

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) October 22, 2004

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(Exact Name of Registrant as Specified in Charter)

New York

1-4858

13-1432060

(State or Other Jurisdiction of  
Incorporation)

(Commission File Number)

(I.R.S. Employer Identification  
Number)

521 West 57th Street, New York, New York

10019

(Address of Principal Executive Offices)

(Zip  
Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition**

The disclosure set forth below under "Item 7.01 Regulation FD Disclosure" is incorporated by reference into this Item 2.02.

**Item 2.05 Costs Associated with Exit or Disposal Activities**

In May this year, the Company announced that it had entered into a letter of intent with Frutarom Industries Ltd. ("Frutarom") for the intended sale of its fruit preparations businesses in Switzerland and Germany. Frutarom's stock is traded on the Tel Aviv Stock Exchange (TLV: FRUT). Concurrently, the Company announced its intention to initiate consultations with the Company's French employee works council regarding the potential sale of the French fruit preparations business to Frutarom, and the potential closure of its manufacturing facilities in Dijon, France.

Effective August 17, 2004, the Company disclosed the completion and terms of the sale of its fruit preparations businesses in Switzerland and Germany to Frutarom. The Company announced today that it had completed required consultations with the Company's French employees work's council, and that following such consultations, had determined to proceed with the contemplated sale of its French fruit preparations business, the closure of its Dijon manufacturing facility and other management reorganizations.

The costs for the above actions will result in expected restructuring charges net of sales proceeds of approximately \$20 million recorded in the third quarter of 2004. Approximately 200 employees are affected by the above actions. The principal element of the charge relates to employee separation costs. Cash expenditures for separation costs should approximate the expected charge and the actions are expected to be completed by the end of 2005.

**Item 7.01 Regulation FD Disclosure**

Attached and being furnished hereby as Exhibit 99.1 is a copy of a press release of International Flavors & Fragrances Inc. dated October 22, 2004 discussing the sale of the German and Switzerland fruit preparations

businesses on August 17, 2004, the contemplated sale of its French fruit preparations business to Frutarom Industries Ltd., the closure of its Dijon, France manufacturing facility and other reorganization activities.

In anticipation of the releases of earnings for the third and fourth quarters of 2004, the following information is being furnished as a result of or otherwise in connection with the sale of its fruit preparations businesses in Switzerland and Germany to Frutarom. The data is being furnished as Exhibits 99.2 to 99.6 as appropriate.

1. Unaudited quarterly pro-forma consolidated statements of income for the year 2002 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for all periods presented.
2. Unaudited quarterly pro-forma consolidated statements of income for the year 2003 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for all periods presented.
3. Unaudited quarterly pro-forma consolidated statements of income for the year 2003 reflecting the exclusion of operating results for the Germany and Switzerland fruit preparations businesses for the period August 17, 2003 through year-end.
4. Unaudited quarterly pro-forma consolidated statements of income for the two quarters and six months in the period ended June 30, 2004 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for the periods presented. The third quarter 2004 data presented represents the results of the Germany and Switzerland fruit preparations businesses up to the date of sale.
5. Pro-forma Net Sales and Country of Destination Sales data for 2002 and 2003 and for the period ending September 2004 reflecting the exclusion of the Germany and Switzerland fruit preparations businesses disposed of on August 17, 2004.

The discussion of the Company's historical results and its commentary regarding expected future results include and, where indicated, exclude the impact of certain restructuring and other charges related to the Company's reorganization actions. The pro-forma information related to the sold Germany and Switzerland fruit preparations businesses is intended to provide the reader with the ability to exclude from historical reported results the business that the Company has disposed of. 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 be assisted in a better understanding of, on a period-to-period comparative basis, the relative impact of the restructuring and other charges and of the businesses the Company has disposed of. In addition, management reviews each of these non-GAAP financial measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to its core continuing business.

#### **Item 9.01 Financial Statements and Exhibits**

##### **(c) Exhibits**

- 99.1 Press Release of International Flavors & Fragrances Inc., dated October 22, 2004 discussing the sale of the Germany and Switzerland fruit preparations businesses on August 17, 2004, the contemplated sale of its French fruit preparations business to Frutarom Industries Ltd., the closure of its Dijon, France manufacturing facility and other reorganization activities.
- 99.2 Unaudited quarterly pro-forma consolidated statements of income for the year 2002 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for all periods presented.
- 99.3 Unaudited quarterly pro-forma consolidated statements of income for the year 2003 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for all periods presented.
- 99.4 Unaudited quarterly pro-forma consolidated statements of income for the year 2003 reflecting the exclusion of operating results for Germany and Switzerland fruit preparations businesses for the period August 17, 2003 through year-end.
- 99.5 Unaudited quarterly pro-forma consolidated statements of income for the two quarters and six months in the period ended June 30, 2004 reflecting the exclusion of the disposed Germany and Switzerland fruit preparations businesses for the periods presented. The third quarter 2004 data presented represents the results of the Germany and Switzerland fruit preparations businesses up to the date of sale.
- 99.6 Pro-forma Net Sales and Country of Destination Sales data for 2002 and 2003 and for the period ending September 2004 reflecting the exclusion of the Germany and Switzerland fruit preparations businesses disposed of on August 17, 2004.

