SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997 COMMISSION FILE NUMBER 1-4858

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(Exact Name of Registrant as specified in its charter)

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

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (212) 765-5500

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

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

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

NONE

(TITLE OF CLASS)

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

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

The Registrant denies that any of its common stock is held by an "affiliate" of the Registrant within the meaning of Rule 405 of the Securities and Exchange Commission. See "Stock Ownership" in proxy statement incorporated by reference herein. The aggregate market value of all of the outstanding voting stock of Registrant as of March 20, 1998 was $5,083,757,536.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of March 20, 1998.

107,878,144 SHARES OF COMMON STOCK, PAR VALUE 12 1/2 (CENT) PER SHARE

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III [Items 10, 11, 12 and 13] is hereby incorporated by reference from the Registrant's definitive proxy statement for the 1998 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A.

PART I

ITEM 1. BUSINESS.

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

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

The major manufacturing facilities of the Company are located in the United States, Holland, France, Germany, Great Britain, Ireland, Spain, Switzerland, Argentina, Brazil, Mexico, Australia, China, Hong Kong, Indonesia and Japan. Manufacturing facilities are also located in seven other countries. The Company maintains its own sales and distribution facilities in 33 countries and is represented by sales agents in additional countries. The Company's principal executive offices are located at 521 West 57th Street, New York, New York 10019 (Tel. No. 212-765-5500). Except as the context otherwise indicates, the term "the Company" as used herein refers to the Registrant and its subsidiaries.

MARKETS

Fragrance products are used by customers in the manufacture of such consumer products as soaps, detergents, cosmetic creams, lotions and powders, lipsticks, after-shave lotions, deodorants, hair preparations and air fresheners, as well as in other consumer products designed solely to appeal to the sense of smell, such as perfumes and colognes. The cosmetics industry, including perfumes and toiletries, is one of the Company's two largest customer groups. Most of the major United States companies in this industry are customers of the Company, and five of the largest United States cosmetics companies are among its principal customers. The household products industry, including soaps and detergents, is the other important customer group. Four of the largest United States household product manufacturers are major customers of the Company. In the five years ended December 31, 1997, sales of fragrance products accounted for approximately 59%, 59%, 57%, 57% and 58%, respectively, of the Company's total sales.

Flavor products are sold principally to the food and beverage industries for use in such consumer products as soft drinks, candies, baked goods, desserts, prepared foods, dietary foods, dairy products, drink powders, pharmaceuticals and alcoholic beverages. Two of the Company's largest customers for flavor products are major producers of prepared foods and beverages in the United States. In the five years ended December 31, 1997, sales of flavor products accounted for approximately 41%, 41%, 43%, 43% and 42%, respectively, of the Company's total sales.

PRODUCTS

The Company's principal fragrance and flavor products consist of compounds of large numbers of ingredients blended by it under formulas created by its perfumers and flavorists. Most of these compounds contribute the total fragrance or flavor to the consumer products in which they are used. This fragrance or flavor characteristic is often a major factor in the public selection and acceptance of the consumer end product. A smaller amount of compounds is sold to manufacturers who further blend them to achieve the finished fragrance or flavor in their consumer products. Thousands of compounds are produced by the Company, and new compounds are constantly being created in order to meet the many and changing characteristics of its customers' end products. Most of the fragrance compounds and many of the flavor compounds are created and produced for the exclusive use of particular customers. The Company's flavor products also include extractives, concentrated juices and concentrates derived from various fruits, vegetables, nuts, herbs and spices as well as microbiologically derived ingredients. The Company's products are sold in solid and liquid forms and in amounts ranging from a few pounds to many tons, depending upon the nature of the product.

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

MARKET DEVELOPMENTS

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

PRODUCT DEVELOPMENT AND RESEARCH

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

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

The work of the perfumers and flavorists is conducted in 30 fragrance and flavor laboratories in 24 countries. The Company maintains a research center at Union Beach, New Jersey. The Company spent $94,411,000 in 1997, $93,545,000 in 1996 and $90,846,000 in 1995 on its research and development activities, all of which were financed by the Company. These expenditures are expected to increase in 1998 to approximately $100,000,000. Of the amount expended in 1997 on such activities, 58% was for fragrances and the balance was for flavors. The Company employed 811 persons in 1997 and 778 persons in 1996 in such activities.

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

DISTRIBUTION

Most of the Company's sales are made through its own sales force, operating from eight sales offices in the United States and 43 sales offices in 32 foreign countries. Sales in other countries are made through sales agencies. For the year ended December 31, 1997, 30% of the Company's sales were to customers in North America, 33% in Western Europe and 37% in the rest of the world. See Note 10 of the Notes to the Consolidated Financial Statements for other information with respect to the Company's international operations.

The Company estimates that during 1997 its 30 largest customers accounted for about 53% of its sales, its four largest customers and their affiliates accounted for about 11%, 6%, 5% and 4%, respectively, of its sales, and no other single customer accounted for more than 3% of sales.

GOVERNMENTAL REGULATION

Manufacture and sale of the Company's products are subject to regulation in the United States by the Food and Drug Administration, the Agriculture Department, the Alcohol, Tobacco and Firearms Bureau of the Treasury

Department, the Environmental Protection Agency, the Occupational Safety and Health Administration and state authorities. The foreign subsidiaries are subject to similar regulation in a number of countries. Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. The Company expects to spend in 1998 approximately $4,800,000 in capital projects and $11,800,000 in operating expenses and governmental charges for the purpose of complying with such requirements. The Company expects that in 1999 capital expenditures, operating expenses and governmental charges for such purpose will not be materially different.

RAW MATERIAL PURCHASES

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

COMPETITION

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

EMPLOYEE RELATIONS

The Company at December 31, 1997 employed approximately 4,640 persons, of whom about 1,480 were employed in the United States, 510 in Holland, 270 in England, 260 in France and 2,120 elsewhere. The Company has never experienced a work stoppage or strike and it considers that its employee relations are satisfactory.

ITEM 2. PROPERTIES.

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

LOCATION	OPERATION
UNITED STATES	
New York, NY	Fragrance laboratories.
Augusta, GA	Production of fragrance chemical ingredients.
Hazlet, NJ	Production of fragrance compounds; fragrance laboratories.
South Brunswick, NJ	Production of flavor ingredients and compounds and fruit preparations; flavor laboratories.
Union Beach, NJ	Research and development center.
Salem, OR	Production of fruit and vegetable concentrates, fruit and vegetable preparations and flavor ingredients.
Menomonee Falls, WI	Production of flavor compounds, flavor ingredients, bacterial cultures and fruit preparations.
HOLLAND	
Hilversum	Flavor and fragrance laboratories.
Tilburg	Production of flavor and fragrance compounds and flavor ingredients.
FRANCE	
Bois-Colombes	Flavor and fragrance laboratories.
Dijon	Production of fragrance compounds, flavor ingredients and compounds and fruit preparations.
GERMANY	
Emmerich/Rhein	Production of fruit preparations and flavor ingredients and compounds; flavor laboratories.
GREAT BRITAIN	
Haverhill	Production of flavor compounds and ingredients, fruit preparations and fragrance chemical ingredients; flavor laboratories.
IRELAND	
Drogheda	Production of fragrance compounds.
SPAIN	
Benicarlo	Production of fragrance chemical ingredients.
SWITZERLAND	
Reinach-Aargau	Production of fruit preparations and flavor ingredients and compounds; flavor laboratories.
ARGENTINA	
Garin	Production of fruit preparations and flavor ingredients and compounds; production of fragrance compounds; flavor laboratories.
BRAZIL	
Rio de Janeiro	Production of flavor ingredients and compounds, fruit preparations and fragrance compounds; flavor laboratories.
Sao Paulo	Fragrance laboratory.
Taubate	Production of flavor compounds.
MEXICO	
Tlalnepantla	Production of flavor compounds, fruit preparations and fragrance compounds; flavor and fragrance laboratories.
AUSTRALIA	
Dee Why	Production of flavor compounds; flavor and fragrance laboratories.

LOCATION	OPERATION
CHINA	
Guangzhou	Production of flavor and fragrance compounds; flavor laboratories.
Xin'anjiang	Production of fragrance chemical ingredients.
HONG KONG	Production of fragrance compounds; fragrance laboratories.
INDONESIA	
Jakarta	Production of flavor and fragrance compounds and ingredients; flavor and fragrance laboratories.
JAPAN	
Tokyo	Flavor and fragrance laboratories.
Gotemba	Production of flavor and fragrance compounds.

The principal executive offices of the Company and its New York laboratory facilities are located at 521 West 57th Street, New York City. Such offices and all of the above facilities of the Company are owned in fee, except those in Wisconsin, China, Hong Kong, and the Indonesian landsite, which are leased. The Company believes that the remaining facilities meet its present needs, but that additional facilities will be required to meet anticipated growth in sales.

ITEM 3. LEGAL PROCEEDINGS.

Various Federal and State authorities and private parties claim that the Company is a potentially responsible party as a generator of waste materials for alleged pollution at a total of 10 waste sites operated by third parties located principally in New Jersey and Pennsylvania. The governmental authorities seek to recover costs incurred and to be incurred to clean up the sites. The private suits generally seek damages for alleged injuries and, in one case now settled, a waste site's owners/operators sought contribution and indemnification for their share of remedial action costs incurred and to be incurred at the site.

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

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

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

Not applicable.

