

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For quarterly period ended June 30, 2008

Commission file number 1-4858

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(Exact name of registrant as specified in its charter)

New York

13-1432060

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

521 West 57th Street, New York, N.Y. 10019-2960

(Address of principal executive offices) (Zip Code)

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting Company

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

Number of shares outstanding as of July 18, 2008: 78,563,492

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

ASSETS	6/30/08	12/31/07
Current Assets:		
Cash and cash equivalents	\$ 119,490	\$ 151,471
Short-term investments	55	604
Trade receivables	477,195	412,221
Allowance for doubtful accounts	(12,708)	(11,694)
Inventories: Raw materials	259,050	237,943
Work in process	14,187	10,707
Finished goods	252,414	235,572
Total Inventories	525,651	484,222
Deferred income taxes	130,045	144,326
Other current assets	39,293	9,328
Total Current Assets	1,279,021	1,190,478
Property, Plant and Equipment, at cost	1,220,772	1,165,082
Accumulated depreciation	(705,852)	(656,262)
	514,920	508,820
Goodwill	665,582	665,582
Intangible Assets, net	64,177	67,254
Other Assets	295,078	294,654
Total Assets	\$ 2,818,778	\$ 2,726,788
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Bank borrowings and overdrafts and current portion of long-term debt	\$ 147,562	\$ 152,473
Accounts payable	137,178	130,992
Accrued payrolls and bonuses	45,758	64,271
Dividends payable	18,069	18,628
Restructuring and other charges	7,671	2,654
Other current liabilities	186,593	169,878
Total Current Liabilities	542,831	538,896
Other Liabilities:		
Long-term debt	1,068,884	1,060,168
Deferred gains	60,145	61,659
Retirement liabilities	166,911	171,991
Other liabilities	337,022	276,877
Total Other Liabilities	1,632,962	1,570,695
Commitments and Contingencies (Note 14)		
Shareholders' Equity:		
Common stock 12 1/2¢ par value; authorized 500,000,000 shares; issued 115,761,840 shares	14,470	14,470
Capital in excess of par value	55,026	54,995
Retained earnings	2,149,779	2,078,937
Accumulated other comprehensive (loss) income:		
Cumulative translation adjustment	(66,869)	(32,990)
Accumulated losses on derivatives qualifying as hedges (net of tax)	(2,790)	(1,843)
Pension and postemployment liability adjustment (net of tax)	(102,824)	(109,514)
	2,046,792	2,004,055
Treasury stock, at cost 37,198,931 shares in 2008 and 34,766,612 shares in	(1,403,807)	(1,386,858)

2007

Total Shareholders' Equity

642,985

617,197

Total Liabilities and Shareholders' Equity

\$ 2,818,778

\$ 2,726,788

See Notes to Consolidated Financial Statements

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

	3 Months Ended 6/30		6 Months Ended 6/30	
	2008	2007	2008	2007
Net sales	\$ 636,126	\$ 573,726	\$ 1,232,731	\$ 1,139,827
Cost of goods sold	372,345	327,668	723,474	657,050
Research and development expenses	56,166	48,760	108,222	95,392
Selling and administrative expenses	104,662	91,198	194,811	182,469
Amortization of intangibles	1,539	3,555	3,078	7,111
Restructuring and other charges	(255)	—	5,967	—
Interest expense	18,545	8,396	36,764	16,710
Other (income) expense, net	(4,117)	(2,819)	(1,812)	(2,986)
	548,885	476,758	1,070,504	955,746
Income before taxes on income	87,241	96,968	162,227	184,081
Taxes on income	20,209	18,596	39,252	43,020
Net income	67,032	78,372	122,975	141,061
Other comprehensive income:				
Foreign currency translation adjustments	(1,405)	17,659	(33,879)	17,002
Accumulated gains (losses) on derivatives qualifying as hedges	1,574	1,177	(947)	2,620
Pension and postemployment liability adjustment	3,302	2,756	6,690	6,542
Comprehensive income	\$ 70,503	\$ 99,964	\$ 94,839	\$ 167,225
Net income per share - basic	\$ 0.84	\$ 0.88	\$ 1.54	\$ 1.58
Net income per share - diluted	\$ 0.83	\$ 0.87	\$ 1.52	\$ 1.56
Average number of shares outstanding - basic	79,627	89,174	79,962	89,276
Average number of shares outstanding - diluted	80,578	90,124	80,916	90,391
Dividends declared per share	\$ 0.23	\$ 0.21	\$ 0.46	\$ 0.42

See Notes to Consolidated Financial Statements

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

	6 Months Ended 6/30	
	2008	2007
Cash flows from operating activities:		
Net income	\$ 122,975	\$ 141,061
Adjustments to reconcile to net cash provided by operations:		
Depreciation and amortization	42,529	42,287
Deferred income taxes	851	4,629
Gain on disposal of assets	(684)	(6,737)
Equity based compensation	8,898	8,248
Changes in assets and liabilities:		
Current receivables	(57,879)	(54,058)
Inventories	(25,151)	(1,258)
Current payables	(16,060)	(38,535)
Changes in other assets	(23,855)	(1,831)
Changes in other liabilities	27,226	1,836
Net cash provided by operations	78,850	95,642
Cash flows from investing activities:		
Additions to property, plant and equipment	(28,808)	(21,331)
Purchase of investments	(3,983)	(4,786)
Proceeds from investments	—	8,978
Proceeds from disposal of assets	934	8,751
Net cash used in investing activities	(31,857)	(8,388)
Cash flows from financing activities:		
Cash dividends paid to shareholders	(37,143)	(37,230)
Net change in bank borrowings and overdrafts	(12,333)	(496)
Proceeds from issuance of stock under stock-based compensation plans	2,840	36,461
Excess tax benefits on stock options exercised	38	3,914
Purchase of treasury stock	(29,995)	(80,711)
Net cash used in financing activities	(76,593)	(78,062)
Effect of exchange rate changes on cash and cash equivalents	(2,381)	471
Net change in cash and cash equivalents	(31,981)	9,663
Cash and cash equivalents at beginning of year	151,471	114,508
Cash and cash equivalents at end of period	\$ 119,490	\$ 124,171
Interest paid	\$ 41,282	\$ 19,553
Income taxes paid	\$ 18,441	\$ 21,866

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

These interim statements and management's related discussion and analysis should be read in conjunction with the consolidated financial statements and their related notes and management's discussion and analysis of results of operations and financial condition included in our 2007 Annual Report on Form 10-K. These interim statements are unaudited. In the opinion of our management, all adjustments, including normal recurring accruals, necessary for a fair presentation of the results for the interim periods have been made.