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#### **SIGNATURE**

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 hereunto duly authorized.

**INTERNATIONAL FLAVORS & FRAGRANCES  
INC.**

Dated: October 22, 2004

By: /s/ Dennis M. Meany

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Name: Dennis M. Meany

Title: Senior Vice President, General Counsel  
and Secretary

**IFF Completes Negotiations with French Works Council  
Intends to Proceed with Sale of French Fruit Preparations Assets and  
Closure of Dijon Manufacturing Facility**

**New York, N.Y. October 22, 2004.**... International Flavors & Fragrances Inc. (NYSE: IFF or “the Company”) announced today that it had completed required consultations with the Company’s French employee works council, and that following such consultations, had determined to proceed with the contemplated sale of its French fruit preparations assets to Frutarom Industries Ltd. (“Frutarom”), and with the closure of its Dijon manufacturing facility.

In May this year, IFF announced that it had entered into a letter of intent with Frutarom for the intended sale of its fruit preparations businesses in Switzerland and Germany. Concurrently, IFF announced its intention to initiate consultations with the Company’s French employee works council regarding the potential sale of the assets of its French fruit preparations business to Frutarom, and the potential closure of its manufacturing facilities in Dijon, France.

IFF had previously announced its intention to divest itself of the fruit preparations business, which manufactures processed fruit and other natural product preparations used in a wide variety of food products, including baked goods and dairy products. Sales of fruit preparations in 2003 approximated \$90 million. IFF completed the sale of the German and Swiss businesses, comprising 70% of the total fruit preparations business, in August 2004.

The intended closure of the Dijon facility is the result of IFF’s ongoing review of its organization and processes for ways to optimize production. By consolidating its flavor and fragrance operations into its larger, more specialized sites, IFF can increase capacity utilization and further improve both productivity and customer service.

Richard A. Goldstein, IFF’s Chairman and Chief Executive Officer stated that, “The disposition of the fruit preparations businesses is consistent with our long-term strategy to focus on our core flavor and fragrance businesses so we can continue to respond to our customers’ needs in a very competitive marketplace. We are working closely with Frutarom to ensure a smooth transition for our fruit preparations customers and we are confident that they will be pleased with the service and products they will receive from Frutarom.”

Proceeds from the sale of the European fruit preparations business, in total, will approximate \$40.0 million, including the assumption of certain liabilities. As a result of these actions, the Company expects to record \$20.0 million (\$12.7 million after tax or \$.14 per share) of restructuring and other charges related to the disposition of the fruit preparations business, closure of Dijon and related actions in the third quarter 2004.

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

Statements in this press release, which are not historical facts or information, are “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management’s reasonable current assumptions and expectations. Such forward-looking statements, which may be identified by such words as “expect”, “anticipate”, “outlook”, “guidance”, “may” and similar forward-looking terminology, involve significant 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; the effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by foreign governments; and the fact that the outcome of litigation is highly uncertain and unpredictable and there can be no assurance that the triers of fact or law, at either the trial level or at any appellate level, will accept the factual assertions, factual defenses or legal positions of the Company or its factual or expert witnesses in any such litigation. 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.

**About IFF**

IFF is a leading creator and manufacturer of flavors and fragrances used in a wide variety of consumer products—from fine fragrances and toiletries, to soaps, detergents and other household products, to beverages and food products. IFF is dedicated to The Pursuit of Excellence in every area of its business, using knowledge, creativity, innovation and technology to continually provide customers with the highest quality products and service and superior consumer understanding.

IFF has sales, manufacturing and creative facilities in 34 countries worldwide and annual sales exceeding \$1.9 billion. For more information, please visit our Web site at [www.iff.com](http://www.iff.com).

**Earnings Release and Conference call**

The Company expects to disclose third quarter and year-to-date operating results in a press release to be issued Thursday, October 28, 2004. On October 28, there will be a conference call at 10:00 AM Eastern Time, at which time the Company will discuss operating results for the third quarter 2004. The dial in number for U.S.-based participants is 888-202-2422; for international participants, the number is 913-981-5592. The pass code for the call is 953954.

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A replay of the conference call will be available from 1:00 PM Eastern Time beginning on Thursday, October 28, 2004 and ending at Midnight on Thursday, November 11, 2004. The dial in number for the replay for U.S.-based listeners is 888-203-1112; for international listeners, the number is 719-457-0820. The replay pass code will be 953954.

