such materials with the SEC.

You may also read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, DC 20549, and you may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website, www.sec.gov, that contains reports, proxy and information statements and other information that the Company files electronically with the SEC.

CAUTIONARY STATEMENT

Statements in this Annual Report on Form 10-K (including information incorporated by reference from the IFF 2002 Annual 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 reasonable current assumptions and expectations. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements, and there can be no assurance that actual results will not differ materially from management's expectations. Such factors include, among others, the following: general economic and business conditions in the Company's markets, including economic and political uncertainties; interest rates; the price 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 of currency fluctuation or devaluation in the Company's principle foreign markets and the success of the Company's hedging and risk management strategies; 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 foreign governments.

The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

ITEM 2. PROPERTIES.

The principal manufacturing and research properties of the Company are as follows:

LOCATION	OPERATION
UNITED STATES	
New York, NY	Fragrance laboratories.
Augusta, GA	Production of fragrance chemical ingredients.
Hazlet, NJ (1)	Production of fragrance compounds; fragrance laboratories.
South Brunswick, NJ(1)	Production of flavor ingredients and compounds; flavor laboratories.
Union Beach, NJ	Research and development center.
Carrollton, TX(1)	Production of seasonings.
Jacksonville, FL	Production of fragrance chemical ingredients.
NETHERLANDS	
Hilversum	Flavor and fragrance laboratories.
Tilburg	Production of flavor and fragrance compounds and flavor ingredients.
FRANCE	
Bois-Colombes	Fragrance laboratories.
Dijon	Production of fragrance ingredients and compounds, flavor ingredients and compounds and fruit preparations; flavor laboratories.
Grasse	Production of fragrance and flavor ingredients; fragrance laboratories.
GREAT BRITAIN	
Haverhill	Production of flavor compounds and ingredients, and fragrance chemical ingredients; flavor laboratories.
IRELAND	
Drogheda	Production of fragrance compounds.
SPAIN	
Benicarlo	Production of fragrance chemical ingredients.
SWITZERLAND	
Reinach-Aargau	Production of fruit preparations.
ARGENTINA	
Garin	Production of flavor ingredients and compounds; production of fragrance compounds; flavor laboratories.
BRAZIL	
Rio de Janeiro	Production of fragrance compounds.
Taubate	Production of flavor ingredients and compounds; flavor laboratories.
Sao Paulo	Fragrance laboratories.
MEXICO	
Tlalnepantla	Production of flavor and fragrance compounds; flavor and fragrance laboratories.
CHINA	
Guangzhou(1)	Production of flavor and fragrance compounds; flavor laboratories.
Shanghai(1)	Flavor and fragrance laboratories.
Xin'anjiang	Production of fragrance chemical ingredients.

LOCATION	OPERATION
INDIA	
Chennai(2)	Production of flavor and fragrance compounds and flavor ingredients.
SINGAPORE	
Jurong(3)	Production of flavor and fragrance compounds.
Science Park (1)	Flavor and fragrance laboratories.
PHILIPPINES	
Manila(1)	Production of flavor compounds and flavor ingredients.
INDONESIA	
Jakarta(3)	Production of flavor and fragrance compounds and ingredients; flavor and fragrance laboratories.
JAPAN	
Gotemba	Production of flavor compounds.
Tokyo	Flavor and fragrance laboratories.
AUSTRALIA	
Melbourne	Production of flavor compounds and flavor ingredients.
Sydney	Production of seasonings.

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(1) Leased.
(2) The Company has approximately a 93.1% interest in the subsidiary company that owns this facility.
(3) Land is leased and building is partially leased and partially owned.

The principal executive offices of the Company and its New York laboratory facilities are located at 521 West 57th Street, New York City.

ITEM 3. LEGAL PROCEEDINGS.

On September 7, 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. The plaintiffs are alleging that they sustained respiratory injuries in the workplace due to the use by Gilster-Mary Lee of a BBA flavor. All BBA and IFF flavors 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. Based on the preliminary report issued by the National Institute for Occupational Safety and Health (NIOSH), it appears any injuries the plaintiffs may have suffered are related to inadequate workplace conditions.

This case is currently in discovery. The Company does not expect this litigation to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

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. At present, only three sites remain the subject of significant unsettled claims.

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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF REGISTRANT:

NAME	OFFICE AND OTHER BUSINESS EXPERIENCE(2)	AGE	YEAR FIRST BECAME OFFICER
Richard A. Goldstein(1)	Chairman of the Board and Chief Executive Officer since June 2000; President and Chief Executive Officer of Unilever United States, Inc. and Business Group President of Unilever North American Foods, a home, personal care and food products company, prior thereto; Director, Legacy Hotels; Director, Fiduciary Trust Company International; Director, The Interpublic Group of Companies, Inc.; Director, Continuum Health Partners, Inc.	61	2000
Julian W. Boyden	Executive Vice President, New Business Development since November 2000; Chairman of the Board, President and Chief Executive Officer of Bush Boake Allen Inc., a flavor and fragrance company, prior thereto.	58	2000
D. Wayne Howard	Executive Vice President, Global Operations since September 2000; Vice President, Supply Chain Strategy of Nordstrom, Inc., a retailer, from January 2000 to August 2000; Vice President, Strategic Sourcing, North America of Unilever North American Foods, prior thereto.	47	2000
Stephen A. Block	Senior Vice President, General Counsel and Secretary since February 2000; Senior Vice President, Law & Regulatory Affairs, and Secretary from May 1999 to February 2000; Vice President, Law & Regulatory Affairs, and Secretary prior thereto.	58	1993

NAME	OFFICE AND OTHER BUSINESS EXPERIENCE(2)	AGE	YEAR FIRST BECAME OFFICER
Clint D. Brooks	Senior Vice President, Research and Development since December 2002; Vice President, Research and Development from October 2000 to December 2002; Director of Chemical Sciences, Abbott Laboratories, a pharmaceutical company, prior thereto.	51	2000
Steven J. Heaslip	Senior Vice President, Human Resources since December 2002; Vice President, Human Resources from September 2001 to December 2002; Senior Vice President, Human Resources, Elizabeth Arden, a manufacturer of prestige beauty products, prior thereto.	45	2001
Douglas J. Wetmore	Senior Vice President and Chief Financial Officer since September 2000; Vice President and Chief Financial Officer from April 1998 to September 2000; Controller prior thereto.	45	1992
Gail S. Belmuth	Vice President, Corporate Communications since June 2001; President and COO of Banner McBride North America, a change management consulting firm, from May 2000 to May 2001; Managing Director, Burson-Marsteller, a public relations firm, prior thereto.	39	2001
Arun Bewoor	Vice President, India Region since January 2003; Managing Director of IFF India Ltd and Regional Vice President, India Region from June 2002 to January 2003; Managing Director, Bush Boake Allen India Ltd., prior thereto.	58	2003
Robert Burns	Vice President, Asia Pacific Region since January 2003; Regional Vice President, Asia Pacific from January 2001 to January 2003; Managing Director, IFF Australia from January 1999 to December 2000; Managing Director/Vice President Flavors, IFF Indonesia, prior thereto.	45	2003
James H. Dunsdon	Vice President, North America Region since January 2003; Regional Vice President, North America from January 2001 to January 2003; Executive Vice President BBA, prior thereto.	56	2003
Rob J. M. Edelman	Vice President, Europe Region since January 2003; Regional Vice President, Europe from January 2001 to January 2003; Vice President and Director of Marketing and Sales, Aroma Chemicals from July 1999 to December 2000; Managing Director, PFW Aroma Chemicals B.V., an aroma chemicals manufacturing company, prior thereto.	41	2003

NAME	OFFICE AND OTHER BUSINESS EXPERIENCE(2)	AGE	YEAR FIRST BECAME OFFICER
Graciela M. Ferro	Vice President, Latin America Region since January 2003; Regional Vice President, Latin America from October 2000 to January 2003; Vice President, Latin America, LATAM Area Manager, Fragrance Division and IFF Argentina affiliate Manager from October 1999 to October 2000; Vice President, Latin America, IFF Argentina Affiliate Manager from August 1998 to October 1999; Regional Account Manager for the Unilever, Latin America Account, prior thereto.	48	2003
Robert J. Gordon	Vice President, Sales, Global Accounts since December 2002; Vice President, Global Business Development, Functional Products, Fragrances from January 2001 to December 2002; Regional Vice President, EAME from January 2000 to January 2001; Regional Vice President, Latin America, prior thereto.	50	2002
Neil Humphreys	Vice President, Global Business Development, Flavors and Functional Fragrances since December 2002; Vice President, Global Business Development, Flavors from January, 2001 until December 2002; Vice President, Regional Manager, Asia-Pacific, Flavors from July 1998 to January 2001; Senior Vice President, Asia-Pacific, Givaudan-Roure, a flavor, fragrance and aroma chemical manufacturing company, prior thereto.	56	2002
Nicolas Mirzayantz	Vice President, Global Business Development, Fine Fragrance and Toiletries since December 2002; Vice President, Global Business Development, Fine Fragrances and Toiletries since January 2001; Fragrances General Manager, IFF France from January 1999 to January 2001; Vice President, Commercial and Creative Director, IFF France, prior thereto.	40	2002

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(1) Member of Executive Committee of the Board of Directors.
(2) Employed by the Company or an affiliated company for the last five years, except as otherwise indicated.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS.

(a) Market Information.

Information concerning where the Company's common stock is traded and the high and low stock prices for each quarter during the last two years appears under the caption "Stock Prices" on page 51 of the IFF Annual Report and such information is incorporated by reference herein.

(b) Approximate Number of Equity Security Holders.

(A) TITLE OF CLASS	(B) NUMBER OF RECORD HOLDERS AS OF DECEMBER 31, 2002
Common stock, par value 12 1/2 (cent) per share	3,875

(c) Dividends.

Cash dividends declared per share for each quarter since January 2001 were as follows:

	2003	2002	2001
First	$.15	$.15	$.15
Second		.15	.15
Third		.15	.15
Fourth		.15	.15

ITEM 6. SELECTED FINANCIAL DATA.

Information setting forth the selected financial data required by this Item 6 appears on page 52 of the IFF 2002 Annual Report. Such information is incorporated by reference in this Item 6. The BBA operating results are included in the Company's consolidated results from November 3, 2000, the date of the acquisition of BBA.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The Company's Management's Discussion and Analysis of Results of Operations and Financial Condition required by this Item 7 appears under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 25 to 32 of the IFF 2002 Annual Report. Such information is incorporated by reference in this Item 7.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information on quantitative and qualitative disclosures about market risk required by this Item 7A appears in Note 15 on page 50 of the IFF 2002 Annual Report. Such information is incorporated by reference in this Item 7A.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements of the Company and its subsidiaries and the notes thereto, listed in Item 15(a)(1) and included in the IFF 2002 Annual Report on pages 34 through 50, together with the report thereon of PricewaterhouseCoopers LLP dated January 27, 2003 on page 33 of the IFF 2002 Annual Report, and quarterly financial information on page 51 of the IFF 2002 Annual Report, are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information relating to directors and nominees of the Company is set forth under the caption "Election of Directors" in the IFF 2003 Proxy Statement and is incorporated by reference herein. The information under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" that appears in the IFF 2003 Proxy Statement is also incorporated by reference herein. See Part I, Item 4 for the Company's Executive Officers.

ITEM 11. EXECUTIVE COMPENSATION.

The information relating to executive compensation is set forth under the captions "Summary Compensation," "Option Grants in 2002," "Aggregated Option Exercises in 2002 and Option Values at December 31, 2002," "Directors' Compensation," "Employment Contracts and Termination of Employment and Change-in-Control Arrangements," "Executive Separation Policy" and "Pension Plans" in the IFF 2003 Proxy Statement and such information is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information relating to security ownership of management and certain beneficial owners is set forth under the captions "Election of Directors" and "Security Ownership" in the IFF 2003 Proxy Statement and such information is incorporated by reference herein. The information relating to the Company's equity plans is set forth under the caption "Equity Compensation Plan Information" in the IFF 2003 Proxy Statement and such information is incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information regarding certain relationships and related transactions is set forth under the captions "Compensation Committee Interlocks and Insider Participation" and "Additional Information" in the IFF 2003 Proxy Statement and such information is incorporated by reference herein.

ITEM 14. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure 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 such term is defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's filings under the Exchange Act.

(b) Changes in the Internal Controls. Since the Evaluation Date, there have not been any significant changes in the Company's internal controls or in other factors that could significantly affect such controls.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) FINANCIAL STATEMENTS. The following consolidated financial statements, related notes and independent accountants' report from the IFF 2002 Annual Report are incorporated by reference into Item 8 of Part II of this Annual Report on Form 10-K:

(a)(2) FINANCIAL STATEMENT SCHEDULES. The following schedule is included in Part IV of this Annual Report on Form 10-K:

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(a)(3) EXHIBITS.

NUMBER	
2	Agreement and Plan of Merger dated as of September 25, 2000 among Registrant, Bush Boake Allen Inc. and B Acquisition Corp. incorporated by reference to Exhibit 2.1 to Registrant's Report on Form 8-K dated September 25, 2000.
3(i)	Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 10(g) to Registrant's Report on Form 10-Q dated August 12, 2002.
3(ii)	By-laws of Registrant, as amended through March 11, 2003.
4.1	Shareholders Protection Rights Agreement dated as of March 21, 2000 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated March 22, 2000.
4.1a	First Amendment dated as of September 26, 2000, to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated September 26, 2000.
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4.2	Specimen Certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(b) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).

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4.3	Indenture, dated as of May 1, 2001, between International Flavors & Fragrances Inc. and Bank One Trust Company, N. A., as Trustee, incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form S-4 dated June 26, 2001 (Reg. No. 333-63910).
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4.5	Form of 6.45% Note due 2006 (included in 4.4), incorporated by reference to Exhibit 4.2.1 to Registrant's Registration Statement on Form S-4 dated June 26, 2001 (Reg. No. 333-63910).
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*10.1	Memorandum of Understanding between Registrant and Richard A. Goldstein, Chairman of the Board and Chief Executive Officer of Registrant, approved by Registrant's Board of Directors on April 13, 2000, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 14, 2000.
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*10.3	Promissory Note dated June 29, 1999 between Registrant and Nicolas Mirzayantz, Vice President, Global Business Development, Fine Fragrance and Toiletries.
*10.4	Performance Incentive Award Agreement in respect of a performance incentive award of 200,000 restricted shares of Company Common Stock approved by the Company's Board of Directors on August 1, 2002, granted to Richard A. Goldstein, Chairman of the Board and Chief Executive Officer of the Company, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 12, 2002.
*10.5	Supplemental Retirement Plan adopted by Board of Directors on October 29, 1986, incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q dated May 14, 1997.
*10.6	2000 Stock Award and Incentive Plan adopted by the Registrant's Board of Directors on March 9, 2000, as amended and restated through May 7, 2002, incorporated by reference to Exhibit 10(d) to Registrant's Report on Form 10-Q dated August 12, 2002.
*10.7	2000 Supplemental Stock Award Plan adopted by the Registrant's Board of Directors on November 14, 2000, as amended and restated through March 12, 2002, incorporated by reference to Registrant's Report on Form 10-Q dated August 12, 2002.

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*10.8	Registrant's Executive Death Benefit Plan effective July 1, 1990, incorporated by reference to Exhibit 10(c)to Registrant's Report on Form 10-Q dated May 14, 1997.
*10.9	Registrant's "Vision 2001 Compensation Program" adopted by Registrant's Board of Directors on December 12, 2000, incorporated by reference to Exhibit 10(k) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 2000.
*10.10	Registrant's Executive Separation Policy, as amended through February 13, 2001, incorporated by reference to Registrant's Report on Form 10-Q dated August 12, 2002.
*10.11	Registrant's Employee Stock Option Plan adopted in 1992.
*10.12	1997 Employee Stock Option Plan as amended by Registrant's Board of Directors on February 8, 2000, incorporated by reference to Exhibit 10(11) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1999.
*10.13	Registrant's Global Employee Stock Purchase Plan adopted by Registrant's Board of Directors on November 14, 2000, incorporated by reference to Exhibit B to Registrant's Proxy Statement dated March 30, 2001.
*10.14	Registrant's Senior Officer Stock Exercise Loan Program adopted by Registrant's Board of Directors on November 13, 2001, incorporated by reference to Exhibit 10.19 to Registrant's Report on Form 10-K for fiscal year ended December 31, 2001.
*10.15	Deferred Compensation Plan adopted by the Company's Board of Directors on December 12, 2000, incorporated by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 dated May 16, 2001 (Reg. No. 333-61072).
10.16	Trust Agreement dated October 4, 2000 among Registrant, First Union National Bank and Buck Consultants Inc. approved by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 14, 2000.
*10.17	Stock Option Plan for Non-Employee Directors, incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-Q dated May 14, 1997.
*10.18	2000 Stock Option Plan for Non-Employee Directors adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000.
*10.19	Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995, incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994.
*10.20	Resolutions approving Non-Employee Directors' Annual Stock Grant Program adopted by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 99(c) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
10.21	Five Year Credit Agreement dated as of September 26, 2001 among the Company, as Borrower, certain Initial Lenders, Citibank N.A., as Administrative Agent, and Salomon Smith Barney Inc., as Arranger, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 14, 2001.
10.21a	Amendment No. 1 dated as of June 10, 2002 to the Five Year Credit Agreement dated as of September 26, 2001 among the Company, as Borrower, certain Initial Lenders and Citibank N.A., as Administration Agent, incorporated by reference to Exhibit 10 (c) to Registrant's Report on Form 10-Q dated August 12, 2002.

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10.22	Multi-currency Revolving Credit Facility Agreement dated July 19, 2002, among International Flavor & Fragrances (Luxembourg) S.A.R.L., as Borrower, the Company, as Guarantor, certain Original Lenders, Barclays Bank PLC, as Agent, ABN AMRO Bank NV and Barclays Capital, as Arrangers, incorporated by references to Exhibit 10(b) to Registrant's Report on Form 10-Q dated August 12, 2002.
13	Registrant's 2002 Annual Report; except for those portions thereof that are expressly incorporated by reference in this Form 10-K, this exhibit is furnished only for the information of the Commission and is not deemed to be filed as part of this Form 10-K.
21	List of Principal Subsidiaries.
23	Consent of PricewaterhouseCoopers LLP.
24	Powers of Attorney authorizing Richard A. Goldstein, Douglas J. Wetmore and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
99.1	Registrant's Board of Directors' Corporate Governance Guidelines adopted by the Board of Directors on May 7, 2002, incorporated by reference to Exhibit 99(a) to Registrant's Report on Form 10-Q dated May 10, 2002.
99.2	Registrant's Charter of the Nominating and Governance Committee of the Company's Board of Directors adopted by the Board of Directors on May 7, 2002, incorporated by reference to Exhibit 99 (b) to Registrant's Report on Form 10-Q dated May 10, 2002.
99.3	Registrant's Charter of the Compensation Committee of the Company's Board of Directors adopted by the Board of Directors on May 7, 2002, incorporated by reference to Exhibit 99 (c) to Registrant's report on Form 10-Q dated May 10, 2002.
99.4	Registrant's Charter of the Executive Committee of the Company's Board of Directors adapted by the Board of Directors on May 7, 2002, incorporated by reference to Exhibit 99 (d) to Registrant's Report of Form 10-Q dated May 10, 2002.
99.5	Certification pursuant to 18 US. C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, signed by Richard A. Goldstein, Chairman of the Board and Chief Executive Officer of the Registrant and Douglas J. Wetmore, Senior Vice President and Chief Financial Officer of the Registrant.

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* Management contract or compensatory plan or arrangement.

(b) REPORTS ON FORM 8-K

The Company did not file any reports on Form 8-K during the last quarter of the fiscal year ended December 31, 2002.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of International Flavors & Fragrances Inc.

Our audits of the consolidated financial statements referred to in our report dated January 27, 2003 appearing in the 2002 Annual Report to Shareholders of International Flavors & Fragrances Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICEWATERHOUSECOOPERS LLP

New York, New York
January 27, 2003

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(Registrant)

By /s/ Douglas J. Wetmore

Douglas J. Wetmore
Senior Vice President and
Chief Financial Officer

Dated: March 25, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Principal Executive Officer:

/s/ Richard A. Goldstein

Richare A. Goldstein
Chairman of the Board
and
Chief Executive Officer

Principal Financial and Accounting Officer:

/s/ Douglas J. Wetmore

Douglas J. Wetmore
Senior Vice President
and
Chief Financial Officer

Directors:

/s/ Richard A. Goldstein

RICHARD A. GOLDSTEIN

MARGARET HAYES ADAME*	]	
GUNTER BLOBEL*	]	
J. MICHAEL COOK*	]	*By /s/ STEPHEN A. BLOCK
PETER A. GEORGESCU*	}	------------------------
ARTHUR C. MARTINEZ*	]	Stephen A. Block
HENRY P. VAN AMERINGEN*	]	Attorney in fact
WILLIAM D. VAN DYKE, III*	]	March 25, 2003

Original powers of attorney authorizing Richard A. Goldstein, Douglas J. Wetmore and Stephen A. Block, and each of them, to sign this report on behalf of certain directors and officers of the Registrant have been filed with the Securities and Exchange Commission.