Note 1. New Accounting Pronouncements:

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("FAS 141(R)"). In FAS 141(R), the FASB retained the fundamental requirements of Statement No. 141 to account for all business combinations using the acquisition method (formerly the purchase method) and for an acquiring entity to be identified in all business combinations. However, the new standard requires the acquiring entity to recognize the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information needed to evaluate the nature and financial effect of the business combination. FAS 141(R) is effective for annual periods beginning on or after December 15, 2008. We are in the process of evaluating the impact of FAS 141(R) on our Consolidated Financial Statements.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51" ("FAS 160"). FAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It also amends certain of ARB No. 51's consolidation procedures for consistency with the requirements of FAS 141(R). This statement is effective for fiscal years, beginning on or after December 15, 2008 and shall be applied prospectively as of the beginning of the year of adoption. We are in the process of evaluating the impact of FAS 160 on our Consolidated Financial Statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("FAS 161"). FAS 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of: (i) how and why an entity uses derivative instruments; (ii) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This statement is effective for fiscal years beginning after November 15, 2008, with early application encouraged. We are in the process of evaluating the impact of FAS 161 on our Consolidated Financial Statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("FAS 162"). FAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements presented in conformity with generally accepted accounting principles in the United States of America. FAS 162 will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of, Present fairly in conformity with generally accepted accounting principles". We are in the process of evaluating the potential impact of FAS 162, but do not believe its adoption will have a material impact on our Consolidated Financial Statements.

ACCOUNTING CHANGES

Fair Value Measurements (SFAS 157)

We adopted SFAS No. 157, "Fair Value Measurements" ("FAS 157"), as of January 1, 2008. FAS 157 defines fair value, expands disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1—Quoted prices for *identical* instruments in active markets.
- Level 2—Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

FAS 157 requires that we consider our own credit risk when measuring fair value. Adoption of FAS 157 has also resulted in some other changes to valuation techniques used when determining fair value, most notably changes to the way that the probability of default of a counterparty is factored in. The change in fair value of these liabilities due to such changes in our own credit risk (or instrument-specific credit risk) was immaterial.

EITF No. 06-4

In March 2006, the FASB issued EITF No. 06-4, “Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements” (“EITF 06-4”). EITF 06-4 clarifies that for an endorsement split-dollar life insurance arrangement, an employer should recognize a liability for future benefits and related compensation expense if the employer has effectively agreed to provide a benefit to an employee that extends to postretirement periods. EITF No. 06-4 is effective for fiscal years beginning after December 15, 2007. The transition provisions require entities to recognize the effects of applying EITF 06-4 through either (a) a change in accounting principle through a cumulative-effect adjustment to retained earnings or to other components of equity or net assets in the statement of financial position as of the beginning of the year of adoption or (b) a change in accounting principle through retrospective application to all prior periods.

We adopted EITF 06-4 on January 1, 2008. As a result of the adoption of EITF 06-4, we recognized a cumulative effect of a change in accounting principle adjustment of \$9.6 million, net of related deferred income taxes of \$5.9 million, which decreased beginning retained earnings in the shareholders’ equity component of the accompanying Consolidated Balance Sheet for the quarter ended June 30, 2008. We estimate additional expense of approximately \$1 million per year as a result of this change in accounting.

Note 2. Reclassifications:

Certain reclassifications have been made to the prior periods’ financial statements to conform to 2008 classifications. In addition, operating cash flows in 2007 were revised to \$96 million from the \$100 million reported in 2007 to properly reflect the inclusion of the purchase of investments of \$5 million offset by proceeds of \$9 million from investments in investing activities.

Note 3. Net Income Per Share:

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

(Shares in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Basic	79,627	89,174	79,962	89,276
Assumed conversion under stock plan	951	950	954	1,115
Diluted	80,578	90,124	80,916	90,391

Stock options to purchase 542,400 and 436,997 shares were outstanding for the second quarter and the first six months of 2008, respectively, and 142,496 and 131,248 for the second quarter and first six months of 2007, respectively, but were not included in the computation of diluted net income per share for the respective periods since the impact was anti-dilutive.

Note 4. Restructuring and Other Charges:

In the first quarter 2008, as part of our business transformation initiative to better leverage our global SAP software platform, we implemented a plan to centralize transaction processing in a global shared service center. These actions resulted in the elimination of 127 positions, primarily in finance functions around the world. As a result of these actions, we recognized pre-tax charges of \$6.8 million for the six months end June 30, 2008 related to employee separation costs.

Movements in restructuring liabilities, included in Restructuring and other charges in the accompanying Consolidated Balance Sheet, were (in millions):

	Employee- Related
Balance December 31, 2007	\$ 2.6
Additional charges	6.8
Cash and other costs	(1.6)
Balance June 30, 2008	\$ 7.8

The balance of the employee-related liabilities is expected to be utilized by the end of 2009 as obligations are satisfied.

Note 5. Goodwill and Other Intangible Assets, Net:

Goodwill by operating segment at June 30, 2008 and December 31, 2007 is as follows:

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

Trademark and other intangible assets consist of the following amounts:

(DOLLARS IN THOUSANDS)	June 30, 2008	December 31, 2007
Gross carrying value	\$ 165,406	\$ 165,406
Accumulated amortization	101,229	98,152
Total	\$ 64,177	\$ 67,254

Amortization expense for the six months ended June 30, 2008 was \$3 million, compared to \$7.1 million for the six months ended June 30, 2007; annual amortization is estimated to be \$6 million in 2008 and \$6 million in each year from 2009 through 2012.

Note 6. Comprehensive Income:

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

(DOLLARS IN THOUSANDS)	Translation adjustments	Accumulated (losses) gains on derivatives qualifying as hedges, net of tax	Pension and postemployment liability adjustment, net of tax	Total
Balance December 31, 2007	\$ (32,990)	\$ (1,843)	\$ (109,514)	\$ (144,347)
Change	(33,879)	(947)	6,690	(28,136)
Balance June 30, 2008	\$ (66,869)	\$ (2,790)	\$ (102,824)	\$ (172,483)

(DOLLARS IN THOUSANDS)	Translation adjustments	Accumulated (losses) gains on derivatives qualifying as hedges, net of tax	Pension and postemployment liability adjustment, net of tax	Total
Balance December 31, 2006	\$ (31,854)	\$ (2,465)	\$ (162,553)	\$ (196,872)
Change	17,002	2,620	6,542	26,164
Balance June 30, 2007	\$ (14,852)	\$ 155	\$ (156,011)	\$ (170,708)

Note 7. Borrowings:

Debt consists of the following:

(DOLLARS IN THOUSANDS)	Rate	Maturities	June 30, 2008	December 31, 2007
Bank borrowings and overdrafts			\$ 26,485	\$ 35,671
Current portion of long-term debt	2.40%		121,077	116,802
Total current debt			147,562	152,473
Senior notes - 2007	6.38%	2017-27	500,000	500,000
Senior notes - 2006	5.94%	2009-16	375,000	375,000
Bank borrowings	3.87%	Various	159,457	169,057
Japanese Yen notes	2.81%	2011	16,510	15,927
Other			28	33
Deferred realized gains on interest rate swaps			17,889	151
Total long-term debt			1,068,884	1,060,168
Total debt			\$ 1,216,446	\$ 1,212,641

Note 8. Fair Value:

Effective January 1, 2008, we adopted FAS 157 for financial assets and liabilities, which defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements about fair value measurements. FAS 157 requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Nonfinancial assets and nonfinancial liabilities include those measured at fair value in goodwill impairment testing, indefinite lived intangible assets measured at fair value for impairment testing and asset retirement obligations initially measured at fair value.