The call can also be monitored via the World Wide Web at [www.iff.com](http://www.iff.com). Real Network's Real Player or Microsoft Media Player is required to access the webcast. They can be downloaded from [www.real.com](http://www.real.com) or [www.microsoft.com/windows/mediaplayer](http://www.microsoft.com/windows/mediaplayer). A replay of the conference call will be available on the Company's website for twelve months.

**Contact**

Douglas J. Wetmore  
Senior Vice President and  
Chief Financial Officer  
Phone: 212-708-7145

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**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**UNAUDITED PRO-FORMA CONSOLIDATED INCOME STATEMENT**

(Dollars in thousands)

| <b>2002</b>                     | <b>Quarter-to-date</b>               |                 |                  | <b>Year-to-date</b> |                                      |                  |                  |
|---------------------------------|--------------------------------------|-----------------|------------------|---------------------|--------------------------------------|------------------|------------------|
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  |                     | <b>Germany and Switzerland Fruit</b> |                  |                  |
| <b>1st Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro-Forma</b> |                     | <b>As reported</b>                   | <b>Business</b>  | <b>Pro Forma</b> |
| Net sales                       | \$445,844                            | 11,314          | \$434,530        |                     |                                      |                  |                  |
| Cost of goods sold              | 259,864                              | 8,263           | 251,601          |                     |                                      |                  |                  |
| Gross margin on sales           | 185,980                              | 3,051           | 182,929          |                     |                                      |                  |                  |
| Research & development          | 35,170                               | 325             | 34,845           |                     |                                      |                  |                  |
| Selling and administrative      | 75,386                               | 943             | 74,443           |                     |                                      |                  |                  |
| Amortization                    | 3,158                                | --              | 3,158            |                     |                                      |                  |                  |
|                                 | 72,266                               | 1,783           | 70,483           |                     |                                      |                  |                  |
| Restructuring and other charges | --                                   | --              | --               |                     |                                      |                  |                  |
| Interest expense                | (10,427)                             | --              | (10,427)         |                     |                                      |                  |                  |
| Other income (expense), net     | 1,965                                | --              | 1,965            |                     |                                      |                  |                  |
| Pretax income                   | 63,804                               | 1,783           | 62,021           |                     |                                      |                  |                  |
| Income taxes                    | 21,857                               | 611             | 21,246           |                     |                                      |                  |                  |
| Net Income                      | \$ 41,947                            | 1,172           | \$ 40,775        |                     |                                      |                  |                  |
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  |                     | <b>Germany and Switzerland Fruit</b> |                  |                  |
| <b>2nd Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>  | <b>Business</b>                      | <b>Pro Forma</b> |                  |
| Net sales                       | \$476,336                            | 13,742          | \$462,594        | \$922,180           | 25,056                               | \$897,124        |                  |
| Cost of goods sold              | 272,612                              | 10,191          | 262,421          | 532,476             | 18,454                               | 514,022          |                  |
| Gross margin on sales           | 203,724                              | 3,551           | 200,173          | 389,704             | 6,602                                | 383,102          |                  |
| Research & development          | 35,022                               | 325             | 34,697           | 70,192              | 650                                  | 69,542           |                  |
| Selling and administrative      | 78,921                               | 972             | 77,949           | 154,307             | 1,915                                | 152,392          |                  |
| Amortization                    | 3,158                                | --              | 3,158            | 6,316               | --                                   | 6,316            |                  |
|                                 | 86,623                               | 2,254           | 84,369           | 158,889             | 4,037                                | 154,852          |                  |
| Restructuring and other charges | (9,242)                              | --              | (9,242)          | (9,242)             | --                                   | (9,242)          |                  |
| Interest expense                | (9,294)                              | --              | (9,294)          | (19,721)            | --                                   | (19,721)         |                  |
| Other income (expense), net     | 807                                  | --              | 807              | 2,772               | --                                   | 2,772            |                  |
| Pretax income                   | 68,894                               | 2,254           | 66,640           | 132,698             | 4,037                                | 128,661          |                  |
| Income taxes                    | 23,493                               | 769             | 22,724           | 45,350              | 1,380                                | 43,970           |                  |
| Net Income                      | \$ 45,401                            | 1,485           | \$ 43,916        | \$ 87,348           | 2,657                                | \$ 84,691        |                  |
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  |                     | <b>Germany and Switzerland Fruit</b> |                  |                  |
| <b>3rd Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>  | <b>Business</b>                      | <b>Pro Forma</b> |                  |
| Net sales                       | \$462,777                            | 13,277          | \$449,500        | \$1,384,957         | 38,333                               | \$1,346,624      |                  |
| Cost of goods sold              | 261,075                              | 10,432          | 250,643          | 793,551             | 28,886                               | 764,665          |                  |
| Gross margin on sales           | 201,702                              | 2,845           | 198,857          | 591,406             | 9,447                                | 581,959          |                  |
| Research & development          | 37,664                               | 362             | 37,302           | 107,856             | 1,012                                | 106,844          |                  |
| Selling and administrative      | 75,142                               | 1,939           | 73,203           | 229,449             | 3,854                                | 225,595          |                  |
| Amortization                    | 3,158                                | --              | 3,158            | 9,474               | --                                   | 9,474            |                  |
|                                 | 85,738                               | 544             | 85,194           | 244,627             | 4,581                                | 240,046          |                  |