CERTIFICATION

I, Richard A. Goldstein, certify that:

1. I have reviewed this annual report on Form 10-K of International Flavors & Fragrances Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) Designed such disclosure controls and procedures 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 annual report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure control and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Dated: March 25, 2003

By: /s/ Richard A. Goldstein

Name: Richard A. Goldstein
Title: Chairman of the Board and Chief Executive Officer

CERTIFICATION

I, Douglas J. Wetmore, certify that:

1. I have reviewed this annual report on Form 10-K of International Flavors & Fragrances Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) Designed such disclosure controls and procedures 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 annual report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure control and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Dated: March 25, 2003

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

INTERNATIONAL FLAVORS & FRAGRANCES INC. AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In thousands)

FOR THE YEAR ENDED DECEMBER 31, 2002

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANSLATION ADJUSTMENTS	BALANCE AT THE END OF PERIOD
Allowance for doubtful accounts	$10,835	$4,067	$2,707	$738	$12,933

FOR THE YEAR ENDED DECEMBER 31, 2001

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANSLATION ADJUSTMENTS	BALANCE AT THE END OF PERIOD
Allowance for doubtful accounts	$11,074	$2,947	$2,306	$ (880)	$10,835

FOR THE YEAR ENDED DECEMBER 31, 2000

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANSLATION ADJUSTMENTS	BALANCE AT THE END OF PERIOD
Allowance for doubtful accounts	$10,013	$2,359	$963	$ (335)	$11,074

EXHIBIT INDEX

NUMBER	
2	Agreement and Plan of Merger dated as of September 25, 2000 among Registrant, Bush Boake Allen Inc. and B Acquisition Corp. incorporated by reference to Exhibit 2.1 to Registrant's Report on Form 8-K dated September 25, 2000.
3(i)	Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 10(g) to Registrant's Report on Form 10-Q dated August 12, 2002.
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99.3	Registrant's Charter of the Compensation Committee of the Company's Board of Directors adopted by the Board of Directors on May 7, 2002, incorporated by reference to Exhibit 99 (c) to Registrant's report on Form 10-Q dated May 10, 2002.
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99.5	Certification pursuant to 18 US. C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, signed by Richard A. Goldstein, Chairman of the Board and Chief Executive Officer of the Registrant and Douglas J. Wetmore, Senior Vice President and Chief Financial Officer of the Registrant.

EXHIBIT 3(ii)

INTERNATIONAL FLAVORS & FRAGRANCES INC.

BY-LAWS

(as adopted March 10, 1964, including all amendments made through March 11, 2003)

BY-LAWS

of

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(a New York corporation)

ARTICLE I

MEETINGS OF STOCKHOLDERS

SECTION 1. ANNUAL MEETING. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, on such date and at such time as shall be designated from time to time by the Board of Directors.

SECTION 2. SPECIAL MEETING. Special meetings of the stockholders, unless otherwise prescribed by statute, may be called at any time by the Chairman of the Board, the President or the Board of Directors.

SECTION 3. NOTICE OF MEETINGS. (a) Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3(a) and on the record date for the determination of stockholders entitled to vote at such meeting and (B) who complies with the notice procedures set forth in this Section 3(a).

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation.

Notwithstanding anything in these By-Laws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3(a). If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(b) Nature of Business at Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before an annual meeting, by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before an annual meeting by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3(b) and on the record date for the determination of stockholders entitled to vote at such meeting and (B) who complies with the notice procedures set forth in this Section 3(b).

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before an annual meeting, (i) a brief description of the business desired to be brought before such meeting and the reasons for conducting such business at such meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before such meeting. Notwithstanding the foregoing provisions of this Section, a stockholder seeking to have a proposal included in the Corporation's proxy statement shall comply with the requirements of Section 14 of the Exchange Act, including, but not limited to, Rule 14a-8 promulgated thereunder or its successor provision. The Corporation may require any stockholder to furnish such other information as may reasonably be required by the Corporation to determine if the business shall be properly brought before an annual meeting of the stockholders.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an annual meeting of stockholders except business brought before such meeting in accordance with the procedures set forth in this Section; provided, however, that, once business has been properly brought before the meeting in accordance with such procedures, nothing in this Section 3(b) shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before such meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

SECTION 4. QUORUM. At all meetings of the stockholders of the Corporation, the holders of a majority of the stock of the Corporation entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of any business except as otherwise provided by law.

SECTION 5. ORDER OF BUSINESS. The order of business at all meetings of the stockholders shall be as determined by the Chairman of the meeting, but the order of business to be followed at any meeting at which a quorum is present may be changed by a majority in voting interest of the stockholders present at the meeting in person or by proxy and entitled to vote thereat.

SECTION 6. ORGANIZATION; ADJOURNMENT. At each meeting of the stockholders, the Chairman of the Board of the Corporation, or, if he shall be absent therefrom, the President of the Corporation, or, if he shall be absent therefrom, the Executive Vice-President, or, if he shall be absent therefrom, any other Vice-President of the Corporation, or, if the Chairman of the Board, the President, the Executive Vice-President and all the other Vice-Presidents shall be absent from such meeting, then some other officer of the Corporation, or, if all its officers shall be absent therefrom, a stockholder holding of record shares of stock of the Corporation having voting powers, or the proxy of such a stockholder, who is chosen chairman of such meeting, shall act as chairman thereof and preside thereat; and the Secretary of the Corporation, or, if he shall be absent from such meeting, or, if he shall be required or chosen pursuant to the provisions of this Section 6 to act as chairman of such meeting, the person (who shall be an Assistant Secretary of the Corporation, if any of them shall be present thereat) whom the chairman of such meeting shall appoint secretary of such meeting, shall act as secretary of such meeting and keep the minutes thereof.

If a quorum, determined in accordance with Article I, Section 4 hereof, shall not be present or represented at any meeting of the stockholders, the Chairman of the meeting, or if so requested by the Chairman, the stockholders present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. In addition, the Chairman of any meeting of stockholders shall have the power to adjourn the meeting at the request of the Board of Directors if the Board of Directors determines that adjournment is necessary or appropriate to enable stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders.

SECTION 7. VOTING. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, except as otherwise expressly provided by the Certificate of Incorporation or by Law. At each meeting of the stockholders every stockholder of record of the Corporation entitled to vote at such meeting shall be entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation; provided, however, that the Board of Directors may fix, in advance, a date not more than sixty nor less than ten days prior to the date of such meeting as the date as of which stockholders entitled to notice of, and to vote at, such meeting shall be determined, and in case the Board of Directors shall fix a date, only stockholders of record on such date shall be entitled to notice of, and to vote at, such meeting. The vote of stock of the Corporation may be given by the stockholder entitled thereto in person or by proxy duly appointed by an instrument in writing subscribed by such stockholder or by his attorney thereunto duly authorized, and delivered to the Secretary of the meeting. Unless demanded by a stockholder of the Corporation present in person or by proxy at any meeting of the stockholders and entitled to vote thereat or so directed by the chairman of the meeting, the vote thereat on any question need not be by ballot. Upon a demand of any such stockholder for a vote by ballot on any question or at the direction of such chairman that a vote by ballot be taken on any question, such vote shall be taken by ballot. On a vote by ballot each ballot shall be signed by the stockholder voting, or in his name by his proxy, if there be such proxy, and it shall show the number of shares voted by him.

SECTION 8. INSPECTORS OF ELECTION. At any meeting of the stockholders, an inspector or inspectors of election may be appointed as provided in the Business Corporation Law and shall have duties as provided in said Law. An inspector of election need not be a stockholder of the Corporation, and any officer of the Corporation may be an inspector of election on any question other than a vote for or against his election to any position with the Corporation or any other question in which he may be directly interested.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. Except as otherwise provided in these By-laws or in the Certificate of Incorporation, the property, business and affairs of the Corporation shall be managed by the Board of Directors.

SECTION 2. NUMBER. The number of directors shall be eight(+) but the number thereof may, from time to time, be diminished to not less than six by amendment of these By-laws. As used in these By-laws, the term "whole Board of Directors" shall mean the total number of directors which the Corporation would have at the time if there were no vacancies.

SECTION 3. ELECTION OF DIRECTORS. At each meeting of the stockholders for the election of directors at which a quorum is present, the persons receiving a plurality of the votes cast by the holders of stock entitled to vote thereat shall be the directors. No person shall be eligible to serve as director of the Corporation after the date of, or stand for the re-election at, the annual meeting of stockholders which follows the date of his or her 72nd birthday, except that persons serving as directors on February 8, 2000 who are re-elected at the annual meeting held on May 18, 2000 (or any adjournment thereof) may continue to serve as directors until the date of the annual meeting of stockholders held in 2001.

SECTION 4. ORGANIZATION. The Board of Directors may choose one of their number as Chairman of the Board. At each meeting of the Board of Directors, the Chairman of the Board, or, if there shall be no Chairman or if he shall be absent, the President of the Corporation, or in case of his absence, the Executive Vice-President, or in case of his absence, a chairman who shall be any director chosen by a majority of the directors present thereat, shall act as chairman of such meeting and preside thereat. The Secretary of the Corporation, or in the case of his absence, any person (who shall be an Assistant Secretary of the Corporation, if an Assistant Secretary of the Corporation shall be present at such meeting) whom the chairman shall appoint secretary of such meeting, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 5. RESIGNATIONS. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, then it shall take effect immediately upon its receipt by such Board of Directors, President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. Vacancies occurring in the Board of Directors for any reason, except the removal of directors without cause by the stockholders, may be filled by the affirmative vote of at least two-thirds (2/3) of the whole Board of Directors. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor. Newly-created directorships resulting from an increase in the number of directors may be filled by vote of a majority of the directors then in office, although less than a quorum exists.

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(+) Amended from "nine" to "eight" effective May 14, 2003, by action of the Board of Directors at its March 11, 2003 meeting. Prior amendments changed the number of directors from "eleven" to "nine" (effective May 7, 2002), "ten" to "eleven" (December 11, 2001) and "twelve" to "ten" (May 16, 2001).

SECTION 7. ORGANIZATION MEETING. After each annual election of directors, the Board of Directors may hold a regular meeting for the purpose of organization and the transaction of other business as soon as practicable on the same day, at the place where other regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a consent and waiver of notice thereof signed by all the directors.

SECTION 8. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at such other times and at such places within or without the State of New York or the United States as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which otherwise would be held on that day shall be held at the same hour on the next succeeding business day. Notice of regular meetings need not be given.

SECTION 9. SPECIAL MEETINGS; NOTICE. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, the President of the Corporation, the Executive Vice-President of the Corporation, or by any two (2) of the directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting, stating the time and place thereof. Except as otherwise provided by law, notice of each meeting shall be given by mail, telegraph, cable, wireless, telephone or personal delivery to each director, at his residence or usual place of business at least two (2) days before the day on which such meeting is to be held; provided, however, in the case of any director residing outside the United States, such notice shall be sent addressed to him at such place by telegraph, cable or wireless, or be delivered personally or by telephone not later than five (5) days before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director, if waived by him in writing before or after the meeting or if he shall attend the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

SECTION 10. QUORUM AND MANNER OF ACTING.

(a) A majority of the whole Board of Directors shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting and, except as otherwise specifically provided by the Certificate of Incorporation, these By-laws or by law, the act of a majority of the directors present at any such meeting, at which quorum is present, shall be the act of the Board. In the absence of a quorum from any such meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

(b) Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any one or more members of the Board or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION 11. COMMITTEES. There may be an Executive Committee consisting of three or more directors as may be designated from time to time by a majority of the whole Board of Directors. The Chairman of the Board shall be a member ex officio of the Executive Committee. Such Committee may meet at stated times or on notice to all by any of their number. During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise, to the extent provided in the resolution of the Board of Directors appointing such committee, all the powers of the

Board of Directors, except as otherwise provided in the Business Corporation Law, in the management and direction of the business and affairs of the Corporation in such manner as the Executive Committee shall deem for the best interest of the Corporation. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required, but no approval by the Board of Directors of the actions taken by the Executive Committee shall be required.

A majority of the whole Board of Directors may also designate directors to constitute one or more other committees, which shall in each case consist of such number of directors and shall have such duties and may exercise such powers as the Board of Directors may determine.

A majority of the whole Board may designate one or more directors as alternate members of any such committee, including the Executive Committee, who may replace any absent member or members at any meeting of such committee.

Each committee, including the Executive Committee and each member thereof, shall serve at the pleasure of the Board.

SECTION 12. REMOVAL. Any director may be removed with cause by the affirmative vote of at least two-thirds of the whole Board of Directors or with or without cause by vote of the stockholders at a regular or special meeting, subject to the provisions of the Business Corporation Law.

SECTION 13. COMPENSATION. The directors and the members of any committee of the Corporation provided for by resolution of the Board of Directors shall be entitled to be reimbursed for any expenses, including all travel expenses, incurred by them on account of their attendance at any regular or special meeting of the Board of Directors or of such committee, and the Board of Directors may at any time or from time to time by resolution provide that the Corporation shall pay each such director or member of such committee such compensation for his services as may be specified in such resolution. Nothing in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 14. INDEMNIFICATION.

(a) RIGHT TO INDEMNIFICATION. The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the Corporation, or, while serving as director or officer of the Corporation, is or was serving in any capacity, at the request of the Corporation, any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, incurred by such person as a result of such action or proceeding, or any appeal therein, unless a judgment or other final adjudication adverse to such person establishes that his acts, or the acts of the person of whom he is the legal representative, were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he, or the person of whom he is the legal representative, personally gained in fact a financial profit or other advantage to which he, or the other person of whom he is the legal representative, was not legally entitled. The Corporation shall advance to such person funds to pay for such expenses, including attorney's fees, incurred by such person in defending against any such action or proceeding, or any appeal therein, upon receipt of an undertaking by or on behalf of such person to repay such funds to the Corporation if a judgment or other final adjudication adverse to such person establishes that his acts, or the acts of the person of whom he is the legal representative, were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he, or the person of whom he is the legal representative, personally gained in fact a financial profit or other advantage to which he, or such person, was not legally entitled.

(b) RIGHT OF CLAIMANT TO SUE. If a claim under paragraph (a) is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of the prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant, or the person of whom he is the legal representative, has not met the standard of conduct established in paragraph (a), but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper because the claimant or such person has met the said standard of conduct, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant or such person has not met such applicable standard of conduct, shall be a defense to action or create a presumption that the claimant or such person has not met such standard of conduct.

(c) NON-EXCLUSIVITY OF RIGHTS. Subject to the limitations contained in paragraph (a), the right to indemnification and the payment of expenses conferred in this Section shall not be deemed exclusive of any other right to which any person seeking indemnification or advancement or payment of expenses may be entitled, whether under any statute, provision of the Certification of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

ARTICLE III

OFFICERS

SECTION 1. NUMBER. The principal officers of the Corporation shall include a President, an Executive Vice-President, one or more other Vice-Presidents, a Treasurer, a Controller and a Secretary. Any two or more offices may be held by the same person, except the offices of President and Secretary.

SECTION 2. ELECTION, TERM OF OFFICE AND QUALIFICATIONS. The principal officers of the Corporation shall be chosen annually by the Board of Directors. Each principal officer shall hold office until his successor shall have been duly chosen and shall qualify, or until his death or until he shall resign, or shall have been removed in the manner hereinafter provided.

SECTION 3. ADDITIONAL OFFICERS. In addition to the principal officers mentioned in Section 1 of this Article III, the Board of Directors may appoint such other officers as the Board may determine, each of which officers shall hold office for such period, have such authority and perform such duties as are provided in these By-laws or as the Board of Directors may from time to time determine.

SECTION 4. REMOVAL. Any officer of the Corporation elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause at any time.

SECTION 5. RESIGNATIONS. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Board of Directors, President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for regular appointments or elections to such office.

SECTION 7. THE PRESIDENT. The President shall be the chief executive officer of the Corporation and shall have general supervision of the business of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. He shall in the absence of the Chairman of the Board preside at all meetings of the stockholders and at all meetings of the Board of Directors. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, execute and deliver in the name of the Corporation all deeds, mortgages, bonds, contract or other instruments authorized by the Board of Directors except where the signing, execution or delivery thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or where any of them shall be required by law to be otherwise signed, executed or delivered, and he may affix the seal of the Corporation to any instrument which shall require it. He shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 8. THE EXECUTIVE VICE-PRESIDENT. The Executive Vice-President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe and shall perform such other duties as may be prescribed by these By-laws. At the request of the President or, in the case of his inability to act, he shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 9. THE VICE-PRESIDENTS. Each Vice-President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe and shall perform such other duties as may be prescribed by these By-laws. At the request of the President, or, in case of the inability of the President and the Executive Vice-President to act, any of the Vice-Presidents may perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 10. THE TREASURER. The Treasurer shall have the care and custody of the books of account and of all the funds and securities of the Corporation, and deposit the funds in the name of the Corporation in such bank or trust company as the directors may designate. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 11. THE CONTROLLER. The Controller shall maintain adequate records of all assets, liabilities and transactions of the Corporation, and have adequate audits thereof currently and regularly made. In addition, he shall perform such other duties relating to the finances of the Corporation or otherwise, as may be prescribed by the Board of Directors, the President or the Treasurer.

SECTION 12. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meeting of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. he shall keep or cause to be kept a stock-book, containing the names, alphabetically arranged, of all persons who are stockholders of the Corporation, showing their places of residence, the number of shares of stock owned by them respectively, the times when they respectively became the owners thereof and the amount paid thereon. He shall keep in safe custody the seal of the Corporation and, when properly authorized, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

SECTION 13. SALARIES. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors, and none of such officers shall be prevented from receiving a salary by reason of the fact that he is also a member of the Board.

ARTICLE IV

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. EXECUTION OF CONTRACTS, ETC. Except as otherwise required by law or by these By-laws, the Board of Directors may authorize any officer or officers, agent or agents, to execute and deliver any contract or other instrument in the name of the Corporation and on its behalf.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts and other orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed or endorsed, except endorsements for collection for the account of the Corporation or for deposit to its credit, by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board of Directors, or any officer of the Corporation to whom power in that respect shall have been delegated by the Board of Directors, shall direct in such banks, trust companies or other depositories as said Board may select or as may be selected by any officer or officers or agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation.

SECTION 4. GENERAL AND SPECIAL BANK ACCOUNTS. The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositaries as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-laws, as it may deem expedient.

ARTICLE V

SHARES AND THEIR TRANSFER

SECTION 1. CERTIFICATES FOR STOCK. Every owner of shares of stock of the Corporation shall be entitled to have a certificate therefor, in such form as the Board of Directors shall prescribe, certifying the number and class of shares thereof owned by him. The certificates representing such shares shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the President, the Executive Vice-President or a Vice-President, and by the Treasurer or the Secretary or an Assistant Treasurer or Assistant Secretary of the Corporation and its seal shall be affixed thereto; provided, however, that where such certificate is signed by a transfer agent or registered by a registrar other than the Corporation itself or its employee, if the Board of Directors shall by resolution so authorize, the signatures of such President, Executive Vice-President, Vice-President, Treasurer, Secretary, Assistant Treasurer or Assistant Secretary and the seal of the Corporation may be facsimile. In case any officer or officers of the Corporation who shall have signed, or whose facsimile signature or signatures has been placed upon a certificate or certificates shall cease to be such officer or officers, whether by reason of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as if the person or persons who signed such certificate or certificates had not ceased to be such officer or officers. A record shall be kept of the respective names of the persons, firms or corporations owning the shares represented by certificates for stock of the Corporation, the number of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Corporation for exchange or transfer shall be canceled and a new certificate or certificates shall not be issued in exchange for any existing certificate, until such existing certificate shall have been so canceled except in cases provided for in Section 4 of this Article V.

SECTION 2. TRANSFERS OF STOCK. Transfers of shares of the stock of the Corporation shall be made on the books of the Corporation only by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer clerk or transfer agent appointed as in Section 3 of this Article V provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 3. REGULATIONS. The Board of Directors may make such rules and regulations, as it may be deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint, or authorize any principal officer or officers to appoint, one or more Transfer Clerks or one or more Transfer Agents or one or more Registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

SECTION 4. LOST, DESTROYED AND MUTILATED CERTIFICATES. The holder of any share of stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed, and the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate or his legal representatives to give the Corporation a bond in such sum, limited or unlimited, and in such form and with such surety or sureties, as the Board shall in its uncontrolled discretion determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate, or the issuance of such new certificate. The Board of Directors, however, may in its discretion refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of New York in such case made and provided.

ARTICLE VI

SEAL

The seal of the Corporation shall be in the form of a circle, and shall bear the full name of the Corporation and the year of its incorporation.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall end with the thirty-first day of December in each year.

ARTICLE VIII

AMENDMENTS

The Board of Directors shall have the power to amend, repeal or adopt the By-laws of the Corporation, and the By-laws may be amended, repealed or adopted by the stockholders entitled at the time to vote in the election of directors.

EXHIBIT 10.3

New York, NY
June 29, 1999
$300,00000

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, NICOLAS MIRZAYANTZ, now or formerly residing at 174 W. 79TH St., New York, NY 10024, U.S.A., promises to pay on June 30, 2004, to the order of International Flavors & Fragrances Inc., a New York corporation (hereinafter called "IFF"), at IFF's offices, 600 State Highway No. 36, Hazlet, New Jersey 07730, the principal sum of THREE HUNDRED THOUSAND DOLLARS (U.S. $300,000.00), with interest thereon from July 1, 1999 at the rate of seven and twenty-one one hundredths percent (7.21%) per year, which the undersigned hereby agrees to pay through payment of 20 quarterly installments, each in the amount of Eighteen Thousand Dollars and seven cents (U.S. $18,000.07), payable on the last day of each calendar quarter beginning September 30, 1999 and continuing thereafter to be payable through and including June 30, 2004, all in lawful money of the United States of America. The undersigned hereby consents that IFF may withhold the amount of such installments from each of the undersigned's periodic IFF paychecks for salary, bonus, vacation and/or sick pay as the same become due, but IFF's failure to do so shall not affect or modify the obligation of the undersigned to pay any such instalment when due.

