

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OF

THE SECURITIES EXCHANGE ACT OF 1934

For Quarterly Period Ended September 30, 2003

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. 10019-2960
(Address of principal executive offices) (Zip Code)

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

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

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

Number of shares outstanding as of October 31, 2003: 93,657,607

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL FLAVORS & FRAGRANCES INC.

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)
(Unaudited)

	9/30/03 -----	12/31/02 -----
Assets -----		
Current Assets:		
Cash & Cash Equivalents	\$ 14,994	\$ 14,858
Short-term Investments	460	307
Trade Receivables	381,299	327,306
Allowance For Doubtful Accounts	(15,139)	(12,933)
Inventories: Raw Materials	222,364	222,161
Work in Process	14,439	12,680
Finished Goods	192,978	186,762
Total Inventories	429,781	421,603
Deferred Income Taxes	64,693	67,176
Other Current Assets	83,696	48,432
Total Current Assets	959,784	866,749
Property, Plant & Equipment, At Cost	972,845	950,214
Accumulated Depreciation	(485,934)	(429,715)
	486,911	520,499
Goodwill, net	642,655	642,655
Intangible Assets, net	130,574	140,048
Other Assets	80,505	62,743
Total Assets	\$2,300,429 =====	\$2,232,694 =====
Liabilities and Shareholders' Equity -----		
Current Liabilities:		
Bank Loans and Current Portion of Long-term Debt	\$ 95,965	\$ 11,684
Commercial Paper	166,849	37,979
Accounts Payable-Trade	93,816	104,007
Dividends Payable	14,959	14,138
Income Taxes	45,082	38,496
Other Current Liabilities	172,536	153,193
Total Current Liabilities	589,207	359,497
Other Liabilities:		
Long-term Debt	700,417	1,007,085
Deferred Gains	74,163	24,834
Retirement and Other Liabilities	267,597	266,600
Total Other Liabilities	1,042,177	1,298,519
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	96,964	109,735
Restricted Stock	(4,480)	(5,723)
Retained Earnings	1,472,989	1,382,539
Accumulated Other Comprehensive Income:		
Cumulative Translation Adjustment	(98,325)	(138,175)
Accumulated Gains (Losses) on Derivatives Qualifying as Hedges (net of tax)	(2,044)	733
Minimum Pension Liability Adjustment	(75,038)	(75,038)
	1,404,536	1,288,541
Treasury Stock, at cost - 22,268,505 shares in '03 and 21,507,668 in '02	(735,491)	(712,876)
Note Receivable from Officer	-	(987)
Total Shareholders' Equity	669,045	574,678
Total Liabilities and Shareholders' Equity	\$2,300,429 =====	\$2,232,694 =====

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

INTERNATIONAL FLAVORS & FRAGRANCES INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(Unaudited)

	9 Months Ended 9/30	
	2003	2002
Cash Flows From Operating Activities:		

Net Income	\$134,486	\$136,948
Adjustments to Reconcile to Net Cash Provided by Operations:		
Depreciation and Amortization	64,425	63,391
Deferred Income Taxes	(19,171)	(16,167)
Changes in Assets and Liabilities:		
Current Receivables	(26,988)	(28,814)
Inventories	14,809	26,594
Current Payables	(12,045)	11,165
Other, Net	(5,604)	(11,452)
Net Cash Provided by Operations	149,912	181,665
Cash Flows From Investing Activities:		

Proceeds from Investments	33	33
Purchases of Investments	(161)	(176)
Acquisition of Minority Interest	-	(7,922)
Additions to Property, Plant and Equipment	(40,946)	(59,010)
Proceeds from Disposal of Assets	97,241	56,724
Net Cash Provided by (Used in) Investing Activities	56,167	(10,351)
Cash Flows From Financing Activities:		

Cash Dividends Paid to Shareholders	(43,215)	(42,646)
Increase (Decrease) in Bank Loans	20,199	(18,774)
Net Increase (Decrease) in Commercial Paper Outstanding	128,870	(188,238)
Proceeds from Long-term Debt	35,737	261,513
Repayments of Long-term Debt	(312,642)	(169,580)
Proceeds from Issuance of Stock Under Stock Option and Employee Stock Purchase Plans	20,311	28,305
Purchase of Treasury Stock	(55,447)	(67,948)
Net Cash Used in Financing Activities	(206,187)	(197,368)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	244	677
NET CHANGE IN CASH AND CASH EQUIVALENTS	136	(25,377)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,858	48,521
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 14,994	\$ 23,144
Interest Paid	\$ 26,593	\$ 34,332
Income Taxes Paid	\$ 99,569	\$ 63,329

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These interim statements and management's related discussion and analysis should be read in conjunction with the consolidated financial statements and their related notes, and management's discussion and analysis of results of operations and financial condition included in the Company's 2002 Annual Report on Form 10-K. These interim statements are unaudited. In the opinion of the Company's management, all normal recurring adjustments necessary for a fair presentation of the results for the interim periods have been made.