|                                 |           |     |           |            |       |            |
|---------------------------------|-----------|-----|-----------|------------|-------|------------|
| Restructuring and other charges | (2,495)   | --  | (2,495)   | (11,737)   | --    | (11,737)   |
| Interest expense                | (8,947)   | --  | (8,947)   | (28,668)   | --    | (28,668)   |
| Other income (expense), net     | 561       | --  | 561       | 3,333      | --    | 3,333      |
| Pretax income                   | 74,857    | 544 | 74,313    | 207,555    | 4,581 | 202,974    |
| Income taxes                    | 25,258    | 184 | 25,074    | 70,607     | 1,564 | 69,043     |
| Net Income                      | \$ 49,599 | 360 | \$ 49,239 | \$ 136,948 | 3,017 | \$ 133,931 |

| 4th Quarter                     | Germany and Switzerland Fruit |          |           | Germany and Switzerland Fruit |          |             |
|---------------------------------|-------------------------------|----------|-----------|-------------------------------|----------|-------------|
|                                 | As reported                   | Business | Pro-Forma | As reported                   | Business | Pro-Forma   |
| Net sales                       | \$424,292                     | 12,338   | \$411,954 | \$1,809,249                   | 50,671   | \$1,758,578 |
| Cost of goods sold              | 242,284                       | 9,517    | 232,767   | 1,035,835                     | 38,403   | 997,432     |
| Gross margin on sales           | 182,008                       | 2,821    | 179,187   | 773,414                       | 12,268   | 761,146     |
| Research & development          | 36,171                        | 345      | 35,826    | 144,027                       | 1,357    | 142,670     |
| Selling and administrative      | 75,707                        | 1,329    | 74,378    | 305,156                       | 5,183    | 299,973     |
| Amortization                    | 3,158                         | --       | 3,158     | 12,632                        | --       | 12,632      |
|                                 | 66,972                        | 1,147    | 65,825    | 311,599                       | 5,728    | 305,871     |
| Restructuring and other charges | --                            | --       | --        | (11,737)                      | --       | (11,737)    |
| Interest expense                | (8,368)                       | --       | (8,368)   | (37,036)                      | --       | (37,036)    |
| Other income (expense), net     | 258                           | --       | 258       | 3,591                         | --       | 3,591       |
| Pretax income                   | 58,862                        | 1,147    | 57,715    | 266,417                       | 5,728    | 260,689     |
| Income taxes                    | 19,866                        | 387      | 19,479    | 90,473                        | 1,951    | 88,522      |
| Net Income                      | \$ 38,996                     | 760      | \$ 38,236 | \$ 175,944                    | 3,777    | \$ 172,167  |

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**UNAUDITED PRO-FORMA CONSOLIDATED INCOME STATEMENT**

(Dollars in thousands)

**2003**

|                                 | <b>Quarter-to-date</b>               |                 |                  | <b>Year-to-date</b> |  |  |
|---------------------------------|--------------------------------------|-----------------|------------------|---------------------|--|--|
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  |                     |  |  |
| <b>1st Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro-Forma</b> |                     |  |  |
| Net sales                       | \$466,224                            | 16,720          | \$449,504        |                     |  |  |
| Cost of goods sold              | 270,447                              | 12,615          | 257,832          |                     |  |  |
| Gross margin on sales           | 195,777                              | 4,105           | 191,672          |                     |  |  |
| Research & development          | 38,962                               | 377             | 38,585           |                     |  |  |
| Selling and administrative      | 76,115                               | 1,102           | 75,013           |                     |  |  |
| Amortization                    | 3,158                                | --              | 3,158            |                     |  |  |
|                                 | 77,542                               | 2,626           | 74,916           |                     |  |  |
| Restructuring and other charges | (20,389)                             | --              | (20,389)         |                     |  |  |
| Interest expense                | (8,113)                              | --              | (8,113)          |                     |  |  |
| Other income (expense), net     | (2,526)                              | --              | (2,526)          |                     |  |  |
| Pretax income                   | 46,514                               | 2,626           | 43,888           |                     |  |  |
| Income taxes                    | 14,497                               | 818             | 13,679           |                     |  |  |
| Net Income                      | \$ 32,017                            | 1,808           | \$ 30,209        |                     |  |  |