The entire unpaid principal of this Note and any accrued and unpaid interest thereon shall, at the option of IFF, become immediately due and payable prior to June 30, 2004, without notice or demand, upon the happening of any one or more of the following specified events of default by or with respect to the undersigned: (i) death of the undersigned, (ii) the insolvency (however evidenced) of, or the commission of any act of insolvency by, the undersigned, (iii) the filing of any petition or the commencement of any proceeding by or against the undersigned for the relief under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, (iv) the appointment or a receiver of, or the issuance or making of a writ of order of attachment or garnishment against, any of the property or assets of the undersigned, (v) the termination in any manner of the undersigned's employment with IFF, or (vi) the failure of the undersigned to pay any instalment due upon this Note when the same shall have become payable. If IFF shall elect to accelerate the unpaid principal and any accrued and unpaid interest of this Note upon the occurrence of any such event or default, then the undersigned hereby agrees and consents that IFF may withhold an amount equivalent to said unpaid principal and interest, from any accrued and unpaid salary bonus, vacation or sick pay or severance payment otherwise due payable to IFF to him.

As security for this Note, IFF shall have the right (unless precluded by the terms of any prior mortgage thereon) to have the undersigned and/or the undersigned's spouse make a mortgage or second mortgage in favor of IFF or IFF's affiliated company in France, in form suitable for recording, on any real property, located in France, now owned or hereafter purchased by the undersigned and/or the undersigned's spouse so long as this Note shall be outstanding, and the undersigned and/or the undersigned's spouse hereby agrees to execute any such mortgage or second mortgage and deliver the same to IFF or IFFs affiliated company in France at IFFs request. It is hereby expressly agreed that, upon the execution of any such mortgage or second mortgage, all of the covenants, terms, conditions and agreements contained therein shall become a part of this Note to the same extent and with the same effect as if fully set forth herein, and also that, upon such execution, IFF in its discretion, shall have the right to demand that the undersigned and/or the undersigned's spouse execute and deliver to IFF a new mortgage note, in similar principal amount and bearing interest at the same rate as herein provided and in form acceptable to counsel for IFF, to replace this Note. The preceding provisions of this paragraph shall not be construed to modify or limit in any way the undersigned's obligation to make, and IFF's right to enforce, full payment of the principal amount hereof upon acceleration.

The undersigned hereby waives presentment, protest, notice of protest and notice of dishonor and any and all other notices or demands in connection with the delivery, acceptance, payment, performance, default or enforcement of this Note.

In case any action shall be brought for the collection of this Note, or the same must be collected upon demand of an attorney, the undersigned hereby agrees to pay reasonable attorney's fees for making such collection.

This Note shall be construed in accordance with, and all matters in connection with its validity, payment and/or enforcement shall be governed by, the laws of the State of New York, excluding its conflict of law principles, except that enforcement of any mortgage or second mortgage in IFF's favor shall be governed by French law.

/s/ NICOLAS MIRZAYANTZ

Nicolas Mirzayantz

By her signature below, Nicolas Mirzayantz's spouse agrees to be legally bound by and perform those provisions of the above Note that refer to or require action by her.

(spouse)

EXHIBIT 10.11

INTERNATIONAL FLAVORS & FRAGRANCES INC.

EMPLOYEE STOCK OPTION PLAN OF 1992

INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (herein called "IFF"), hereby establishes the Employee Stock Option Plan of 1992 (herein called the "Plan") on the following terms and conditions:

1. Purpose: To promote the best interests of IFF and its shareholders by providing methods by which key employees and officers of IFF and its subsidiaries may acquire a proprietary interest in IFF, thus identifying their interests with those of the shareholders and encouraging them to make greater efforts on behalf of IFF.

2. Method of Adoption: By the favorable vote of at least two-thirds of the Board of Directors of IFF (herein called the "Board") subject to the approval of the holders of a majority of IFF shares.

3. Term: Options may be granted at any time and from time to time, from the date of adoption of the Plan by the Board, subject to the approval of the Plan by the shareholders of IFF within 12 months after the Plan is adopted, to February 11, 2002, but no stock option shall extend for a term of more then ten years from the date of its grant.

4. Number of Shares: The Plan shall cover an aggregate of 750,000 shares of Common Stock of IFF of the par value of $.12 1/2 each. Either authorized and unissued shares or treasury shares may be used.

If any options expire or terminate without being exercised in full, including options voluntarily surrendered for cancellation, the shares subject thereto which have not been purchased in accordance with the terms of such options shall be available for the grant of new options under the Plan.

5. Purchase Price: The purchase price per share for any stock optioned at any time under this Plan shall be such price as shall be fixed by the Board, but not less than the fair market value thereof at the time of granting the option. Upon exercise of any stock option the employee may pay for the stock covered by the stock option by delivery of Common Stock of IFF, providing the employee has held such Common Stock for at least six months, or such longer period as determined by the Board.

6. Eligibility: Any key employee or officer of IFF or one of its subsidiaries (including subsidiaries which may become such after adoption of this Plan) as designated by the Board.

7. Employment at the Time of Each Purchase: Any stock option may be exercised by any employee only so long as he or she remains in the employ of IFF or one of its subsidiaries (including subsidiaries which became such after his or her option was granted); provided that if an employee voluntarily resigns with the consent of the Board, if he becomes totally disabled or if he or she retires, he or she may exercise within 3 months thereafter (but not later than the expiration date of the option) the option as to the balance, if any, of the shares which the employee was entitled to purchase under the terms of the option at the date of such resignation, disability or retirement. Authorized leaves of absence for military or governmental service or other purposes approved by the Board will be deemed a continuation of employment for purposes of the Plan, and modifications or extensions of the periods of the option agreement or otherwise may be made by the Board. If an employee dies while employed by IFF or one of its subsidiaries, his or her legal representatives, distributees or legatees, as the case may be, may exercise within 3 months thereafter (but not later than the expiration date of the option) the option as to the balance, if any, of the shares which the employee was entitled to purchase under the terms of the option at the date of his or her death or, in case such death occurs less than 48 months from the date of the grant of the option, that proportion of the shares covered by the option which the number of days in the period from the date of grant to the date of the employee's death bears to the number 1460, less any shares previously purchased under the option.

8. Individual Options: Notwithstanding any other provision hereof, the selection of the officers and directors of IFF for participation in the Plan and decisions concerning the timing, pricing, and the number of shares covered by individual stock options shall be made solely by the Stock Option and Compensation Committee of the Board (herein called the "Committee"), the members of which shall be "disinterested persons" as that term is defined in Rule 16(b)-3 under the Securities Exchange Act of 1934, as amended. Unless otherwise determined by the Committee at the time of grant, options granted hereunder to employees subject to United States taxation shall be deemed to be "incentive stock options" to the extent permitted under section 422 of the Internal Revenue Code of 1986 and the balance of such options shall be deemed not to be incentive stock options.

9. Exercise of Options: The stock options may be exercised as follows: up to one-third of the shares covered at any time after 24 months from the date of grant; up to two-thirds of such shares at any time after 36 months from such date; and all the shares at any time after 48 months from such date. Stock certificates will be issued as the stock options are exercised and the shares are paid for.

10. Rights of Employees Before Issuance of Stock Certificates: No employee shall have any rights as a stockholder with respect to any shares covered by his or her stock option until the date of the issuance of the stock certificate to him or her for such shares following his or her exercise of the options. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Anti-Dilution Provisions: Each option agreement shall contain such provisions as the Board or the Committee shall deem to be appropriate, including provisions for appropriate

adjustment of the option price and the number of shares covered, or both, to protect the optionee in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger or consolidation (except as otherwise stated below) or in the event of any other change in the corporate capital structure of IFF. In the event of any such adjustment, the aggregate number and class of shares available under the Plan and the maximum number of shares as to which options may be granted to any employee may also be appropriately adjusted.

12. Nonassignability: No option shall be assignable or transferable by an optionee except by will or by the laws of descent and distribution, and an option shall be exercisable during his or her lifetime only by him or her.

13. Administration: The Plan shall be administered by vote of a majority of the Board, or by the majority of the Committee, but no Board member who is to be considered as a participant in the Plan shall take part in the deliberations or vote with respect to his own participation.

14. Merger or Consolidation: In the event of the merger or consolidation of IFF with or into another corporation as a result of which IFF is not the surviving corporation, then on written notice to the optionee given by the surviving corporation, the option may be exercised, as to the entire number of shares subject thereto, on and after the effective date of such merger or consolidation and the option shall cease and terminate as to any shares as to which it has not been exercised on a date 180 days after the effective date of such merger or consolidation or on the expiration date of such option, whichever is earlier.

15. Agreements: Options issued under the Plan shall be evidenced by agreements in such form as the Board or the Committee may approve. The terms of such agreements shall comply with the applicable terms of the Plan outlined herein.

16. Interpretation: In the event of any difference of opinion between an optionee and IFF or its subsidiaries concerning the meaning or effect of the Plan, such difference shall be resolved by the Board.

17. Compliance with Applicable Laws: No shares shall be offered under the Plan and no stock certificate shall be delivered upon exercise of options until such offering has been registered under the Securities Act of 1933, as amended, and any other applicable governmental laws and regulations, unless in the opinion of counsel such offering is exempt from registration under such Act, and until IFF shall have complied with any applicable provisions of the Securities Exchange Act of 1934, as amended.

18. Amendment and Termination of the Plan: The Board may from time to time, with respect to any shares at the time not subject to options, suspend or discontinue the Plan or amend it in any respect, provided that it may not, without the approval of the holders of a majority of outstanding shares of IFF (except as provided in paragraph 11 above), increase the aggregate number of shares available for options, change the employees or class of employees eligible to receive options or reduce the option price below that provided for hereunder.

essence

IFF International Flavors & Fragrances Inc. Annual Report 2002

What is the essence of IFF?

It's not just capturing an emotion, a memory.
Pinpointing the indispensable nature of a sensory experience.

It's not just a purely visceral, personal reaction.

It's sustaining that ideal moment,
just for a moment, time and again.

It's also business and science.
Proprietary molecules and practical applications.
It's people, relationships.

The perfect combination of creativity and precision.

It's finding a better way.

It's the pursuit of excellence.

[GRAPHICS OMITTED]

> Table of contents

> I like working at IFF
because this is where
creativity residers." >

> "The biggest improvement
I have seen lately at IFF is the
way our processes are being
harmonized and standardized
and communicated to the
teams in the different areas." >

> "IFF is unique because what
we create becomes part of
everyone's life." >

> "IFF is unique because it beings
together unique personalities,
which together create the
magic of IFF." >

> "The biggest improvement
I have been see lately at IFF
is how succesfullt it has
reinvented itself." >

> "IFF is unique because like
every snowflake, no two days
at work are ever the same." >

> "I like working at IFF because
each day is different and
challenging, with never-ending
learning due to the dynamics
of our industry." >

> "I like working at IFF
because I do it with freedom
and creativity." >

> "When people ask me what
IFF does, I tell them we create
the tastes and smells of
our lives." >

The essence of innovation

2:12

AUGUSTA, GEORGIA

My mom says I'll never be able to finish this, but she doesn't know me as well as she thinks. She still treats me like a little kid, which gets me really mad. My secret sauce has ketchup, mustard, relish and mayonnaise in it. You have to mix everything together before you put it on the bun.

10:22

PARIS, FRANCE

Est-elle plus belle que moi? Est-ce que c'est important? Est-ce qu'on ne peut pas etre belles toutes les deux? Pourquoi ont-ils pris la photo alors que j'avais la bouche pleine? Je parie que ma mere n'a jamais mis de vernis a ongle rouge. Et je sais qu'elle n'a jamais garde ses gants pour manger.

7:32

RIO DE JANEIRO, BRAZIL

A Sensacao do sol nascente em meus cabelos...o sabor de um novo dia...um soho,
um momento especial...somente para mim. Adoro minhas sardas.

11:19

CALCUTTA, INDIA

[FOREIGN LANGUAGE]

Where does the essence of flavor and fragrance come from?

Not complex calculations, or scientific formulas.
It's not buried deep in computer code,
or planted in a greenhouse.

It comes from ice cream, and mowing the lawn.
A first date, a first dance.
Summer vacations and a winter's night.

It comes from the imagination,
triggering your memory.
It takes you here and me there.

It's your personality.

How do we know?

We've dedicated ourselves
to understanding every facet of sensory experience.

Understanding our customers,
and their customers.
We understand you.

Our perfumers and flavorists live and breathe
scents and tastes.

Call it a sixth sense,
or a green thumb.

It's our passion.

[GRAPHICS OMITTED]

The essence of people
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8

TO OUR SHAREHOLDERS

I will look back on 2002 as a year in which IFF delivered on its promises to customers and shareholders alike, despite unprecedented and often unforeseen challenges around the globe. Chief among our accomplishments were successfully completing the integration of Bush Boake Allen (BBA), quickly realizing the aggressive savings targets we had set for ourselves, reorganizing globally into One IFF and improving all aspects of customer service.

2002 HIGHLIGHTS - THE FOUNDATION IS IN PLACE

Before the end of 2002, we disbanded our last integration team. By every key measure, the integration and reorganization were successful. Many in the financial community doubted we could achieve so much in so short a time, but even the skeptics seem to have come around. Our stock price at the end of 2002 was virtually double what it had been when we announced the acquisition, and we outperformed the S&P 500 by about 33%. Fortune placed us squarely on its "Most Admired" list, BusinessWeek named us one of their "Nifty Fifty" for our solid stock market performance and Forbes counted us on its "Platinum List of Best Companies in America."

While the task of turning our Company around is far from over, we are firmly on the path to sustainable, long-term growth. Our win rate continues to improve across categories and geographies, the best indicator of customer satisfaction. Even in a sector such as Fine Fragrance that has been broadly impacted by the global economic slowdown, IFF continues to grow in comparison with its competitors.

CONTINUING OUR REINVENTION - THE PURSUIT OF EXCELLENCE

What IFF has accomplished in the last two years convinces me that we have the ability to reclaim undisputed industry leadership. Our commitment to continuous improvement has only intensified. Through a range of "Business Excellence" initiatives, we are ensuring a more disciplined, forward-looking and globally consistent approach to sales and operations planning. Everyone in our organization -- whether they be in business development, operations or our staff functions -- is aligned and coordinated in their efforts to deliver to our customers what they want...when, where and how they want it.

It is clear that neither IFF nor any other company can cost cut its way to growth. So, at the same time as we are diligently working to become more efficient and effective, we are also focusing on avenues for sustainable top-line growth. To that end, we have been increasing our investment in Research and Development, with a particular emphasis on what I call capital "R" Research - -- the kind that gives us proprietary molecules and technology. The kind that made IFF the industry standard in the first place.

Through our Natural Products group, including the Laboratoire Monique Remy in Grasse, France, we have an excellent pipeline of new, high quality natural flavor and fragrance ingredients. Our Sensory and Consumer Science group helps strengthen our consumer insight through industry-leading programs in fragrance profiling, sensory perception, the genetics of flavor and fragrance preference and the emotional effects of aromas on mood, performance, health and well-being. We link these sensory methodologies with the best from our Analytical Science group for an understanding of flavor and fragrance preference that is second-to-none. And with key breakthroughs in material science technology, we ensure that our research discoveries have practical applications in the marketplace.

IFF's reinvention, reawakening and re-establishment will continue. Everyone at our Company should take great pride in our success to date.

OLD ECONOMY COMPANY - OLD WORLD VALUES

IFF is prepared for continued tough times throughout 2003. Given the extreme tension in the Middle East and parts of Asia, I do not anticipate a swift economic recovery. If anything, the global economic and political picture could worsen this year, escalating the deflationary cycle we are already experiencing. In times such as these, our various stakeholders benefit from the fact that 85% of our activity is in recession-resistant businesses. After the meteoric boom and even more meteoric bust of the dot-com era, I am pleased that IFF is often referred to as an "old economy company." IFF makes real products that enhance real people's lives every day...in good times and not so good times. And we do it "the old fashioned way" - with integrity, honesty, creativity and hard work as our cornerstones.

The basic business foundation on which IFF first achieved preeminence remains rock solid. Similarly, the basic values set forth by our founding Chairmen are the same ones that continue to guide us today. Throughout this Report, you will see the faces and words of IFF co-workers around the world. I can think of no better way to exemplify IFF in Pursuit of Excellence than through snapshots of our people at work. Throughout 2003 and beyond, all of us at IFF renew the following commitments:

> To our customers: to bring you outstanding service, innovation and insight;

> To our shareholders: to pursue top-line growth and bottom-line improvement in profits and earnings per share;

> To our co-workers: to work together in order to win as a team and benefit as individuals.

Finally, no summary of 2002 would be complete without mention of a great loss in the IFF family. In December 2002, Dr. Braja D. Mookherjee -- IFF's Director of Natural Products Research -- passed away. Many of you had the good fortune to meet or work with Braja during his 38 years with our Company. Braja's hand touched nearly everything at IFF, from the major impact chemicals we use to key technologies such as Living Flavor(R), Living Flower(R), Aura of Aroma(TM) and hydroponics.

More than perhaps anyone I know, Braja embodied the idea of finding the place where art and science meet and using it to create magic for our customers and consumers. My colleagues tell me that they feel Braja's presence in our greenhouse, and I am sure they are right. His spirit will live on at IFF.

Sincerely,

/s/ Richard A. Goldstein
Richard A. Goldstein
Chairman of the Board and Chief Executive Officer

[GRAPHICS OMITTED]

How will we respond to today's market demands,
and anticipate trends on the horizon?

Market insight?
Scientific expertise?

Yes, and an influx of new molecules that broaden our palettes.

It's customer service and technological superiority.
Built on a solid foundation of integrity, honesty and hard work.

It's finding the perfect mix.

The exchange of information is vital to our success.
Leveraging our varied expertise.

We are in active pursuit.
Defining tomorrow's market, today.

Going anywhere that flavors and fragrances play a role,
or could in the future.

This is visionary.
This is how leaders think.

[GRAPHICS OMITTED]

> Through ConsumerEdge, IFF's team of qualitative research experts brings unique insights about fragrance, concept and brand development to our customers. >

[GRAPHICS OMITTED]

> A powerful moral and ethical core runs through our Company. Our values...our Code of Conduct...our environmental and philanthropic efforts... our understanding that nothing is so important that it cannot be done safely. >

> IFF's Perfumery School recognizes that what we do is both art and science. In Grasse, Hilversum and New York, the next generation of leading perfumers learns the tools of the trade. >

[GRAPHICS OMITTED]

> Making IFF a great place to work means continual learning, practical training, management development, Rewarding Results, opportunities for growth. Understanding the Company's vision and one's role in achieving it. The encour- agement to take prudent risks. >

> 70% of IFF's business comes from outside the United States. The emerging market areas of China, India and Latin America are key to our strategy moving forward. >

[GRAPHICS OMITTED]

> iPlot(TM). Living Flower(R). Living Fruits(R). Generessence(R). Ultra Natural(TM). Hydroponics. Dried, chilled, coated, encapsulated, water soluble, liquid and granu- lated delivery platforms. The Consumer Fragrance Thesaurus. Pheromones. CoolTek(TM). If it differentiates our customers' products, we've got it. >

The essence of excellence
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MEXICO CITY, MEXICO

2002 was a year of unprecedented economic, social and political turmoil for Latin America. The challenges confronting our region will continue in 2003. The only way for IFF Latin America to achieve our goals and satisfy our customers moving forward is by working together as a dedicated, focused and passionate team...always looking for the better way...always striving to drive top-line growth. Our team is committed to this.

Graciela Ferro, VP and Regional Manager, Latin America

SEOUL, SOUTH KOREA

For IFF Asia Pacific, the customer is the first and last word. We are focused on providing product and service excellence to our cus-tomers and thereby adding value to their businesses. It is through close partnership with our customers that we will gain their confidence. And it is through close partnership with our customers that IFF can, in turn, achieve sustainable growth. 2003 will be a key measuring stick in terms of our ability to deliver.

Robert Burns, VP and Regional Manager, Asia Pacific

SOUTH BRUNSWICK , NEW JERSEY

In North America, IFF knows what it needs to do...and we're doing it. In 2002, we met all of our integration targets at the same time as we provided seamless and even improved service to our customers. We completed the divestiture of all non-core businesses and our entire team is now involved in increasing our efficiency and effectiveness through Business Excellence. Through it all, we maintain our commitment - internally and externally - to open communication, transparency and corporate social responsibility.

Jim Dunsdon, VP and Regional Manager, North America

[GRAPHICS OMITTED]

[GRAPHICS OMITTED]

< HILVERSUM, THE NETHERLANDS

In 2002, with the successful integration of BBA into IFF, we have strengthened the foundation on which to accelerate our business performance. IFF is well positioned to grow in the region, despite predictions of a weak European economy overall. Our business development and operations teams are seamlessly aligned and uniformly focused on bringing first-class, cutting edge creations and services to consumers today...and for years to come.

Rob J. M. Edelman, VP and Regional Manager, Europe

BOCA RATON, FLORIDA

In 2002, IFF made great strides in terms of aligning and unifying business development and operations in the best interest of our customers. Key 2002 accomplishments include completing the closure or consolidation of 26 facilities as part of our integration, the rationalization and simplification of our ingredients catalogue, improvements in aroma chemicals customer service, the successful implementation of SAP in several of our manufacturing facilities, and progress on our e-business initiative. Through a coordinated and disciplined approach to Business Excellence and sales and operations planning, we are making significant progress in our reinvention.

D. Wayne Howard, Executive Vice President, Global Operations

CHENNAI, INDIA

A year after the integration of Bush Boake Allen India Ltd., the new IFF India is now a more comprehensive and cohesive organization... better able to understand our customers' needs and deliver on them. Our 2002 results in terms of both sales and profits reflect our enhanced effectiveness. Improved technology in most disciplines and continued knowledge and skills training enabled us to grow faster than the market. IFF India is the leader in both flavors and fragrances.