STOCK PLANS:

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 its stock plans. No compensation expense for stock options is reflected in net earnings, as all options granted under such plans have an exercise price not less than the market value of the common stock on the date of grant. 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 periods presented:

(Dollars in thousands except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net income, as reported	\$51,071	\$49,599	\$134,486	\$136,948
Deduct: Total stock-based employee compensation expense determined under fair value method for all stock option awards, net of related tax effects	4,071	3,100	10,710	12,913
Pro-forma net income	\$47,000	\$46,499	\$123,776	\$124,035
Net income per share:				
Basic - as reported	\$0.55	\$0.52	\$1.43	\$1.45
Basic - pro-forma	\$0.50	\$0.49	\$1.32	\$1.31
Diluted - as reported	\$0.54	\$0.52	\$1.42	\$1.43
Diluted - pro-forma	\$0.50	\$0.49	\$1.31	\$1.29

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 a different number of options may be granted in future years.

SALE OF NEW YORK HEADQUARTERS:

In June 2003, the Company entered an agreement for the sale of its New York corporate headquarters. Under the terms of the sale agreement, the Company sold the land, building and associated improvements to an unrelated third party for \$91.0 million in cash. Concurrently, the Company entered into a long-term lease with respect to the space it currently occupies (approximately 40% of the building). The lease is classified as an operating lease in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases. The gain realized on the sale, after transaction costs, of \$52.7 million, has been deferred and will be credited to income over the 27.5-year lease term. The lease agreement provides for renewal options of up to 30 years. Payments under the lease approximate \$5.1 million annually for the first four years and increase to \$5.3 million annually in the fifth year. Total lease obligations for 2003 are \$2.7 million, for 2004 to 2007 are \$5.1 million and for 2008 are \$5.3 million annually; the aggregate lease obligation is \$170.7 million.

As a result of the above transactions, combined with the sale and leaseback of the Company's Hazlet and South Brunswick, New Jersey facilities in 2002, the Company has cumulative deferred gains on disposition of real estate properties totaling \$77.2 million and \$26.0 million at September 30, 2003 and December 31, 2002, respectively, which will be credited to income over the initial term of the corresponding leases. At September 30, 2003 and December 31, 2002, \$74.2 million and \$24.8 million, respectively, are reflected in the accompanying balance sheet under the caption Deferred Gains, with the respective remaining amounts included as a component of Other Current Liabilities.

Nine Months Ended September 30, 2002

(Dollars in thousands)	North America	Europe	India	Latin America	Asia Pacific	Eliminations	Consolidated
Sales to unaffiliated customers	\$ 462,042	\$ 528,381	\$28,862	\$ 165,861	\$ 199,811	\$ --	\$ 1,384,957
Transfers between areas	63,514	96,411	1,675	723	12,437	(174,760)	--
Total sales	\$ 525,556	\$ 624,792	\$30,537	\$ 166,584	\$ 212,248	\$ (174,760)	\$ 1,384,957
Segment profit	\$ 68,227	\$ 126,892	\$ 7,231	\$ 37,757	\$ 38,870	\$ 542	\$ 279,519
Corporate and other unallocated expenses							(34,892)
Restructuring and other charges							(11,737)
Interest expense							(28,668)
Other income (expense), net							3,333
Income before taxes on income							\$207,555

RESTRUCTURING AND OTHER CHARGES:

As described in Note 2 of the Notes to the Consolidated Financial Statements included in the Company's 2002 Annual Report on Form 10-K, in October 2000, the Company announced a significant reorganization, including management changes, consolidation of production facilities and related actions.

The Company recorded restructuring and other pre-tax charges of \$3.9 million (\$2.4 million after tax) and \$31.0 million (\$20.3 million after tax) in the three-month and nine-month periods ended September 30, 2003, respectively; essentially all elements of these charges relate to employee terminations. The Company eliminated 70 and 260 positions during the three-month and nine-month periods ended September 30, 2003, respectively. The pre-tax restructuring and other charges recorded for the third quarter 2003 relate to operations in North America, including corporate (\$2.4 million), Europe (\$0.5 million), Latin America (\$0.7 million), Asia Pacific (\$0.2 million) and India (\$0.1 million). The pre-tax restructuring and other charges recorded for the nine-month period ended September 30, 2003 relate to operations in North America, including corporate (\$17.6 million), Europe (\$9.0 million), Latin America (\$1.1 million), Asia Pacific (\$3.2 million) and India (\$0.1 million). Positions eliminated by region are as follows: North America, including corporate 77, Europe 59, Asia Pacific 100, Latin America 20 and India 4. Positions eliminated included several senior management positions at corporate, duplicate functions conducted at global and regional levels and duplicate or redundant positions at individual Company locations. The \$2.2 million asset related charges primarily relate to updates on costs for previously commenced actions.