EXECUTIVE OFFICERS OF REGISTRANT:

NAME	OFFICE AND OTHER BUSINESS EXPERIENCE(2)	AGE	YEAR FIRST BECAME OFFICER
Eugene P. Grisanti(1)	President; Chairman of the Board	68	1964
David G. Bluestein	Senior Vice-President since November 1997; Director since January 1998; Duracell International, Inc., a battery manufacturer, President North America, 1994-1997, President International Development Markets prior thereto	52	1997
Brian D. Chadbourne	Senior Vice-President and Director since January 1997; Vice-President September-December 1996; President and Chief Executive Officer, Keebler Company, a baked goods manufacturer, a subsidiary of United Biscuits plc 1993-1996; Managing Director, United Biscuits plc prior thereto	45	1996
Stephen A. Block	Vice-President, Law and Secretary	53	1993
Eric Campbell	Vice-President since 1996; Director, Human Resources, Avon Products, Inc., direct marketer of cosmetic products, from 1991 to 1995	51	1996
Robert G. Corbett	Vice-President since May 1997; employed by the Company in other positions prior thereto	43	1997
Ronald S. Fenn	Vice-President	60	1986
Judith C. Giordan	Vice-President since November 1997; Research and development executive with The Pepsi-Cola Co., affiliate of PepsiCo, Inc., soft drink and snack food manufacturer, from 1996 to 1997, and Henkel Corporation, consumer product and specialty chemical manufacturer, from 1989 to 1996	44	1997
Thomas H. Hoppel(3)	Vice-President and Chief Financial Officer; Director	67	1976
Carlos A. Lobbosco	Vice-President	58	1993
Lewis G. Lynch, Jr.	Vice-President	62	1975
Stuart R. Maconochie	Vice-President	58	1989
Rudolf Merz	Vice-President	58	1982
Timothy Schaffner	Vice-President since May 1997; employed by the Company in other positions prior thereto	48	1997
Douglas J. Wetmore(3)	Controller	40	1992
James P. Huether	Treasurer since 1996; employed by the Company in other positions prior thereto	41	1996

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(1) Chairman of Executive Committee of the Board of Directors.
(2) Employed by the Company or an affiliated company for the last five years, except as otherwise indicated.
(3) On March 31, 1998, Mr. Hoppel is retiring as an officer and director and Mr. Wetmore is resigning as Controller. Mr. Wetmore will assume the office of Vice-President and Chief Financial Officer of the Company on April 1, 1998.

PART II

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

(a) Market Information.

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

	1997		1996	
QUARTER	HIGH	LOW	HIGH	LOW
First	$47.13	$42.50	$51.88	$47.13
Second	52.50	40.00	50.75	44.63
Third	53.44	48.50	47.88	41.00
Fourth	51.88	45.06	47.13	40.75

(b) Approximate Number of Equity Security Holders.

(A) TITLE OF CLASS	(B) NUMBER OF RECORD HOLDERS AS OF DECEMBER 31, 1997
Common stock, par value 12 1/2 (cent) per share	4,991

(c) Dividends.

Cash dividends declared per share for each quarter since January 1996 were as follows:

	1998	1997	1996
First	$.37	$.36	$.34
Second		.36	.34
Third		.36	.34
Fourth		.37	.36

ITEM 6. SELECTED FINANCIAL DATA.

	1997	1996	1995	1994	1993
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Net sales	$1,426,791	$1,436,053	$1,439,487	$1,315,237	$1,188,645
Net income*	$ 218,229	$ 189,894	$ 248,817	$ 226,022	$ 202,471
Earnings per share:					
Net income per share--basic	$2.00	$1.71	$2.24	$2.03	$1.78
Net income per share--diluted	$1.99	$1.70	$2.22	$2.02	$1.77
Total assets	$1,422,261	$1,506,913	$1,534,269	$1,399,725	$1,225,257
Long-term debt	$ 5,114	$ 8,289	$ 11,616	$ 14,342	--
Cash dividends declared per share	$1.45	$1.38	$1.27	$1.12	$1.02

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* Reflects nonrecurring charge ($31,315 after tax) in 1996 resulting from the Registrant's plan to expand and streamline its worldwide aroma chemical production facilities.

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

Operations

In 1997, worldwide net sales were $1,426,791,000 compared to $1,436,053,000 and $1,439,487,000 in 1996 and 1995, respectively. Sales of fragrance products were $821,592,000, $813,918,000 and $819,263,000 in 1997, 1996 and 1995, respectively. Fragrance sales increased 1% in 1997 in comparison to 1996, following a decrease of 1% in 1996 in comparison to 1995. Flavor sales were $605,199,000, $622,135,000 and $620,224,000 in 1997, 1996 and 1995, respectively. Flavor sales decreased 3% in 1997 in comparison to 1996, while 1996 sales were essentially flat in comparison to 1995.

Sales outside the United States represented approximately 70% of total sales in 1997, 1996 and 1995. The following table shows net sales on a geographic basis:

SALES BY DESTINATION (DOLLARS IN THOUSANDS)	1997	PERCENT CHANGE	1996	PERCENT CHANGE	1995
North America	$ 423,876	-1%	$ 427,219	-2%	$ 437,227
Western Europe	472,787	-6%	501,166	-4%	520,382
Other Areas	530,128	4%	507,668	5%	481,878
Total net sales	$1,426,791	-1%	$1,436,053	0%	$1,439,487

During 1997, the strongest sales growth, for both flavors and fragrances, was achieved in the European area, particularly Eastern Europe and the Middle East. In 1997, reported sales were unfavorably impacted by the stronger U.S. dollar; had the dollar exchange rates remained the same during 1997 and 1996, sales would have increased approximately 4% worldwide. Sales were also affected, mainly in the fourth quarter, by the economic slowdowns in the Far East and Brazil. While the economic conditions in the Far East are expected to continue for at least the first half of 1998, sales in the countries most affected by the currency devaluations and economic slowdown represent only about 7% of the Company's consolidated sales. Such circumstances are not expected to materially impact the Company's results of operations, liquidity or financial condition.

In 1996, fragrance sales were affected by slow customer reordering patterns in Europe and the United States, as well as a temporary slowdown in new product introductions. Flavor sales were affected by the downsizing and restructuring of some of the Company's major U.S. food customers, as well as the unusually cool and wet summer in Europe and the United States which resulted in lower flavor sales to the beverage, ice cream and yogurt industries. Both fragrance and flavor sales were strongest in the Far East and Latin America. Sales were unfavorably impacted by translation of European currencies into a stronger U.S. dollar; if the dollar exchange rate remained the same during 1996 and 1995, sales would have increased approximately 1% worldwide.

Although the Company's reported sales and earnings are affected by the weakening or strengthening of the U.S. dollar, this has no long-term effect on the underlying strength of our business.

The percentage relationship of cost of goods sold and other operating expenses to sales were as follows:

	1997	1996	1995
Cost of goods sold	54.2%	54.2%	51.9%
Research and development expenses	6.6%	6.5%	6.3%
Selling and administrative expenses	15.9%	15.6%	15.1%

Cost of goods sold includes the cost of materials purchased and internal manufacturing expenses. In both 1997 and 1996, margins on sales and cost of goods sold were unfavorably affected by highly competitive conditions for aroma chemicals, which caused the Company to reduce selling prices for certain chemicals in order to maintain its markets. In addition, as noted below, the Company incurred certain duplicate manufacturing costs in 1997 and 1996 in connection with the phasing out of its Union Beach production facility.

Research and development expenses have consistently been between 6% and 7% of sales. The expenses are for the development of new and improved products, technical product support, compliance with governmental regulations and help in maintaining our relationships with our customers who are often dependent on technical advances. These activities contribute in a significant way to the Company's business.

Selling and administrative expenses are necessary to support the Company's sales and operating levels and have remained relatively constant as a percentage of net sales.

Operating profit, as shown in Note 10 of the Notes to the Consolidated Financial Statements, was $338,339,000 in 1997, $296,456,000 in 1996 and $390,702,000 in 1995. In 1997 and 1996, in comparison to 1995, operating profit was unfavorably impacted by the lower gross margins on sales. In 1996, operating profit included a nonrecurring charge of $49,707,000.

Interest expense amounted to $2,420,000, $2,740,000 and $3,160,000 in 1997, 1996 and 1995, respectively. This expense relates primarily to bank loans taken out by some of the Company's subsidiaries and may be significantly affected by very high interest rates in countries where local bank borrowing is used as a hedge against devaluations. Interest expense decreased in 1997 compared to 1996, and 1996 compared to 1995, due to lower average interest rates on borrowings, partially offset by somewhat higher average bank loans outstanding. More details on bank loans and long-term debt are contained in Note 6 of the Notes to the Consolidated Financial Statements.

Other income was $10,442,000 in 1997, compared to $11,405,000 in 1996 and $12,871,000 in 1995. The decrease in other income in 1997 compared to 1996, and 1996 compared to 1995, was primarily due to lower interest income due to lower average interest rates, partially offset by lower exchange losses.

Net income in 1997 totaled $218,229,000, a decrease of $2,980,000 or 1% from the prior year. Net income in 1996 totaled $221,209,000. This amount excludes the effect of the one-time charge to second quarter 1996 earnings for streamlining the Company's aroma chemical operations; including this charge, net income was $189,894,000, a decrease of $58,923,000 from the prior year. Net income in 1995 was $248,817,000.

During 1996, the Company undertook a program to expand and streamline its worldwide aroma chemical production facilities. This program included the phase-out of production at the Company's Union Beach, New Jersey plant at the end of 1997, and the closure of smaller capacity facilities in Mexico City, Mexico and Rio de Janeiro, Brazil during 1996. A substantial portion of the volume produced at Union Beach was transferred to the Company's state-of-the-art facility in Augusta, Georgia. In addition, production capacity in Benicarlo, Spain was expanded.

These steps improved the Company's production capabilities, achieved cost efficiencies in the United States as well as internationally, and maintained and extended the Company's leadership position in the aroma chemical market. These steps will also assure that the Company will have sufficient aroma chemical supply to meet its own and its customers' needs for the foreseeable future.

The closures affected approximately 220 employees. At December 31, 1997, essentially all of the employees affected by the closures had left the Company.