As a result of the adoption of FAS 157, we have made some amendments to the techniques used in measuring the fair value of derivative and other positions. These amendments change the way that the probability of default by a counterparty is factored into the valuation of derivative positions, and include for the first time the impact of our own credit risk on derivatives and other liabilities measured at fair value.

Determination of Fair Value

When available, we generally use quoted market prices to determine fair value, and classify such items in Level 1. We determine the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) using the LIBOR swap curve and forward interest and exchange rates at period end. Such instruments are classified as Level 2 based on the observability of significant inputs to the model. The fair value of these liabilities was approximately \$129 million at June 30, 2008.

The market valuation adjustments include a bilateral or “own” credit risk adjustment applied to reflect our own credit risk when valuing all liabilities measured at fair value, in accordance with the requirements of FAS 157. The methodology is consistent with that applied in generating counterparty credit risk adjustments, but incorporates our own credit risk as observed in the credit default swap market. As for counterparty credit risk, our own credit risk adjustments include the impact of credit risk mitigants. The estimated change in the fair value of these liabilities due to such changes in our own credit risk (or instrument-specific credit risk) was immaterial.

Note 9. Income Taxes:

As of June 30, 2008, we had \$77 million of gross unrecognized tax benefits recorded in other liabilities, all of which, if recognized, would be recorded as a component of income tax expense and affect the effective tax rate.

We have consistently recognized interest and penalties related to unrecognized tax benefits as a component of income tax expense. At June 30, 2008, we had accrued \$10 million of interest and penalties.

We conduct business globally and remain open to examination in several tax jurisdictions for various years from 2000 to 2007. We are under examination in several significant tax jurisdictions for various years from 2001 to 2007. As a result of the expiration of various statutes of limitation and the completion of examinations during the next twelve months, it is possible that a decrease in certain unrecognized tax benefits may occur approximating \$15-\$20 million.

The effective tax rate for the three and six months ended June 30, 2008 was 23.2% and 24.2% compared with 19.2% and 23.4% in the three and six months ended June 30, 2007. The three and six month periods in 2008 benefited from favorable tax rulings with respect to prior periods of \$3.9 million and \$6.0 million, respectively, which had the effect of reducing the effective tax rate by 4.4% and 3.7%, respectively. The three and six month periods in 2007 benefited from favorable tax rulings with respect to prior periods of \$10.0 million, which had the effect of reducing the effective tax rate by 10.1% and 5.4%, respectively. Excluding these benefits, the lower effective tax rate in 2008 resulted from a greater percentage of consolidated pre-tax earnings in lower tax jurisdictions.

Note 10. Equity Compensation Plans:

We have various plans under which our officers, senior management, other key employees and directors may be granted equity-based awards including restricted stock, restricted stock units (“RSUs”), stock settled appreciation rights (“SSARs”) or stock options to purchase our common stock.

We offer a Long Term Incentive Plan (“LTIP”) for executive officers and other Company executives. LTIP plan awards are based on meeting certain targeted financial and/or strategic goals established by the Compensation Committee of the Board of Directors at the start of each cycle. Beginning with the LTIP 2007-2009 cycle and thereafter, the targeted payout is 50% cash and 50% IFF stock. The number of shares for the 50% stock portion will be determined by the closing share price on the first trading day at the beginning of the cycle. The executive generally must remain employed with IFF during the cycle to receive the award.

Principal assumptions used in applying the Binomial model for options and SSAR’s granted during the six months ended June 30, 2008 and June 30, 2007 were as follows:

	2008	2007
Weighted average fair value of options and SSAR's granted during the period	\$ 9.93	\$ 11.50
Assumptions:		
Risk-free interest rate	3.2%	5.0%
Expected volatility	25.7%	21.8%
Expected dividend yield	2.2%	1.6%
Expected life, in years	5	5
Termination rate	0.46%	0.40%
Exercise multiple	1.52	1.35

Stock option and SSAR activity for the six months ended June 30, 2008 was as follows:

(SHARE AMOUNTS IN THOUSANDS)	Shares Subject to Options/SSAR's	Weighted Average Exercise Price
Balance at December 31, 2007	2,491	\$35.66
Exercised	(46)	\$31.28
Cancelled	(3)	\$36.35
Balance at March 31, 2008	2,442	\$35.74
Granted	299	\$42.19
Exercised	(11)	\$30.41
Cancelled	(124)	\$46.12
Balance at June 30, 2008	2,606	\$36.00

Restricted stock and RSU activity for the six months ended June 30, 2008 was as follows:

(SHARE AMOUNTS IN THOUSANDS)	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2007	1,290	\$34.16
Vested	(272)	\$41.82
Cancelled	(4)	\$39.99
Balance at March 31, 2008	1,014	\$32.65
Granted	441	\$35.86
Vested	(6)	\$33.18
Cancelled	(19)	\$39.49
Balance at June 30, 2008	1,430	\$33.62

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

(DOLLARS IN THOUSANDS)	Three Months Ended		Six Months Ended	
	2008	2007	2008	2007
Restricted stock and RSU's	\$ 4,336	\$ 2,971	\$ 7,470	\$ 6,441
Stock options and SSAR's	677	1,000	1,428	1,807
Total equity compensation expense	\$ 5,013	\$ 3,971	\$ 8,898	\$ 8,248

Tax related benefits of \$1.4 million and \$2.4 million were recognized for the second quarter and first six months of 2008, respectively, and \$1.5 million and \$2.6 million for the second quarter and first six months of 2007, respectively.

Note 11. Segment Information:

We are organized into two business segments, Flavors and Fragrances; these segments align with the internal structure used to manage these businesses. Accounting policies used for segment reporting are described in Note 1 of the Notes to the Consolidated Financial Statements included in our 2007 Annual Report on Form 10-K.

We evaluate the performance of business units based on operating profit before interest expense, other income (expense), net and income taxes. The Global expense caption represents corporate and headquarters-related expenses which include legal, finance, human resources and other administrative expenses that are not allocated to individual business units. In addition, in the three and six months ended June 30, 2008, Global expenses include approximately \$3 million for employee separation costs. The first six months of 2008 also includes approximately \$3 million of restructuring costs offset by a \$3 million benefit from an insurance recovery related to a prior year product contamination matter. Unallocated assets are principally cash, short-term investments and other corporate and headquarters-related assets.