At the time the reorganization was announced, the Company expected to incur approximately \$90-\$100 million in related pre-tax costs; the actions being taken in 2003 will complete the reorganization activities as contemplated under the plan announced in October 2000. These final actions could only be undertaken upon completion of the integration of IFF and Bush Boake Allen Inc. ("BBA"); such integration was completed in the third and fourth quarters of 2002. Since inception in October 2000, the Company has recorded restructuring and other charges of \$105 million in comparison to the expected \$90-\$100 million forecast at the time the plan was announced. In the first quarter 2003, the Company updated its expected costs to be incurred on completion of the reorganization plans, increasing the maximum expected costs to \$110 million. The increase in expected costs was due to a combination of additional actions to be taken in the final stages of the reorganization as well as the impact the weaker U.S. dollar had on the cost of actions undertaken outside the United States. The costs reflected as restructuring and other charges do not include any of the BBA specific integration actions.

Movements in the liabilities related to the restructuring charges were as follows (in millions):

	EMPLOYEE-RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance December 31, 2002	\$ 3.4	\$ 0.4	\$ 3.8
Additional charges	28.8	2.2	31.0
Cash and other costs	(14.5)	(1.7)	(16.2)
Balance September 30, 2003	\$17.7	\$ 0.9	\$ 18.6

The balance of the employee-related liabilities will be utilized by 2006 as severance and other benefit obligations to affected employees are satisfied; the asset-related charges will be utilized by 2004 on decommissioning and disposal of the affected equipment.

The Company has established accruals relating primarily to employee separation costs, facility closure costs and other actions relating to the integration of certain BBA operations into the Company. Costs associated with these integration actions were recognized as a component of the purchase accounting which resulted in an adjustment to goodwill; such costs did not directly impact current earnings.

Movements in acquisition accounting accruals were as follows (in millions):

	EMPLOYEE- RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance December 31, 2002	\$ 6.0	\$ 1.1	\$ 7.1
Cash and other costs	(2.7)	(1.1)	(3.8)
Balance September 30, 2003	\$ 3.3	\$ --	\$ 3.3

The balance of the accruals is expected to be utilized in 2003 as severance obligations to affected employees are satisfied.

COMPREHENSIVE INCOME:

Changes in the accumulated other comprehensive income component of shareholders' equity were as follows:

2003 (Dollars in thousands)	Translation adjustments	Accumulated gains (losses) on derivatives qualifying as hedges	Minimum Pension Obligation, net of tax	Total
Balance December 31, 2002	\$(138,175)	\$ 733	\$ (75,038)	\$ (212,480)
Change	39,850	(2,777)	-	37,073
Balance September 30, 2003	\$ (98,325)	\$ (2,044)	\$ (75,038)	\$ (175,407)

2002 (Dollars in thousands)	Translation adjustments	Accumulated gains (losses) on derivatives qualifying as hedges	Minimum Pension Obligation, net of tax	Total
Balance December 31, 2001	\$(156,266)	\$ (2,261)	\$ (20,009)	\$(178,536)
Change	(5,671)	2,076	-	(3,595)
Balance September 30, 2002	\$(161,937)	\$ (185)	\$ (20,009)	\$(182,131)

BORROWINGS:

Debt consists of the following (Dollars in thousands):

	Rate	Maturities	September 30, 2003	December 31, 2002
Commercial paper (U.S.)			\$166,849	\$ 37,979
Bank loans			95,214	10,979
Current portion of long-term debt			751	705
Total current debt			262,814	49,663
U.S. dollars	6.45%	2006	498,609	699,112
Euro facility	2.55%	2005-06	-	106,018
Japanese Yen notes	2.45%	2008-11	136,350	126,824
Japanese Yen notes	1.74%	2005	10,764	10,012
Other		2004-12	14,517	1,587
Deferred realized gain on interest rate swaps			660,240	943,553
FAS 133 Adjustment			38,979	57,868
			1,198	5,664
Total long-term debt			700,417	1,007,085
Total debt			\$963,231	\$1,056,748

At September 30, 2003, commercial paper maturities did not extend beyond November 5, 2003 and the weighted average interest rate on total borrowings was 2.5% compared to 3.3% at December 31, 2002. At September 30, 2003, the five-year EURO facility had outstanding borrowings of \$60.0 million. Prior to the third quarter, the five year EURO facility was characterized as long term debt; the Company's current plan is to employ this facility as a European-wide working capital facility, therefore, all borrowings have been classified as bank loans.

During the first quarter, the Company repurchased \$149 million of its 6.45% Notes that were to mature in 2006. In the second quarter, the Company repurchased an additional \$51 million of the Notes. All repurchases were funded with commercial paper. As a result of premiums paid for the Notes repurchased, the Company incurred pre-tax losses, included in Other (Income) Expense of \$4.2 million. The Company does not anticipate additional repurchases of Notes.