The aroma chemical streamlining resulted in a nonrecurring pretax charge to second quarter 1996 earnings of $49,707,000 ($31,315,000 after tax or $.29 per share). Of the charge, approximately $33,000,000 represented asset writedowns and other non-cash related costs. Cost savings from this program have been specifically identified and are expected to generate annual efficiencies and savings in manufacturing expense of approximately $20,000,000, of which a substantial portion will affect 1998 results.

The reserve established as a result of the nonrecurring charge, and movements therein during 1996 and 1997, are as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE RELATED	PLANT CLOSURE	TOTAL
Original reserve	$10,629	$39,078	$49,707
Utilized in 1996	560	6,446	7,006
Balance December 31, 1996	10,069	32,632	42,701
Utilized in 1997	8,045	16,654	24,699
Balance December 31, 1997	$ 2,024	$15,978	$18,002

Prior to the closure of Union Beach, the phased transfer of production to Augusta resulted in some duplication of operating expenses which affected both operating margins and earnings.

Effective January 1, 1997, the Company adopted Statement of Position 96-1 (SOP 96-1), Accounting for Environmental Remediation Liabilities, issued by the American Institute of Certified Public Accountants. SOP 96-1 establishes guidance for when environmental liabilities should be recorded and the factors to be considered in determining amounts recognized. The effect of adopting this standard was not material to the Company.

In 1997, the Company adopted Statement of Financial Accounting Standards No. 128 (FAS 128), Earnings per Share. FAS 128 simplifies the rules of computing earnings per share and prescribes that companies present basic and diluted earnings per share amounts, as defined, on the face of the income statement.

Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 121 (FAS 121), Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Under FAS 121, long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. The effect of adopting this Standard was not material to the Company.

Under Statement of Financial Accounting Standards No. 123 (FAS 123), Accounting for Stock-Based Compensation, companies can elect, but are not required, to recognize compensation expense for all stock-based awards using a fair-value methodology. The Company adopted the disclosure-only provisions of this Standard in 1996. More details on the Company's stock-based compensation are contained in Note 9 of the Notes to the Consolidated Financial Statements.

In June 1997, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 130 (FAS 130) and 131 (FAS 131), Reporting Comprehensive Income, and Disclosures about Segments of an Enterprise and Related Information, respectively, and in February 1998, Statement of Financial Accounting Standards No. 132 (FAS 132), Employers' Disclosures about Pensions and Other Postretirement Benefits. FAS 130 establishes standards for the reporting and display of comprehensive income and its components, and requires that an enterprise classify items of other comprehensive income by their nature in a financial statement, and display the accumulated balance of other comprehensive income separately in the statement of financial position. FAS 131 establishes standards for the way public business enterprises report information about operating segments in reports to shareholders. FAS 132 standardizes employer disclosures about pension and other postretirement plans; the Standard does not change the measurement or recognition of such plans. All Standards are effective for periods beginning after December 15, 1997. The Company is currently evaluating the Standards and the reporting implications thereof.

Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. In 1997, the Company spent approximately $2,600,000 on capital projects and about $14,600,000 in operating expenses and governmental charges for the purpose of complying with such regulations. Expenditures for these purposes will continue for the foreseeable future. In addition, the Company is party to a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act or similar state statutes. It is expected that the impact of any judgments in or voluntary settlements of such proceedings will not be material to the Company's financial condition, results of operations or liquidity.

Many computer systems experience problems handling dates beyond the year 1999. Any of the Company's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. The computing infrastructure, including computerized devices, could contain date-sensitive software that could cause the devices to fail to operate or to operate inconsistently. The Company has completed the process of identifying the systems and infrastructure that could be affected by the Year 2000 issue and has developed a plan to resolve the issue. The plan includes both the renovation and replacement of equipment, modification of software and replacement of software systems with new systems that provide additional strategic information as well as recognize four-digit dates. The Company expects to timely implement the systems and programming changes necessary to address the Year 2000 issues and does not believe that the cost of such actions will have a material adverse effect on the Company's results of operations, liquidity or financial condition. There can be no assurance, however, that there will not be a delay in, or increased costs associated with, the implementation of such changes, and the Company's ability to implement such changes could have an unfavorable impact on future results of operations.

Financial Condition

The financial condition of the Company continued to be strong during 1997. Cash, cash equivalents and short-term investments totaled $260,446,000 at December 31, 1997, compared to $317,983,000 and $296,933,000 at December 31, 1996 and 1995, respectively. Short-term investments held by the Company are high-quality, readily marketable instruments. Working capital totaled $670,598,000 at year-end 1997, compared to $725,892,000 and $759,576,000 at December 31, 1996 and 1995, respectively. Gross additions to property, plant and equipment were $59,284,000, $80,782,000 and $96,196,000 in 1997, 1996 and 1995, respectively, and are expected to approximate $90,000,000 in 1998.

In September 1996, the Company announced a plan to repurchase up to an additional 7.5 million shares of its common stock. An existing program to purchase 7.5 million shares, which had been in effect since 1992, was completed in the first quarter of 1997. 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 December 31, 1997, approximately 1.1 million shares of common stock had been repurchased under the 1996 program.

The Company has almost no long-term debt and anticipates that its growth and capital expenditure programs, and the above share repurchase plan, will continue to be funded from internal sources.

During 1997, the Company paid dividends to shareholders totaling $157,674,000, while $150,864,000 was paid in 1996, and $138,048,000 in 1995. In January 1998, the cash dividend was increased to an annual rate of $1.48 per share, from $1.44 in 1997; the annual cash dividend was $1.36 in 1996. The Company believes these increases in dividends to its shareholders can be made without limiting future growth and expansion.

The Statement of Financial Accounting Standards No. 52 on accounting for foreign currency translation requires translation of the net assets of the majority of the Company's foreign subsidiaries into U.S. dollars at current exchange rates. The cumulative translation adjustment component of Shareholders' Equity was ($36,851,000) at December 31, 1997, compared to $47,555,000 at December 31, 1996.

Statements in this Management's Discussion and Analysis which are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements. Risks and uncertainties with respect to the Company's business include general economic and business conditions, the price and availability of raw materials, and political and economic uncertainties, including the fluctuation or devaluation of currencies in countries in which the Company does business.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS:

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

QUARTERLY FINANCIAL DATA (UNAUDITED)

	NET SALES		GROSS PROFIT		NET INCOME		NET INCOME PER SHARE BASIC		NET INCOME PER SHARE DILUTED	
QUARTER	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)									
First	$ 382,813	$ 382,767	$175,520	$178,696	$ 63,244	$ 66,164	$0.58	$0.60	$0.58	$0.59
Second ...	381,470	374,397	177,415	172,590	63,309	29,703	0.58	0.26	0.57	0.26
Third	356,242	354,865	164,264	161,097	56,715	53,115	0.52	0.48	0.52	0.48
Fourth ...	306,266	324,024	136,447	144,854	34,961	40,912	0.32	0.37	0.32	0.37
	$1,426,791	$1,436,053	$653,646	$657,237	$218,229	$189,894	$2.00	$1.71	$1.99	$1.70

The second quarter of 1996 reflects a nonrecurring charge to expand and streamline the Company's worldwide aroma chemical production facilities, as discussed in Note 2 of the Notes to the Consolidated Financial Statements.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)		
CONSOLIDATED STATEMENT OF INCOME			
Net sales	$1,426,791	$1,436,053	$1,439,487
Cost of goods sold	773,145	778,816	746,971
Research and development expenses	94,411	93,545	90,846
Selling and administrative expenses	227,066	223,547	217,658
Nonrecurring charge	--	49,707	--
Interest expense	2,420	2,740	3,160
Other (income) expense, net	(10,442)	(11,405)	(12,871)
	1,086,600	1,136,950	1,045,764
Income before taxes on income	340,191	299,103	393,723
Taxes on income	121,962	109,209	144,906
NET INCOME	$ 218,229	$ 189,894	$ 248,817
NET INCOME PER SHARE--BASIC	$2.00	$1.71	$2.24
NET INCOME PER SHARE--DILUTED	$1.99	$1.70	$2.22
CONSOLIDATED STATEMENT OF RETAINED EARNINGS			
At beginning of year	$1,106,572	$1,069,421	$ 961,847
Net income	218,229	189,894	248,817
	1,324,801	1,259,315	1,210,664
Cash dividends declared	158,453	152,743	141,243
At end of year	$1,166,348	$1,106,572	$1,069,421

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS

	DECEMBER 31, 1997	DECEMBER 31, 1996
	(DOLLARS IN THOUSANDS)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 216,994	$ 261,370
Short-term investments	43,452	56,613
Receivables:		
Trade	242,791	253,484
Allowance for doubtful accounts	(8,101)	(8,733)
Other	33,844	24,557
Inventories	360,074	369,078
Prepaid and deferred charges	46,405	49,987
Total Current Assets	935,459	1,006,356
PROPERTY, PLANT AND EQUIPMENT, NET	446,509	467,797
OTHER ASSETS	40,293	32,760
Total Assets	$ 1,422,261	$ 1,506,913

LIABILITIES AND SHAREHOLDERS' EQUITY

	1997	1996
CURRENT LIABILITIES:		
Bank loans	$ 10,490	$ 18,929
Accounts payable	57,832	57,681
Accrued payrolls and bonuses	19,410	19,565
Dividends payable	40,407	39,628
Income taxes	56,070	56,832
Other current liabilities	80,652	87,829
Total Current Liabilities	264,861	280,464
OTHER LIABILITIES:		
Long-term debt	5,114	8,289
Deferred income taxes	23,139	16,941
Retirement and other liabilities	128,659	124,682
Total Other Liabilities	156,912	149,912
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	137,418	138,480
Restricted stock	(9,000)	--
Retained earnings	1,166,348	1,106,572
Cumulative translation adjustment	(36,851)	47,555
	1,272,385	1,307,077
Treasury stock, at cost -- 6,630,911 shares in 1997 and 5,790,323 shares in 1996	(271,897)	(230,540)
Total Shareholders' Equity	1,000,488	1,076,537
Total Liabilities and Shareholders' Equity	$ 1,422,261	$ 1,506,913