Arun Bewoor, VP and Regional Manager, India Region

The essence of growth

What makes us the industry leader?

Is it outstanding customer service,
or our undying pursuit of excellence?

Our motivation?
Innovation.

Leading our field on every continent,
and in space.

We have the resources to serve you anywhere in the world.

We are a partner, an intellectual resource.

We understand you.

We're in the business of harnessing the intangible,
transforming the properties of nature into product.

We live in the moment where art meets science.

We love what we do.

In essence >

[GRAPHICS OMITTED]

FINANCIAL HIGHLIGHTS

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)	2002	2001	2000
Net sales - as reported	$1,809.2	$ 1,843.8	$ 1,462.8
Net sales - pro-forma(a)	$1,799.8	$ 1,760.0	$ 1,777.3
Net income(b)	$ 175.9	$ 116.0	$ 123.0
Income excluding nonrecurring charges(b)	$ 183.7	$ 135.1	$ 149.8
Diluted net income per share(b)	$ 1.84	$ 1.20	$ 1.22
Diluted per share results excluding nonrecurring charges(b)	$ 1.92	$ 1.40	$ 1.48
Research and development expense	$ 144.0	$ 135.2	$ 112.7
Research and development expense as a % of sales	8.0%	7.3%	7.7%
Net cash provided by operating activities	$ 243.3	$ 181.5	$ 269.1
Working capital	$ 507.3	$ 336.1	$ (160.1)
Current ratio	2.4	1.6	0.9
Debt(c)	$ 993.2	$ 1,159.0	$ 1,270.4
Return on average shareholders' equity	32.0%	20.1%	16.5%
Closing stock price	$ 35.10	$ 29.71	$ 20.30

NET SALES
(IN BILLIONS)

00	01	02
$1.46 NSAS	$1.84 NSAS	$1.81 NSAS
$1.78 NSPF	$1.76 NSPF	$1.80 NSPF

NSAS = NET SALES - AS REPORTED
NSAP = NET SALES - PRO-FORMA

DILUTED NET INCOME PER SHARE

00	01	02
$1.22 AS	$1.20 AS	$1.84 AS
$1.48 ENC	$1.40 ENC	$1.92 ENC

AS = DILUTED NET INCOME PER SHARE AS REPORTED
ENC = DILUTED NET INCOME PER SHARE EXCLUDING NONRECURRING CHARGES

RETURN ON AVERAGE SHAREHOLDERS' EQUITY (PERCENT)

00	01	02
16.5%	20.1%	32.0%

DEBT(C) (IN MILLIONS)

00	01	02
$1,270.4	$1,159.0	$ 993.2

(a) Prepared as though the Company and BBA were combined as of January 1, 2000 and excluding sales associated with non-core businesses disposed of in 2001 and 2002.
(b) FAS 142 adopted January 1, 2002, eliminating amortization of goodwill and indefinite-lived intangibles. Reported results reflect amortization expense of $33.0 million or $0.34 per share in 2001, and $5.0 million or $0.05 per share in 2000 that would have been eliminated had FAS 142 been applied for all periods presented.
(c) Excludes deferred gains on interest rate swaps of $63.5 million, $8.3 million, and $0, in 2002, 2001 and 2000, respectively.

FINANCIALS

(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

OPERATIONS

The Company acquired Bush Boake Allen ("BBA") effective November 3, 2000; BBA operating results are included in the Company's consolidated results from that date.

Net sales for 2002, 2001 and 2000 were as follows:

NET SALES	2002	PERCENT CHANGE	2001	PERCENT CHANGE	2000
Flavors	$ 809.0	(3%)	$ 835.7	40%	$ 597.7
Fragrances	1,000.2	(1%)	1,008.1	17%	865.1
Total net sales	$1,809.2	(2%)	$1,843.8	26%	$1,462.8

In 2002, net sales declined 2% in comparison to 2001. Sales were favorably affected by the weakening of the U.S. dollar, most notably against the Euro, the Japanese Yen and the Australian dollar; had exchange rates remained the same during 2002 and 2001, sales would have decreased 3%.

In 2001, net sales increased 26% in comparison to 2000, with the increase being primarily due to the inclusion of sales attributable to the BBA business. Sales were unfavorably impacted by the stronger U.S. dollar, most notably against the Euro and the Japanese Yen; had exchange rates remained the same during 2001 and 2000, sales would have increased 28%.

In conjunction with the integration of IFF and BBA, and as part of a restructuring of the Company's operations, certain non-core businesses (hereinafter referred to as the "non-core businesses") were disposed of during 2001 and 2002. These non-core businesses included the Company's fruit preparations businesses in North and Latin America, its North American concentrates business and a portion of the aroma chemicals business acquired in the BBA transaction. The non-core businesses had combined net sales of $103.3 in 2000; in 2001 and 2002, the non-core businesses had sales of $83.8 and $9.4, respectively, in the periods they were owned by the Company. The non-core businesses were disposed of in a series of separately negotiated transactions with third parties; disposal of these businesses did not materially impact the Company's operating results.

Pro-forma sales, prepared as though the Company and BBA had been combined as of January 1, 2000 and excluding all sales associated with the non-core businesses, would have been as follows:

NET SALES	PRO-FORMA 2002	PERCENT CHANGE	PRO-FORMA 2001	PERCENT CHANGE	PRO-FORMA 2000
Flavors	$ 799.6	1%	$ 788.7	--	$ 788.1
Fragrances	1,000.2	3%	971.3	(2%)	989.2
Total net sales	$1,799.8	2%	$1,760.0	(1%)	$1,777.3

Approximately 70% of the Company's sales are outside the United States. The following table summarizes sales on a geographic basis:

SALES BY DESTINATION	2002	PERCENT CHANGE	2001	PERCENT CHANGE	2000
North America	$ 570.9	(4%)	$ 597.1	31%	$ 455.4
Europe	671.4	2%	658.1	23%	536.4
Asia Pacific	290.9	2%	286.2	30%	220.7
Latin America	227.5	(11%)	256.5	9%	234.9
India Region	48.5	6%	45.9	198%	15.4
Total net sales	$1,809.2	(2%)	$1,843.8	26%	$1,462.8

Pro-forma sales on a geographic basis, prepared as though the Company and BBA had been combined as of January 1, 2000 and excluding all sales associated with the non-core businesses, would have been as follows:

SALES BY DESTINATION	PRO-FORMA 2002	PERCENT CHANGE	PRO-FORMA 2001	PERCENT CHANGE	PRO-FORMA 2000
North America	$ 561.7	1%	$ 554.9	2%	$ 542.4
Europe	671.4	7%	627.8	(4%)	650.7
Asia Pacific	290.8	3%	283.7	(3%)	293.3
Latin America	227.4	(9%)	249.4	--	249.1
India Region	48.5	10%	44.2	6%	41.8
Total net sales	$1,799.8	2%	$1,760.0	(1%)	$1,777.3

In 2002, pro-forma sales increased 2% in comparison to the comparable 2001 sales; had exchange rates remained the same during 2002 and 2001, such pro-forma sales would have increased 1%. Regional sales performance for 2002 was as follows:

> Sales in North America increased by 1% led by a 4% increase in flavor sales; North American fragrance sales were flat for the year.

> Local currency sales in Europe increased 3%, resulting in a dollar increase of 7% due to the stronger Euro. Local currency fragrance sales in Europe increased 7%, resulting in an increase of 12% in dollars. Flavor sales in Europe declined 3% in local currency although this resulted in a 1% increase in dollar sales.

> Asia Pacific flavor sales increased 4% in both local currency and dollars while fragrance sales were flat in local currency with an increase of 1% in dollars. Asia Pacific results in both flavors and fragrances were influenced by ongoing weakness in the Japanese economy as well as the Philippines and Indonesia. Overall, sales in the region increased 2% in local currency and 3% in dollars.

> Latin America sales declined 9% for the year, mainly due to persistent economic weakness throughout much of the region. Latin America fragrance sales declined 6% while flavor sales declined 16%.

> India sales increased 9% in local currency, resulting in a 10% increase in dollars. The performance was led by an 11% local currency increase in fragrance sales; local currency flavor sales grew 7%.

In 2001, pro-forma sales decreased 1% in comparison to the comparable 2000 sales; had exchange rates remained the same during 2001 and 2000, such pro-forma sales would have been flat. Regional sales performance for 2001 was as follows:

> Sales in North America increased 2% in comparison to the prior year comparable sales. Flavor sales increased 7% over 2000 levels while fragrance sales declined 3%.

> Local currency sales in Europe decreased 1%, resulting in a dollar decrease of 4% due to the stronger U.S. dollar. Local currency fragrance sales in Europe decreased 3%, resulting in a dollar decrease of 5%. Flavor sales in Europe were flat in local currency although this resulted in a 3% decrease in dollar sales.

> Sales in Asia Pacific increased 2% in local currency; however, on translation, dollar sales declined 3%. Asia Pacific flavor sales increased 3% in local currency although this resulted in a dollar decline of 3%. Fragrance sales were flat in local currency with a 5% decrease in dollars.

> Latin America sales were flat for the year, mainly due to economic weakness in Brazil and Argentina. In the region, fragrance sales increased 2% although this growth was offset by a decline of 6% in flavor sales.

> India sales increased 6% in both local currency and dollars. Fragrance sales increased 14% in local currency and 12% in dollars while flavor sales were flat in both local currency and dollars.

Although the Company's reported sales and earnings are affected by the weakening or strengthening of the U.S. dollar, this has not had a long-term effect on the underlying strength of the Company's business.

The percentage relationship of cost of goods sold and other operating expenses to reported sales is detailed in the following table.

	2002	2001	2000
Cost of goods sold	57.3%	57.7%	56.9%
Research and development expenses	8.0%	7.3%	7.7%
Selling and administrative expenses	16.9%	17.0%	17.7%

Cost of goods sold, which includes cost of materials and internal manufacturing expenses, declined slightly in 2002 from 2001 levels. This decline is a result of improvement in product mix, mainly due to the disposal of the non-core businesses, partially offset by increased manufacturing expenses related to the Company's implementation of SAP and related initiatives, and the impact of the economic and currency disruption in Latin America which impacted profitability in that region. Total SAP-related costs included in manufacturing expenses approximated $1.7 in 2002; there were no similar expenses in 2001 or 2000. The increase in cost of sales in 2001 compared to 2000 is primarily attributable to the acquisition of BBA and unfavorable absorption of manufacturing costs in North America due to poor sales performance in that region.

Research and development expenses are for the development of new and improved products, technical product support, compliance with governmental regulations, and help in maintaining relationships with customers who are often dependent on technical advances. These activities contribute in a significant way to the Company's business. Research and development expenses increased as a percentage of sales in 2002, consistent with the Company's plans to increase its investment in new research initiatives; the Company anticipates these expenses will approximate 8% of sales for the next several years. Research and development expenses declined slightly as a percentage of sales in 2001 as a result of the integration of the IFF and BBA research efforts and facilities.

Selling and administrative expenses are necessary to support the Company's sales and operating levels. Selling and administrative expenses as a percentage of sales declined compared to both 2001 and 2000 levels. The decline is a result of the savings attributable to the integration of the Company's sales and administrative functions with those of BBA. In 2002, selling and administrative expenses includes approximately $2.9 related to the Company's implementation of SAP and related initiatives; there were no such expenses in 2001 or 2000.

SAP costs included in manufacturing and selling and administrative expenses are expected to continue at approximately the same level in 2003-2004 as the Company completes its implementation. These costs relate primarily to training and data conversion and are expensed as incurred.

The percentage relationship of pro-forma cost of goods sold and other operating expenses to pro-forma sales is detailed in the following table. The pro-forma information is prepared as though the Company and BBA had been combined as of January 1, 2000 and reflects the elimination of sales and operating results of the non-core businesses.

	PRO-FORMA 2002	PRO-FORMA 2001	PRO-FORMA 2000
Cost of goods sold	57.1%	56.1%	56.4%
Research and development expenses	8.0%	7.6%	7.6%
Selling and administrative expenses	16.9%	17.6%	18.6%

Pro-forma cost of sales as a percentage of pro-forma sales increased in 2002 in comparison to 2001 as a result of a combination of product mix, the aforementioned SAP implementation costs and the impact of the economic and currency disruption in Latin America. Pro-forma cost of sales decreased as a percentage of pro-forma sales in 2001 primarily as a result of savings on integration and closure of certain BBA manufacturing facilities.

Pro-forma research and development expenses as a percentage of pro-forma sales increased in 2002 in relation to both 2001 and 2000 as a result of the Company's announced plans to increase its investment in research initiatives.

Pro-forma selling and administrative expenses declined as a percentage of pro-forma sales in each of the years due to savings attributable to the integration of IFF and BBA selling and administrative functions.

Segment profit, excluding corporate and other unallocated expenses, amortization of goodwill, and the effect of nonrecurring charges, was $355.1 in 2002, $367.4 in 2001 and $289.7 in 2000. BBA operations contributed $9.3 to segment profit, before amortization of goodwill and other intangibles, for the period from November 3, 2000 through year-end. Pro-forma segment profit for IFF and BBA combined in 2000 was $348.9. The Company recorded nonrecurring charges of $11.7, $30.1, and $41.3 in 2002, 2001 and 2000, respectively. Operating profit totaled $299.9, $255.6 and $211.5 in 2002, 2001 and 2000, respectively.

Interest expense totaled $37.0, $70.4 and $25.1 in 2002, 2001 and 2000, respectively. Pro-forma interest expense for 2000 was $81.2. Interest expense declined in 2002 as a result of lower effective interest rates and reduced borrowing levels. Interest expense in 2001 increased over 2000 and is directly related to the debt incurred for the BBA acquisition. In 2000, interest expense incurred in connection with the acquisition of BBA was $10.6.

Other (income) expense, net was $3.6 income in 2002, $2.6 income in 2001 and $2.3 expense in 2000. The increases in other income in 2002 compared to 2001, and 2001 compared to 2000 were principally due to favorable exchange results; exchange gains were $2.3 and $1.9 in 2002 and 2001, respectively, compared to exchange losses of $1.9 in 2000.

The worldwide effective tax rate for 2002 was 34.0%, com-pared to 38.2% for 2001 and 33.2% for 2000. The lower effective tax rate in 2002 principally results from the discontinuance of goodwill amortization, which was not deductible for purposes of determination of the Company's taxable income. The higher effective tax rate in 2001 compared to 2000 primarily results from the non-deductibility of the goodwill amortization for purposes of determining the Company's taxable income. The Company anticipates that its effective tax rate in 2003 will be in the range of 32.0%-32.5%.

On November 3, 2000, the Company acquired BBA; total consideration paid, including transaction costs, was $970.0.

The acquisition was accounted for as a purchase business combination; the purchase price has been allocated to assets acquired and liabilities assumed based on their fair values at the date of acquisition. The excess of the purchase price over the estimated value of tangible and identified intangible assets acquired was recorded as goodwill. The Company completed final determination of the purchase price during 2001 when it established accruals relating to employee separation costs, facility closure costs and other actions relating to the integration of BBA into IFF. Such costs are a component of the purchase accounting and do not directly impact current earnings. The increase in goodwill and other intangible assets between 2000 and 2001 resulted from further quantification of certain liabilities assumed in connection with the merger, primarily those associated with the integration of the BBA operations into the Company; such costs were not accounted for at December 31, 2000. More details on the BBA acquisition are contained in Note 3 of the Notes to the Consolidated Financial Statements.

At December 31, 2002 and 2001, goodwill and other intangible assets, net of accumulated amortization, totaled $782.7 and $795.9, respectively. Amortization expense was $12.6 and $46.1 in 2002 and 2001, respectively. Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 (FAS 142), Goodwill and Other Intangible Assets. FAS 142 eliminates the amortization of goodwill and indefinite-lived intangibles and requires an evaluation of potential impairment upon adoption, and at least annually thereafter. FAS 142 also prescribes that other indefinite-lived intangibles be included with goodwill. In 2002, certain intangibles were reclassified as indefinite-lived intangibles in accordance with the provisions of FAS 142. Adoption of FAS 142 eliminated annual goodwill amortization expense of $33.0. The Company completed its assessments during 2002 and concluded it has no impairment of goodwill or other intangible assets on adoption or at December 31, 2002. Additional details are contained in Note 7 of the Notes to the Consolidated Financial Statements.

Movements in acquisition accounting accruals were as follows:

	EMPLOYEE-RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance January 1, 2001	$4.1	$6.2	$10.3
Additional charges	41.0	25.0	66.0
Cash and other costs	(31.3)	(21.3)	(52.6)
Balance December 31, 2001	13.8	9.9	23.7
Cash and other costs	(7.8)	(8.8)	(16.6)
Balance December 31, 2002	$6.0	$1.1	$7.1

The BBA acquisition was initially financed through the issuance of commercial paper. During 2001, the Company put in place permanent debt financing. In 2002, the Company modified portions of its debt structure. Additional details on borrowing are contained in Note 9 of the Notes to the Consolidated Financial Statements.

In October 2000, the Company announced a reorganization, including management changes, consolidation of production facilities and related actions. The pretax cost of actions taken in connection with the reorganization, including $11.7, $30.1 and $41.3 in 2002, 2001 and 2000, respectively, is expected to approximate $90.0 to $100.0 through the end of 2003. On completion, the reorganization is expected to yield annual savings approximating $25.0 to $30.0. A portion of the savings is expected to be reinvested in the business, although a substantial portion is expected to contribute to improved earnings.

In June 1999, the Company undertook to close certain manufacturing, distribution and sales facilities in all geographic regions in which the Company operates. In connection with these actions, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. Those eligible employees who elected to take the incentive received additional credit, for pension purposes, in terms of age and service, as well as other benefits. During 2000, approximately 150 employees accepted enhanced retirement benefits under these two programs, resulting in nonrecurring pretax charges of $23.8. In addition, during 2000, the Company recognized additional nonrecurring charges of $17.5, essentially all of which related to employee separation costs and other reorganization activities.

Nonrecurring charges by region were as follows:

	2002	2001
North America	$5.6	$14.7
Europe	5.8	4.2
Asia Pacific	.3	8.6
Latin America	--	2.6
India Region	--	--
	$11.7	$30.1

Nonrecurring charges recorded in 2000 were $41.3, essentially all of which related to United States-based operations. There were no significant non-cash related elements in the 2002, 2001 or 2000 charges. Approximately 700 employees have been affected by the programs.

Movements in accruals related to nonrecurring charges were as follows:

	EMPLOYEE-RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance January 1, 2000	$9.6	$1.6	$11.2
Additional charges	37.1	4.2	41.3
Cash and other costs	(22.3)	(3.8)	(26.1)
Balance December 31, 2000	24.4	2.0	26.4
Additional charges	10.1	20.0	30.1
Cash and other costs	(27.5)	(21.3)	(48.8)
Balance December 31, 2001	7.0	.7	7.7
Additional charges	4.3	7.4	11.7
Cash and other costs	(7.9)	(7.7)	(15.6)
Balance December 31, 2002	$3.4	$.4	$3.8

The balance of the accruals relating to acquisition accounting and the nonrecurring charges is expected to be utilized in 2003 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied.

In October 2001, the Company sold its formulated fruit and vegetable preparation businesses in the United States and Brazil. Sales for the business up to the date of disposition were approximately $23.0 with operating profit of approximately $2.2. In connection with this transaction the Company recorded a non-recurring charge of $7.4 related to employee separation and other disposal costs. Proceeds from the sale, which were not material, were used to reduce current borrowings.

In October 2001, the Company announced its intention to explore strategic alternatives for its fruit and vegetable preparation business in Europe. This business manufactures processed fruit and other natural preparations used in a wide variety of foods, including baked goods and dairy products. Annual sales and operating profit approximate $70.0 and $7.0, respectively. No final decision has been made as to which strategic alternative to pursue.

In December 2001, the Company sold its aroma chemicals business located in Widnes, the United Kingdom. This business was acquired as part of the BBA purchase. Sales for the business up to the date of disposition were $36.7 with operating profit of approximately $1.5. Proceeds from the sale, which were not material, were used to reduce current borrowings. No gain or loss was recognized as a result of this transaction.

The Company sold its concentrate business based in Oregon in June 2002. Sales for the business up to the date of disposition were $9.4; operating profit was not significant. In connection with this transaction, the Company recorded a nonrecurring charge of $4.3 related to employee separation and other disposal costs. Proceeds from the sale, which were not material, were used to reduce current borrowings.

NEW ACCOUNTING STANDARDS

Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities. FAS 133 establishes accounting and reporting standards for derivative instruments, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The effect of adopting this Standard was not material.

Statement of Financial Accounting Standards No. 144 (FAS 144), Accounting for the Impairment or Disposal of Long-lived Assets was issued in August 2001. FAS 144 establishes accounting and reporting standards for impairment of long-lived assets. FAS 144 is effective for fiscal years beginning after December 15, 2001 and in 2002, the Company adopted this standard without material impact to reported results.

Statement of Financial Accounting Standards No. 146 (FAS 146), Accounting for Costs Associated with Exit or Disposal Activities was issued in June 2002. FAS 146 establishes accounting and reporting standards for exit or disposal activities initiated after December 31, 2002, and requires such costs to be recognized when the liability is incurred and not at project initiation. The Company will comply with the provisions of FAS 146.

Statement of Financial Accounting Standards No. 148 (FAS 148), Accounting for Stock-Based Compensation - Transition and Disclosure was issued in December 2002. FAS 148 provides alternate methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. The Company has elected to continue to use the intrinsic method of accounting for stock-based awards to employees.

No compensation expense has been recognized other than for restricted stock awards.