As described in Note 15 of the Notes to the Consolidated Financial Statements included in the Company's 2002 Annual Report on Form 10-K, the Company entered into a series of interest rate swaps regarding the 6.45% Notes. The Company amended these interest rate swaps on four occasions during 2003. The first amendment reduced the notional amount of the swaps from \$700 million to \$500 million in anticipation of the Company's debt repurchase initiative. The second amendment reduced the notional value of the swaps to \$350 million. Third, in May 2003, the Company eliminated the remaining swaps. Lastly, on August 22, 2003, the Company executed a new interest rate swap on \$300 million of the Notes. The swap effectively converts the 6.45% coupon interest rate on the Notes to a short-term rate based upon the London InterBank Offered Rate (LIBOR) plus an interest markup. The current swap rate is 4.8%.

INTANGIBLE ASSETS, NET:

The following tables reflect the carrying values for Intangible assets and Accumulated amortization at September 30, 2003 and December 31, 2002.

(Dollars in thousands)	September 30, 2003 Gross Carrying Value -----	September 30, 2003 Accumulated Amortization -----
Goodwill	\$684,189	\$41,534
Other indefinite lived intangibles	19,200	1,184
Trademarks and other	149,786	37,228
	-----	-----
Total	\$853,175 =====	\$79,946 =====

(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 =====

Estimated amortization expense will be \$3.2 million per quarter for 2003 to 2006. Estimated amortization expense will be \$3.2 million for the first three quarters of 2007, \$1.8 million in the fourth quarter of 2007, and \$1.1 million per quarter in 2008.

RELATED-PARTY TRANSACTIONS:

The Consolidated Balance Sheet at September 30, 2003 reflects the repayment of the Officer loan discussed in Note 18 of the Notes to the Consolidated Financial Statements of the Company included in the Company's 2002 Annual Report on Form 10-K. The underlying shares securing the loan were released on repayment of the loan.

RECLASSIFICATIONS:

Certain reclassifications have been made to the prior year's financial statements to conform to 2003 classifications.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

OPERATIONS

Worldwide net sales for the third quarter of 2003 totaled \$480.9 million, increasing 4% in comparison to the prior year quarter. Reported sales for the 2003 quarter benefited from the strengthening of various currencies, most notably the Euro, the Pound Sterling and the Australian dollar, in relation to the U.S. dollar; had exchange rates remained constant, sales for the third quarter 2003 would have declined approximately 1% in comparison to the prior year quarter.

Sales for the third quarter reflected continued weak customer order activity, most significantly in North America, and to a lesser extent in Europe, and parts of Latin America and Asia Pacific. Sales performance by region was as follows:

- o North America flavor and fragrance sales declined 1% and 13%, respectively; in total the region declined 7%, reflecting weak demand and ongoing customer efforts to reduce inventory levels. Fine fragrance sales declined 24%, a lower performance than had been expected, and than had been achieved in the first half of 2003. The fine fragrance weakness spanned the entire range of the Company's customers and reflected the continued weak retail environment for fine fragrances. Functional fragrance and chemical sales declined 3% and 11%, respectively.
- o Local currency flavor and fragrance sales in Europe each decreased 2%, resulting in reported dollar increases of 9% and 11%, respectively. In total, the region's sales declined 2% in local currency terms and increased 10% in dollars. Local currency sales of fine and functional fragrances increased 1% and 7%, respectively, while aroma chemical sales declined 13%. The local currency performance reflected the persistent economic weakness in much of the European region, most notably in France, Germany, the U.K. and Switzerland, where sales were weakest in comparison to the 2002 third quarter; local currency sales in Eastern Europe also declined in the low double digits.
- o Local currency sales in Asia Pacific increased 6%, resulting in an 11% increase in reported dollar sales. Local currency fragrance sales increased 14% in comparison to the prior year quarter, resulting in a 17% increase in reported dollars; this strong performance benefited from improving economic conditions in the region and the benefit of significant new fragrance wins. Local currency flavor sales increased 2%, resulting in a 6% increase in reported dollars. For the region, Greater China, Thailand, South Korea and Indonesia were strongest, each achieving double digit growth; this growth was partially offset by continued weakness in Japan, where local currency sales declined 9% in comparison to the 2002 third quarter.
- o Latin America sales increased 4%. Flavor sales increased 31%, benefiting from increases of 43%, 38% and 35% in Argentina, Brazil and Mexico, respectively, reflecting the impact of new wins. Fragrance sales in the region declined 4% with Mexico and Brazil declining 10% and 5%, respectively. Argentina fragrance sales increased 33% as economic conditions in that country stabilized.
- o India sales increased 10% in local currency and 12% in reported dollars. Local currency fragrance sales increased 13% resulting in a 17% increase in reported dollars. Local currency flavor sales increased 6%, resulting in a 7% increase in reported dollars. In both flavors and fragrances, the sales performance reflected the benefit of new wins.

Gross and operating margin in the third quarter, as a percentage of sales, declined in comparison to the prior year; the decline was primarily attributable to the weak sales performance in the higher margin fine fragrance business. Earnings have been sustained by the Company's cost-cutting efforts related to the restructuring and by reduced interest expense. The restructuring charges recorded in each of the first three quarters have had a direct impact on the Company's reduction in manufacturing, selling and administration costs. Interest expense is lower as a result of reduced debt levels, lower overall interest rates and the interest rate swaps.