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
	(DOLLARS IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 218,229	$ 189,894	$ 248,817
Adjustments to reconcile to net cash provided by operations:			
Nonrecurring charge	--	49,707	--
Depreciation	50,278	47,764	40,702
Deferred income taxes	8,201	(2,271)	6,444
Changes in assets and liabilities:			
Current receivables	(32,949)	(2,433)	(16,475)
Inventories	(20,524)	30,179	(43,505)
Current payables	11,473	(14,530)	6,121
Other, net	4,440	9,689	2,234
Net cash provided by operations	239,148	307,999	244,338
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales/maturities of short-term investments	23,056	44,646	160,128
Purchases of short-term investments	(9,851)	(57,289)	(130,780)
Additions to property, plant and equipment, net of minor disposals	(58,211)	(79,425)	(94,483)
Net cash used in investing activities	(45,006)	(92,068)	(65,135)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends paid to shareholders	(157,674)	(150,864)	(138,048)
(Decrease) increase in bank loans	(7,305)	7,144	2,246
Decrease in long-term debt	(2,357)	(2,230)	(2,571)
Proceeds from issuance of stock under stock option plans	15,356	9,622	8,581
Purchase of treasury stock	(70,988)	(59,763)	(41,386)
Net cash used in financing activities	(222,968)	(196,091)	(171,178)
Effect of exchange rate changes on cash and cash equivalents	(15,550)	(9,900)	12,824
NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,376)	9,940	20,849
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	261,370	251,430	230,581
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 216,994	$ 261,370	$ 251,430

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Company is the leading creator and manufacturer of flavors and fragrances used by others to impart or improve flavor or fragrance in a wide variety of consumer products. Fragrance products are sold principally to makers of perfumes and cosmetics, hair and other personal care products, soaps and detergents, household and other cleaning products and area fresheners. Flavors are sold primarily to makers of dairy, meat and other processed foods, beverages, snacks and savory foods, confectionery, sweet and baked goods, pharmaceutical and oral care products and animal foods.

PRINCIPLES OF CONSOLIDATION

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

CURRENCY TRANSLATION

The assets and liabilities of non-U.S. subsidiaries which operate in a local currency environment are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates during the year. Accumulated translation adjustments are shown as a separate component of shareholders' equity.

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

INVENTORIES

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

CASH EQUIVALENTS

Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. Depreciation is calculated on a straight-line basis, principally over the following estimated useful lives: buildings and improvements, 10 to 30 years; machinery and equipment, 3 to 10 years; and leasehold improvements, the shorter of 10 years or the remaining life of the lease.

When properties are retired or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and the resultant gain or loss is included in income.

Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 121 (FAS 121), Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Under FAS 121, long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. The effect of adopting this standard was not material to the Company.

INCOME TAXES

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

RETIREMENT BENEFITS

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

FINANCIAL INSTRUMENTS

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded values.

RISKS AND UNCERTAINTIES

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 1997, the Company adopted Statement of Position 96-1 (SOP 96-1), Accounting for Environmental Remediation Liabilities, issued by the American Institute of Certified Public Accountants. SOP 96-1 establishes guidance for when environmental liabilities should be recorded and the factors to be considered in determining amounts recognized. The effect of adopting this standard was not material to the Company.

In June 1997, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 130 (FAS 130) and 131 (FAS 131), Reporting Comprehensive Income, and Disclosures about Segments of an Enterprise and Related Information, respectively, and in February 1998, Statement of Financial Accounting Standards No. 132 (FAS 132), Employers' Disclosures about Pensions and Other Postretirement Benefits. FAS 130 establishes standards for the reporting and display of comprehensive income and its components, and requires that an enterprise classify items of other comprehensive income by their nature in a financial statement, and display the accumulated balance of other comprehensive income separately in the statement of financial position. FAS 131 establishes standards for the way public business enterprises report information about operating segments in reports to shareholders. FAS 132 standardizes employer disclosures about pension and other postretirement plans; the Standard does not change the measurement or recognition of such plans. All Standards are effective for periods beginning after December 15, 1997. The Company is currently evaluating the Standards and the reporting implications thereof.

NET INCOME PER SHARE

In 1997, the Company adopted Statement of Financial Accounting Standards No. 128 (FAS 128), Earnings per Share. FAS 128 simplifies the rules of computing earnings per share and prescribes that companies present basic and diluted earnings per share amounts, as defined, on the face of the income statement. Net income per share is based on the weighted average number of shares outstanding. A reconciliation of the number of shares used in the computations for basic and diluted net income per share is as follows:

(SHARES IN THOUSANDS)	NUMBER OF SHARES 1997	1996	1995
Basic EPS	109,065	110,773	111,262
Dilution under stock plans	560	613	891
Diluted EPS	109,625	111,386	112,153

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

Options to purchase 944,959, 1,107,000 and 399,250 shares at prices ranging from $47.00 to $49.88 per share were outstanding in 1997, 1996 and 1995, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares in the respective years.

NOTE 2. NONRECURRING CHARGE

During 1996, the Company undertook a program to expand and streamline its worldwide aroma chemical production facilities. This program included the phaseout of production at the Company's Union Beach, New Jersey plant at the end of 1997, and the closure of smaller capacity facilities in Mexico City, Mexico and Rio de Janeiro, Brazil during 1996. A substantial portion of the volume produced at Union Beach was transferred to the Company's state-of-the-art facility in Augusta, Georgia. In addition, production capacity in Benicarlo, Spain was expanded.

The closures affected approximately 220 employees. At December 31, 1997, essentially all of the employees affected by the closures had left the Company.

The aroma chemical streamlining resulted in a nonrecurring pretax charge to second quarter 1996 earnings of $49,707,000 ($31,315,000 after tax or $.29 per share). Of the charge, approximately $33,000,000 represented asset writedowns and other non-cash related costs.

The reserve established as a result of the nonrecurring charge, and movements therein during 1996 and 1997, are as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE RELATED	PLANT CLOSURE	TOTAL
Original reserve	$10,629	$39,078	$49,707
Utilized in 1996	560	6,446	7,006
Balance December 31, 1996	10,069	32,632	42,701
Utilized in 1997	8,045	16,654	24,699
Balance December 31, 1997	$ 2,024	$15,978	$18,002

NOTE 3. MARKETABLE SECURITIES

Marketable securities are included in cash equivalents and short-term investments, as appropriate. At December 31, 1997 and 1996, marketable securities totaling $122,931,000 and $177,868,000, respectively, were available for sale and recorded at fair value which approximated cost. Realized gains and losses on the sale of marketable securities were not material.

NOTE 4. INVENTORIES

	DECEMBER 31, 1997	DECEMBER 31, 1996
	(DOLLARS IN THOUSANDS)	
Raw materials	$193,136	$211,124
Work in process	13,593	24,644
Finished goods	153,345	133,310
	$360,074	$369,078

NOTE 5. PROPERTY, PLANT AND EQUIPMENT, NET

	DECEMBER 31, 1997	DECEMBER 31, 1996
	(DOLLARS IN THOUSANDS)	
Land	$ 29,676	$ 34,965
Buildings and improvements	271,407	283,016
Machinery and equipment	471,456	511,271
Construction in progress	38,362	48,972
	810,901	878,224
Accumulated depreciation	364,392	410,427
	$446,509	$467,797

NOTE 6. BORROWINGS

Bank loans (all foreign) averaged $19,639,000 in 1997, $15,007,000 in 1996 and $12,124,000 in 1995. The highest levels were $28,736,000 in 1997, $18,925,000 in 1996 and $17,131,000 in 1995. The 1997 weighted average annual interest rate on these loans (based on balances outstanding at the end of each month) was approximately 7% and the average rate on loans outstanding at December 31, 1997 was 10%. These rates compare to 9% and 7%, respectively, in 1996, and 13% and 8%, respectively, in 1995.

Long-term debt (all foreign) consists of various loans from financial institutions, with interest rates ranging between 2.1% to 2.5%, and with terms of between five and seven years. Aggregate payments for the next five years of long-term debt outstanding at December 31, 1997 are $2,106,000 in 1998, $1,429,000 in 1999 and $752,000 annually through 2002. At December 31, 1997 and 1996, the estimated fair value of long-term debt, based on borrowing rates currently available to the Company with similar terms and maturities, approximated the recorded amount.

Cash payments for interest were $2,330,000 in 1997, $2,688,000 in 1996 and $3,326,000 in 1995.

At December 31, 1997, the Company and its subsidiaries had available unused lines of bank credit aggregating approximately $76,500,000.

NOTE 7. INCOME TAXES

	1997	1996	1995
	(DOLLARS IN THOUSANDS)		
U.S. income before taxes	$ 63,719	$ 19,860	$101,764
Foreign income before taxes	276,472	279,243	291,959
Total income before taxes	$340,191	$299,103	$393,723

The following table shows the components of current and deferred income tax expense by taxing jurisdiction, both domestic and foreign:

	1997	1996	1995
	(DOLLARS IN THOUSANDS)		
Current			
Federal	$ 18,149	$ 15,138	$ 26,806
State and local	2,210	2,835	5,600
Foreign	93,402	93,507	106,056
	113,761	111,480	138,462
Deferred			
Federal	6,478	(10,640)	1,418
State and local	235	(2,356)	(339)
Foreign	1,488	10,725	5,365
	8,201	(2,271)	6,444
Total income taxes	$121,962	$109,209	$144,906

At December 31, 1997 and 1996, gross deferred tax assets were $61,300,000 and $67,100,000, respectively; gross deferred tax liabilities were $55,400,000 and $55,200,000, respectively. No valuation allowance was required for deferred tax assets. The principal components of deferred tax assets (liabilities) were:

	1997	1996
	(DOLLARS IN THOUSANDS)	
Employee and retiree benefits	$ 35,400	$ 33,000
Inventory	9,100	10,700
Property, plant and equipment	(25,400)	(24,100)
Other, net	(13,200)	(7,700)
	$ 5,900	$ 11,900

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

	1997	1996	1995
Statutory tax rate	35.0%	35.0%	35.0%
Difference in effective tax rate on foreign earnings and remittances	0.8	1.8	2.1
State and local taxes	0.5	0.1	0.9
Other, net	(0.4)	(0.4)	(1.2)
Effective tax rate	35.9%	36.5%	36.8%

Income taxes paid were $110,594,000 in 1997, $124,435,000 in 1996 and $139,523,000 in 1995.