The Financial Accounting Standards Board issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, and No. 46, Consolidation of Variable Interest Entities. The Company has evaluated these interpretations and does not believe they apply to the Company.

FINANCIAL CONDITION

Cash, cash equivalents and short-term investments totaled $15.2 at December 31, 2002 compared to $48.9 and $129.2 at December 31, 2001 and 2000, respectively. Short-term investments are high-quality, readily marketable instruments. Working capital totaled $507.3 at year-end 2002, compared to $336.1 and $409.9 at December 31, 2001 and 2000, respectively; the 2000 amount excludes commercial paper borrowings used to finance the BBA acquisition to the extent they were later refinanced with long-term debt. Gross additions to property, plant and equipment were $81.8, $52.0 and $60.7 in 2002, 2001 and 2000, respectively, and are expected to approximate $85.0 in 2003.

Long-term debt was $1,007.1 and $939.4 at December 31, 2002 and December 31, 2001, respectively. Long-term debt includes $63.5 and $8.3 of deferred interest rate swap gains at December 31, 2002 and 2001, respectively. In July 2002, the Company entered into a five-year Euro 350.0 (approximately $350.0 at December 31, 2002) multi-currency revolving credit agreement. The Company cancelled and repaid all borrowings under an existing Euro 140.0 facility. Also in July 2002, the Company exercised an option under its $500.0 U.S. dollar revolving credit facility and cancelled the $200.0 364 day portion of that agreement. The remaining portion of the facility, which serves as backstop for the Company's commercial paper program, continues until September 2006. There have been no borrowings under this facility. The Company compensates the banks participating in this credit facility in the form of fees, the amounts of which are not significant. At December 31, 2002, the Company's outstanding commercial paper totaled $38.0 at an average interest rate of 1.6% compared to $204.2 at December 31, 2001 at an average interest rate of 2.9%. Commercial paper maturities did not extend beyond January 21, 2003.

During 2002, the Company entered into agreements for the sale and leaseback of its Hazlet and South Brunswick, New Jersey facilities. Under the terms of the sale, the Company sold the land, building and associated improvements at these facilities to an unrelated third party for $48.0 in cash. The net book value of these assets approximated $20.3. The gain realized on the sale, approximating $26.7, has been deferred and will be credited to income over the 22-year lease term. At December 31, 2002, the unamortized portions of the deferred gain of $24.8 and $1.2 are included in the balance sheet captions Retirement and other liabilities and Other current liabilities, respectively. The lease agreements provide for renewal options of up to 30 years. Payments under the leases approximate $4.2 annually and commenced in July 2002. Total lease payments for 2002 were $2.1 and for 2003 to 2007 are $4.2 annually; the aggregate lease obligation is $92.4. The leases are classified as operating leases.

In April 2000, the Company announced a plan to repurchase up to 7.5 million shares of its common stock. In September 2000, the Company announced a plan to increase its share repurchase program by $100.0. The Company completed the April 2000 program during 2001 and the September 2000 program during 2002. On October 22, 2002, the Company's Board of Directors authorized a new share repurchase program of $100.0, which is expected to be completed over the next two years. Under these plans, the Company purchased $72.3, $71.2 and $201.0 of treasury stock in 2002, 2001 and 2000, respectively. Repurchases were made from time to time on the open market or through private transactions. The repurchased shares are available for use in connection with the Company's employee benefit plans and for other general corporate purposes.

The Company anticipates that all financing requirements will be funded from operations and credit facilities currently in place. Cash flows from operations are sufficient to fund the Company's anticipated capital spending, dividends and other requirements including debt reduction; the Company anticipates reducing debt by approximately $100.0 in 2003. The Company may dispose of additional non-core assets; any related proceeds will be used primarily to reduce debt.

The dividend per share in 2002, 2001 and 2000 was, respectively, $.60, $.60 and $1.29. In September 2000, the Board of Directors reduced the Company's quarterly dividend by 60%, to $.15 per share, beginning with the fourth quarter 2000 dividend. The dividend per share has not changed since that date. The Company paid dividends totaling $56.8, $57.6 and $155.5 in 2002, 2001 and 2000, respectively.

The cumulative translation adjustment component of Accumulated other comprehensive income was ($138.2) at December 31, 2002, compared to ($156.3) at December 31, 2001. The change results principally from the weakening of the U.S. dollar against the Euro. The Minimum pension liability adjustment component of Accumulated other comprehensive income was ($75.0) at December 31, 2002 compared to ($20.0) at December 31, 2001. This change reflects lower pension asset values coupled with a reduction in the discount rate assumptions used to calculate pension liabilities. The Accumulated gain on derivatives qualifying as hedges was $0.7 at December 31, 2002 compared to an Accumulated loss of ($2.3) at December 31, 2001.

Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. In 2002, the Company spent approximately $2.7 on capital projects and about $13.4 in operating expenses and governmental charges for the purpose of complying with such regulations. Expenditures for these purposes will continue for the foreseeable future. In addition, the Company is party to a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act or similar state statutes. It is expected that the impact of any judgments in or voluntary settlements of such proceedings will not be material to the Company's financial condition, results of operations or liquidity.

MARKET RISK

The Company is exposed to market risk from foreign currency exchange rates, interest rates and commodity price fluctuations. The Company evaluates and manages volatility relating to these exposures on a global basis to take advantage of netting opportunities that may exist. Identified net exposures are managed employing a number of techniques including but not limited to borrowings in local currencies and the use of certain derivative instruments.

The Company operates on a global basis and, accordingly, is exposed to currency fluctuation related to the manufacture and sale of its products in currencies other than the U.S. dollar. The major foreign currencies involve the markets in the European Union, Mexico, Brazil, China, Indonesia and Japan, although all regions in the world are subject to foreign currency fluctuations versus the U.S. dollar and other cross-currency rates. The Company actively monitors its foreign currency exposures in all major markets in which it operates, and employs a variety of techniques to mitigate the impact of exchange rate fluctuations, including foreign currency hedging activities. The Company enters into foreign currency forward contracts with the objective of reducing exposure to cash flow volatility associated with foreign currency receivables and payables, and with anticipated purchases of certain raw materials used in operations. The notional amount and maturity dates of such contracts match those of the underlying transactions. At December 31, 2002 and 2001, the Company had outstanding foreign currency forward contracts with notional amounts approximating $131.4 and $97.3, respectively. The Company has designated these contracts as qualified fair value and cash flow hedges as appropriate. Accordingly, the effective portion of any gain or loss on a derivative instrument reported as a cash flow hedge is reported as a component of Accumulated Other Comprehensive Income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. The Company had no ineffective foreign currency forward contracts at December 31, 2002 or 2001.

The Company employs various interest rate swaps and debt issuances with the objective of managing and optimizing its interest rate exposure. The Company has entered into a series of swaps for a $700.0 notional amount which effectively converts the fixed 6.45% coupon interest rate to a variable short-term rate based upon the London InterBank Offered Rate (LIBOR) plus an interest markup. During 2001 and 2002, the Company periodically amended the swaps, which changed the short-term LIBOR basis and the related spread. As a result of market conditions and changes in the value of the swaps, the counterparty paid the Company $56.5, including accrued interest of $6.5 in 2002, and $19.9, including accrued interest of $3.3 in 2001. The swap gains are deferred, classified as a separate element of long-term debt and amortized to income as a reduction in interest expense over the remaining term of the debt. As a result of these transactions, at December 31, 2002, the effective interest rate on the 6.45% Notes approximated 3.4% compared to 3.7% at December 31, 2001. In 2002, the Company entered into a series of swaps to convert its long-term Japanese Yen borrowings from fixed-rate to short-term Japanese Yen LIBOR rates. There was no cash settlement for these swaps, which effectively convert the 1.74% and 2.45% long-term Yen notes to a blended effective rate of 1.7%. All interest rate swaps are designated as qualified fair value hedges; there were no ineffective interest rate swaps at December 31, 2002 or December 31, 2001.

CRITICAL ACCOUNTING POLICIES AND USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use judgement and to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses; actual results may differ from such estimates. The diversity of the Company's products, customers, geographic operations, sources of supply and markets reduces the risk that any one event would have a severe impact on the Company's operating results. The Company recognizes revenue when products are shipped and title and risk of loss transfer to the customer. The greatest complexity of the Company's business is in the area of the research and development and creation of new products, for which all costs are expensed as incurred.

Those areas requiring the greatest degree of management judgement or deemed most critical to the Company's financial reporting involve:

> The periodic assessment of potential impairment of intangible assets acquired in business combinations;

> Recoverability and realization of assets, most notably in lesser developed areas of the world where fluctuating currencies and frequently unsettled economic conditions can create uncertainty;

> The ongoing assessment of the valuation of inventory, given the large number of natural ingredients employed, the quality of which may be diminished over time;

> The determination of financial instruments employed as effective hedges of cash flows or market risk exposures; and

> The evaluation of potential environmental liabilities, where frequently changing rules and regulations require constant reassessment of related practices as well as underlying costs.

Management believes that full consideration has been given to all relevant circumstances that the Company may be currently subject to, and the financial statements accurately reflect management's best estimate of the results of operations, financial condition and cash flows of the Company for the years presented.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements in this Annual 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 reasonable current assumptions and expectations. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements, and there can be no assurance that actual results will not differ materially from management's expectations. Such factors include, among others, the following: general economic and business conditions in the Company's markets, including economic and political uncertainties; interest rates; the price 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 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 impact of possible pension funding obligations and increased pension expense on the Company's cash flow and results of operations; and effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by foreign governments.

The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

REPORT OF MANAGEMENT

The accompanying consolidated financial statements of International Flavors & Fragrances Inc. have been prepared by management in conformity with accounting principles generally accepted in the United States of America and necessarily include amounts that are based on management's best estimates and judgement. The audit report on the Company's financial statements by PricewaterhouseCoopers LLP, independent accountants, is based on the result of their audits, which were performed in accordance with generally accepted auditing standards.

The Company maintains an internal control structure and related systems, policies and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization so that the accounting records can be relied upon for the preparation of financial statements. The Company's control system is enhanced through a formal Code of Conduct that establishes standards for professional conduct and integrity for employees worldwide. The Company also has an internal audit function that evaluates and formally reports to management and the Audit Committee of the Board of Directors on the adequacy and effectiveness of controls, policies and procedures.

The Audit Committee of the Board of Directors is composed entirely of non-employee directors. The Committee meets periodically and independently throughout the year with management, the internal auditors and the independent accountants to discuss the Company's internal accounting controls, auditing and financial reporting matters. The internal auditors and independent accountants have unrestricted access to the Audit Committee.

It is management's opinion that IFF's policies and procedures and the system of internal controls currently in place provide reasonable assurance that operations are managed in a responsible and professional manner and with the highest standard of business conduct.

/s/ Richard A. Goldstein
Richard A. Goldstein
Chairman of the Board and Chief Executive Officer

/s/ Douglas J. Wetmore
Douglas J. Wetmore
Senior Vice President and Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF INTERNATIONAL FLAVORS & FRAGRANCES INC.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statement of income, cash flows and shareholders' equity present fairly, in all material respects, the financial position of International Flavors & Fragrances Inc. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," effective January 1, 2002 and Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective January 1, 2001.

/s/ PricewaterhouseCoopers LLP
New York, New York
January 27, 2003

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	YEAR ENDED DECEMBER 31, 2002	2001	2000
Net sales	$1,809,249	$1,843,766	$1,462,795
Cost of goods sold	1,035,835	1,063,433	831,653
Research and development expenses	144,027	135,248	112,671
Selling and administrative expenses	305,156	313,335	258,653
Amortization	12,632	46,089	7,032
Nonrecurring charges	11,737	30,069	41,273
Interest expense	37,036	70,424	25,072
Other (income) expense, net	(3,591)	(2,609)	2,314
	1,542,832	1,655,989	1,278,668
Income before taxes on income	266,417	187,777	184,127
Taxes on income	90,473	71,775	61,122
NET INCOME	$ 175,944	$ 116,002	$ 123,005

	2002	2001	2000
NET INCOME PER SHARE - BASIC	$1.86	$1.21	$1.22
NET INCOME PER SHARE - DILUTED	$1.84	$1.20	$1.22

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET INTERNATIONAL FLAVORS & FRAGRANCES INC.

(DOLLARS IN THOUSANDS)

ASSETS	DECEMBER 31, 2002	DECEMBER 31, 2001
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,858	$ 48,521
Short-term investments	307	384
Receivables:		
Trade	327,306	328,858
Allowance for doubtful accounts	(12,933)	(10,835)
Other	24,234	22,335
Inventories	421,603	415,984
Deferred income taxes	67,176	77,449
Prepaid expenses	24,198	13,665
Total Current Assets	866,749	896,361
PROPERTY, PLANT AND EQUIPMENT, NET	520,499	532,473
GOODWILL, NET	642,655	648,975
INTANGIBLE ASSETS, NET	140,048	146,945
OTHER ASSETS	62,743	43,297
Total Assets	$2,232,694	$2,268,051

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31, 2002	DECEMBER 31, 2001
CURRENT LIABILITIES:		
Bank loans and current portion of long-term debt	$ 11,684	$ 23,716
Commercial paper	37,979	204,229
Accounts payable	104,007	85,659
Accrued payrolls and bonuses	36,250	39,227
Dividends payable	14,138	14,215
Income taxes	38,496	49,841
Other current liabilities	116,943	143,327
Total Current Liabilities	359,497	560,214
OTHER LIABILITIES:		
Long-term debt	1,007,085	939,404
Deferred income taxes	--	44,553
Retirement and other liabilities	291,434	199,710
Total Other Liabilities	1,298,519	1,183,667
COMMITMENTS AND CONTINGENCIES (NOTE 17)		
SHAREHOLDERS' EQUITY:		
Common stock 12 1/2(cent) par value; authorized 500,000,000 shares; issued 115,761,840 shares	14,470	14,470
Capital in excess of par value	109,735	126,170
Restricted stock	(5,723)	(1,440)
Retained earnings	1,382,539	1,263,344
Accumulated other comprehensive income:		
Cumulative translation adjustment	(138,175)	(156,266)
Accumulated gains/(losses) on derivatives qualifying as hedges (net of tax)	733	(2,261)
Minimum pension liability adjustment (net of tax)	(75,038)	(20,009)
	1,288,541	1,224,008
Treasury stock, at cost - 21,507,668 shares in 2002 and 20,996,954 shares in 2001	(712,876)	(698,851)
Note receivable from officer	(987)	(987)
Total Shareholders' Equity	574,678	524,170
Total Liabilities and Shareholders' Equity	$2,232,694	$2,268,051

See Notes to Consolidated Financial Statements

(DOLLARS IN THOUSANDS)	YEAR ENDED DECEMBER 31, 2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$175,944	$116,002	$123,005
Adjustments to reconcile to net cash provided by operations:			
Depreciation and amortization	84,458	123,493	69,344
Deferred income taxes	(6,381)	(18,113)	(30,496)
Changes in assets and liabilities:			
Current receivables	15,452	8,925	15,261
Inventories	17,259	(1,207)	64,591
Current payables	(27,623)	(20,076)	22,017
Other, net	(15,765)	(27,519)	5,388
Net cash provided by operations	243,344	181,505	269,110
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from investments	257	8,250	1,566
Purchases of investments	(176)	(19,786)	(1,111)
Acquisition of minority interest	(11,791)	--	--
Investments in acquired businesses, net of cash received	--	--	(953,295)
Additions to property, plant and equipment	(81,815)	(52,016)	(60,696)
Proceeds from disposal of assets	64,634	14,900	11,301
Net cash used in investing activities	(28,891)	(48,652)	(1,002,235)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends paid to shareholders	(56,826)	(57,618)	(155,502)
Net change in bank loans	(14,774)	(13,088)	5,164
Net change in commercial paper outstanding	(166,250)	(605,123)	746,152
Proceeds from long-term debt	282,329	580,545	413,747
Repayments of long-term debt	(251,837)	(49,705)	(1,903)
Proceeds from issuance of stock under stock option and employee stock purchase plans	29,579	6,842	1,387
Purchase of treasury stock	(72,273)	(71,234)	(200,953)
Net cash provided by (used in) financing activities	(250,052)	(209,381)	808,092
Effect of exchange rate changes on cash and cash equivalents	1,936	(3,820)	(8,233)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(33,663)	(80,348)	66,734
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	48,521	128,869	62,135
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 14,858	$ 48,521	$128,869

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(DOLLARS IN THOUSANDS)	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	RESTRICTED STOCK	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TREASURY STOCK SHARES	TREASURY STOCK COST	NOTE RECEIVABLE FROM OFFICER	TOTAL COMPREHENSIVE INCOME
BALANCE AT JANUARY 1, 2000	$14,470	$134,480	$ --	$1,211,790	$(57,135)	(10,939,915)	$(445,108)	$ --	
Net income				123,005					$123,005
Cumulative translation adjustment					(20,443)				(20,443)
Total comprehensive income									$102,562
Cash dividends declared				(130,234)					
Stock options		(1,439)				79,297	2,826		
Reacquired shares						(7,475,178)	(200,953)		
BALANCE AT DECEMBER 31, 2000	14,470	133,041	--	1,204,561	(77,578)	(18,335,796)	(643,235)	--	
Net income				116,002					$116,002
Cumulative translation adjustment					(78,688)				(78,688)
Accumulated losses on derivatives qualifying as hedges (net of tax)					(2,261)				(2,261)
Minimum pension liability adjustment (net of tax)					(20,009)				(20,009)
Total comprehensive income									$ 15,044
Cash dividends declared				(57,219)					
Stock options		(3,941)				187,056	9,623	(987)	
Reacquired shares						(3,019,100)	(71,234)		
Restricted stock award		(2,930)	(3,065)			170,886	5,995		
Amortization			1,625						
BALANCE AT DECEMBER 31, 2001	14,470	126,170	(1,440)	1,263,344	(178,536)	(20,996,954)	(698,851)	(987)	
Net income				175,944					$175,944
Cumulative translation adjustment					18,091				18,091
Accumulated gains on derivatives qualifying as hedges (net of tax)					2,994				2,994
Minimum pension liability adjustment (net of tax)					(55,029)				(55,029)
Total comprehensive income									$142,000
Cash dividends declared				(56,749)					
Stock options		(15,652)				1,582,486	51,581		
Reacquired shares						(2,293,200)	(72,273)		
Restricted stock award		(783)	(5,884)			200,000	6,667		
Amortization			1,601						
BALANCE AT DECEMBER 31, 2002	$14,470	$109,735	$(5,723)	$1,382,539	$(212,480)	(21,507,668)	$(712,876)	$(987)	

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying disclosures. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ from estimates, although management does not believe such changes will materially affect the financial statements in any individual year.

NATURE OF OPERATIONS The Company is a leading creator and manufacturer of flavors and fragrances used by others to impart or improve flavor or fragrance in a wide variety of consumer products. The Company's products are sold principally to manufacturers of perfumes and cosmetics, hair and other personal care products, soaps and detergents, cleaning products, dairy, meat and other processed foods, beverages, snacks and savory foods, confectionery, sweet and baked goods, and pharmaceutical and oral care products.

PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of the Company and all subsidiaries.

REVENUE RECOGNITION Revenue is recognized when products are shipped and title and risk of loss transfer to the customer.

FOREIGN CURRENCY TRANSLATION The assets and liabilities of non-U.S. subsidiaries are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates during the year. Cumulative translation adjustments are shown as a separate component of Shareholders' Equity.

Through December 31, 2000, for certain subsidiaries that operated in U.S. dollars, or that operated in a highly inflationary environment, inventory and property, plant and equipment were translated using the exchange rates at the time of acquisition. All other assets and liabilities were translated at year-end exchange rates. Except for inventories charged to cost of goods sold and depreciation, which were remeasured for historical rates of exchange, all income and expense items were translated at average exchange rates. Gains and losses as a result of remeasurements were included in income.

RESEARCH AND DEVELOPMENT All costs associated with research and development are expensed as incurred.

INVENTORIES Inventories are stated at the lower of cost (generally on an average basis) or market.

CASH EQUIVALENTS Cash equivalents include highly liquid investments with maturities of three months or less at date of purchase.

PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment are recorded at cost. Depreciation is calculated on a straight-line basis, principally over the following estimated useful lives: buildings and improvements,10 to 40 years; machinery, equipment and software, 3 to 10 years; and leasehold improvements, the estimated life of the improvements or the remaining term of the lease, whichever is shorter.

The Company reviews its long-lived assets for impairment when events or changes in business conditions indicate that their full carrying value may not be recovered. An estimate of undiscounted future cash flows produced by an asset or group of assets is compared to the carrying value to determine whether an impairment exists. If assets are determined to be impaired, the loss is measured based on an estimate of fair value using various valuation techniques, including a discounted estimate of future cash flows.

GOODWILL AND OTHER INTANGIBLE ASSETS Identifiable intangible assets include patents, trademarks and other intellectual property valued at acquisition through independent appraisals, and are amortized on a straight-line basis over periods ranging from 7 to 20 years. Through December 31, 2001, goodwill arising from business acquisitions was amortized on a straight-line basis over its estimated useful life, which was generally 20 years.

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 (FAS 142), Goodwill and Other Intangible Assets. FAS 142 eliminates the amortization of goodwill and indefinite-lived intangibles and requires an evaluation of potential impairment upon adoption, and at least annually thereafter. FAS 142 also prescribes that other indefinite-lived intangibles be included with goodwill.

Fair values for goodwill and indefinite-lived intangibles are determined based on discounted cash flows, market multiples or appraised values, as appropriate.

INCOME TAXES Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes, based on tax laws as currently enacted. Additional taxes which would result from distributions by subsidiary companies to the parent are provided to the extent such dividends are anticipated. No provision is made for additional taxes on undistributed earnings of subsidiary companies that are intended to be permanently invested in such subsidiaries. As a result, no income tax is attributable to the currency translation component of other comprehensive income.