Sales for the nine-month period ended September 30, 2003 totaled \$1,429.7 million, increasing 3% in comparison to \$1,385.0 million in the prior year period. Sales for the 2002 period included \$9.4 million attributable to non-core businesses that the Company disposed of during 2002; excluding such sales from the 2002 results, sales for the nine-month period ended September 30, 2003 increased 4% in comparison to the prior year period. Reported sales for the 2003 period benefited from the strengthening of various currencies, most notably the Euro, the Japanese Yen, the Pound Sterling and the Australian dollar, in relation to the U.S. dollar; had exchange rates remained constant, sales for the first nine months in 2003 would have declined approximately 4% in comparison to the prior year period as reported and declined 3% excluding sales attributable to the non-core businesses from the 2002 results.

Sales performance by region for the nine-month period ended September 30, 2003 was as follows:

- o North America flavor and fragrance sales declined by 6% and 8%, respectively; in total the region declined by 7%, reflecting weak economic conditions and weak demand for fine fragrance products as well as the effect of ongoing customer efforts to reduce inventory levels. Functional fragrance, fine fragrance and chemical sales declined 7%, 9% and 9%, respectively. Excluding the \$9.4 million of sales attributable to non-core flavors businesses disposed of from the 2002 comparatives, flavor sales declined 2% in the 2003 nine-month period and total sales for the region declined 5%.
- o Local currency flavor sales in Europe declined 1% in comparison to the prior year period, resulting in a 15% increase in reported dollar sales. Fragrance sales declined 5% in local currency, resulting in a 12% increase in reported dollar sales. Overall, the region's sales declined 3% in local currency terms and increased 14% in dollars. Fine fragrance local currency sales increased 4%, while functional fragrance and aroma chemical sales declined by 5% and 13%, respectively. The local currency performance reflected the persistent economic weakness throughout much of the European region.
- o Local currency sales in Asia Pacific increased 1% resulting in a 6% increase in reported dollar sales. Local currency fragrance sales increased 6% in comparison to the prior year period resulting in an 11% increase in reported dollars. Local currency flavor sales declined 3% in comparison to the prior year period resulting in a 2% increase in reported dollars. For the region, sales performance year-to-date has been strongest in Thailand, Taiwan, Indonesia and Greater China, with respective local currency increases of 21%, 10%, 9% and 7%, respectively. These strong performances were substantially offset by persistent weakness in Japan and the Philippines where local currency sales have declined by 6% and 17%, respectively.
- o Latin America sales declined 4% in comparison to 2002. Flavor sales increased 6%, benefiting from increases of 77%, 39% and 15% in Central America, Argentina and Brazil, respectively, reflecting the benefit of new wins and, in Argentina, an improved economic environment. Fragrance sales in the region declined 7% with Mexico and Brazil declining 7% and 12%, respectively; Argentina fragrance sales increased 11% for the period, again mainly benefiting from improved economic conditions in that country.
- o India sales increased 9% in local currency and 13% in reported dollars. This performance was led by an 11% local currency increase in flavor sales with fragrance sales increasing 8% in comparison to the prior year. In both flavors and fragrances, the sales performance reflected the benefit of new wins.

Gross margin on sales in 2003, as a percentage of sales, has declined in comparison to the prior year. The margin decline is primarily attributable to the weak sales performance in the higher margin fine fragrance business. Earnings have been sustained by the Company's ongoing cost-cutting efforts and by reduced interest expense.

The percentage relationship of cost of goods sold and other operating expenses to sales for the third quarter 2003 and 2002 are detailed below.

THIRD QUARTER

 2003 2002
 ----- -----

Cost of Goods Sold	57.8%	56.4%
Research and Development Expenses	8.1%	8.1%
Selling and Administrative Expenses	15.7%	16.2%

Cost of goods sold, as a percentage of net sales, increased from the prior year primarily due to the unfavorable sales mix. 2003 results were negatively impacted by the 24% decline in North America fine fragrance sales; fine fragrance generally is a higher margin portion of the Company's business.

Research and Development expenses are expected to approximate 8% of sales on a full year basis. Selling and administrative expenses declined as a percentage of sales primarily as a result of reorganization activities undertaken in the first half of the year. The reorganization activities that eliminated duplicate layers of management and certain corporate positions; the effect of which directly benefited selling and administrative expenses in the third quarter. The reorganization activities will continue to benefit the Company in the fourth quarter.

Interest expense declined due to reduced borrowing levels, the general decline in interest rates and the continuing benefits of the US dollar and Yen interest rate swaps the Company has entered into. The average interest on borrowings during the third quarter 2003 was 2.7% compared to 3.4% in the 2002 third quarter.

The effective tax rate for the third quarter of 2003 was 31.6% compared to 33.7% for the comparable 2002 quarter. This reduction is the result of tax planning initiatives and the benefits of combining IFF and BBA operating entities into a more efficient tax structure.