Undistributed earnings of foreign subsidiaries for which no deferred taxes have been provided approximated $482,000,000 at December 31, 1997. Any additional U.S. taxes payable on these foreign earnings, if remitted, would be substantially offset by credits for foreign taxes already paid.

NOTE 8. SHAREHOLDERS' EQUITY

The following table shows treasury shares acquired and, as appropriate, the use of treasury shares for stock plans:

	NUMBER OF SHARES	AMOUNT
	(DOLLARS IN THOUSANDS)	
Balance January 1, 1995	4,297,540	$156,058
Acquisitions	877,738	42,251
Used for stock plans	(367,273)	(13,453)
Balance December 31, 1995	4,808,005	184,856
Acquisitions	1,407,667	62,815
Used for stock plans	(425,349)	(17,131)
Balance December 31, 1996	5,790,323	230,540
Acquisitions	1,633,034	73,869
Used for stock plans	(792,446)	(32,512)
Balance December 31, 1997	6,630,911	$271,897

Transactions in treasury shares resulted in net charges to Capital in excess of par value of $3,546,000, $3,996,000 and $1,062,000 in 1995, 1996 and 1997, respectively.

Under an employment contract dated January 1, 1997, the Company granted an award of 250,000 restricted shares of the Company's common stock. The restrictions expire, subject to certain performance goals, over a five-year period. Compensation expense is recognized over the restricted period.

Changes in the cumulative translation adjustment were (in thousands):

Balance January 1, 1995	$ 41,798
Translation adjustments	33,251
Balance December 31, 1995	75,049
Translation adjustments	(27,494)
Balance December 31, 1996	47,555
Translation adjustments	(84,406)
Balance December 31, 1997	$(36,851)

On February 13, 1990, the Company adopted a shareholder protection rights agreement (the "Rights Agreement") and declared a dividend of one right on each share of common stock outstanding on February 28, 1990 or issued thereafter.

Until a person or group acquires 20% or more of the Company's common stock or commences a tender offer that will result in such person or group owning 20% or more, the rights will be evidenced by the common stock certificates, will automatically trade with the common stock and will not be exercisable. Thereafter, separate rights certificates will be distributed and each right will entitle its holder to purchase one share of common stock for an exercise price of $66.67.

If any person or group acquires 20% or more of the Company's common stock, then 10 business days thereafter (the "Flip-in Date") each right (other than rights beneficially owned by holders of 20% or more of the common stock or transferees thereof, which rights become void) will entitle its holder to purchase, for the exercise price, a number of shares of common stock having a market value of twice the exercise price.

If the Company is involved in a merger or sells more than 50% of its assets or earning power, each right will entitle its holder to purchase, for the exercise price, a number of shares of common stock of the acquiring company having a market value of twice the exercise price. If any person or group acquires between 20% and 50% of common stock, the Company's Board of Directors may, at its option, exchange one share of common stock for each right. The rights may be redeemed by the Board of Directors for $0.0033 per right prior to the Flip-in Date. The rights will expire on February 28, 2000, unless previously redeemed by the Board in accordance with the terms of the Rights Agreement.

Dividends paid per share were $1.44, $1.36 and $1.24 in 1997, 1996 and 1995, respectively.

NOTE 9. STOCK OPTIONS

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

Stock option transactions were:

	SHARES OF COMMON STOCK		WEIGHTED AVERAGE
	AVAILABLE FOR OPTION	UNDER OPTION	EXERCISE PRICE
Balance January 1, 1995	1,609,367	2,906,704	$32.24
Granted	(804,500)	804,500	49.88
Exercised	--	(367,273)	27.08
Terminated	58,299	(58,299)	34.40
Balance December 31, 1995	863,166	3,285,632	37.09
Granted	(639,500)	639,500	48.06
Exercised	--	(425,349)	29.78
Terminated	13,428	(13,428)	38.21
Balance December 31, 1996	237,094	3,486,355	39.98
Granted	(781,250)	781,250	43.38
Exercised	--	(542,446)	33.61
Terminated	94,485	(94,485)	39.67
Increase under 1997 plan	3,500,000	--	--
Balance December 31, 1997	3,050,329	3,630,674	$41.67

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

	RANGE OF EXERCISE PRICES	
	$10-$30	$30-$50
Number outstanding	273,691	3,356,983
Weighted average remaining contractual life, in years	2.7	7.4
Weighted average exercise price	$24.39	$43.07
Number exercisable	273,691	1,301,093
Weighted average exercise price	$24.39	$39.26

During 1997, options to purchase common stock were granted at exercise prices ranging from $43.25 to $48.31 per share. At December 31, 1997, the price range for shares under option was $19.30 to $49.88; options for 1,574,784 shares were exercisable at that date. During 1997, 542,446 shares of common stock under option were exercised at prices ranging from $13.67 to $49.88.

Except for certain options granted to foreign employees which can be exercised immediately, options generally become exercisable no earlier than two years from the date of grant. All options expire ten years after date of grant.

The Company applies Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its plans. Had compensation cost for the Company's stock option plans been determined based upon the fair value at the grant date, consistent with the methodology prescribed under Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, the Company's net income and basic earnings per share would have been reduced by approximately $3,500,000 ($.03 per share) in 1997, $2,700,000 ($.02 per share) in 1996 and $1,200,000 ($.01 per share) in 1995. These pro forma amounts may not be representative of future disclosures because the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years.

Using the Black-Scholes option valuation model, the estimated fair values of options granted during 1997, 1996 and 1995 were $8.19, $9.98 and $10.89, respectively. The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions. In addition, such models require the use of subjective assumptions, including expected stock price volatility. In management's opinion, such valuation models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

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

	1997	1996	1995
Risk-free interest rate	6.6%	6.6%	6.4%
Expected life, in years	5	5	5
Expected volatility	16.4%	16.8%	17.6%
Expected dividend yield	3.3%	2.8%	2.5%

NOTE 10. INTERNATIONAL OPERATIONS

	1997 (DOLLARS IN THOUSANDS)				
	UNITED STATES	WESTERN EUROPE	OTHER FOREIGN	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$438,767	$566,386	$421,638	$ --	$1,426,791
Transfers between areas	68,907	107,572	17,022	(193,501)	--
Total sales	$507,674	$673,958	$438,660	$(193,501)	$1,426,791
Operating profit	$ 70,307	$179,015	$ 89,893	$ (876)	$ 338,339
Unallocated expenses					(6,170)
Interest expense					(2,420)
Other income (expense), net					10,442
Income before taxes on income					$ 340,191
Identifiable assets	$444,796	$440,117	$345,717	$ (53,363)	$1,177,267
Unallocated assets					244,994
Total assets					$1,422,261

	1996 (DOLLARS IN THOUSANDS)				
	UNITED STATES	WESTERN EUROPE	OTHER FOREIGN	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$439,695	$589,279	$407,079	$ --	$1,436,053
Transfers between areas	65,020	101,122	12,745	(178,887)	--
Total sales	$504,715	$690,401	$419,824	$(178,887)	$1,436,053
Operating profit	$ 29,984	$189,263	$ 78,616	$ (1,407)	$ 296,456
Unallocated expenses					(6,018)
Interest expense					(2,740)
Other income (expense), net					11,405
Income before taxes on income					$ 299,103
Identifiable assets	$449,124	$463,892	$351,628	$ (63,086)	$1,201,558
Unallocated assets					305,355
Total assets					$1,506,913

	1995 (DOLLARS IN THOUSANDS)				
	UNITED STATES	WESTERN EUROPE	OTHER FOREIGN	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$450,644	$604,036	$384,807	$ --	$1,439,487
Transfers between areas	72,959	96,642	15,143	(184,744)	--
Total sales	$523,603	$700,678	$399,950	$(184,744)	$1,439,487
Operating profit	$106,739	$203,131	$ 84,269	$ (3,437)	$ 390,702
Unallocated expenses					(6,690)
Interest expense					(3,160)
Other income (expense), net					12,871
Income before taxes on income					$ 393,723
Identifiable assets	$492,751	$437,589	$378,209	$ (58,753)	$1,249,796
Unallocated assets					284,473
Total assets					$1,534,269

In 1996, operating profit (United States, Other Foreign and Consolidated) reflects the nonrecurring charge of $49,707,000 for expanding and streamlining the Company's aroma chemical production facilities.

Transfers between geographic areas are accounted for at prices which approximate arm's length market prices. Unallocated assets are principally cash and short-term investments. Net foreign exchange gains of $1,231,000 in 1997, and net losses of $668,000 in 1996 and $2,535,000 in 1995 are included in other income.

Worldwide sales to the Company's largest customer amounted to 11%, 12% and 11% of worldwide net sales in 1997, 1996 and 1995, respectively.