RETIREMENT BENEFITS Current service costs of retirement plans and postretirement health care and life insurance benefits are accrued currently. Prior service costs resulting from improvements in these plans are amortized over periods ranging from 10 to 20 years.

FINANCIAL INSTRUMENTS Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities. FAS 133, as amended, requires that every derivative instrument be recorded in the balance sheet as either an asset or liability, measured at its fair value. The cumulative effect of adoption of FAS 133 did not result in a material impact on the Company's financial position, results of operations or cash flows.

It is the Company's policy to enter into derivative instruments with terms that match the underlying exposure being hedged. As such, the Company's derivative instruments are considered highly effective and the net gain or loss from hedge ineffectiveness was not material.

The Company's derivative instruments that qualify for hedge accounting are primarily designated as either fair value hedges or cash flow hedges. For fair value hedges, changes in fair value of the derivative as well as the offsetting changes in fair value of the hedged item are recognized in earnings each period. For cash flow hedges, changes in fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the offsetting effect of the hedged item is also recognized in earnings.

RISKS AND UNCERTAINTIES The diversity of the Company's products, customers and geographic operations significantly reduces the risk that a severe impact will occur in the near term as a result of changes in its customer base, competition, sources of supply or markets. It is unlikely that any one event would have a severe impact on the Company's operating results.

SOFTWARE COSTS The Company capitalizes direct internal and external development costs associated with internal-use software. Neither preliminary evaluation costs nor costs associated with the software after implementation are capitalized.

SHIPPING AND HANDLING COSTS Net sales include shipping and handling charges billed to customers. Cost of goods sold include all costs incurred in connection with shipping and handling.

NEW ACCOUNTING STANDARDS Statement of Financial Accounting Standards No. 144 (FAS 144), Accounting for the Impairment or Disposal of Long-lived Assets, was issued in August 2001. FAS 144 establishes accounting and reporting standards for impairment of long-lived assets. FAS 144 is effective for fiscal years beginning after December 15, 2001. The Company adopted this standard without material impact to reported results.

Statement of Financial Accounting Standards No. 146 (FAS 146), Accounting for Costs Associated with Exit or Disposal Activities was issued in June 2002. FAS 146 establishes accounting and reporting standards for exit or disposal activities initiated after December 31, 2002, and requires such costs to be recognized when the liability is incurred and not at project initiation. The Company will comply with the provisions of FAS 146.

Statement of Financial Accounting Standards No. 148 (FAS 148), Accounting for Stock-Based Compensation - Transition and Disclosure was issued in December 2002. FAS 148 provides alternate methods of transition for a voluntary change to fair value based method of accounting for stock-based employee compensation. The Company has elected to continue to use the intrinsic method of accounting for stock-based awards to employees. No compensation expense has been recognized other than for restricted stock awards

The Financial Accounting Standards Board issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, and No. 46, Consolidation of Variable Interest Entities. The Company has evaluated these interpretations and does not believe they apply to the Company.

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

	NUMBER OF SHARES		
(SHARES IN THOUSANDS)	2002	2001	2000
Basic	94,511	95,770	101,073
Dilution under stock plans	1,362	1,049	20
Diluted	95,873	96,819	101,093

Net income used in the computation of basic and diluted net income per share is not affected by the assumed issuance of stock under the Company's stock plans.

Options to purchase 3,505,414, 4,138,020, and 5,430,857 shares were outstanding in 2002, 2001 and 2000, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares in the respective years.

STOCK PLANS At December 31, 2002, the Company had stock-based compensation plans which are described more fully in Note 12. The Company applies the recognition and measurement principles of Accounting Principles Board Opinion No. 25,

Accounting for Stock Issued to Employees, and related Interpretations in accounting for these plans. No compensation expense for employee stock options is reflected in net earnings, as all options granted under such plans had an exercise price not less than the market value of the common stock on the date of the grant. Net income includes compensation expense related to restricted stock. The following table illustrates the effect on net income and net income per share if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123 for the years ended December 31, 2002, 2001 and 2000:

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	2002	2001	2000
Net income, as reported	$175,944	$116,002	$123,005
Deduct:			
Total stock-based employee compensation expense determined under fair value method for all stock option awards, net of related tax effects	16,008	14,092	11,957
Pro-forma net income	$159,936	$101,910	$111,048
Net income per share:			
Basic - as reported	$1.86	$1.21	$1.22
Basic - pro-forma	$1.69	$1.06	$1.10
Diluted - as reported	$1.84	$1.20	$1.22
Diluted - pro-forma	$1.67	$1.05	$1.10

These pro-forma amounts may not be representative of future disclosures because the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years.

RECLASSIFICATIONS Certain reclassifications have been made to the prior years' financial statements to conform to 2002 classifications.

NOTE 2. NONRECURRING CHARGES

In October 2000, the Company announced a reorganization including management changes, consolidation of production facilities and related actions.

In June 1999, the Company undertook to close certain manufacturing, distribution and sales facilities in all geographic regions in which the Company operates.

In connection with these actions, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. During 2000, approximately 150 employees accepted enhanced retirement benefits under these two programs, resulting in nonrecurring pretax charges of $23.8 million. In addition, during 2000, the Company recognized additional nonrecurring charges of $17.5 million, essentially all of which related to employee separation costs and other reorganization activities.

Nonrecurring charges by region were as follows:

(DOLLARS IN THOUSANDS)	2002	2001
North America	$ 5,565	$14,722
Europe	5,814	4,172
Asia Pacific	358	8,542
Latin America	--	2,633
India Region	--	--
	$11,737	$30,069

Nonrecurring charges in 2000 were $41.3 million, essentially all of which related to United States-based operations. There were no significant non-cash related elements in the 2002, 2001 or 2000 charges.

Movements in accruals related to these charges were as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE-RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance January 1, 2000	$ 9,622	$ 1,586	$ 11,208
Additional charges	37,095	4,178	41,273
Cash and other costs	(22,338)	(3,711)	(26,049)
Balance December 31, 2000	24,379	2,053	26,432
Additional charges	10,083	19,986	30,069
Cash and other costs	(27,474)	(21,294)	(48,768)
Balance December 31, 2001	6,988	745	7,733
Additional charges	4,340	7,397	11,737
Cash and other costs	(7,899)	(7,721)	(15,620)
Balance December 31, 2002	$ 3,429	$ 421	$ 3,850

The balance of the accruals is expected to be utilized in 2003 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied. Approximately 700 employees have been affected by the programs.

NOTE 3. ACQUISITIONS AND DIVESTITURES

On November 3, 2000, the Company acquired BBA; total consideration paid, including transaction costs, approximated $970.0 million. BBA operating results are included in the Company's consolidated results from November 3, 2000.

The acquisition was accounted for as a purchase business combination; the purchase price has been allocated to assets acquired and liabilities assumed based on their fair values at the date of acquisition. The excess of the purchase price over the estimated value of tangible and identified intangible assets acquired was recorded as goodwill. Other intangible assets include patents, trademarks and other intellectual property owned or developed by BBA. The Company completed final determination of the purchase price during 2001 when it established accruals relating to employee separation costs, facility closure costs and other actions relating to the integration of BBA into IFF. Such costs are a component of the purchase accounting and do not directly impact current earnings.

As a result of finalizing acquisition accounting during 2001, the Company increased tangible assets by $5.2 million, goodwill by $105.0 million and decreased intangible assets by $22.8 million.

The following unaudited pro-forma results of operations give effect to the BBA acquisition as if it had occurred as of January 1, 2000 and results reflect the final acquisition accounting adjustments completed in 2001.

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	2000
Net sales	$1,880,612
Net income	80,953
Net income per share - basic	$0.80
Net income per share - diluted	$0.80

(DOLLARS IN THOUSANDS)	
Allocation of purchase price:	
Fair value of assets acquired, including goodwill, net of cash	$1,253,044
Cash paid for common stock and transaction costs	(970,000)
Liabilities assumed	$283,044

Movements in acquisition accounting accruals were as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE-RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance January 1, 2001	$ 4,103	$ 6,230	$ 10,333
Additional charges	41,012	24,961	65,973
Cash and other costs	(31,259)	(21,325)	(52,584)
Balance December 31, 2001	13,856	9,866	23,722
Cash and other costs	(7,850)	(8,797)	(16,647)
Balance December 31, 2002	$ 6,006	$ 1,069	$ 7,075

The balance of the accruals is expected to be utilized in 2003 in connection with the disposal of affected equipment and facilities, and as severance obligations to affected employees are satisfied.

In October 2001, the Company sold its formulated fruit and vegetable preparation businesses in the United States and Brazil. Sales for the business up to the date of disposition were approximately $23.0 million with operating profit of approximately $2.2 million. In connection with this transaction the Company recorded a nonrecurring charge of $7.4 million related to employee separation and other disposal costs. Proceeds from the sale, which were not material, were used to reduce current borrowings.

In December 2001, the Company sold its aroma chemicals business located in Widnes, the United Kingdom. This business was acquired as part of the BBA purchase. Sales for the business up to the date of disposition were $36.7 million with operating profit of approximately $1.5 million. Proceeds from the sale, which were not material, were used to reduce current borrowings. No gain or loss was recognized as a result of this transaction.

The Company sold its concentrate business based in Oregon in June 2002. Sales for the business up to the date of disposition were $9.4 million; operating profit was not significant. In connection with this transaction, the Company recorded a nonrecurring charge of $4.3 million related to employee separation and other disposal costs. Proceeds from the sale, which were not material, were used to reduce current borrowings.

NOTE 4. MARKETABLE SECURITIES

Marketable securities are included in cash equivalents or short-term investments, as appropriate. At both December 31, 2002 and 2001, marketable securities totaling $0.1 million were available for sale and recorded at fair value that approximated cost. Realized gains and losses on the sale of marketable securities were not material.

NOTE 5. INVENTORIES

(DOLLARS IN THOUSANDS)	DECEMBER 31, 2002	2001
Raw materials	$222,161	$212,270
Work in process	12,680	10,853
Finished goods	186,762	192,861
	$421,603	$415,984

NOTE 6. PROPERTY, PLANT AND EQUIPMENT, NET

(DOLLARS IN THOUSANDS)	DECEMBER 31, 2002	2001
Land	$ 35,249	$ 36,747
Buildings and improvements	221,899	278,603
Machinery, equipment and software	630,252	620,116
Construction in progress	62,814	40,164
	950,214	975,630
Accumulated depreciation	429,715	443,157
	$520,499	$532,473

NOTE 7. INTANGIBLE ASSETS, NET

Effective January 1, 2002, the Company adopted FAS 142; adoption eliminated annual goodwill amortization expense of approximately $33.0 million. FAS 142 also prescribes that other indefinite-lived intangibles be included with goodwill. In 2002, certain intangibles were reclassified as indefinite-lived intangibles in accordance with the provisions of FAS 142. The following tables reflect the reclassification of other indefinite-lived intangibles from Trademarks and other to Goodwill on adoption of FAS 142 and the net income per share effect of this change for the years ended December 31, 2002 and 2001. Amortization expense for the year ended December 31, 2002 was $12.6 million; estimated annual amortization from 2003 to 2006 is $12.6 million and $11.3 million in 2007.

During 2002, the Company completed its assessment of the impact of adopting the impairment provisions of this standard, and concluded it has no impairment of goodwill at this time.

(DOLLARS IN THOUSANDS)	DECEMBER 31, 2002 GROSS CARRYING VALUE	DECEMBER 31, 2002 ACCUMULATED AMORTIZATION
Goodwill	$684,189	$41,534
Other indefinite-lived intangibles	19,200	1,184
Trademarks and other	149,786	27,754
Total	$853,175	$70,472

(DOLLARS IN THOUSANDS)	DECEMBER 31, 2001 GROSS CARRYING VALUE	DECEMBER 31, 2001 ACCUMULATED AMORTIZATION
Goodwill	$690,509	$41,534
Trademarks and other	163,251	16,306
Total	$853,760	$57,840

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	YEAR ENDED DECEMBER 31, 2002	2001
Reported net income	$175,944	$116,002
Add back: Goodwill amortization	--	32,774
Adjusted net income	$175,944	$148,776
BASIC NET INCOME PER SHARE		
Reported net income	$1.86	$1.21
Goodwill amortization	--	0.34
Adjusted net income	$1.86	$1.55
DILUTED NET INCOME PER SHARE		
Reported net income	$1.84	$1.20
Goodwill amortization	--	0.34
Adjusted net income	$1.84	$1.54

NOTE 8. SALE AND LEASEBACK TRANSACTION

During 2002, the Company entered into agreements for the sale and leaseback of its Hazlet and South Brunswick, New Jersey facilities. Under the terms of the sale, the Company sold the land, building and associated improvements at these facilities to an unrelated third party for $48.0 million in cash. The net book value of these assets approximated $20.3 million. The gain realized on the sale, approximating $26.7 million, has been deferred and will be credited to income over the 22-year lease term. At December 31, 2002, the unamortized portions of the deferred gain of $24.8 million and $1.2 million are included in the balance sheet captions Retirement and other liabilities and Other current liabilities, respectively. The lease agreements provide for renewal options of up to 30 years. Payments under the leases approximate $4.2 million annually and commenced in July 2002. Total lease payments for 2002 were $2.1 million and for 2003 to 2007 are $4.2 million annually; the aggregate lease obligation is $92.4 million. The leases are classified as operating leases.

NOTE 9. BORROWINGS

Debt consists of the following at December 31:

(DOLLARS IN THOUSANDS)	RATE	MATURITIES	2002	2001
Commercial paper (U.S.)			$ 37,979	$ 204,229
Bank loans			10,979	21,916
Current portion of long-term debt			705	1,800
Total current debt			49,663	227,945
U.S. dollars	6.45%	2006	699,112	698,800
Euro facility	4.79%	2005-06	106,018	101,500

Japanese Yen notes	2.45%	2008-11	126,824	115,300
Japanese Yen notes	1.74%	2005	10,012	9,100
Other		2004-06	1,587	6,404
			943,553	931,104
Deferred realized gains on interest rate swaps			57,868	15,571
FAS 133 adjustment			5,664	(7,271)
Total long-term debt			1,007,085	939,404
Total debt			$ 1,056,748	$ 1,167,349

The Company utilizes commercial paper to supplement long-term borrowings. At December 31, 2002, outstanding commercial paper had an effective interest rate of 1.6% compared to 2.9% at December 31, 2001. Commercial paper maturities did not extend beyond January 21, 2003.

In July 2002, the Company entered into a five-year Euro 350 million (approximately $350.0 million at December 31, 2002), multi-currency revolving credit facility agreement. The Company cancelled and repaid all borrowings under an existing Euro 140 million credit facility.

In May 2001, the Company issued $700.0 million of 6.45% Notes; the Notes mature May 15, 2006. In November 2001, the Company issued Yen 15.15 billion in seven-year and ten-year notes.

The Company reduced its U.S. revolving credit agreement to $500.0 million at December 31, 2001 from $1,300.0 million at December 31, 2000. This revolving credit agreement was composed of a $200.0 million 364-day facility and a $300.0 million five-year facility. On July 31, 2002, the Company exercised an option under this U.S. revolving credit facility and cancelled the $200.0 million 364-day portion of the agreement; there were no borrowings under this agreement. The remaining $300.0 million revolving credit facility extends to September 2006. The revolving credit agreement is used as backstop for the U.S. commercial paper program; there have been no borrowings under this agreement. The Company compensates the banks participating in these credit facilities in the form of fees, the amounts of which are not material.

Short-term bank loans were outstanding in several foreign countries and averaged $16.7 million in 2002, compared with $36.4 million in 2001. The highest levels were $52.2 million in 2002, $69.0 million in 2001 and $55.3 million in 2000, respectively. The 2002 weighted average interest rate of these foreign bank loans, based on balances outstanding at the end of each month, was 5% and the average rate on loans outstanding at December 31, 2002 was 4%. These rates compare with 7% and 5%, respectively, in 2001 and 8% and 8% in 2000, respectively.

Annual maturities on long-term debt outstanding at December 31, 2002 are as follows: 2003, $0.7 million; 2004, $1.0 million; 2005, $45.0 million; 2006, $770.0 million. At December 31, 2002, the estimated fair value of the $700.0 million 6.45% Notes, including the interest rate swaps, was $761.6 million. The estimated fair value of the remaining long-term debt at December 31, 2002 and 2001, based on borrowing rates currently available to the Company with similar terms and maturities, approximated the recorded amount.

Cash payments for interest were $61.6 million in 2002, $77.2 million in 2001 and $19.6 million in 2000.

At December 31, 2002, the Company and its subsidiaries had unused lines of credit approximating $368.0 million in addition to the facility serving as backstop to the Company's commercial paper program.

NOTE 10. INCOME TAXES

The following tables show the components of consolidated income before taxes, and current and deferred income tax expense by taxing jurisdiction, both domestic and foreign:

(DOLLARS IN THOUSANDS)	2002	2001	2000
U.S. loss before taxes	$ (8,918)	$(59,390)	$(33,183)
Foreign income before taxes	275,335	247,167	217,310
Total income before taxes	$266,417	$187,777	$184,127

(DOLLARS IN THOUSANDS)	2002	2001	2000
Current			
Federal	$ 18,452	$ 7,507	$ (640)
State and local	1,884	3,816	381
Foreign	76,518	78,565	91,877
	96,854	89,888	91,618
Deferred			
Federal	(19,496)	(17,836)	(20,543)
State and local	(2,591)	(5,821)	(1,484)
Foreign	15,706	5,544	(8,469)
	(6,381)	(18,113)	(30,496)
Total income taxes	$ 90,473	$ 71,775	$ 61,122

At December 31, 2002 and 2001, gross deferred tax assets were $146.8 million and $115.7 million, respectively; gross deferred tax liabilities were $77.2 million and $82.8 million, respectively. No valuation allowance was required for deferred tax assets. At December 31, 2002, noncurrent deferred tax assets of $2.5 million were included in Other assets. The principal components of deferred tax assets (liabilities) were:

(DOLLARS IN THOUSANDS)	2002	2001
Employee and retiree benefits	$ 71,700	$ 69,000
Inventory	5,800	2,500
Tax credit carryforwards	13,800	5,200
Property, plant and equipment	(8,200)	(8,000)
Trademarks and other	(41,500)	(52,400)
Interest	17,400	6,000
Foreign earnings	(19,400)	(17,600)
Other, net	30,000	28,200
	$ 69,600	$ 32,900

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Of the Company's tax credit carryforwards, \$6.3 million will expire, if unused, beginning in 2005; the remaining \$7.5 million can be carried forward indefinitely.

A reconciliation between the U.S. federal income tax rate and the effective tax rate is:

	2002	2001	2000
Statutory tax rate	35.0%	35.0%	35.0%
Difference in effective tax rate on foreign earnings and remittances	0.1	(1.4)	(0.3)
State and local taxes	(0.2)	(0.7)	(0.4)
Goodwill	--	6.0	0.9
Other, net	(0.9)	(0.7)	(2.0)
Effective tax rate	34.0%	38.2%	33.2%

Income taxes paid were $100.3 million in 2002, $88.6 million in 2001 and $81.0 million in 2000.

Undistributed earnings of foreign subsidiaries for which no deferred taxes have been provided totaled $576.6 million at December 31, 2002. Any additional U.S. taxes payable on these foreign earnings, if remitted, would be substantially offset by credits for foreign taxes already paid.

NOTE 11. SHAREHOLDERS' EQUITY

In January 2001, the Company awarded approximately 190,000 IFF Stock Units ("Units") to eligible employees in exchange for surrender of their "under water" stock options. The Units vest, in four equal installments, over not more than a seven-year period, upon the Company's common stock attaining successively higher market price targets beginning at $22.50 per share, and earn dividend equivalents as and when cash dividends are paid. Compensation expense is recognized over the Units' vesting period. In 2001, the first two market price targets were achieved and 50% of such Units vested; compensation expense of $1.7 million was recognized and included in operating expenses. In 2002, the third price target of $31.50 was achieved and the Company recognized compensation expense of $0.8 million which is included in operating expenses. The remaining unvested Units are reported as Restricted stock on the Company's Consolidated Balance Sheet.

On August 1, 2002, the Company's Board of Directors granted an award of 200,000 restricted shares of the Company's common stock. Entitlement to all or a portion of the restricted award is subject to the Company's achieving certain levels of shareholder return compared to those of a specified group of companies, over the three, four and five year periods commencing August 1, 2002. Compensation expense relating to the award is recognized over the restriction period.

On March 9, 2000, the Company adopted a shareholder protection rights agreement (the "Rights Agreement") and declared a dividend of one right on each share of common stock outstanding on March 24, 2000 or issued thereafter.

Under the Rights Agreement, as amended, until a person or group acquires 15% or more of the Company's common stock or commences a tender offer that would result in such person's or group's owning 15% or more, the rights are evidenced by the common stock certificates, automatically trade with the common stock and are not exercisable.

Thereafter, if the Company is involved in a merger or sells more than 50% of its assets or earning power, each right entitles its holder to purchase a certain number of shares for a specified exercise price. Also, under certain circumstances, the Company's Board of Directors has the option to redeem or exchange one share of common stock for each right. Finally, in the event a new Board of Directors is elected in a successful proxy contest, (i) the rights may not be redeemed and no business combination with the Company can be effected for 180 days thereafter unless certain procedures are followed to ensure (A) that steps are taken to maximize shareholder value, or (B) that any decision to redeem the rights, if challenged, would meet an "entire fairness" test; and (ii) the Rights Agreement may not be amended during such 180-day period. To establish "entire fairness" in connection with a redemption, the new Board must be able to demonstrate that all aspects of the redemption decision were fair, including the redemption procedure and the financial terms of the redemption. The Rights Agreement expires in March 2010.