|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  | <b>Germany and Switzerland Fruit</b> |                 |                  |
|---------------------------------|--------------------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
|                                 | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| <b>2nd Quarter</b>              |                                      |                 |                  |                                      |                 |                  |
| Net sales                       | \$482,611                            | 18,051          | \$464,560        | \$948,835                            | 34,771          | \$914,064        |
| Cost of goods sold              | 275,235                              | 13,229          | 262,006          | 545,682                              | 25,844          | 519,838          |
| Gross margin on sales           | 207,376                              | 4,822           | 202,554          | 403,153                              | 8,927           | 394,226          |
| Research & development          | 38,897                               | 356             | 38,541           | 77,859                               | 733             | 77,126           |
| Selling and administrative      | 72,888                               | 1,114           | 71,774           | 149,003                              | 2,216           | 146,787          |
| Amortization                    | 3,158                                | --              | 3,158            | 6,316                                | --              | 6,316            |
|                                 | 92,433                               | 3,352           | 89,081           | 169,975                              | 5,978           | 163,997          |
| Restructuring and other charges | (6,715)                              | --              | (6,715)          | (27,104)                             | --              | (27,104)         |
| Interest expense                | (7,957)                              | --              | (7,957)          | (16,070)                             | --              | (16,070)         |
| Other income (expense), net     | (2,371)                              | --              | (2,371)          | (4,897)                              | --              | (4,897)          |
| Pretax income                   | 75,390                               | 3,352           | 72,038           | 121,904                              | 5,978           | 115,926          |
| Income taxes                    | 23,992                               | 1,067           | 22,925           | 38,489                               | 1,885           | 36,604           |
| Net Income                      | \$ 51,398                            | 2,285           | \$ 49,113        | \$ 83,415                            | 4,093           | \$ 79,322        |

|                            | <b>Germany and Switzerland Fruit</b> |                 |                  | <b>Germany and Switzerland Fruit</b> |                 |                  |
|----------------------------|--------------------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
|                            | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| <b>3rd Quarter</b>         |                                      |                 |                  |                                      |                 |                  |
| Net sales                  | \$480,886                            | 16,425          | \$464,461        | \$1,429,721                          | 51,196          | \$1,378,525      |
| Cost of goods sold         | 278,191                              | 11,917          | 266,274          | 823,873                              | 37,761          | 786,112          |
| Gross margin on sales      | 202,695                              | 4,508           | 198,187          | 605,848                              | 13,435          | 592,413          |
| Research & development     | 39,184                               | 370             | 38,814           | 117,043                              | 1,103           | 115,940          |
| Selling and administrative | 75,638                               | 1,095           | 74,543           | 224,641                              | 3,311           | 221,330          |
| Amortization               | 3,158                                | --              | 3,158            | 9,474                                | --              | 9,474            |
|                            | 84,715                               | 3,043           | 81,672           | 254,690                              | 9,021           | 245,669          |



|                                 |           |       |           |            |       |            |
|---------------------------------|-----------|-------|-----------|------------|-------|------------|
| Restructuring and other charges | (3,916)   | --    | (3,916)   | (31,020)   | --    | (31,020)   |
| Interest expense                | (6,532)   | --    | (6,532)   | (22,602)   | --    | (22,602)   |
| Other income (expense), net     | 446       | --    | 446       | (4,451)    | --    | (4,451)    |
| Pretax income                   | 74,713    | 3,043 | 71,670    | 196,617    | 9,021 | 187,596    |
| Income taxes                    | 23,642    | 963   | 22,679    | 62,131     | 2,848 | 59,283     |
| Net Income                      | \$ 51,071 | 2,080 | \$ 48,991 | \$ 134,486 | 6,173 | \$ 128,313 |

| 4th Quarter                     | Germany and Switzerland Fruit |          |           | Germany and Switzerland Fruit |          |             |
|---------------------------------|-------------------------------|----------|-----------|-------------------------------|----------|-------------|
|                                 | As reported                   | Business | Pro Forma | As reported                   | Business | Pro Forma   |
| Net sales                       | \$471,799                     | 14,088   | \$457,711 | \$1,901,520                   | 65,284   | \$1,836,236 |
| Cost of goods sold              | 268,583                       | 11,026   | 257,557   | 1,092,456                     | 48,787   | 1,043,669   |
| Gross margin on sales           | 203,216                       | 3,062    | 200,154   | 809,064                       | 16,497   | 792,567     |
| Research & development          | 42,243                        | 412      | 41,831    | 159,286                       | 1,515    | 157,771     |
| Selling and administrative      | 84,310                        | 1,032    | 83,278    | 308,951                       | 4,343    | 304,608     |
| Amortization                    | 3,158                         | --       | 3,158     | 12,632                        | --       | 12,632      |
|                                 | 73,505                        | 1,618    | 71,887    | 328,195                       | 10,639   | 317,556     |
| Restructuring and other charges | (11,401)                      | --       | (11,401)  | (42,421)                      | --       | (42,421)    |
| Interest expense                | (5,875)                       | --       | (5,875)   | (28,477)                      | --       | (28,477)    |
| Other income (expense), net     | (986)                         | --       | (986)     | (5,437)                       | --       | (5,437)     |
| Pretax income                   | 55,243                        | 1,618    | 53,625    | 251,860                       | 10,639   | 241,221     |
| Income taxes                    | 17,132                        | 502      | 16,630    | 79,263                        | 3,350    | 75,913      |
| Net Income                      | \$ 38,111                     | 1,116    | \$ 36,995 | \$ 172,597                    | 7,289    | \$ 165,308  |