Our reportable segment information was as follows:

Three Months Ended June 30, 2008

(DOLLARS IN THOUSANDS)	Flavors	Fragrances	Global Expenses	Consolidated
Net sales	\$ 289,794	\$ 346,332	—	\$ 636,126
Operating profit	\$ 56,861	\$ 56,339	\$ (11,531)	101,669
Interest expense				(18,545)
Other income (expense), net				4,117
Income before taxes on income				\$ 87,241

Three Months Ended June 30, 2007

(DOLLARS IN THOUSANDS)	Flavors	Fragrances	Global Expenses	Consolidated
Net sales	\$ 252,541	\$ 321,185	—	\$ 573,726
Operating profit	\$ 52,580	\$ 58,273	\$ (8,308)	\$ 102,545
Interest expense				(8,396)
Other income (expense), net				2,819
Income before taxes on income				\$ 96,968

Six Months Ended June 30, 2008

(DOLLARS IN THOUSANDS)	Six Months Ended June 30, 2008			
	Flavors	Fragrances	Global Expenses	Consolidated
Net sales	\$ 563,601	\$ 669,130	\$ —	\$1,232,731
Operating profit	\$ 113,789	\$ 103,235	\$ (19,845)	197,179
Interest expense				(36,764)
Other income (expense), net				1,812
Income before taxes on income				\$ 162,227

Six Months Ended June 30, 2007

(DOLLARS IN THOUSANDS)	Six Months Ended June 30, 2007			
	Flavors	Fragrances	Global Expenses	Consolidated
Net sales	\$ 495,983	\$ 643,844	\$ —	\$1,139,827
Operating profit	\$ 97,394	\$ 117,141	\$ (16,730)	197,805
Interest expense				(16,710)
Other income (expense), net				2,986
Income before taxes on income				\$ 184,081

Segment assets were \$1,005 million for Flavors and \$1,302 million for Fragrances at December 31, 2007. Global segment assets were \$420 million at December 31, 2007. There were no significant changes in segment assets from December 31, 2007 to June 30, 2008.

Note 12. Retirement Benefits:

Pension expense included the following components:

U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost for benefits earned	\$ 1,187	\$ 2,504	\$ 2,374	\$ 5,008
Interest cost on projected benefit obligation	5,942	5,687	11,885	11,374
Expected return on plan assets	(6,236)	(5,922)	(12,471)	(11,844)
Net amortization and deferrals	1,417	1,551	2,834	3,102
Defined benefit plans	2,310	3,820	4,622	7,640
Defined contribution and other retirement plans	2,484	1,667	4,339	2,662
Total pension expense	\$ 4,794	\$ 5,487	\$ 8,961	\$ 10,302

Non-U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost for benefits earned	\$ 2,609	\$ 2,617	\$ 5,218	\$ 5,234
Interest cost on projected benefit obligation	9,316	8,173	18,632	16,346
Expected return on plan assets	(13,074)	(12,124)	(26,149)	(24,248)
Net amortization and deferrals	790	1,395	1,580	2,790
Defined benefit plans	(359)	61	(719)	122
Defined contribution and other retirement plans	1,237	1,029	2,289	1,938
Total pension expense	\$ 878	\$ 1,090	\$ 1,570	\$ 2,060

In 2008, we expect to contribute \$6 million and \$16 million to our U.S. pension plans and non-U.S. pension plans, respectively. Year-to-date through June 30, 2008, no contributions were made to our qualified U.S. plan.

2008 we made a \$2 million contribution to our qualified U.S. plan. In the quarter and six months ended June 30, 2008, \$1.2 million and \$2.5 million, respectively, of contributions were made to our non-qualified U.S. plan, and \$3.5 million and \$7.1 million, respectively, of contributions were made to the non-U.S. plans.

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

(DOLLARS IN THOUSANDS)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost for benefits earned	\$ 671	\$ 766	\$ 1,342	\$ 1,532
Interest on benefit obligation	1,542	1,542	3,084	3,084
Net amortization and deferrals	(153)	(37)	(306)	(74)
Total postretirement benefit expense	\$ 2,060	\$ 2,271	\$ 4,120	\$ 4,542

We expect to contribute \$4 million to our postretirement benefit plans in 2008. In the quarter and six months ended June 30, 2008, \$1 million and \$2 million of contributions were made, respectively.

Note 13. Financial Instruments:

In April 2008, we entered into a \$250 million interest rate swap agreement effectively converting the fixed rate on our long-term U.S. dollar borrowings to a variable short-term rate based on USD LIBOR rate plus markup. This swap is designated as a qualified fair value hedge. As of June 30, 2008, we had a swap liability of \$5.4 million associated with this interest rate swap included in Other liabilities.

Note 14. Commitments and Contingencies:

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

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

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

Overview

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

The Company is organized into two units that reflect our flavor and fragrance businesses. Flavor compounds are sold to the food and beverage industries for use in consumer products such as prepared foods, beverages, dairy, food and confectionery products. The fragrance business unit consists of three fragrance categories: functional fragrances, including fragrance compounds for personal care (e.g., soaps) and household products (e.g., detergents and cleaning agents); fine fragrance and beauty care, including perfumes, colognes and toiletries; and fragrance ingredients, consisting of natural and synthetic ingredients that can be combined with other materials to create unique functional and fine fragrance compounds. Approximately 55% of our ingredient production is consumed internally; the balance is sold to third party customers.

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

Flavors and fragrances are generally:

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

The Flavor & Fragrance industry can be impacted by macroeconomic factors in all product categories and geographic regions. Such factors may include the effect of currency on the price of raw materials, operating costs, and the translation of reported results. In addition, IFF is susceptible to pricing pressures due to customers' cost improvement programs. However, these pricing pressures can often be mitigated through a combination of internal cost containment efforts and the development of innovative and streamlined solutions and processes.

IFF's success in the Flavor & Fragrance industry is driven by our ability to create unique sensory experiences that meet evolving consumer needs and expectations. These solutions are delivered in a cost-efficient manner in conjunction with world-class customer service.

STRATEGIC DRIVERS

We are well positioned to increase shareholder value by executing the following key drivers: targeting strategic and regional customers in both developed and emerging markets, attracting, developing and retaining top talent, and fostering a culture of innovation and continuous improvement. Our goal is to deliver differentiated solutions that enable our customers' brands to win in the marketplace.

Customers

We believe there is a great deal of opportunity to grow sales by earning a greater share of our customers' business across multiple categories, both in the developed and emerging markets. We use our proprietary tools of consumer insight to understand the connections between the consumer, the product, and the brand. This enables us to create flavors and fragrances that resonate with consumers and drive brand loyalty.

People

As a leading creator of flavors and fragrances, our ability to succeed is highly dependent on our greatest asset - our people. We continue to invest considerable time and resources in developing our leaders to build IFF for the long-term.