NOTE 11. RETIREMENT BENEFITS

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

Pension expense included the following components:

	U.S. PLANS			NON-U.S. PLANS		
	1997	1996	1995	1997	1996	1995
	(DOLLARS IN THOUSANDS)					
Service cost for benefits earned	$ 3,914	$ 4,516	$ 4,449	$ 5,819	$ 5,379	$ 4,993
Interest cost on projected benefit obligation	10,623	10,180	8,954	9,989	10,572	10,333
Actual return on plan assets	(37,598)	(22,871)	(24,674)	(10,621)	(11,128)	(9,769)
Net amortization and deferrals	25,984	11,916	14,700	495	312	348
Defined benefit plans	2,923	3,741	3,429	5,682	5,135	5,905
Defined contribution and other retirement plans	2,360	2,297	2,288	1,655	3,447	2,332
Total pension expense	$ 5,283	$ 6,038	$ 5,717	$ 7,337	$ 8,582	$ 8,237

The funded status of pension plans at December 31 was:

	U.S. PLANS 1997	U.S. PLANS 1996	NON-U.S. PLANS 1997	NON-U.S. PLANS 1996
	(DOLLARS IN THOUSANDS)			
Actuarial present value of benefit obligation:				
Vested benefit obligation	$133,257	$105,921	$120,537	$113,370
Non-vested benefit obligation	6,923	6,604	2,890	4,587
Accumulated benefit obligation	$140,180	$112,525	$123,427	$117,957
Projected benefit obligation	$158,736	$133,968	$153,758	$156,827
Plan assets at fair value	202,417	164,334	148,067	148,094
Plan assets in excess of (less than) projected benefit obligation	43,681	30,366	(5,691)	(8,733)
Unrecognized net (gain) loss	(33,907)	(23,232)	2,744	4,999
Remaining balance of unrecognized net (asset) liability established at adoption of FAS 87	(3,477)	(3,897)	1,526	2,042
Net pension asset (liability)	$ 6,297	$ 3,237	$ (1,421)	$ (1,692)

Principal actuarial assumptions used to determine the pension data were:

	U.S. PLANS 1997	U.S. PLANS 1996	NON-U.S. PLANS 1997	NON-U.S. PLANS 1996
Discount rate	7.2%	8.0%	4.5%--8.0%	4.5%--8.0%
Weighted average rate of compensation increase	4.5%	4.5%	3.0%--6.0%	3.0%--6.0%
Long-term rate of return on plan assets	8.0%	8.0%	3.5%--8.5%	3.5%--8.0%

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

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

	1997	1996	1995
	(DOLLARS IN THOUSANDS)		
Service cost for benefits earned	$1,070	$1,368	$1,176
Interest on benefit obligation	3,097	3,377	3,079
Net amortization and deferrals	(9)	138	--
Total benefit expense	$4,158	$4,883	$4,255

The components of the benefit obligation of the U.S. plan, included in Retirement and other liabilities, at December 31 were:

	1997	1996
	(DOLLARS IN THOUSANDS)	
Retirees	$23,118	$18,204
Active employees eligible to retire	6,012	9,948
Other active employees	17,678	17,787
Accumulated benefit obligation	46,808	45,939
Unrecognized net loss	(597)	(2,858)
Net benefit liability	$46,211	$43,081

Principal actuarial assumptions used to determine the above data were:

	1997	1996
Discount rate	7.2%	8.0%
Initial medical cost trend rate	8.0%	8.8%
Ultimate medical cost trend rate	5.0%	5.0%
Medical cost trend rate decreases to ultimate rate in year	2001	2001

The effect of a one percent increase in the assumed medical rate of inflation would increase the accumulated postretirement benefit obligation by approximately $7,300,000; the annual service and interest cost would not be materially affected.

NOTE 12. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company sometimes uses forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates. These contracts, the counterparties to which are major international financial institutions, generally involve the exchange of one currency for a second currency at a future date, and have maturities which do not exceed six months. Gains and losses on such contracts are recognized in income as incurred, effectively offsetting the losses and gains on the foreign currency transactions that are hedged. At December 31, 1997 and 1996, the value of outstanding foreign currency exchange contracts was not material.

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

NOTE 13. CONTINGENT LIABILITIES

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of INTERNATIONAL FLAVORS & FRAGRANCES INC.

In our opinion, the consolidated financial statements listed in the index appearing under Item 8 on page 12 present fairly, in all material respects, the financial position of International Flavors & Fragrances Inc. and its subsidiaries at December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York 10036
January 29, 1998

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) See Item 8 on page 12.
(b) No reports on Form 8-K were filed during the last quarter of the year ended December 31, 1997.
(c) Exhibits.
(d) Not applicable.

NUMBER	
3	Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
3(b)	By-laws of Registrant, incorporated by reference to Exhibit 3(b) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
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4(a)	Shareholder Protection Rights Agreement dated as of February 20, 1990 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
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4(c)	Amendment No. 2 dated as of March 8, 1994 to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(c) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
4(d)	Specimen certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(d) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
9	Not applicable.
10(a)	Agreement dated as of January 1, 1997 between Registrant and Eugene P. Grisanti, Chairman and President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
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10(h)	Stock Option Plan for Non-Employee Directors, incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).

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10(i)	Registrant's Directors' Deferred Compensation Plan adopted by Registrant's Board of Directors on September 15, 1981, incorporated by reference to Exhibit 10(i) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(j)	Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995 incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-4858).
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10(l)	1997 Employee Stock Option Plan, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 27, 1997.
10(m)	Agreement dated June 19, 1997 between Registrant and Hendrik C. van Baaren, former Senior Vice-President and Director of Registrant.
11	Not applicable.
12	Not applicable.
13	Not applicable.
16	Not applicable.
18	Not applicable.
21	List of Principal Subsidiaries. See page E-1 of this Form 10-K.
22	Not applicable.
23	Consent of Price Waterhouse LLP. See page 31 of this Form 10-K.
24	Powers of Attorney authorizing George Rowe, Jr. and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
27	Financial Data Schedule (EDGAR version only).
28	Not applicable.
99	None.

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED HEREUNTO DULY AUTHORIZED.

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(REGISTRANT)

By /s/ THOMAS H. HOPPEL

THOMAS H. HOPPEL
VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

Dated: March 30, 1998

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATE INDICATED:

PRINCIPAL EXECUTIVE OFFICER:

EUGENE P. GRISANTI
President and Chairman of the Board

PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER:

THOMAS H. HOPPEL	By /s/ STEPHEN A. BLOCK
Vice-President and Chief Financial Officer and Director	STEPHEN A. BLOCK ATTORNEY-IN-FACT

DIRECTORS:

MARGARET HAYES ADAME	
DAVID G. BLUESTEIN	
BRIAN D. CHADBOURNE	March 30, 1998
ROBIN CHANDLER DUKE	
RICHARD M. FURLAUD	
HERBERT G. REID	
GEORGE ROWE, JR.	
STANLEY M. RUMBOUGH, JR.	
HENRY P. VAN AMERINGEN	
WILLIAM D. VAN DYKE, III	

ORIGINAL POWERS OF ATTORNEY AUTHORIZING GEORGE ROWE, JR. AND STEPHEN A. BLOCK, AND EACH OF THEM, TO SIGN THIS REPORT ON BEHALF OF CERTAIN DIRECTORS AND OFFICERS OF THE REGISTRANT HAVE BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (No. 33-66756 and No. 33-47856) and the Registration Statement on Form S-8 (No. 33-54423) of International Flavors & Fragrances Inc. of our report dated January 29, 1998 appearing on page 27 of this Form 10-K.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York 10036

March 27, 1998

INTERNATIONAL FLAVORS & FRAGRANCES INC. AND SUBSIDIARIES

SCHEDULE VIII--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(IN THOUSANDS OF DOLLARS)

FOR THE YEAR ENDED DECEMBER 31, 1997

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANS-LATION ADJUST-MENTS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts	$8,733	$1,506	$1,304	($ 834)	$8,101

FOR THE YEAR ENDED DECEMBER 31, 1996

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANS-LATION ADJUST-MENTS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts	$8,602	$1,564	$1,290	($ 143)	$8,733

FOR THE YEAR ENDED DECEMBER 31, 1995

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANS-LATION ADJUST-MENTS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts	$7,448	$1,632	$ 700	$ 222	$8,602

EXHIBIT 21

LIST OF REGISTRANT'S PRINCIPAL SUBSIDIARIES

There is furnished below a list of the principal subsidiaries of Registrant. All the voting stock of each subsidiary, other than directors' qualifying shares, if any, is wholly owned by Registrant or a subsidiary of Registrant, except that International Flavors & Fragrances I.F.F. (France) S.a.r.1. is owned 70% by International Flavors & Fragrances I.F.F. (Nederland) B.V. and 30% by Registrant, I.F.F. Essencias e Fragrancias Ltda. is owned 63% by Registrant and 37% by International Flavors & Fragrances I.F.F. (Nederland) B.V., and International Flavours & Fragrances I.F.F. (Great Britain) Ltd. is owned 49% by International Flavors & Fragrances I.F.F. (Nederland) B.V. and 51% by Aromatics Holdings Limited.

NAME OF COMPANY	ORGANIZED UNDER LAWS OF
International Flavors & Fragrances Inc.	New York
International Flavors & Fragrances I.F.F. (Nederland) B.V.	The Netherlands
Aromatics Holdings Limited	Ireland
IFF-Benicarlo, S.A.	Spain
International Flavours & Fragrances (China) Ltd.	China
Irish Flavours and Fragrances Limited	Ireland
International Flavours & Fragrances I.F.F. (Great Britain) Ltd.	England
International Flavors & Fragrances I.F.F. (Italia) S.r.l.	Italy
International Flavors & Fragrances I.F.F. (Deutschland) G.m.b.H.	Germany
International Flavors & Fragrances I.F.F. (Switzerland) A.G.	Switzerland
International Flavors & Fragrances I.F.F. (France) S.a.r.l.	France
International Flavors & Fragrances (Hong Kong) Ltd.	Hong Kong
International Flavors & Fragrances (Japan) Ltd.	Japan
International Flavors & Fragrances S.A.C.I.	Argentina
I.F.F. Essencias e Fragrancias Ltda.	Brazil
International Flavours & Fragrances (Australia) Pty. Ltd.	Australia
P.T. Essence Indonesia	Indonesia
International Flavors & Fragrances (Mexico) S.A. de C.V.	Mexico
International Flavors & Fragrances I.F.F. (Espana) S.A.	Spain
ALVA Insurance Limited	Bermuda
IFF Concentrates Inc.	Oregon
Auro Tech, Inc.	Wisconsin
IFF Fruit Specialties Inc.	Wisconsin

EXHIBIT INDEX

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99	None.