The percentage relationship of cost of goods sold and other operating expenses to sales for the first nine-months 2003 and 2002 are detailed below.

	FIRST NINE MONTHS	
	2003	2002
Cost of Goods Sold	57.6%	57.3%
Research and Development Expenses	8.2%	7.8%
Selling and Administrative Expenses	15.7%	16.6%

Cost of goods sold, as a percentage of net sales, increased from the prior year primarily due to the unfavorable sales mix in the third quarter where the fine fragrance sales shortfall negatively impacted margins. This was offset by some benefit in manufacturing expense reductions as a result of operations closed in the second half of 2002 and restructuring actions initiated in the first half of 2003; the closures relate to the integration of IFF and BBA manufacturing facilities.

Research and development expenses were somewhat higher due to increased activities in this area. Research and Development expenses are expected to approximate 8% of sales on a full year basis. Selling and administrative expenses declined as a percentage of sales primarily as a result of reorganization activities undertaken in the first half of the year; operating expenses attributable to many of the employees impacted by the restructuring actions were included in the selling and administrative expense caption. The actions taken in the first half of the year directly contributes to the 90 basis point decline in selling and administrative expenses on a year to date basis.

Other (Income) Expense for the first nine months amounted to expense of \$4.5 million primarily related to the \$4.2 million loss on the repurchase of \$200 million of the 6.45% Notes. Other (Income) Expense totaled \$(3.3) million of income for the first nine months of 2002, primarily related to exchange gains in Argentina; in 2003, there were no similar exchange gains and there are no other items of significance included in Other (Income) and Expense.

Interest expense declined from 2002 levels primarily due to reduced borrowing levels, the general decline in interest rates and the continuing benefits of the US dollar and Yen interest rate swaps the Company has entered into. The average interest on borrowings during the first nine-months of 2003 was 3.1% compared to 3.5% in the comparable 2002 period.

The effective tax rate for the first nine months of 2003 was 31.6% compared to 34.0% for the comparable first nine months of 2002. This reduction is the result of tax planning initiatives and the benefits of combining IFF and BBA operating entities into a more efficient tax structure.

RESTRUCTURING AND OTHER CHARGES

As described in Note 2 of the Notes to the Consolidated Financial Statements included in the Company's 2002 Annual Report on Form 10-K, in October 2000, the Company announced a significant reorganization, including management changes, consolidation of production facilities and related actions.

The Company recorded restructuring and other pre-tax charges of \$3.9 million (\$2.4 million after tax) and \$31.0 million (\$20.3 million after tax) in the three-month and nine-month periods ended September 30, 2003, respectively; essentially all elements of these charges relate to employee terminations. The Company eliminated 70 and 260 positions during the three-month and nine-month periods ended September 30, 2003, respectively. The pre-tax restructuring and other charges recorded for the third quarter 2003 relate to operations in North America, including corporate (\$2.4 million), Europe (\$0.5 million), Latin America (\$0.7 million), Asia Pacific (\$0.2 million) and

India (\$0.1 million). The pre-tax restructuring and other charges recorded for the nine-month period ended September 30, 2003 relate to operations in North America, including corporate (\$17.6 million), Europe (\$9.0 million), Latin America (\$1.1 million), Asia Pacific (\$3.2 million) and India (\$0.1 million). Positions eliminated by region are as follows: North America, including corporate 77, Europe 59, Asia Pacific 100, Latin America 20 and India 4. Positions eliminated included several senior management positions at corporate, duplicate functions conducted at global and regional levels and duplicate or redundant positions at individual Company locations. The \$2.2 million asset related charges primarily relate to updates on costs for previously commenced actions.

At the time the reorganization was announced, the Company expected to incur approximately \$90-\$100 million in related pre-tax costs; the actions being taken in 2003 will complete the reorganization activities as contemplated under the plan announced in October 2000. These final actions could only be undertaken upon completion of the integration of IFF and BBA; such integration was completed in the third and fourth quarters of 2002. Since inception in October 2000, the Company has recorded restructuring and other charges of \$105 million in comparison to the expected \$90-\$100 million forecast at the time the plan was announced. In the first quarter 2003, the Company updated its expected costs to be incurred on completion of the reorganization plans, increasing the maximum expected costs to \$110 million. The increase in expected costs was due to a combination of additional actions to be taken in the final stages of the reorganization as well as the impact the weaker U.S. dollar had on the cost of actions undertaken outside the United States. On completion, the reorganization is expected to yield annual savings approximating \$25 million to \$30 million. A portion of these savings is to be reinvested in the business, although a substantial portion is expected to contribute to improving earnings. The costs reflected as restructuring and other charges do not include any of the BBA specific integration actions.