Innovation

IFF continues to focus on creating innovative processes, technologies and delivery systems, which includes a significant financial commitment to research and development. We see potential to gain market share by providing unique solutions to our customers that enable their brands to win in the marketplace. In addition, by streamlining internal processes, we are better able to allocate resources to appropriate initiatives.

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

Operations

Second Quarter 2008

Second quarter 2008 sales totaled \$636 million, increasing 11% over the prior year quarter; flavor and fragrance sales increased 15% and 8%, respectively, over the prior year period. Reported sales for the 2008 quarter benefited from the weaker U.S. dollar, mainly against the Euro; at comparable exchange rates, sales would have increased 4% in comparison to the 2007 quarter. Flavor sales increased based on new wins across all regions, led by a 36% increase in Latin America. Excluding the impact of currencies, sales growth for the Flavors business was 8%.

Fragrance sales increased 8%, led by a 24% increase in Fragrance Ingredient sales. Ingredients sales were strong across all regions. Fragrance compound sales were strongest in Latin America and Greater Asia, partially offset by weakness in North America. Excluding the impact of currencies, Fragrance sales increased 1%.

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

		% Change in Sales-Second Quarter 2008 vs Second Quarter 2007					
		Fine & Beauty Care	Functional	Ingredients	Total Frag.	Flavors	Total
North America	Reported	-15%	-18%	9%	-11%	3%	-5%
Europe	Reported	4%	15%	34%	15%	13%	14%
	<i>Local Currency</i>	-9%	0%	17%	0%	0%	0%
Latin America	Reported	29%	3%	29%	14%	36%	21%
Greater Asia	Reported	19%	15%	26%	18%	22%	20%
	<i>Local Currency</i>	15%	12%	19%	14%	15%	14%
Total	Reported	3%	4%	24%	8%	15%	11%
	<i>Local Currency</i>	-4%	-1%	16%	1%	8%	4%

- § North America Flavor volume declines were a result of the weak economy but were offset by new product introductions of \$6 million and favorable product mix. Weak economic conditions and customer inventory corrections in fine fragrances led to volume declines in fine and functional fragrance compounds.
- § Europe new product introductions were offset by volume declines across all businesses, except Ingredients. Ingredients sales growth was driven by price increases and volume growth; rebounding from a weak first quarter.
- § Latin America fine fragrance growth was driven by product introductions of \$3 million. Functional fragrance new product introductions of \$4 million were partially offset by volume decreases and the Ingredients sales increase was driven by increased volume. Flavors sales were strong throughout the region, driven mainly by new product introductions of \$8 million.
- § Greater Asia sales growth was driven by volume increases of \$8 million augmented by \$4 million of new product introductions in flavors. Fine Fragrance performance was primarily volume related, while functional growth was mainly the result of new product introductions of \$3 million.

Consolidated Operating Results

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

	Second Quarter	
	2008	2007
Cost of goods sold	58.5%	57.1%
Research and development expenses	8.8%	8.5%
Selling and administrative expenses	16.5%	15.9%

Cost of goods sold includes the cost of materials and manufacturing expenses; raw materials generally constitute 70% of the total. Research and development expenses are for the development of new and improved products, technical product support, compliance with governmental regulations, and help in maintaining relationships with customers who are often dependent on technological advances. Selling, general and administrative expenses support our sales and operating levels.

Cost of goods sold, as a percentage of sales, was 58.5% compared with 57.1% in 2007. This increase was mainly the result of the sales decline in North America with a resultant impact on absorption of manufacturing expenses, most notably in fragrance compounds. Product mix, notably lower sales of fine and beauty care compounds, and some impact of higher material costs also impacted margins.

Research and development expense, as a percentage of sales, which was 8.8%, compared to 8.5% in the second quarter 2007, which reflects increasing investments in customer applications.

Selling and administrative expenses, as a percentage of sales, were 16.5% in the current period compared to 15.9% in the prior year period. The 2008 results included \$3.4 million related to employee separation costs, which contributed 50 basis points of the 60 basis point increase.

Interest Expense

In the second quarter 2008, interest expense totaled \$19 million as compared to \$8 million in 2007, due to higher borrowings incurred in connection with the 2007 share repurchase activities. Average cost of debt was 6.0% for 2008 compared to 4.2% in 2007.

Other (Income) Expense, Net

Other income in 2008 of \$4 million was mainly gains from foreign exchange transactions and interest income. Other income in 2007 included a gain of \$5 million from the sale of land.

Income Taxes

The effective tax rate was 23.2% as compared to a rate of 19.2% in the prior year quarter. The 2008 and 2007 quarters benefited from favorable tax rulings with respect to prior periods; excluding the benefit of these rulings of \$3.9 million and \$10.0 million, respectively, the effective tax rates would have been 27.6% and 29.4%. The lower effective tax rate in the quarter was primarily from a greater percentage of consolidated pre-tax earnings in lower tax jurisdictions.

Operating Results by Business Unit

We evaluate the performance of business units based on operating profit before gains/losses on the disposition of assets, interest expense, other income (expense), net and income taxes. See Note 11 to our Consolidated Financial Statements for the reconciliation to Income before taxes.

Flavors

In the second quarter 2008, Flavors operating profit totaled \$57 million, or 19.6%, as a percentage of sales, compared to \$53 million or 20.8% in 2007. The decline in profitability as a percentage of sales was primarily the result of product mix and increases in raw material, freight and energy costs. In addition, we are investing in sales and development initiatives in certain geographic areas. The operating margin for Flavors in the second quarter 2007 was unusually high as the operating margin for the full year 2007 was 18.6%.

Fragrances

Fragrance operating profit for the second quarter of 2008 was \$56 million, or 16.3%, as a percentage of sales, declining from \$58 million or 18.1% reported in 2007. The decline in profit was driven by unfavorable absorption of manufacturing expenses from the shortfall in sales in North America, as well as unfavorable mix, with declining fine fragrance sales. Material cost increases were largely offset by price increases, especially in the ingredients business. Research and development expenses increased as we continue to invest in creative resources.

Global Expenses

Global expenses represent corporate and headquarters-related expenses which include legal, finance, human resources and other administrative expenses that are not allocated to an individual business unit as well as a charge for severance costs in 2008. In 2008, Global expenses for the second quarter were \$12 million as compared to \$8 million in the second quarter 2007. In the second quarter of 2008, Global expenses included approximately \$3 million of employee separation costs.

First Six Months 2008

Sales for the first six months of 2008 totaled \$1,233 million, increasing 8% over the prior year period; flavor and fragrance sales increased 14% and 4%, respectively, over the prior year period. Reported sales for 2008 benefited from the weaker U.S. dollar, mainly against the Euro; at comparable exchange rates, sales would have increased 3% in comparison to 2007. Flavor sales increased based on new wins across all regions, led by a 36% increase in Latin America. Excluding the impact of currencies, sales growth for the Flavors business was 8%.