Dividends paid per share were $0.60, $0.60, and $1.29, in 2002, 2001 and 2000, respectively.

The Accumulated other comprehensive income balance includes Cumulative translation adjustments of ($138.2) million and ($156.3) million, Accumulated gains or (losses) on derivatives qualifying as hedges of $0.7 million and ($2.3) million, and Minimum pension liability of ($75.0) million and ($20.0) million, in 2002 and 2001, respectively. Amounts are shown net of tax, where appropriate.

NOTE 12. STOCK PLANS

The Company has various stock option plans under which the Company's officers, directors and key employees may be granted options to purchase the Company's common stock at 100% of the market price on the day the option is granted.

Options granted prior to May 2001 generally become exercisable no earlier than two years after the date of grant and expire ten years after the date of grant, except for options granted to two senior executives in 2000 and certain other options granted to foreign employees, which may be exercised immediately. Options granted in November 2000, however, constituting approximately 17% of options outstanding (as of December 31, 2002), generally become exercisable in four equal installments as corresponding

market price targets for the Company's common stock of $22.50, $27.00, $31.50 and $36.00 are attained, and expire seven years after the date of grant or sooner if certain price levels (which differ among individuals) are achieved.

Options granted after May 1, 2001 generally become exercisable no earlier than one year from the date of grant and expire 10 years after grant date, except for options granted to certain foreign employees, which may be exercised immediately.

During 2002, options to purchase common stock were granted at exercise prices ranging from $28.77 to $34.22 per share. At December 31, 2002, the price range for shares under option was $17.94 to $49.88; options for 4,292,202 shares were exercisable at that date.

Stock plan transactions were:

	SHARES OF COMMON STOCK AVAILABLE FOR GRANT	UNDER OPTION	WEIGHTED AVERAGE EXERCISE PRICE
Balance January 1, 2000	1,658,004	4,580,174	$42.69
Granted	(5,761,502)	5,761,502	24.13
Exercised	--	(75,297)	21.46
Terminated	661,422	(661,422)	43.85
Lapsed	(54,500)	--	--
Increase under 2000 plans	9,450,000	--	--
Balance December 31, 2000	5,953,424	9,604,957	31.55
Granted	(2,042,000)	2,042,000	27.06
Exercised	--	(288,400)	17.94
Terminated	2,997,188	(2,997,188)	38.00
Lapsed	(113,143)	--	--
Reserved for Units	(83,888)	--	--
Balance December 31, 2001	6,711,581	8,361,369	28.37
Granted	(2,899,950)	2,899,950	32.19
Exercised	--	(1,356,964)	18.42
Terminated	154,947	(154,947)	31.40
Lapsed	(1,735,856)	(87,500)	34.57
Reserved for Units	(50,710)	--	--
Increase under existing plans	4,500,000	--	--
Restricted Stock award	(200,000)	--	--
Balance December 31, 2002	6,480,012	9,661,908	$30.66

The following table summarizes information concerning currently outstanding and exercisable options:

	RANGE OF EXERCISE PRICES $10-$30	$30-$50
Number outstanding	4,131,339	5,530,569
Weighted average remaining contractual life, in years	8.2	7.4
Weighted average exercise price	$23.47	$36.04
Number exercisable	1,868,978	2,423,224
Weighted average exercise price	$21.72	$39.65

Using the Black-Scholes option valuation model, the estimated fair values of options granted during 2002, 2001 and 2000 were $10.07, $8.09, and $5.50, respectively. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. In addition, such models require the use of subjective assumptions, including expected stock price volatility. In management's opinion, such valuation models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

Principal assumptions used in applying the Black-Scholes model were as follows:

	2002	2001	2000
Risk-free interest rate	4.5%	4.6%	6.2%
Expected life, in years	5	5	5
Expected volatility	33.7%	32.2%	26.9%
Expected dividend yield	1.8%	2.2%	3.8%

NOTE 13. SEGMENT INFORMATION

The Company manages its operations by major geographical region. Flavors and fragrances have similar economic and operational characteristics including research and development, the nature of the creative and production processes, the type of customers, and the methods by which products are distributed. Accounting policies used for segment reporting are identical to those described in Note 1.

The Company evaluates the performance of its geographic regions based on operating profit, excluding interest expense, other income and expense, certain unallocated expenses, amortization of goodwill, the effects of nonrecurring items and accounting changes, and income tax expense ("segment profit"). Transfers between geographic areas are accounted for at prices that approximate arm's length market prices. Unallocated assets are principally cash, short-term investments and other corporate assets.

The Company is divided into five geographic regions for management purposes: North America, Latin America, Europe, Asia Pacific and India Region.

The Company's reportable segment information, based on geographic region, follows. Certain prior year amounts have been reclassified for comparative purposes to reflect geographic alignment and the adoption of FAS 142.

2002 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EUROPE	INDIA REGION	LATIN AMERICA	ASIA PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$ 592,974	$ 695,384	$ 37,626	$ 216,938	$ 266,327	$ --	$ 1,809,249
Transfers between areas	86,089	127,830	1,766	1,022	17,126	(233,833)	--
Total sales	$ 679,063	$ 823,214	$ 39,392	$ 217,960	$ 283,453	$ (233,833)	$ 1,809,249
Segment profit	$ 81,888	$ 161,720	$ 9,311	$ 48,596	$ 52,619	$ 983	$ 355,117
Corporate and other unallocated expenses							(43,518)
Nonrecurring charges							(11,737)
Interest expense							(37,036)
Other income (expense), net							3,591
Income before taxes on income							$ 266,417
Segment assets	$ 789,642	$ 883,050	$ 55,088	$ 159,425	$ 357,908	$ (67,265)	$ 2,177,848
Unallocated assets							54,846
Total assets							$ 2,232,694

2001 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EUROPE	INDIA REGION	LATIN AMERICA	ASIA PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$ 616,806	$ 682,574	$ 32,684	$ 245,517	$ 266,185	$ --	$ 1,843,766
Transfers between areas	83,115	134,862	2,698	1,678	16,620	(238,973)	--
Total sales	$ 699,921	$ 817,436	$ 35,382	$ 247,195	$ 282,805	$ (238,973)	$ 1,843,766
Segment profit	$ 86,928	$ 158,175	$ 7,857	$ 52,907	$ 58,798	$ 2,691	$ 367,356
Corporate and other unallocated expenses							(48,624)
Amortization of goodwill							(33,071)
Nonrecurring charges							(30,069)
Interest expense							(70,424)
Other income (expense), net							2,609
Income before taxes on income							$ 187,777
Segment assets	$ 836,208	$ 803,011	$ 55,572	$ 197,365	$ 340,134	$ (41,916)	$ 2,190,374
Unallocated assets							77,677
Total assets							$ 2,268,051

2000 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EUROPE	INDIA REGION	LATIN AMERICA	ASIA PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$ 470,953	$ 560,803	$ 4,069	$ 220,287	$ 206,683	$ --	$ 1,462,795
Transfers between areas	55,610	117,528	63	1,936	13,779	(188,916)	--
Total sales	$ 526,563	$ 678,331	$ 4,132	$ 222,223	$ 220,462	$ (188,916)	$ 1,462,795
Segment profit	$ 47,846	$ 161,126	$ 425	$ 38,914	$ 39,664	$ 1,762	$ 289,737
Corporate and other unallocated expenses							(31,919)
Amortization of goodwill							(5,032)
Nonrecurring charges							(41,273)
Interest expense							(25,072)
Other income (expense), net							(2,314)
Income before taxes on income							$ 184,127
Segment assets	$ 845,378	$ 883,614	$ 51,850	$ 231,455	$ 355,287	$ (31,737)	$ 2,335,847
Unallocated assets							153,186
Total assets							$ 2,489,033

(DOLLARS IN THOUSANDS)	CAPITAL EXPENDITURES 2002	2001	2000	DEPRECIATION AND AMORTIZATION 2002	2001	2000
North America	$ 23,129	$ 18,531	$ 30,586	$ 33,782	$ 33,784	$ 26,691
Europe	29,688	20,441	14,628	21,919	27,616	21,247
India Region	555	491	196	534	533	142
Latin America	3,206	1,559	4,806	3,067	4,628	5,154
Asia Pacific	8,445	4,571	7,500	7,447	7,749	5,975
Unallocated assets	16,792	6,423	2,980	5,078	49,183	10,135
Consolidated	$ 81,815	$ 52,016	$ 60,696	$ 71,827	$123,493	$ 69,344

Sales of fragrance products were $1,000.2 million, $1,008.1 million, and $865.1 million in 2002, 2001 and 2000, respectively. Sales of flavor products were $809.0 million, $835.7 million, $597.7 million in 2002, 2001 and 2000, respectively. Sales in the United States, based on the final country of destination of the Company's products, were $544.3 million, $570.5 million, $435.1 million in 2002, 2001 and 2000, respectively. No other individual country of destination exceeded 8% of consolidated sales. No customer accounted for 10% or more of sales in 2002 or 2001; the Company's largest customer accounted for 10% of sales in 2000. Total long-lived assets consists of net property, plant and equipment and net intangible assets and amounted to $1,303.0 million, $1,328.4 million, and $1,435.8 million at December 31, 2002, 2001 and 2000, respectively; of the respective totals, $1,029.6 million, $1,071.1 million, $1,055.5 million were located in the United States. No other individual country had long-lived assets that exceeded 10% of total long-lived assets.

Net foreign exchange gains of $2.3 million in 2002 and $1.9 million in 2001, and losses of $1.9 million in 2000 are included in other income.

NOTE 14. RETIREMENT BENEFITS

The Company and most of its subsidiaries have pension and/or other retirement benefit plans covering substantially all employees. Pension benefits are generally based on years of service and on compensation during the final years of employment. Plan assets consist primarily of equity securities and corporate and government fixed income securities. Substantially all pension benefit costs are funded as accrued; however, such funding is limited, where applicable, to amounts deductible for income tax purposes. Certain other retirement benefits are provided by balance sheet accruals. Contributions to defined contribution plans are mainly determined as a percentage of profits. Effective January 1, 2001, contributions to the Company's United States defined contribution plan match 50% of the employee's pretax contributions, up to plan limits.

In addition to pension benefits, certain health care and life insurance benefits are provided to qualifying United States employees upon retirement from the Company. Such coverage is provided through insurance plans with premiums based on benefits paid. The Company does not generally provide health care and life insurance coverage for retired employees of foreign subsidiaries; however, such benefits are provided in most foreign countries by government-sponsored plans, and the cost of these programs is not significant to the Company.

Pension expense included the following components:

(DOLLARS IN THOUSANDS)	U.S. PLANS 2002	2001	2000	NON-U.S. PLANS 2002	2001	2000
Service cost for benefits earned	$ 7,874	$ 7,293	$ 5,104	$ 7,327	$ 9,552	$ 6,051
Interest cost on projected benefit obligation	19,091	18,351	14,151	21,339	24,306	9,471
Expected return on plan assets	(23,506)	(23,082)	(16,757)	(23,455)	(27,691)	(10,688)
Net amortization and deferrals	(306)	(1,347)	(1,414)	2,923	679	777
Defined benefit plans	3,153	1,215	1,084	8,134	6,846	5,611
Defined contribution and other retirement plans	3,121	2,368	2,386	3,227	2,425	3,173
Total pension expense	$ 6,274	$ 3,583	$ 3,470	$ 11,361	$ 9,271	$ 8,784

Expense recognized for postretirement benefits included the following components:

(DOLLARS IN THOUSANDS)	2002	2001	2000
Service cost for benefits earned	$2,034	$1,722	$1,500
Interest on benefit obligation	5,545	5,377	4,104
Net amortization and deferrals	532	508	13
Total postretirement benefit expense	$8,111	$7,607	$5,617

Changes in pension and postretirement benefit obligations were:

	U.S. PENSION PLANS		NON-U.S. PENSION PLANS		POSTRETIREMENT BENEFITS	
(DOLLARS IN THOUSANDS)	2002	2001	2002	2001	2002	2001
Benefit obligation at beginning of year	$ 256,647	$ 250,354	$ 351,390	$ 333,691	$ 83,506	$ 68,832
Service cost for benefits earned	7,874	7,293	7,327	9,552	2,034	1,722
Interest cost on projected benefit obligation	19,091	18,351	21,339	24,306	5,545	5,377
Actuarial (gain) loss	18,934	(8,027)	7,921	(6,476)	6,488	9,651
Plan amendments	631	--	--	--	--	--
Plan participants' contributions	--	--	106	90	165	105
Benefits paid	(15,400)	(13,572)	(18,025)	(13,336)	(5,455)	(4,083)
Acquisitions	--	--	--	16,496	--	1,902
Special termination benefits	--	2,248	--	382	--	--
Translation adjustments	--	--	44,719	(13,315)	--	--
Benefit obligation at end of year	$ 287,777	$ 256,647	$ 414,777	$ 351,390	$ 92,283	$ 83,506

Changes in pension plan assets were:

	U.S. PLANS		NON-U.S. PLANS	
(DOLLARS IN THOUSANDS)	2002	2001	2002	2001
Fair value of plan assets at beginning of year	$ 256,189	$ 287,375	$ 294,993	$ 347,346
Actual return on plan assets	(31,143)	(19,487)	(34,702)	(34,497)
Employer contributions	10,310	1,873	35,792	8,729
Plan participants' contributions	--	--	106	90
Benefits paid	(15,400)	(13,572)	(18,025)	(13,336)
Translation adjustments	--	--	36,001	(13,339)
Fair value of plan assets at end of year	$ 219,956	$ 256,189	$ 314,165	$ 294,993

The funded status of pension and postretirement plans at December 31 was:

	U.S. PENSION PLANS		NON-U.S. PENSION PLANS		POSTRETIREMENT BENEFITS	
(DOLLARS IN THOUSANDS)	2002	2001	2002	2001	2002	2001
Plan assets (less than) projected benefit obligation	$ (67,821)	$ (458)	$(100,612)	$ (56,397)	$ (92,283)	$ (83,506)
Remaining balance of unrecognized net (asset) liability established at adoption of FAS 87	(286)	(928)	676	811	--	--
Unrecognized prior service cost	8,867	9,101	3,861	3,802	(1,700)	(1,842)
Unrecognized net (gain) loss	49,458	(24,654)	128,115	53,421	29,250	23,540
Net asset (liability)	$ (9,782)	$ (16,939)	$ 32,040	$ 1,637	$ (64,733)	$ (61,808)

Pension assets and liabilities included in the Consolidated Balance Sheet at December 31 were:

(DOLLARS IN THOUSANDS)	U.S. PLANS 2002	U.S. PLANS 2001	NON-U.S. PLANS 2002	NON-U.S. PLANS 2001
Prepaid benefit cost	$ --	$ 6,408	$ 30,950	$ 281
Accrued benefit liability	(41,289)	(23,650)	(86,413)	(30,869)
Accumulated other comprehensive income	23,301	303	85,693	27,940
Intangible asset	8,206	--	1,810	4,285

Principal weighted average actuarial assumptions used to determine the above pension data were:

	U.S. PLANS 2002	U.S. PLANS 2001	NON-U.S. PLANS 2002	NON-U.S. PLANS 2001
Discount rate	6.7%	7.2%	5.5%	5.9%
Weighted average rate of compensation increase	4.0%	4.5%	2.8%	3.2%
Long-term rate of return on plan assets	9.0%	9.0%	7.5%	7.5%

Discount rates used for determining future pension obligations of individual plans are based on a review of long-term bonds that receive a high rating by a recognized rating agency. The weighted average rates of compensation increase were determined based on actual data for the individual plans. For purposes of determining the 2003 results for the U.S.-based plans, the long-term rate of return will be 8.5%; this rate of return is based on an asset allocation of approximately 35% fixed income, corporate and government bonds expected to yield 5-7%, and 65% in equity investments that are expected to yield 9-11% in the long term. The plan has employed a similar asset allocation strategy for the prior fifteen-year period and has achieved a compound annual return of approximately 9.4%. Similar assessments were made for all non-U.S. plans.

Principal actuarial assumptions used to determine the above postretirement data were:

	2002	2001
Discount rate	6.7%	7.2%
Current medical cost trend rate	10.0%	10.0%
Ultimate medical cost trend rate	5.0%	5.0%
Medical cost trend rate decreases to ultimate rate in year	2009	2007

The effect of a 1% increase in the assumed medical rate of inflation would increase the accumulated postretirement benefit obligation, and the annual postretirement expense, by approximately $15.7 million and $1.6 million, respectively; a 1% decrease in the rate would decrease the obligation and expense by approximately $12.5 million and $1.3 million, respectively.

As described in Note 2, during 2000, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. Those eligible employees who elected to take the incentive received additional credit, for pension purposes, in terms of age and service, as well as other benefits. Approximately 150 employees accepted enhanced retirement benefits under these two programs and costs relating thereto are reflected as special termination benefits above. The special termination benefit of $2.2 million recognized during 2001 represents the liability on account of social security supplemental benefit payments to be made to those participants who elected to retire under the most recent window program implemented during 2001.

The Company recorded a minimum pension liability of $94.2 million and $27.0 million at December 31, 2002 and 2001, respectively, as required by Financial Accounting Standards Board Statement No. 87. The adjustment is reflected in Accumulated other comprehensive income and Retirement and other liabilities, as appropriate, and is prescribed when the accumulated benefit obligation in the plan exceeds the fair value of the underlying pension plan assets and accrued pension liabilities. The adjustment relates to plans in the United States, the United Kingdom, and Japan.

NOTE 15. FINANCIAL INSTRUMENTS

The Company has entered into a series of swaps effectively converting the fixed $700.0 million 6.45% Notes coupon interest rate to a variable short-term rate based upon the London InterBank Offered Rate (LIBOR) plus an interest markup. Periodically, the Company has amended the swaps, changing the short-term LIBOR basis and the related spread. As a result of these amendments and changes, the counter-party paid the Company $56.5 million in 2002 and $19.9 million in 2001, including accrued swap interest of $6.5 million and $3.3 million, respectively. The net realized gains on the swaps have been deferred, classified as a separate component of debt, and are being amortized to income as a reduction in interest expense over the remaining term of the debt. In addition, in 2002, the Company entered into a series of swaps to convert its long-term Japanese Yen borrowings from fixed rate to short-term Japanese Yen LIBOR rates. 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 and is amortized over the remaining term of the underlying swap. These swaps are designated as qualified fair value hedges. The Company had no ineffective interest rate swaps at December 31, 2002.

The Company enters into foreign currency forward contracts with the objective of reducing exposure to cash flow volatility associated with foreign currency receivables and payables, and with anticipated purchases of certain raw materials used in operations. These contracts, the counterparties to which are major international financial institutions, generally involve the exchange of one currency for a second currency at a future date, and have maturities which do not exceed six months. The notional amount and maturity dates of such contracts match those of the underlying transactions. At December 31, 2002 and 2001, the Company had outstanding foreign currency forward contracts with notional amounts approximating $131.4 million and $97.3 million, respectively. The Company has designated these contracts as qualified fair value and cash flow hedges as appropriate. Accordingly, the effective portion of any gain or loss on a derivative instrument reported as a cash flow hedge is reported as a component of Accumulated other comprehensive income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. The Company had no ineffective foreign currency forward contracts at December 31, 2002 or 2001.

NOTE 16. CONCENTRATIONS OF CREDIT RISK

The Company has no significant concentrations of risk in financial instruments. Temporary investments are made in a well-diversified portfolio of high-quality, liquid obligations of government, corporate and financial institutions. There are also limited concentrations of credit risk with respect to trade receivables because of the large number of customers spread across many industries and geographic regions.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Minimum rental commitments under noncancellable operating leases for office and warehouse facilities are $8.9 million in 2003, $7.9 million in 2004, $6.5 million in 2005, $5.2 million in 2006, $4.4 million in 2007 and $4.2 million thereafter to 2024; the aggregate lease obligations are $102.3 million. The corresponding rental expense amounted to $12.1 million and $2.2 million in 2002 and 2001, respectively; rental expense was not significant in 2000.

There are various lawsuits and claims pending against the Company. Management believes that any liability resulting from those actions or claims will not have a material adverse effect on the Company's financial condition, results of operations or liquidity.

NOTE 18. RELATED-PARTY TRANSACTIONS

At December 31, 2002 and 2001, the Company held a note receivable from an executive officer, resulting from the exercise of a stock option. This note bears interest, determined and payable quarterly, at the higher of a market rate for such a loan by a third-party lender or the Company's weighted average cost of borrowed funds. The applicable rate as of December 31, 2002 and 2001 was 3.3% and 4.1%, respectively. The note is collateralized by 55,000 shares of common stock and is due in full on the earlier of November 14, 2007, termination of employment as an executive officer, or when and if the market value of the collateral is less than 110% of the outstanding principal balance of the loan.

QUARTERLY FINANCIAL DATA (UNAUDITED)

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	NET SALES		GROSS PROFIT		NET INCOME(a)		NET INCOME PER SHARE(b)			
							BASIC		DILUTED	
Quarter	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
First	$ 445,844	$ 483,661	$ 185,980	$ 199,522	$ 41,947	$ 20,272	$0.44	$0.21	$0.44	$ 0.21
Second	476,336	478,216	203,724	208,710	45,401	33,005	0.48	0.34	0.47	0.34
Third	462,777	462,719	201,702	194,088	49,599	33,555	0.52	0.35	0.52	0.35
Fourth	424,292	419,170	182,008	178,013	38,997	29,170	0.41	0.31	0.41	0.30
	$1,809,249	$1,843,766	$ 773,414	$ 780,333	$ 175,944	$ 116,002	$1.86	$1.21	$1.84	$ 1.20

(a) Net income for the 2002 second and third quarters includes the after-tax effects of certain charges of $6,091 and $1,654, respectively. Net income for the 2001 first, second and third quarters includes the after-tax effects of certain charges of $7,762, $5,663 and $5,676, respectively. See Note 2 of the Notes to Consolidated Financial Statements for further discussion.