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**UNAUDITED PRO-FORMA CONSOLIDATED INCOME STATEMENT**

(Dollars in thousands)

**2003**

|                                 | <b>Quarter-to-date</b>               |                 |                  | <b>Year-to-date</b>                  |                 |                  |
|---------------------------------|--------------------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  | <b>Germany and Switzerland Fruit</b> |                 |                  |
| <b>1st Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro-Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| Net sales                       | \$466,224                            | --              | \$466,224        |                                      |                 |                  |
| Cost of goods sold              | 270,447                              | --              | 270,447          |                                      |                 |                  |
| Gross margin on sales           | 195,777                              | --              | 195,777          |                                      |                 |                  |
| Research & development          | 38,962                               | --              | 38,962           |                                      |                 |                  |
| Selling and administrative      | 76,115                               | --              | 76,115           |                                      |                 |                  |
| Amortization                    | 3,158                                | --              | 3,158            |                                      |                 |                  |
|                                 | 77,542                               | --              | 77,542           |                                      |                 |                  |
| Restructuring and other charges | (20,389)                             | --              | (20,389)         |                                      |                 |                  |
| Interest expense                | (8,113)                              | --              | (8,113)          |                                      |                 |                  |
| Other income (expense), net     | (2,526)                              | --              | (2,526)          |                                      |                 |                  |
| Pretax income                   | 46,514                               | --              | 46,514           |                                      |                 |                  |
| Income taxes                    | 14,497                               | --              | 14,497           |                                      |                 |                  |
| Net Income                      | \$ 32,017                            | --              | \$ 32,017        |                                      |                 |                  |
|                                 |                                      |                 |                  |                                      |                 |                  |
| <b>2nd Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| Net sales                       | \$482,611                            | --              | \$482,611        | \$948,835                            | --              | \$948,835        |
| Cost of goods sold              | 275,235                              | --              | 275,235          | 545,682                              | --              | 545,682          |
| Gross margin on sales           | 207,376                              | --              | 207,376          | 403,153                              | --              | 403,153          |
| Research & development          | 38,897                               | --              | 38,897           | 77,859                               | --              | 77,859           |
| Selling and administrative      | 72,888                               | --              | 72,888           | 149,003                              | --              | 149,003          |
| Amortization                    | 3,158                                | --              | 3,158            | 6,316                                | --              | 6,316            |
|                                 | 92,433                               | --              | 92,433           | 169,975                              | --              | 169,975          |
| Restructuring and other charges | (6,715)                              | --              | (6,715)          | (27,104)                             | --              | (27,104)         |
| Interest expense                | (7,957)                              | --              | (7,957)          | (16,070)                             | --              | (16,070)         |
| Other income (expense), net     | (2,371)                              | --              | (2,371)          | (4,897)                              | --              | (4,897)          |
| Pretax income                   | 75,390                               | --              | 75,390           | 121,904                              | --              | 121,904          |
| Income taxes                    | 23,992                               | --              | 23,992           | 38,489                               | --              | 38,489           |
| Net Income                      | \$ 51,398                            | --              | \$ 51,398        | \$ 83,415                            | --              | \$ 83,415        |
|                                 |                                      |                 |                  |                                      |                 |                  |
| <b>3rd Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| Net sales                       | \$480,886                            | 7,412           | \$473,474        | \$1,429,721                          | 7,412           | \$1,422,309      |
| Cost of goods sold              | 278,191                              | 5,272           | 272,919          | 823,873                              | 5,272           | 818,601          |
| Gross margin on sales           | 202,695                              | 2,140           | 200,555          | 605,848                              | 2,140           | 603,708          |
| Research & development          | 39,184                               | 152             | 39,032           | 117,043                              | 152             | 116,891          |
| Selling and administrative      | 75,638                               | 456             | 75,182           | 224,641                              | 456             | 224,185          |
| Amortization                    | 3,158                                | --              | 3,158            | 9,474                                | --              | 9,474            |
|                                 | 84,715                               | 1,532           | 83,183           | 254,690                              | 1,532           | 253,158          |