Movements in the liabilities related to the restructuring charges were as follows (in millions):

	EMPLOYEE- RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance December 31, 2002	\$ 3.4	\$ 0.4	\$ 3.8
Additional charges	28.8	2.2	31.0
Cash and other costs	(14.5)	(1.7)	(16.2)
Balance September 30, 2003	\$ 17.7	\$ 0.9	\$ 18.6

The balance of the employee-related liabilities will be utilized by 2006 as severance and other benefit obligations to affected employees are satisfied; the asset-related charges will be utilized by 2004 on decommissioning and disposal of the affected equipment.

The Company has established accruals relating primarily to employee separation costs, facility closure costs and other actions relating to the integration of certain BBA operations into the Company. Costs associated with these integration actions were recognized as a component of the purchase accounting which resulted in an adjustment to goodwill; such costs did not directly impact current earnings.

Movements in acquisition accounting accruals were as follows (in millions):

	EMPLOYEE- RELATED	ASSET-RELATED AND OTHER	TOTAL
Balance December 31, 2002	\$ 6.0	\$ 1.1	\$ 7.1
Cash and other costs	(2.7)	(1.1)	(3.8)
Balance September 30, 2003	\$ 3.3	\$ --	\$ 3.3

The balance of the accruals is expected to be utilized in 2003 as severance obligations to affected employees are satisfied.

FINANCIAL CONDITION

Cash, cash equivalents and short-term investments totaled \$15.5 million at September 30, 2003. Working capital, at September 30, 2003 was \$370.6 million compared to \$507.3 million at December 31, 2002. The change in working capital is a direct result of the repurchase of a portion of the Company's 6.45% five year Notes which was financed with commercial paper; this transaction is discussed in more detail below. Gross additions to property, plant and equipment during the third quarter and first nine months of 2003 were \$14.2 million and \$40.9 million, respectively. The Company expects additions to property, plant and equipment to approximate \$60 to \$65 million for the full year.

At September 30, 2003, the Company's outstanding commercial paper had an average interest rate of 1.2%. Commercial paper maturities did not extend beyond November 5, 2003. Bank loans and current portion of long-term debt is \$262.8 million at September 30, 2003, which includes \$60.0 million in Europe borrowed under the Company's five-year facility.

The Company amended its interest rate swaps on four occasions during 2003. The first amendment reduced the notional amount of the swaps from \$700 million to \$500 million in anticipation of the Company's debt repurchase initiative. The second amendment reduced the notional value of the swaps to \$350 million. Third, in May 2003, the Company eliminated all remaining swaps related to the Notes. Lastly, on August 22, 2003, the Company executed a new interest rate swap on \$300 million of the Notes. The swap effectively converts the 6.45% coupon interest rate on the Notes to a short-term rate based upon the London InterBank Offered Rate (LIBOR) plus an interest markup. The current swap rate is 4.8%.

At December 31, 2002, the Company had \$1,057 million of debt outstanding, including deferred gains on interest swap transactions approximating \$58 million; debt included \$700 million of 6.45% long-term Notes maturing in May 2006. During the first quarter 2003, the Company repurchased \$149 million of the Notes; in the second quarter 2003, the Company repurchased an additional \$51 million of the Notes. All repurchases were funded with commercial paper. The repurchases were intended to take full advantage of the Company's strong cash flows and to enable the Company to reduce long-term debt prior to the Notes' scheduled maturity in 2006. Interest expense will be reduced as a result of the shift to commercial paper borrowing. The Company expects, based on current commercial paper borrowing rates, to save approximately \$4.0 million annually in interest expense as a benefit of replacing the Notes with commercial paper; interest expense savings in 2003 is expected to approximate \$3.0 million.

As a result of premiums paid for the Notes repurchased during the nine-month period ended September 30, 2003, the Company incurred pre-tax losses, included in Other (Income) Expense of \$4.2 million. The Company does not anticipate additional repurchases of Notes.

In January and April 2003, the Company paid a quarterly cash dividend of \$.15 per share to shareholders. This amount is unchanged from the 2002 quarterly dividend. The Company announced an increase in the dividend to \$.16 per share effective with the dividend paid in July 2003. In July and October 2003, the Company paid a quarterly cash dividend of \$.16 per share to shareholders. The increased payout, on an annualized basis, represents approximately 30% of current year forecast earnings per share and is consistent with the Company's long-term plan to pay dividends approximating 30-35% of yearly earnings. The Company repurchased approximately 0.7 million shares in the third quarter and approximately 1.1 million shares for the first nine-months of 2003. Repurchases will be made from time to time on the open market or through private transactions as market and business conditions warrant. The repurchased shares will be available for use in connection with the Company's employee benefit plans and for other general corporate purposes. At September 30, 2003, the Company had \$42.0 million remaining under its authorized October 2002 repurchase plan.

The Company anticipates that its financing requirements will be funded from internal sources 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.