Fragrance sales increased 4%. Excluding the impact of currencies, Fragrance sales declined 1% as strong growth in Greater Asia was offset by weakness in the U.S. market. Functional sales growth was driven by new product introductions largely offset by volume declines. Fine fragrance new product introductions across all regions were offset by volume declines in the U.S. and European markets. Ingredient sales benefited from price increases partially offset by volume declines as part of a product rationalization initiative.

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

		% Change in Sales-Six Months 2008 vs Six Months 2007					
		Fine & Beauty Care	Functional	Ingredients	Total Frag.	Flavors	Total
North America	Reported	-22%	-19%	-6%	-17%	2%	-9%
Europe	Reported	6%	17%	13%	12%	12%	12%
	Local Currency	-6%	5%	2%	0%	1%	0%
Latin America	Reported	12%	3%	15%	7%	36%	16%
Greater Asia	Reported	24%	18%	18%	19%	20%	20%
	Local Currency	20%	16%	13%	16%	14%	15%
Total	Reported	0%	5%	8%	4%	14%	8%
	Local Currency	-6%	1%	2%	-1%	8%	3%

- § North America flavors new product introductions of \$11 million and some benefit from price increases were largely offset by volume declines. Weak economic conditions and significant slowdown in customer order activity led to volume declines in fine and functional fragrance compounds and ingredients.
- § Flavors sales in Europe were up 1% as new product introductions in Western Europe were offset by volume declines in Eastern Europe. Fine and functional fragrance new product introductions of \$17 million and \$13 million were offset by volume declines. Price increases in ingredients were largely offset by volume declines.
- § Latin America fine fragrance sales growth was driven by new product introductions of \$6 million. Functional fragrance new product introductions of \$8 million were partially offset by volume decreases. Flavors sales were strong throughout the region, driven mainly by new product introductions of \$16 million.
- § Greater Asia sales growth in Flavors was driven by new product introductions of \$7 million plus volume increases. Fragrance sales benefited from volume increases across all categories and functional new product introductions of \$6 million.

Consolidated Operating Results

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

	First Six Months	
	2008	2007
Cost of goods sold	58.7%	57.6%
Research and development expenses	8.8%	8.4%
Selling, general and administrative expenses	15.8%	16.0%

Cost of goods sold, as a percentage of sales, was 58.7% compared with 57.6% in 2007. This increase was mainly the result of the sales decline in North America with a resultant impact on absorption of manufacturing expenses, most notably in fragrance compounds. Product mix, notably lower sales of fine and beauty care compounds, and some impact of higher material costs also impacted margins; the average cost of raw materials increased 4% over the prior year period.

Research and development expense, as a percentage of sales, was 8.8%, higher than the 8.4% in the prior year period, which reflects increasing investments in customer applications.

Selling and administrative expenses, as a percentage of sales, were 15.8% in the current period compared to 16.0% in the prior year period. The 2008 results included the benefit of a \$2.6 million insurance recovery related to a 2005 product contamination matter offset by \$3.4 million of employee separation costs. The decline in selling and administrative expenses, as a percentage of sales, is attributable to lower incentive compensation.

Restructuring and Other Charges

With respect to the restructuring and other charges:

- Separation costs for employees relate primarily to severance, outplacement and other benefit costs; and
- Other costs include lease termination costs and other reorganization expenses incurred to affect either the employee separation or location closure.

In 2008, as part of our business transformation initiative to enable us to better leverage our global SAP software platform, we implemented a plan to centralize transaction processing in a global shared service center. These actions resulted in the elimination of 127 positions, primarily in the finance area around the world. The majority of affected positions involved employee separation. As a result of these actions, we recognized pre-tax charges of \$6.8 million in 2008 related to employee separation costs. Annual savings from these actions is expected to approximate \$5 million beginning in 2009.

Positions eliminated and charges by business segment in 2008 are detailed in the table below; there were no such actions undertaken in 2007.

<i>(Dollars in Thousands)</i>	Restructuring Charges 2008	Positions Eliminated 2008
Flavors	\$ 925	17
Fragrances	2,480	19
Global	3,455	91
Total	\$ 6,860	127

Interest Expense

In the first six months of 2008, interest expense totaled \$37 million compared to \$17 million in 2007, due to higher borrowings incurred in connection with the 2007 share repurchase activities. Average cost of debt was 6.0% for 2008 compared to 4.2% in 2007.

Other (Income) Expense, Net

Other income in 2008 of \$2 million was mainly interest income. In 2007, other income included a \$5 million pre-tax gain on the sale of land.

Income Taxes

The effective tax rate was 24.2% as compared to a rate of 23.4% in the prior year period. Both the 2008 and 2007 periods benefited from favorable tax rulings with respect to prior periods; excluding the benefit of these rulings of \$6.0 million and \$10.0, respectively, the effective tax rates would have been 27.9% and 28.8%. The lower effective tax rate in 2008 was primarily from a greater percentage of consolidated pre-tax earnings in lower tax jurisdictions.

Operating Results by Business Unit

We evaluate the performance of business units based on operating profit before gains/losses on the disposition of assets, interest expense, other income (expense), net and income taxes. See Note 11 to our Consolidated Financial Statements for the reconciliation to Income before taxes.

Flavors

In the first six months of 2008, Flavors operating profit totaled \$114 million, or 20.2%, as a percentage of sales, compared to \$97 million or 19.6% in 2007. This profitability improvement was driven primarily by strong sales growth. The 2008 amount includes \$.9 million of restructuring expenses.

Fragrances

Fragrance operating profit for the first six months of 2008 was \$103 million, or 15.4%, as a percentage of sales, declining from \$117 million or 18.2% reported in 2007. The 2008 amount includes \$2 million of restructuring expenses. The decline in profit was driven by unfavorable absorption of manufacturing expenses from the shortfall in sales in North America, as well as unfavorable mix, with declining fine fragrance sales.

Global Expenses

Global expenses represent corporate and headquarters-related expenses which include legal, finance, human resources and other administrative expenses that are not allocated to an individual business unit as well as a benefit from insurance recovery, restructuring charges and employee separation costs in 2008. In 2008, Global expenses were \$20 million as compared to \$17 million in 2007. In 2008, Global expenses included approximately \$3 million of restructuring charges and \$3 million of employee separation costs partially offset by a \$3 million insurance recovery related to a 2005 product contamination. Excluding these items, Global expenses were essentially flat with the prior period.

Financial Condition

Cash and cash equivalents totaled \$119 million at June 30, 2008 compared to \$124 million at June 30, 2007. Working capital of \$736 million at June 30, 2008 was comparable to the \$652 million at December 31, 2007. Additions to property, plant and equipment for the six-month period ended June 30, 2008 totaled \$29 million. Gross additions to property, plant and equipment are expected to approximate \$90 million for the full year 2008.