|                                 |           |       |           |           |       |           |
|---------------------------------|-----------|-------|-----------|-----------|-------|-----------|
| Restructuring and other charges | (3,916)   | --    | (3,916)   | (31,020)  | --    | (31,020)  |
| Interest expense                | (6,532)   | --    | (6,532)   | (22,602)  | --    | (22,602)  |
| Other income (expense), net     | 446       | --    | 446       | (4,451)   | --    | (4,451)   |
| Pretax income                   | 74,713    | 1,532 | 73,181    | 196,617   | 1,532 | 195,085   |
| Income taxes                    | 23,642    | 517   | 23,125    | 62,131    | 517   | 61,614    |
| Net Income                      | \$ 51,071 | 1,015 | \$ 50,056 | \$134,486 | 1,015 | \$133,471 |

| 4th Quarter                     | Germany and Switzerland Fruit |          |           | Germany and Switzerland Fruit |          |             |
|---------------------------------|-------------------------------|----------|-----------|-------------------------------|----------|-------------|
|                                 | As reported                   | Business | Pro Forma | As reported                   | Business | Pro Forma   |
| Net sales                       | \$471,799                     | 14,088   | \$457,711 | \$1,901,520                   | 21,500   | \$1,880,020 |
| Cost of goods sold              | 268,583                       | 11,026   | 257,557   | 1,092,456                     | 16,298   | 1,076,158   |
| Gross margin on sales           | 203,216                       | 3,062    | 200,154   | 809,064                       | 5,202    | 803,862     |
| Research & development          | 42,243                        | 412      | 41,831    | 159,286                       | 564      | 158,722     |
| Selling and administrative      | 84,310                        | 1,032    | 83,278    | 308,951                       | 1,488    | 307,463     |
| Amortization                    | 3,158                         | --       | 3,158     | 12,632                        | --       | 12,632      |
|                                 | 73,505                        | 1,618    | 71,887    | 328,195                       | 3,150    | 325,045     |
| Restructuring and other charges | (11,401)                      | --       | (11,401)  | (42,421)                      | --       | (42,421)    |
| Interest expense                | (5,875)                       | --       | (5,875)   | (28,477)                      | --       | (28,477)    |
| Other income (expense), net     | (986)                         | --       | (986)     | (5,437)                       | --       | (5,437)     |
| Pretax income                   | 55,243                        | 1,618    | 53,625    | 251,860                       | 3,150    | 248,710     |
| Income taxes                    | 17,132                        | 502      | 16,630    | 79,263                        | 1,019    | 78,244      |
| Net Income                      | \$ 38,111                     | 1,116    | \$ 36,995 | \$ 172,597                    | 2,131    | \$ 170,466  |

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**UNAUDITED PRO-FORMA CONSOLIDATED INCOME STATEMENT**

(Dollars in thousands)

**2004**

|                                 | <b>Quarter-to-date</b>               |                 |                  | <b>Year-to-date</b> |  |  |
|---------------------------------|--------------------------------------|-----------------|------------------|---------------------|--|--|
|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  |                     |  |  |
| <b>1st Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro-Forma</b> |                     |  |  |
| Net sales                       | \$535,015                            | 17,452          | \$517,563        |                     |  |  |
| Cost of goods sold              | 306,786                              | 12,905          | 293,881          |                     |  |  |
| Gross margin on sales           | 228,229                              | 4,547           | 223,682          |                     |  |  |
| Research & development          | 44,648                               | 406             | 44,242           |                     |  |  |
| Selling and administrative      | 89,726                               | 1,272           | 88,454           |                     |  |  |
| Amortization                    | 3,699                                | --              | 3,699            |                     |  |  |
|                                 | 90,156                               | 2,869           | 87,287           |                     |  |  |
| Restructuring and other charges | --                                   | --              | --               |                     |  |  |
| Interest expense                | (6,457)                              | --              | (6,457)          |                     |  |  |
| Other income (expense), net     | (1,425)                              | --              | (1,425)          |                     |  |  |
| Pretax income                   | 82,274                               | 2,869           | 79,405           |                     |  |  |
| Income taxes                    | 25,916                               | 904             | 25,012           |                     |  |  |
| Net Income                      | \$ 56,358                            | 1,965           | \$ 54,393        |                     |  |  |

|                                 | <b>Germany and Switzerland Fruit</b> |                 |                  | <b>Germany and Switzerland Fruit</b> |                 |                  |
|---------------------------------|--------------------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
| <b>2nd Quarter</b>              | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> | <b>As reported</b>                   | <b>Business</b> | <b>Pro Forma</b> |
| Net sales                       | \$524,177                            | 15,591          | \$508,586        | \$1,059,192                          | 33,043          | \$1,026,149      |
| Cost of goods sold              | 295,716                              | 11,450          | 284,266          | 602,502                              | 24,355          | 578,147          |
| Gross margin on sales           | 228,461                              | 4,141           | 224,320          | 456,690                              | 8,688           | 448,002          |
| Research & development          | 44,342                               | 397             | 43,945           | 88,990                               | 803             | 88,187           |
| Selling and administrative      | 83,184                               | 1,210           | 81,974           | 172,910                              | 2,482           | 170,428          |
| Amortization                    | 3,709                                | --              | 3,709            | 7,408                                | --              | 7,408            |
|                                 | 97,226                               | 2,534           | 94,692           | 187,382                              | 5,403           | 181,979          |
| Restructuring and other charges | (7,716)                              | --              | (7,716)          | (7,716)                              | --              | (7,716)          |
| Interest expense                | (6,114)                              | --              | (6,114)          | (12,571)                             | --              | (12,571)         |
| Other income (expense), net     | (1,305)                              | --              | (1,305)          | (2,730)                              | --              | (2,730)          |
| Pretax income                   | 82,091                               | 2,534           | 79,557           | 164,365                              | 5,403           | 158,962          |
| Income taxes                    | 25,589                               | 790             | 24,799           | 51,505                               | 1,694           | 49,811           |
| Net Income                      | \$ 56,502                            | 1,744           | \$ 54,758        | \$112,860                            | 3,709           | \$109,151        |