INTERNATIONAL FLAVORS & FRAGRANCES INC. 521 WEST 57th STREET NEW YORK N.Y. 10019

Office of the Chairman and President

June 19, 1997

Mr. Hendrik C. van Baaren
87 Goodwives River Road
Darien, Connecticut 06820

Dear Henk:

In accordance with our discussions, you are electing to take early retirement from International Flavors & Fragrances Inc. (together with its subsidiaries, "IFF"). This letter will outline the arrangements on which we have agreed, and the terms and conditions of (1) your employment from the date of this letter through the "Retirement Date", as hereafter defined; (2) the "Consulting Period", as hereafter defined; and (3) your retirement.

1. From the date of this letter through December 31, 1997 (the "Retirement Date"), you will continue to be employed by IFF at a monthly compensation rate of $40,416.67 (your current "Monthly Salary"). On the Retirement Date, you will retire from IFF employment and, commencing January 1, 1998, you will begin to receive your pension under the IFF Pension Plan, the IFF Supplemental Retirement Plan and the IFF Supplemental Foreign Service Retirement Benefits Plan (collectively, the "Retirement Plans") Upon your retirement you will also become eligible for the benefits of a retired employee under those IFF benefit plans applicable to a retiree who was both a corporate officer of IFF and a participant in the MICP at the time of retirement, including, but not limited to, continued full participation in the Executive Death Benefit Plan and participation in the IFF medical plan for retirees.

2. On the Retirement Date you will resign as Senior Vice-President and President, Flavor Division, and as a Director of IFF, and you will execute the resignations in substantially the forms attached to this letter as Exhibits A and B.

3. On the Retirement Date, you will have the right to purchase the IFF-provided automobile now in your possession for a price of $22,000. If you are required to recognize any compensation resulting from this transfer, that compensation will be included in your Form W-2 for 1997.

4. You agree and acknowledge that, as of December 31, 1997, the Executive Severance Agreement dated February 16, 1989 between you and IFF will terminate.

5. You will be eligible to receive an incentive compensation award in respect of 1997 under the Management Incentive Compensation Plan ("MICP"). Your actual incentive compensation award for 1997 will be based on the performance of the IFF Flavor Division for such year and will be determined and awarded in early 1998 together with the awards to all other 1997 MICP participants.

6. Commencing on the date of this letter and continuing through and including October 15, 1998, should you use the tax, financial and/or estate planning services of Price Waterhouse LLP ("PW"), IFF will cause PW to bill IFF directly and IFF will pay up to an aggregate of $25,000 in the fees and out-of-pocket expenses of PW in respect of such services. With my prior written approval, IFF will pay for similar services performed by another person or entity in lieu of PW. All fees and out-of-pocket expenses of PW or such

other person or entity in excess of an aggregate of $25,000 and/or incurred after October 15, 1998 will be your sole responsibility. If you are required to recognize any compensation as a result of the payments made for such services by IFF to PW or such other person or entity, such compensation will be included in your Form W-2 (or comparable form provided to retirees) for 1997 and/or 1998, as the case may be.

7. You may exercise until three (3) months after the Retirement Date any IFF stock options which are exercisable on the Retirement Date, in accordance with the provisions of your various Stock Option Agreements. If you should die prior to the expiration of that period (including prior to the Retirement Date), your legal representative's right to exercise stock options will be governed by the provisions of such Stock Option Agreements.

8. Commencing January 1, 1998 and through and including December 31, 2000 or, should you elect to extend the Consulting Agreement in accordance with Section 1 thereof, through and including December 31, 2001 (the term of the Consulting Agreement is hereinafter referred to as the "Consulting Period"), you will act as a consultant to IFF in accordance with the terms and conditions of the Consulting Agreement attached to this letter agreement as Exhibit C. Please sign and return the Consulting Agreement together with your executed copy of this letter agreement.

9. Attached to this letter agreement as Exhibit D is a copy of the Security Agreement which you signed on January 16, 1985. You agree to abide by the terms and conditions of the Security Agreement

both during the Consulting Period and thereafter, but such obligations will in no way be construed as a continuation of your IFF employment, which will terminate on the Retirement Date.

10. Please sign and return the Release attached to this letter agreement as Exhibit E. This letter agreement and the Consulting Agreement will take effect only upon your execution of the Release. IFF will have the right to request that you execute another Release, in the form of Exhibit E but dated the Retirement Date. If IFF so requests, you agree promptly to execute and return such additional release. Such additional release will be deemed part of the consideration for the benefits accruing to you under this letter agreement and the Consulting Agreement, and your failure for any reason to execute such additional release will be a breach of this letter agreement and the Consulting Agreement.

11. You agree that through and including the expiration of the Consulting Period (a) you will not engage directly or indirectly in any business which is competitive, anywhere in the world, with any business of IFF, and you will not accept employment by, perform consulting services for or otherwise give material assistance to any competitor of IFF or any person, firm or corporation which, to your knowledge, intends to become such a competitor; and (b) you will neither solicit for employment by nor hire any IFF employee for, and you will not, either directly or indirectly, encourage or advise any IFF employee to leave the employ of IFF and/or accept any position with, any business, whether or not competitive with IFF and whether or not you are engaging or intend to engage in

such business. The obligations set forth in clauses (a) and (b) above are collectively referred to as your "Noncompetition Obligation". In consideration of your Noncompetition Obligation, IFF agrees to pay you during the Consulting Period the sum of $225,000 per year (the "Noncompete Payment"), payable in quarterly installments of $56,250 on the 15th of February, May, August and November of each year. If you die or become totally disabled prior to the normal expiration of the Consulting Period, the Noncompetition Obligation will end and no further Noncompete Payment will be payable in respect of any period after the month in which you die or become so disabled.

For the purpose of this paragraph 11, (x) a business will be deemed "competitive" if its operations are in the flavor, fragrance or aroma chemical business or if its operations adversely affect (i) the availability or price to IFF of any commodity of the kind purchased, acquired or used by IFF, or (ii) the demand of others for products made or sold by IFF or the price of such products, in either case in any locality in which such availability or demand will exist; and you will be deemed to engage in a business, directly or indirectly, if you participate in such business as a director, officer, employee, partner or individual proprietor, or as an investor who has a beneficial interest in more than one percent (1%) of the outstanding capital stock of any company engaged in competition with the business of IFF, or make loans or advances to any such competing company in an amount in excess of one percent (1%) of its outstanding capital stock; and (y) an "IFF employee" is any person who at the relevant time either is an active employee of IFF or within the preceding twelve (12) months, whether or not an active employee, has been paid any compensation, whether as salary, consulting fee or severance or salary continuation, by IFF (for the purpose of this paragraph pension or other retirement benefits will not be considered compensation). You hereby consent to IFF's obtaining injunctive relief should you breach this paragraph 11.

12. This letter agreement will be governed by and interpreted in accordance with New York law.

Please sign and date both copies of this letter in the space provided below and return one fully executed copy. The other is for your records.

Henk, all IFFers, and I especially, appreciate your many contributions to the Company over your long and very successful career. You have all of our very best wishes for the future.

Sincerely,

/s/ EUGENE P. GRISANTI
Eugene Grisanti

AGREED AND ACCEPTED:

/s/ HENDRIK C. VAN BAAREN
- -------------------------
Hendrik C. van Baaren
June 19, 1997

EXHIBIT A

December 31, 1997

Stephen A. Block, Esq.
Vice-President and Secretary
International Flavors & Fragrances Inc.
521 West 57th Street
New York, New York 10019

Dear Mr. Block:

I hereby resign as Senior Vice-President and President, Flavor Division, of International Flavors & Fragrances Inc.

Hendrik C. van Baaren

EXHIBIT B

December 31, 1997

Stephen A. Block, Esq.
Vice-President and Secretary
International Flavors & Fragrances Inc.
521 West 57th Street
New York, New York 10019

Dear Mr. Block:

I hereby resign as a Director of International Flavors & Fragrances Inc.

Hendrik C. van Baaren

EXHIBIT C

June 19, 1997

Mr. Hendrik C. van Baaren
87 Goodwives River Road
Darien, Connecticut 06820

Consulting Agreement

Dear Henk:

You have elected to retire from the employ of International Flavors & Fragrances Inc. ("IFF" or the "Company") effective December 31, 1997. In accordance with our previous discussion IFF will retain you as a consultant in accordance with the following terms and conditions, and subject to your continuing to fulfill all of the terms and conditions required by the letter agreement between you and IFF dated June 19, 1997 (the "Letter Agreement"), to which this Consulting Agreement is an Exhibit.

1) The initial term of this Consulting Agreement will be from January 1, 1998 through and including December 31, 2000. At your sole option, on not less than six months written notice to IFF (c/o Chairman and President, 521 West 57th Street, New York, New York 10019), you may elect to extend the term of this Consulting Agreement for an additional 12 months, through and including December 31, 2001. The initial term and any extended term of

this Consulting Agreement is hereinafter referred to as the "Consulting Period".

2) During the Consulting Period you will serve as a consultant to the Company, reporting to me. You will consult with and advise me and other members of the senior management and staff of IFF on such matters assigned to you by me. IFF will reimburse you for all reasonable itemized travel expenses incurred by you in representing IFF, but you agree not to make any commitments for travel outside the New York City/New Jersey area for which IFF would bear any of the cost without my prior approval. You will also make yourself available for telephonic consultation with me and other key IFF employees. As a consultant to IFF, you will not hold yourself out as being an employee or agent of the Company.