Operating cash flows in 2008 were \$79 million, compared to \$96 million in the prior year period. Operating cash flows in 2008 benefited from receipt of \$18 million on termination of an interest rate swap, which has been deferred and will be amortized as a reduction to interest expense over the remaining term of the related debt. The decline in operating cash flow is primarily related to higher interest payments on the higher debt levels as discussed below.

At June 30, 2008, we had \$1,216 million of debt outstanding, increasing approximately \$412 million from the second quarter of 2007, but essentially unchanged from December 31, 2007. The increase over the prior year period is related to debt issued to fund an accelerated repurchase of IFF stock in 2007.

In April 2008, we paid a quarterly cash dividend of \$.23 per share to shareholders, unchanged from the prior year quarter dividend payment. In May 2008, we declared a quarterly cash dividend of \$.23 per share payable in July 2008. In July 2008, our Board of Directors increased the quarterly dividend to \$.25 per share payable on October 2, 2008 to shareholders of record on September 18, 2008.

In July 2007, our Board authorized us to repurchase up to 15% or \$750 million worth of our then outstanding common stock, whichever is less (the "July 2007 Plan"). In September 2007, under the July 2007 Plan, we entered into two agreements to purchase shares of our common stock under a \$450 million accelerated share repurchase ("ASR") program. The ASR concluded in June 2008. Total aggregate shares repurchased under the ASR program were 9.7 million shares at an average purchase price of \$46.53.

In the quarter ended June 30, 2008, we did not purchase any shares on the open market; through the first six months of 2008, we repurchased 0.7 million shares at a cost of \$30 million on the open market. In the quarter ended June 30, 2007, we repurchased approximately 1 million shares at a cost of \$49 million. Through the first six months of 2007, we repurchased 1.6 million shares at a cost of \$81 million.

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

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

Statements in this Quarterly Report, which are not historical facts or information, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current assumptions, estimates and expectations. Certain of such forward-looking information may be identified by such terms as "expect", "anticipate", "believe", "outlook", "guidance", "may" and similar terms or variations thereof. All information concerning future revenues, tax rates or benefits, interest savings, earnings and other future financial results or financial position, constitutes forward-looking information. Such forward-looking statements involve significant risks, uncertainties and other factors. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions in the Company's markets, including economic, inflationary and recessionary pressures, high energy and commodity prices, decline of the U.S. dollar, population health and political uncertainties; interest rates; the price, quality and availability of raw materials; the Company's ability to implement its business strategy, including the achievement of anticipated cost savings, profitability and growth targets; the impact on cash and the impact of increased borrowings related to the July 2007 share repurchase program; the impact of currency fluctuation or devaluation in the Company's principal foreign markets and the success of the Company's hedging and risk management strategies; the outcome of uncertainties related to litigation; the impact of possible pension funding obligations and increased pension expense on the Company's cash flow and results of operations and the effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by U.S. and foreign governments. The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

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

Non-GAAP Financial Measures

Among the items in GAAP earnings but excluded for purposes of determining adjusted earnings are; benefits of tax rulings relating to prior years; 2008 restructuring charges, employee separation costs and an insurance recovery; and a gain on the sale of land in 2007. In addition, in certain instances, we exclude the effects of exchange rate fluctuations when discussing our historical performance. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. In discussing our historical and expected future results and financial condition, we believe it is meaningful for investors to be made aware of and to be assisted in a better understanding of, on a period-to-period comparative basis, of financial amounts both including and excluding these identified items, as well as the impact of exchange rate fluctuations on operating results and financial condition. We believe such additional non-GAAP information provides investors with an overall perspective of the period-to-period performance of our core business. In addition, management internally reviews each of these non-GAAP measures to evaluate performance on a

comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to our core continuing business. A material limitation of these non-GAAP measures is that such measures do not reflect actual GAAP amounts, restructuring charges and employee separation costs include actual cash outlays, an insurance recovery is an actual cash recovery and benefits from favorable tax rulings reflect actual accounting and cash benefits realized; and we compensate for such limitations by presenting the accompanying reconciliation to the most directly comparable GAAP measure. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There are no material changes in market risk from the information provided in the Company's 2007 Annual Report on Form 10-K.

Item 4. Controls and Procedures

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

We have established controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in our internal control over financial reporting during the quarter ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes in the risk factors previously disclosed in the Company's 2007 Annual Report on Form 10-K.

Item 1. Legal Proceedings

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

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

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

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

In May 2004, the Company and another flavor supplier were named defendants, and subsequently a number of third party defendants were added, in a lawsuit by 4 former workers and their spouses at a Ridgeway, Illinois factory in an action brought in the Circuit Court for the Second Judicial Circuit, Gallatin County, Illinois (Barker case) and another concerning 8 other workers and 5 spouses at this same plant was filed in July 2004 and is pending in this same Court against the same defendants (Batteese case). In July 2005, the Company and 11 other flavor and chemical suppliers were named defendants in a lawsuit by 1 former worker and spouse of Brach's Confections, Inc. in an action brought in the Circuit Court of Cook County, Illinois. Brach's has been added as a third party defendant (Campbell case). In August 2005, the Company and 16 other companies were named defendants in a lawsuit by 3 former employees of the Gilster-Mary Lee facility in McBride, Missouri in the Missouri Circuit Court, 32nd Judicial Circuit (Fults case). In August 2006, the Company and 3 other flavor and chemical suppliers were named defendants in a lawsuit by 34 current and former employees and/or a neighbor of the Gilster-Mary Lee facility in Jasper, Missouri in the Missouri Circuit Court of Jasper County (Arles case) and 5 other current and former employees in the same Court (Bowan case). A similar case involving 5 former employees, originally plaintiffs in the Arles case, was filed in the same Court in August 2006 and then removed to the U.S. District Court, Western District of Missouri, Southwest Division (Parker case). In May 2008, plaintiffs dismissed this case. In November 2006, the Company, 15 other flavor and chemical suppliers, a trade association and a third party defendant company were named defendants in a lawsuit filed in the Circuit Court of Cook County, Illinois by 1 plaintiff allegedly injured by exposure to butter flavor and other substances at various facilities in which he worked (Solis case). In January 2007, the Company and another flavor supplier were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by approximately 245 current and former employees of two separate Marion, Ohio factories and 92 spouses of such employees (Aldrich case). In June 2007, the Company and another flavor supplier were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by 58 current and former employees of a Marion, Ohio facility and 18 spouses of such employees (Arnold case). In May 2007, the Company and 13 other companies were named defendants in a lawsuit filed in Circuit Court of Cook County, Illinois by 5 former employees of Brach's Confections, Inc. in Chicago, Illinois (Williams case). In June 2007, the Company and 22 other companies were named defendants in a lawsuit in the Missouri Circuit Court, 32nd Judicial Circuit by 7 former employees of a McBride, Missouri facility (Geile case). In July 2007, the Company and another flavor manufacturer were named defendants in a lawsuit filed in Hamilton County, Ohio Court of Common Pleas by 128 current and former workers of two Marion, Ohio facilities and 52 spouses of such employees (Adamson case). In July 2007, the Company was joined as a defendant in a case filed in June 2005 against 7 companies and a trade association in the 8th Judicial District Court of Montana by the widow of the former owner/operator of a popcorn business in Montana (Yatsko case). In October 2007, the Company and 23 other companies were named defendants in a lawsuit in the Missouri Circuit Court, 32nd Judicial Circuit by the widow and daughter of a former worker at a McBride, Missouri facility (Wibbenmeyer case). In March 2008, the Company and another flavor supplier were named defendants in two lawsuits in the Hamilton County, Ohio Court of Common Pleas, one by 13 current and former employees and 3 spouses of such employees of a popcorn plant in Marion, Ohio (Ferguson case) and the other by 14 current and former employees and 6 spouses of such employees of the same plant (Brown case). In April 2008, the Company and 7 other flavor suppliers, a trade association and a trade association management company were named defendants in a lawsuit in the Circuit Court for Milwaukee County, Wisconsin by one former employee of a Company facility and his spouse (Smead case). In May 2008, the Company and 6 other companies were named defendants in a lawsuit in the District Court of Colorado by a consumer of microwave popcorn and his spouse (Watson case).