|                            | <b>Germany and Switzerland Fruit Business</b> |         | <b>Germany and Switzerland Fruit Business</b> |          |
|----------------------------|---|---------|---|----------|
| <b>3rd Quarter</b>         |   |         |   |          |
| Net sales                  |   | \$6,094 |   | \$39,137 |
| Cost of goods sold         |   | 4,843   |   | 29,198   |
| Gross margin on sales      |   | 1,251   |   | 9,939    |
| Research & development     |   | 202     |   | 1,005    |
| Selling and administrative |   | 648     |   | 3,130    |
| Amortization               |   | --      |   | --       |
|                            |   | 401     |   | 5,804    |

|                                 |        |          |
|---------------------------------|--------|----------|
| Restructuring and other charges | --     | --       |
| Interest expense                | --     | --       |
| Other income (expense), net     | --     | --       |
|                                 | <hr/>  | <hr/>    |
| Pretax income                   | 401    | 5,804    |
| Income taxes                    | 120    | 1,814    |
|                                 | <hr/>  | <hr/>    |
| Net Income                      | \$ 281 | \$ 3,990 |
|                                 | <hr/>  | <hr/>    |

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**UNAUDITED PRO-FORMA DATA**

(Dollars in thousands)

**Net Sales for 2002:**

| <b>Net Sales</b> | <b>As Reported<br/>2002</b> | <b>Germany and<br/>Switzerland<br/>Fruit Business<br/>2002</b> | <b>Pro-forma<br/>2002</b> |
|------------------|-----------------------------|--|---------------------------|
| Flavors          | \$ 809.0                    | \$ 50.7  | \$ 758.3                  |
| Fragrances       | 1,000.2                     | --   | \$ 1,000.2                |
| Total Net Sales  | \$ 1,809.2                  | \$ 50.7  | \$ 1,758.5                |

**Pro-forma sales on a geographic basis:**

| <b>Sales by Destination</b> | <b>As Reported<br/>2002</b> | <b>Germany and<br/>Switzerland<br/>Fruit Business<br/>2002</b> | <b>Pro-form<br/>2002</b> |
|-----------------------------|-----------------------------|--|--------------------------|
| North America               | \$ 570.9                    | --   | \$ 570.9                 |
| Europe                      | 671.4                       | 50.7   | 620.7                    |
| Asia Pacific                | 290.9                       | --   | 290.9                    |
| Latin America               | 227.5                       | --   | 227.5                    |
| India                       | 48.5                        | --   | 48.5                     |
| Total Net Sales             | \$ 1,809.2                  | \$ 50.7  | \$ 1,758.5               |

**Net Sales for 2003:**

| <b>Net Sales</b> | <b>As Reported<br/>2003</b> | <b>Germany and<br/>Switzerland<br/>Fruit Business<br/>2003</b> | <b>Pro-forma<br/>2003</b> |
|------------------|-----------------------------|--|---------------------------|
| Flavors          | \$ 866.5                    | \$ 65.3  | \$ 801.2                  |
| Fragrances       | 1,035.0                     | --   | 1,035.0                   |
| Total Net Sales  | \$ 1,901.5                  | \$ 65.3  | \$ 1,836.2                |

**Pro-forma sales on a geographic basis:**

| <b>Sales by Destination</b> | <b>As Reported<br/>2003</b> | <b>Germany and<br/>Switzerland<br/>Fruit Business<br/>2003</b> | <b>Pro-forma<br/>2003</b> |
|-----------------------------|-----------------------------|--|---------------------------|
| North America               | \$ 550.1                    | \$ --  | \$ 550.1                  |
| Europe                      | 761.7                       | 65.3   | 696.4                     |
| Asia Pacific                | 311.9                       | --   | 311.9                     |
| Latin America               | 223.6                       | --   | 223.6                     |
| India                       | 54.2                        | --   | 54.2                      |
| Total Net Sales             | \$ 1,901.5                  | \$ 65.3  | \$ 1,836.2                |