3) In consideration of your services, IFF will pay you during the Consulting Period an annual consulting fee of $25,000, payable in quarterly installments of $6,250 on the 15th of February, May, August and November of each year. If you die or become totally disabled prior to the normal expiration of the Consulting Period, then the Consulting Period will end and no further consulting fee will be payable in respect of any period after the month in which you die or become so disabled. You understand that, since you will be a consultant, the Company will have no obligation to and will not withhold any taxes of any kind from the consulting fee. The payment of all applicable taxes, including any estimated taxes that may be due, will be your sole responsibility. In addition, as a consultant, you will not be entitled to any benefits that IFF makes available to its employees (other than the benefits accruing to you pursuant to the Letter Agreement or as an IFF retiree).

4) This Consulting Agreement will be construed in accordance with and governed by the laws of the

State of New York, excluding its conflict-of-laws principles.

If the foregoing terms and conditions are agreeable to you, please show your acceptance of them by signing below where indicated and returning the enclosed copy of this Consulting Agreement.

Sincerely,

Eugene P. Grisanti

AGREED TO AND ACCEPTED:

- -----------------------------------
Hendrik C. van Baaren
June 19, 1997

Exhibit D

H. VAN BAAREN

IFF SECURITY AGREEMENT

International Flavors & Fragrances Inc.
521 West 57th St., New York, N.Y. 10019

In consideration of my employment by IFF or any of its subsidiaries (herein together called IFF), I hereby agree as follows:

1. I acknowledge that in the course of my employment by IFF, I may have access to, acquire or gain confidential knowledge or information (i) with respect to formulae, secret processes, plans, devices, products, computer programs and other intangible property, know-how and other data belonging or relating to IFF or belonging to a customer or supplier of IFF, or (ii) with respect to the identity of customers of IFF, and the identity of products and the quantity and prices of the same ordered by such customers. I acknowledge that all such information is the sole property of IFF or its customer or supplier, and I shall treat it as set forth below.

2. I shall keep confidential all such knowledge or information described above and shall not divulge it to others nor use it for my own private purposes or personal gain, without the express written consent of IFF. This obligation on my part shall continue during and after the period of my employment by IFF.

3. Upon termination of my employment, or at any time IFF may request, I shall deliver to IFF all notes, memoranda, formulae, records, files or other papers, tapes, discs or programs, and copies thereof, in my custody relating to any such knowledge or information described above to which I have had access or which I may have developed during the term of my employment.

4. I shall not, without the prior written permission of IFF, after leaving the employ of IFF for any reason, work for others, or for my own account, on any of the secret processes, formulae or programs on which I have worked or to which I have had access while in the employ of IFF.

5. Any invention, formula, process, product, program, idea, discovery and improvement conceived or developed by me within the period of my employment, relating to any activity engaged in by IFF, shall be the sole and exclusive property of IFF and I shall promptly communicate to IFF full information with respect to any of the foregoing conceived or developed by me. I shall execute and deliver all documents and do all other things as shall be deemed by IFF to be necessary and proper to effect the assignment to IFF of the sole and exclusive right, title and interest in and to all such inventions, formulae, processes, products, programs, ideas, discoveries and improvements, and patent applications and patents thereon.

6. I understand and agree that IFF has no interest in and will not accept divulgence to it of any confidential knowledge or information which is the property of any previous employer or other third party. Notwithstanding any other paragraph of this agreement, I shall not communicate any such confidential knowledge or information to IFF nor use the same during the course of my employment.

January 16, 1985	/s/ HENDRIK C. VAN BAAREN
(date)	(signature)

EXHIBIT E

RELEASE

KNOW ALL PERSONS BY THESE PRESENTS that the undersigned, Hendrik C. van Baaren, 87 Goodwives River Road, Darien, Connecticut 06820 (hereinafter referred to as "Employee"), for and in consideration of certain benefits heretofore paid or to be paid or provided to him by International Flavors & Fragrances Inc., a New York corporation with a place of business located at 521 West 57th Street, New York, New York 10019 (hereinafter referred to as "IFF Inc."), as such benefits are set forth in a Letter Agreement and a Consulting Agreement, each dated June 19, 1997, copies of which are annexed hereto as Annexes A and B, DOES HEREBY AGREE TO RELEASE and DOES HEREBY RELEASE IFF Inc. and all of its subsidiaries and affiliates and their respective directors, officers and employees (hereinafter referred to as "Releasees") from all "Claims", as hereinafter defined, and Employee agrees never to file any lawsuit or any claim with any Federal, state or local administrative agency asserting or in respect of any of such Claims.

As used in this Release, the term "Claims" means and includes all charges, complaints, claims, liabilities, obligations, promises, agreements, damages, actions, causes of action, rights, costs, losses and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, which Employee now has, or claims to have, or which Employee at any earlier time had, or claimed to have had, or which Employee at any future time may have, or claim to have, against each or any of the Releasees as to any matters occurring or arising on or before the date this Release is executed by Employee. The Claims Employee is releasing under this Release include, but are not limited to, rights arising out of alleged violations of any contracts, express or implied, written or oral, and any Claims for wrongful discharge, fraud, misrepresentation, infliction of emotional distress, or any other tort, and any other Claims relating to or arising out of Employee's employment with IFF Inc. or the termination thereof, and any Claim for violation of any Federal, state or other governmental statute, regulation or ordinance including, but not limited to, the following, each as amended to date: (1) Title VII of the Civil Rights Act of 1964, 42 U.S.C. ss.ss.2000e et seq. (race, color, religion, sex and national origin discrimination); (2) Section 1981 of the Civil Rights Act of 1866, 42 U.S.C. ss.1981 (race discrimination; (3) the Age Discrimination in Employment Act, 29 U.S.C. ss.ss.621-634 (age discrimination); (4) the Equal Pay Act of 1963, 29 U.S.C. ss.206 (equal pay); (5) Executive Order 11246 (race, color, religion, sex and national origin discrimination); (6) Executive Order 11141 (age discrimination); (7) Section 503 of the Rehabilitation Act of 1973, 29 U.S.C. ss.ss.701 et seq. (handicap discrimination); (8) the Employee Retirement Income Security Act of 1974, 29 U.S.C. ss.ss.1001 et seq. (retirement matters); and (9) any applicable New York, New Jersey or Connecticut state or local law relating to employment termination that may be discriminatory or otherwise in contravention of public policy.

Employee hereby represents that he has not filed any complaints, charges, or lawsuits against any Releasee with any governmental agency or any court; that he will not file or pursue any at any time hereafter; and that if any such agency or court assumes jurisdiction of any complaint, charge or lawsuit against any Releasee on behalf of Employee, he will request such agency or court to withdraw from the matter. Neither this Release nor the undertaking in this paragraph shall limit Employee from pursuing Claims for the sole purpose of enforcing his rights under Annex A or Annex B or under any employment or retiree benefit plan or program of IFF Inc.

Employee hereby represents that he has been given a period of twenty-one (21) days to review and consider this Release before signing it. Employee further understands that he may use none or as much of this 21-day period as he wishes prior to signing.

Employee is advised that he has the right to consult with an attorney before signing this Release. Employee understands that whether or not to do so is Employee's decision. Employee has exercised his right to consult with an attorney to the extent, if any, that he desired.

Employee may revoke this Release within seven (7) days after he signs it. Revocation can be made by delivering a written notice of revocation to Eric Campbell, Vice-President, Human Resources, IFF Inc., 521 West 57th Street, New York, New York 10019. For such revocation to be effective, written notice must be received by Mr. Campbell not later than the close of business on the seventh day after the day on which Employee executes this Release. If Employee revokes this Release, it shall not be effective and the Letter Agreement and the Consulting Agreement described in Annexes A and B, respectively, shall be null and void.

Employee understands and acknowledges that IFF Inc. has not made any promises or representations to Employee other than those in Annexes A and B.

EMPLOYEE ACKNOWLEDGES THAT HE HAS READ THIS RELEASE, UNDERSTANDS IT AND IS VOLUNTARILY EXECUTING IT.

[PLEASE READ THIS RELEASE CAREFULLY. IT COVERS ALL KNOWN AND UNKNOWN CLAIMS.]

Executed at New York, New York, on June 19, 1997

Hendrik C. van Baaren

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss:

Subscribed and sworn to before
me this 19th day of June, 1997
by the said Hendrik C. van Baaren
known to me.

Notary Public

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ MARGARET HAYES ADAME (L.S.)

Margaret Hayes Adame

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ DAVID G. BLUESTEIN (L.S.)

David G. Bluestein

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ BRIAN D. CHADBOURNE (L.S.)

Brian D. Chadbourne

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ ROBIN CHANDLER DUKE (L.S.)

Robin Chandler Duke

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ RICHARD M. FURLAUD (L.S.)

Richard M. Furlaud

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ EUGENE P. GRISANTI (L.S.)

Eugene P. Grisanti

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ THOMAS H. HOPPEL (L.S.)

Thomas H. Hoppel

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ HERBERT G. REID (L.S.)

Herbert G. Reid

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ GEORGE ROWE (L.S.)

George Rowe

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ STANLEY M. RUMBOUGH, JR. (L.S.)

Stanley M. Rumbough, Jr.

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ HENRY P. VAN AMERINGEN (L.S.)

Henry P. van Ameringen

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 10th day of February 1998.

/s/ WILLIAM D. VAN DYKE, III (L.S.)

William D. Van Dyke, III

The schedule contains summary financial information extracted from the
Consolidated Balance Sheet & Consolidated Statement of Income and is qualified
in its entirety by reference to such financial statements. Amounts in thousands
of dollars, except per share amounts.

1000

12-MOS
DEC-31-1997
DEC-31-1997
216,994
43,452
242,791
(8,101)
360,074
935,459
810,901
(364,392)
1,422,261
264,861
5,114
0
0
14,470
986,018
1,422,261
1,426,791
1,426,791
773,145
1,093,116
(10,442)
1,506
2,420
340,191
121,962
218,229
0
0
0
218,229
2.00
1.99