(b) The sum of the 2002 quarters' basic net income per share does not equal the earnings per share for the full year 2002 due to changes in average shares outstanding.

STOCK PRICES

The Company's common stock is traded principally on the New York Stock Exchange. The high and low stock prices for each quarter during the last two years were:

	2002		2001	
Quarter	High	Low	High	Low
First	$35.95	$27.33	$22.76	$19.75
Second	37.45	30.61	28.20	21.25
Third	32.90	26.05	31.60	24.97
Fourth	35.90	32.08	31.69	24.10

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	2002	2001	2000	1999	1998
CONSOLIDATED STATEMENT OF INCOME DATA					
Net sales	$ 1,809,249	$ 1,843,766	$ 1,462,795	$ 1,439,499	$ 1,407,349
Cost of goods sold	1,035,835	1,063,433	831,653	806,382	777,764
Research and development expenses	144,027	135,248	112,671	103,794	98,438
Selling and administrative expenses	305,156	313,335	258,653	248,047	224,393
Amortization of goodwill and other intangibles	12,632	46,089	7,032	--	--
Nonrecurring charges(a)(b)(c)(d)	11,737	30,069	41,273	32,948	--
Interest expense	37,036	70,424	25,072	5,154	2,042
Other (income) expense, net	(3,591)	(2,609)	2,314	(291)	(6,356)
	1,542,832	1,655,989	1,278,668	1,196,034	1,096,281
Income before taxes on income	266,417	187,777	184,127	243,465	311,068
Taxes on income	90,473	71,775	61,122	81,465	107,283
Net income	$ 175,944	$ 116,002	$ 123,005	$ 162,000	$ 203,785
% of net sales	9.7	6.3	8.4	11.3	14.5
% of average shareholders' equity	32.0	20.1	16.5	18.0	20.9
Net income per share - basic	$1.86	$1.21	$1.22	$1.53	$1.90
Net income per share - diluted	$1.84	$1.20	$1.22	$1.53	$1.90
Average number of shares (thousands)	94,511	95,770	101,073	105,748	107,122
CONSOLIDATED BALANCE SHEET DATA					
Cash and short-term investments	$ 15,165	$ 48,905	$ 129,238	$ 62,971	$ 115,999
Receivables, net	338,607	340,358	364,314	303,418	283,480
Inventories	421,603	415,984	435,312	415,269	403,961
Property, plant and equipment, net	520,499	532,473	679,874	523,916	498,784
Intangible assets, net	782,703	795,920	755,923	--	--
Total assets	2,232,694	2,268,051	2,489,033	1,401,495	1,388,064
Bank loans and commercial paper	49,663	227,945	852,985	92,474	29,072
Long-term debt	1,007,085	939,404	417,402	3,832	4,341
Shareholders' equity	574,678	524,170	631,259	858,497	945,051
OTHER DATA					
CURRENT RATIO	2.4	1.6	0.9	2.3	3.1
Gross additions to property, plant and equipment	$ 81,815	$ 52,016	$ 60,696	$ 103,835	$ 91,690
Depreciation and amortization expense	84,458	123,493	69,344	56,369	49,006
Cash dividends declared	56,749	57,219	130,234	160,830	159,513
Per share	$0.60	$0.60	$1.29	$1.52	$1.49
Number of shareholders of record at year-end	3,875	3,394	3,741	4,209	4,653
Number of employees at year-end	5,728	5,929	6,614	4,682	4,669

(a) Nonrecurring charges ($7,745 after tax) in 2002 resulted from the Company's reorganization program.
(b) Nonrecurring charges ($19,101 after tax) in 2001 resulted from the Company's reorganization program.
(c) Nonrecurring charges ($26,765 after tax) in 2000 resulted from the Company's reorganization program.
(d) Nonrecurring charges ($21,910 after tax) in 1999 resulted from the Company's program to streamline its operations worldwide.

DIRECTORS

MARGARET HAYES ADAME
President
Fashion Group International

GUNTER BLOBEL, M.D., PH.D.
Nobel Prize-winning
Rockefeller University Professor
associated with Howard
Hughes Medical Institute

JAMES R. CANTALUPO*
President and
Vice Chairman Emeritus
McDonald's Corporation

J. MICHAEL COOK
Chairman and
Chief Executive Officer Emeritus
Deloitte & Touche, LLP
Chairman,
Audit Committee

PETER A. GEORGESCU
Chairman Emeritus
Young & Rubicam Inc.
Chairman,
Compensation Committee

RICHARD A. GOLDSTEIN
Chairman of the Board and
Chief Executive Officer
Chairman,
Executive Committee

ARTHUR C. MARTINEZ
Chairman and
Chief Executive Officer Emeritus
Sears, Roebuck and Company
Chairman, Nominating and
Governance Committee

HENRY P. VAN AMERINGEN
President
van Ameringen Foundation, Inc.

WILLIAM D. VAN DYKE, III
Senior Vice President
Salomon Smith Barney Inc.

*Retired from the board December 2002

OFFICERS AND SENIOR MANAGEMENT

RICHARD A. GOLDSTEIN
Chairman of the Board and
Chief Executive Officer

GAIL S. BELMUTH
Vice President
Corporate Communications

DEREK J. BENNETT
Vice President
Global Operations -
Fragrances

ARUN BEWOOR
Vice President and
Regional Manager
India Region

STEPHEN A. BLOCK
Senior Vice President
General Counsel and Secretary

JULIAN W. BOYDEN
Executive Vice President
New Business Development

CLINT D. BROOKS, PH.D.
Senior Vice President
Research & Development

ROBERT BURNS
Vice President and
Regional Manager
Asia Pacific

JAMES H. DUNSDON
Vice President and
Regional Manager
North America

ROB J. M. EDELMAN
Vice President and
Regional Manager
Europe

GRACIELA M. FERRO
Vice President and
Regional Manager
Latin America

ROBERTO J. GORDON
Vice President
Sales, Global Accounts

SOPHIA GROJSMAN
Vice President

STEVEN J. HEASLIP
Senior Vice President
Human Resources

D. WAYNE HOWARD
Executive Vice President
Global Operations

STEVE HUANG, PH.D.
Vice President
Global Operations -
Aroma Chemicals and
Ingredients

JAMES P. HUETHER
Controller

NEIL HUMPHREYS
Vice President
Global Creative & Application

BRUCE S. LESKANIC
Vice President
Supply Chain Strategy

NICOLAS MIRZAYANTZ
Vice President
Global Business Development -
Fine Fragrances and Toiletries

JOEL W. SHANE
Vice President
Global Business Development -
Aroma Chemicals and
Ingredients

THOMAS J. SKATRUD, PH.D.
Vice President
Global Operations -
Flavors

CHARLES D. WELLER
Treasurer

DOUGLAS J. WETMORE
Senior Vice President and
Chief Financial Officer

INVESTOR INFORMATION

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at the offices of the Company, 521 West 57th Street, New York, New York, on Tuesday, May 14, 2003 at 10:00 a.m., EDT.

A proxy statement and form of proxy will be mailed to each shareholder on or about March 28, 2003.

FORM 10-K

A copy of the Company's report to the Securities and Exchange Commission on Form 10-K will be available on or about March 28, 2003.

TRANSFER AGENT AND REGISTRAR

Wachovia Bank, National Association
Shareholder Services Group
1525 West W.T. Harris Boulevard, 3C3
Charlotte, NC 28288-1153
800-829-8432
equityservices@wachovia.com
www.wachovia.com/shareholderservices

LISTED

New York Stock Exchange

[GRAPHIC OMITTED]

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP

WEB SITE

www.iff.com

[GRAPHICS OMITTED]

In December 2002, after 38 years at IFF, Dr. Braja D. Mookherjee - one of our best - passed away. He embodied everything our Company strives for and his effect on IFF reached much farther than the greenhouse he ran. His spirit and inspiration live on at IFF, and can be seen throughout the pages of this book.

"When people ask me what IFF is, I tell them that it is a combination of very different people with the same objective: to wake up the senses, to provoke emotions, to liberate the inner magic."

"The biggest improvement I have seen lately at IFF is that we are getting more organized and better prepared to face stiffer competition and new challenges."

"I like working at IFF because we work as a team; we are full of passion, enthusiasm, excitement, commitment, and action that we all put into our everyday tasks."

"When people ask me what IFF is, I tell them imagine a flavor or a fragrance and you will have it in your hand."

"When people ask me what IFF does, I tell them we influence people's taste buds."

"IFF is unique because we create, and creating is the essence of evolution."

"We might be an international Company but we're still allowed to have an Australian style."

"I like working at IFF because there is always a new challenge to face. It's learning from successes and sometimes the failures in these challenges that help both the individual and the Company to continue to strive for excellence."

IFF WORLDWIDE LOCATIONS

	SALES OFFICE	MANUFACTURING	CREATIVE LABORATORY
NORTH AMERICA			
Canada/Toronto	O	O	O
USA/Augusta, GA		O	
USA/Carrollton, TX	O	O	O
USA/Chicago, IL	O		
USA/Hazlet, NJ	O	O	O
USA/Jacksonville, FL	O	O	
USA/Menomonee Falls, WI		O	
USA/New York, NY*	O		O
USA/South Brunswick, NJ	O	O	O
USA/Union Beach, NJ	O		O
LATIN AMERICA			
Argentina/Garin	O	O	O
Brazil/Rio de Janeiro		O	
Brazil/Sao Paulo	O		O
Brazil/Taubate		O	O
Colombia/Bogota	O		O
Mexico/Tlalnepantla (Mexico City)	O	O	O
ASIA PACIFIC			
Australia/Melbourne	O	O	O
Australia/Castle Hill (Sydney)	O	O	O
China/Beijing	O		
China/Guangzhou	O	O	
China/Hong Kong	O		
China/Shanghai	O		O
China/Xin'anjiang (Hangzhou)	O	O	
Indonesia/Jakarta	O	O	O
Japan/Gotemba		O	
Japan/Osaka	O		
Japan/Tokyo	O		O
Korea/Seoul	O		O
New Zealand/Auckland	O	O	O
Philippines/Manila	O	O	O
Singapore	O		O
Singapore/Jurong	O	O	
Thailand/Bangkok	O	O	O

	SALES OFFICE	MANUFACTURING	CREATIVE LABORATORY
INDIA REGION			
India/Bangalore	O		
India/Calcutta	O		
India/Chennai	O	O	O
India/Chittoor		O	
India/Delhi	O		
India/Mumbai	O		O
EUROPE			
Bulgaria/Sofia	O		
Czech Republic/Prague	O		
Egypt/Cairo	O	O	O
France/Bois-Colombes (Paris)	O		O
France/Dijon	O	O	O
France/Grasse	O	O	O
Germany/Emmerich	O	O	O
Germany/Hamburg	O		
Germany/Oberhausen	O		O
Ireland/Drogheda	O	O	
Israel/Tel Aviv	O		
Italy/Milan	O		O
The Netherlands/Hilversum	O		O
The Netherlands/Tilburg		O	
Norway/Oslo	O		
Poland/Warsaw	O		O
Slovakia/Bratislava	O		
South Africa/Johannesburg	O	O	O
Spain/Barcelona	O		O
Spain/Benicarlo	O	O	
Spain/Madrid	O		
Sweden/Knislinge	O	O	O
Switzerland/Reinach-Aargau	O	O	O
Turkey/Gebze	O	O	O
Turkey/Istanbul	O		
United Kingdom/Haverhill	O	O	O
United Kingdom/London	O		

* Global Headquarters
Names in ( ) indicate nearest large city

IFF INTERNATIONAL FLAVORS & FRAGRANCES INC.

GLOBAL HEADQUARTERS

521 West 57th Street New York, NY 10019
T 212 765 5500   www.iff.com

EXHIBIT 21

LIST OF SUBSIDIARIES OF INTERNATIONAL FLAVORS & FRAGRANCES INC.

Below is a list of the subsidiaries of the Company. Each subsidiary does business under the name identified below. All of the voting stock of each subsidiary is owned, either directly or indirectly, by the Company, except where noted and except, in certain instances for directors' qualifying shares.

Name of Subsidary	Place of Incorporation
International Flavors & Fragrances I.F.F. (Nederland) B.V.	The Netherlands
Aromatics Holdings Limited	Ireland
IFF-Benicarlo, S.A.	Spain
International Flavours & Fragrances (China) Ltd.	China
Irish Flavours and Fragrances Limited	Ireland
International Flavours & Fragrances I.F.F. (Great Britain) Ltd.	England
International Flavors & Fragrances I.F.F. (Italia) S.r.l.	Italy
International Flavors & Fragrances I.F.F. (Deutschland) G.m.b.H.	Germany
International Flavors & Fragrances I.F.F. (Switzerland) A.G.	Switzerland
International Flavors & Fragrances I.F.F. (France) S.a.r.l.	France
International Flavors & Fragrances (Hong Kong) Ltd.	Hong Kong
International Flavors & Fragrances (Japan) Ltd.	Japan
International Flavors & Fragrances S.A.C.I.	Argentina
I.F.F. Essencias e Fragrancias Ltda.	Brazil
International Flavours & Fragrances (Australia) Pty. Ltd.	Australia
P.T. Essence Indonesia	Indonesia
International Flavors & Fragrances (Mexico) S.A. de C.V.	Mexico
IFF Mexico Manufactura, S.A. de C.V.	Mexico
International Flavors & Fragrances I.F.F. (Espana) S.A.	Spain
International Flavors & Fragrances (Poland) Sp.z.o.o.	Poland
IFF Trading Company B.V.	The Netherlands
International Flavors & Fragrances (Hangzhou) Co. Ltd (1)	China
International Flavors & Fragrances I.F.F. (S.A.) (Pty) Ltd.	South Africa
The PAKS Corporation	New York
International Flavors & Fragrances I.F.F. (Canada) Ltd.	Canada
IFF FSC Inc.	U.S. Virgin Islands
Alva Insurance Ltd.	Bermuda
van Ameringen-Haebler, Inc.	New York
International Flavors & Fragrances (Caribe) Inc.	Delaware

Sabores y Fragrancias S.A.	Colombia
IFF Sabores y Fragrancias de Chile Ltda.	Chile
International Flavors & Fragrances I.F.F. (Sverige) A.B.	Sweden
International Flavors & Fragrances I.F.F. (Norge) A.S.	Norway
IFF (Near East) Flavors & Fragrances Company A.S.	Turkey
International Flavors & Fragrances I.F.F. (Israel) Ltd.	Israel
Misr Co. for Aromatic Products (MARP) S.A.E.	Egypt
International Flavors & Fragrances I.F.F. (Portugal) Lds.	Portugal
International Flavors & Fragrances (Zimbabwe) (Private) Ltd.	Zimbabwe
International Flavours & Fragrances (Mauritius) Ltd.	Mauritius
Speciality Fragrances (India) Private Limited	India
International Flavors & Fragrances (Philippines) Inc.	Philippines
International Flavors & Fragrances (Asia Pacific) Pte. Ltd.	Singapore
International Flavours & Fragrances (Thailand) Ltd.	Thailand
International Flavors & Fragrances (Korea) Inc.	Korea
Laboratoire Monique Remy SAS	France
International Flavors & Fragrances (Nederland) Holding B.V.	The Netherlands
International Flavors & Fragrances Ardenne S.a.r.l.	Luxembourg
International Flavors & Fragrances (Luxembourg) S.a.r.l.	Luxembourg
International Flavors & Fragrances (Luxembourg) Holding S.a.r.l.	Luxembourg
International Flavours & Fragrances (GB) Holdings Limited	United Kingdom
IFF International Inc.	New York
IFF Financial Services	Ireland
International Flavors & Fragrances Global Holding S.a.r.l.	Luxembourg
IFF Capital Services	Ireland
IFF (Gibraltar) Limited	Gibraltar
IFF Australia Holdings Pty Limited	Australia
IFF Chemical Holdings Inc.	Delaware
IFF (Gibraltar) Holdings	Gibraltar
IFF Mexico Holdings LLC	Delaware
IFF Latin American Holdings (Espana) SL	Spain
Bush Boake Allen Inc.	Virginia
Bush Boake Allen (Chile) S.A.	Chile
Bush Boake Allen Industria E Commercial do Brasil Limitada	Brazil
Bush Boake Allen Colombia S.A.	Colombia

Bush Boake Allen Controladora S.A. de C.V.	Mexico
Bush Boake Allen (Nominees) Limited	England
Bush Boake Allen Holdings (U.K.) Limited	England
Bush Boake Allen Pension Investments Limited	England
Bush Boake Allen (Executive Pension Trustees) Limited	England
Bush Boake Allen (Pension Trustees) Limited	England
Bush Boake Allen (Works Pension Trustees) Limited	England
Bush Boake Allen Limited	England
W.J. Bush & Co., Inc.	Delaware
GMB Proteins Limited	England
Bush Boake Allen Australia Pty Ltd.	Australia
Bush Boake Allen (Guangzhou) Co. Ltd.	China
Bush Boake Allen (Hong Kong) Limited	Hong Kong
A. Boake, Roberts And Company (Holding), Limited	England
Bush Boake Allen Esans ve Aromatik Urunler Sanayi AS (2)	Turkey
PT Bush Boake Allen Indonesia (3)	Indonesia
Bush Boake Allen (New Zealand) Limited	New Zealand
International Flavors & Fragrances Singapore Pte. Ltd.	Singapore
Bush Boake Allen (Malaysia) SDN. BHD. (Kuala Lumpur)	Malaysia
Bush Boake Allen Denmark ApS.	Denmark
Bush Boake Allen France	France
Bush Boake Allen Zimbabwe (Private) Limited	Zimbabwe
International Flavours & Fragrances (India) Limited (4)	India
Hindustan Flavours and Fragrances (International) Limited (5)	India
Bush Boake Allen (Jamaica) Limited (6)	Jamaica
Bush Boake Allen (SA) (Proprietary) Limited	South Africa
Bush Boake Allen (Thailand) Limited	Thailand
Bush Boake Allen Deutschland GmbH	West Germany
Bush Boake Allen, Moscow, Ltd.	Russia
Bush Boake Allen Benelux B.V.	Netherlands
International Flavors & Fragrances I.F.F. (Norden) AB	Sweden
Bush Boake Allen (C.R.) s.r.o.	Czech Republic
Stafford Specialty Ingredients Limited	England
Bush Boake Allen Pakistan (Private) Limited (7)	Pakistan
Asian Investments, Inc.	Delaware

Fragrance Holdings Private Limited	India
Essence Scientific Research Private Limited	India
Jamaica Extracts Limited (8)	Jamaica
Bush Boake Allen Barbados Inc.	Barbados
Bush Boake Allen Enterprises Ltd.	England
Bush Boake Allen Holdings I B.V.	The Netherlands
Bush Boake Allen Holdings II B.V.	The Netherlands

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(1) 90% of the voting stock of International Flavors & Fragrances (Hangzhou) Co. Ltd., is owned, directly or indirectly, by the Company.
(2) 99.9% of the voting stock of Bush Boake Allen Esans ve Aromatik Urunler Sanayi AS is owned, directly or indirectly, by the Company.
(3) 60% of the voting stock of PT Bush Boake Allen Indonesia is owned, directly or indirectly, by the Company.
(4) 93.1% of the voting stock of International Flavours & Fragrances (India) Limited is owned, directly or indirectly, by the Company.
(5) 93.1% of the voting stock of Hindustan Flavours and Fragrances (International) Limited is owned, directly or indirectly, by the Company.
(6) 70% of the voting stock of Bush Boake Allen (Jamaica) Limited is owned, directly or indirectly, by the Company.
(7) 50% of the voting stock of Bush Boake Allen Pakistan (Private) Limited is owned, directly or indirectly, by the Company.
(8) 58% of the voting stock of Jamaica Extracts Limited is owned, directly or indirectly, by the Company.

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-46932 and No. 333-59689) and Form S-8 (No. 333-102825, No. 333-61072, No. 333-51436, No. 333-50752 and No. 33-54423) of International Flavors & Fragrances Inc. of our report dated January 27, 2003 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated January 27, 2003 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
New York, New York
March 25, 2003

EXHIBIT 24

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ MARGARET HAYES ADAME

Margaret Hayes Adame

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/GUNTER BLOBEL

Gunter Blobel

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ J. MICHAEL COOK

J. Michael Cook

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ PETER A. GEORGESCU

Peter A. Georgescu

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ ARTHUR C. MARTINEZ

Arthur C. Martinez

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ HENRY P. VAN AMERINGEN

Henry P. van Ameringen

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2002, hereby constitutes and appoints Richard A. Goldstein, Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 11th day of March 2003.

/s/ WILLIAM D. VAN DYKE, III

William D. Van Dyke, III

EXHIBIT 99.5

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 Annual Report on Form 10-K of International Flavors & Fragrances Inc. (the "Company") for the fiscal year ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard A. Goldstein, as Chief Executive Officer of the Company, and Douglas J. Wetmore, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to 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.

/s/ Richard A. Goldstein
- ------------------------
Name: Richard A. Goldstein
Title: Chairman of the Board and
Chief Executive Officer
Date: March 25, 2003

/s/ Douglas J. Wetmore
- ----------------------
Name: Douglas J. Wetmore
Title: Senior Vice President and
Chief Financial Officer
Date: March 25, 2003

This certification accompanies the Report pursuant to 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of 18 of the Securities Exchange Act of 1934, as amended.