SALE OF NEW YORK HEADQUARTERS

In June 2003, the Company entered an agreement for the sale of its New York corporate headquarters. Under the terms of the sale agreement, the Company sold the land, building and associated improvements to an unrelated third party for \$91.0 million in cash. Concurrently, the Company entered into a long-term lease with respect to the space it currently occupies (approximately 40% of the building). The lease is classified as an operating lease in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases. The gain realized on the sale, after transaction costs, of \$52.7 million, has been deferred and will be credited to income over the 27.5-year lease term. The lease agreement provides for renewal options of up to 30 years. Payments under the lease approximate \$5.1 million annually for the first four years and increase to \$5.3 million annually in the fifth year. Total lease obligations for 2003 are \$2.7 million, for 2004 to 2007 are \$5.1 million and for 2008 are \$5.3 million annually; the aggregate lease obligation is \$170.7 million.

As a result of the above transactions, combined with the sale and leaseback of the Company's Hazlet and South Brunswick, New Jersey facilities in 2002, the Company has cumulative deferred gains on disposition of real estate properties totaling \$77.2 million and \$26.0 million at September 30, 2003 and December 31, 2002, respectively, which will be credited to income over the initial term of the corresponding leases. At September 30, 2003 and December 31, 2002, \$74.2 million and \$24.8 million, respectively, are reflected in the accompanying balance sheet under the caption Deferred Gains, with the respective remaining amounts included as a component of Other Current Liabilities.

NON-GAAP FINANCIAL MEASURES

The discussion of the Company's historical results and its commentary regarding expected future results include and, where indicated, exclude the impact of sales attributable to certain non-core businesses disposed of in 2002, the impact of certain charges related to the Company's reorganization activities and the effects of exchange rate fluctuations. Such information is supplemental to information presented in accordance with generally accepted accounting principles (GAAP) and is not intended to represent a presentation in accordance with GAAP. In discussing its historical and expected future results and financial condition, the Company believes it is meaningful for investors to be made aware of and to assist in a better understanding of, on a period-to-period basis, the impact of sales attributable to certain non-core businesses disposed of in 2002, the impact of exchange rate fluctuations and the impact such specifically identified charges, including effective tax rate, both before and after the impact of such charges have on results and financial condition.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements in this quarterly report, which are not historical facts or information, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. Certain of such forward-looking information may be identified by such terms as "expect", "believe", "may", "will", and similar terms or variations thereof. All information concerning future revenues, tax rates or benefits, interest savings, and other future financial results or financial position, constitutes forward-looking information. 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, population health 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 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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There are no material changes in market risk from the information provided in the Company's Form 10-K for the year ended December 31, 2002 filed with the Securities and Exchange Commission.

ITEM 4. CONTROLS AND PROCEDURES

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

The Company's Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 3(ii) By-laws of the Company, as amended through October 14, 2003.
- 31.1 Certification of Richard A. Goldstein, Chairman of the Board and Chief Executive Officer of the Company, Pursuant to Securities Exchange Act Rule 13a-14(a).
- 31.2 Certification of Douglas J. Wetmore, Senior Vice President and Chief Financial Officer of the Company, Pursuant to Securities Exchange Act Rule 13a-14(a).
- 32 Certification Pursuant to 18 U.S.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 Company, and Douglas J. Wetmore, Senior Vice President and Chief Financial Officer of the Company.

(b) Reports on Form 8-K

The Company filed or furnished the following Reports on Form 8-K since the beginning of the quarter for which this report on Form 10-Q is filed:

- o Report on Form 8-K dated July 7, 2003 furnishing under Items 9 and 12 a copy of a Company press release dated July 7, 2003 reporting certain information regarding the Company's sales and earnings outlook for the second quarter of 2003.
- o Report on Form 8-K dated July 24, 2003 furnishing under Items 9 and 12 a copy of a Company press release dated July 24, 2003 regarding the Company's financial results for the second quarter and six months ended June 30, 2003.
- o Report on Form 8-K dated October 23, 2003 furnishing under Item 12 a copy of a Company press release dated October 23, 2003 regarding the Company's financial results for the third quarter and nine months ended September 30, 2003.

SIGNATURES

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Dated: November 12, 2003

By: /S/ DOUGLAS J. WETMORE

Douglas J. Wetmore, Senior Vice President and
Chief Financial Officer

Dated: November 12, 2003

By: /S/ STEPHEN A. BLOCK

Stephen A. Block, Senior Vice President,
General Counsel and Secretary

EXHIBIT INDEX

Number -----	Description -----
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INTERNATIONAL FLAVORS & FRAGRANCES INC.

BY-LAWS

(as adopted March 10, 1964, including all amendments
made through October 14, 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 nine* 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

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

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.

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 depositories 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 deemed 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.

CERTIFICATION

I, Richard A. Goldstein, certify that:

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

Dated: November 12, 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 Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 12, 2003

By: /S/ Douglas J. Wetmore

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

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

In connection with the Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc. (the "Company") for the quarterly period ended September 30, 2003 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, each hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

/S/ Richard A. Goldstein

Name: Richard A. Goldstein
Title: Chairman of the Board and
Chief Executive Officer
Date: November 12, 2003

/S/ Douglas J. Wetmore

Name: Douglas J. Wetmore
Title: Senior Vice President and
Chief Financial Officer
Date: November 12, 2003