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

At each balance sheet date, or more frequently as conditions warrant, the Company reviews the status of each pending claim, as well as its insurance coverage for such claims with due consideration given to potentially applicable deductibles, retentions and reservation of rights under its insurance policies, and the advice of its outside legal counsel and a third party expert in modeling insurance deductible amounts with respect to all these matters. While the ultimate outcome of any litigation cannot be predicted, management believes that adequate provision has been made with respect to all known claims. Based on information presently available and in light of the merits of its defenses and the availability of insurance, the Company does not expect the outcome of the above cases, singly or in the aggregate, to have a material adverse effect on the Company's financial condition, results of operation or liquidity. There can be no assurance that future events will not require the Company to increase the amount it has accrued for any matter or accrue for a matter that has not been previously accrued. See Note 14 of the Notes to the Consolidated Financial Statements.

Over the past 20 years, various federal and state authorities and private parties have claimed that the Company is a Potentially Responsible Party (“PRP”) as a generator of waste materials for alleged pollution at a number of waste sites operated by third parties located principally in New Jersey and have sought to recover costs incurred and to be incurred to clean up the sites.

The Company has been identified as a PRP at nine facilities operated by third parties at which investigation and/or remediation activities may be ongoing. The Company analyzes its liability on a regular basis. The Company accrues for environmental liabilities when they are probable and estimable. The Company estimates its share of the total future cost for these sites to be less than \$5 million.

While joint and several liability is authorized under federal and state environmental laws, the Company believes the amounts it has paid and anticipates paying in the future for clean-up costs and damages at all sites are not and will not be material to the Company’s financial condition, results of operations or liquidity. This conclusion is based upon, among other things, the involvement of other PRPs at most sites, the status of proceedings, including various settlement agreements and consent decrees, the extended time period over which payments will likely be made and an agreement reached in July 1994 with three of the Company’s liability insurers pursuant to which defense costs and indemnity amounts payable by the Company in respect of the sites will be shared by the insurers up to an agreed amount.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds -

(c) Issuer Purchases of Equity Securities

The following table presents the total number of shares purchased during the second quarter of 2008, the average price paid per share, the number of shares that were purchased as part of a publicly announced repurchase program, and the approximate dollar value of shares that still could have been purchased for the quarter ended June 30, 2008:

	Total Number of Shares Purchased (1)	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Program (1) (2)	Approximate Dollar Value of Shares that may yet be purchased under the Program (1)(2)
April 1 – 30, 2008	325,843	\$46.53	325,843	\$268,732,316
May 1 – 31, 2008	0	\$ 0	0	\$268,732,316
June 1 – 30, 2008	1,723,869	\$46.53	1,723,869	\$268,732,316
Total shares purchased	2,049,712	\$46.53	2,049,712	

(1) On July 26, 2007 we announced a Stock Repurchase Plan, which authorizes us to repurchase up to 15% or \$750 million worth of IFF’s then outstanding common stock, whichever is less. In September 2007, under the then new authorization, we entered into two agreements to purchase shares of our common stock under a \$450 million accelerated share repurchase (“ASR”) program. This program concluded in June 2008. Total aggregate shares delivered to us under the ASR program totaled 9.7 million shares at an average purchase price of \$46.53 per share, which is reflected in “Average Price Paid per Share” above. During the second quarter of 2008, we received an additional 2 million shares. Shares purchased pursuant to the ASR program are presented under “Total Number of Shares Purchased” and “Total Number of Shares Purchased as Part of Publicly Announced Program” in the periods in which they were received.

(2) “Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program” reflects our \$750 million share repurchase program less the \$450 million purchased under the ASR program and any open market purchases made under the program. As described above the repurchase program is also subject to a 15% limitation, under which we still have the ability to repurchase approximately 2 million shares. There is no stated expiration for the July 2007 share repurchase program.

Item 4. Submission of Matters to a Vote of Security Holders

The following matters were submitted to a vote of security holders during the Company’s annual meeting of shareholders held on May 6, 2008:

Votes Cast For	Authority Withheld
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1.) Election of Directors

Margaret Hayes Adame	69,826,139	3,383,813
Robert M. Amen	70,704,786	2,505,166
Günter Blobel	70,920,619	2,289,333
Marcello Bottoli	70,665,393	2,544,559
Linda B. Buck	70,915,571	2,294,381
J. Michael Cook	67,235,798	5,974,154
Peter A. Georgescu	71,012,849	2,197,103
Alexandra A. Herzan	70,679,482	2,530,470
Henry W. Howell, Jr.	70,422,940	2,787,012
Arthur C. Martinez	70,253,056	2,956,896
Burton M. Tansky	70,756,023	2,453,929

	For	Against	Abstentions	Broker Non-Votes
Ratification of PricewaterhouseCoopers LLP as independent accountants	71,083,898	1,603,494	522,560	—

Item 6. Exhibits

- 3.1 By-laws of International Flavors & Fragrances Inc., as amended and restated effective as of July 22, 2008, incorporated by reference to Exhibit 3.1 to the Company's Report on Form 8-K dated July 28, 2008.
- 10.1 Restated and Amended Executive Separation Policy as amended through and including December 31, 2007.
- 10.2 Form of Director/Officer Indemnification Agreement, incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K dated July 28, 2008.
- 10.3 Separation Agreement dated as of July 22, 2008 between Douglas J. Wetmore, Senior Vice President and Chief Financial Officer of the Company, and the Company, incorporated by reference to Exhibit 10.2 to the Company's Report on Form 8-K dated July 28, 2008.
- 31.1 Certification of Robert M. Amen pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
-

- 31.2 Certification of Douglas J. Wetmore pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
 - 32 Certification of Robert M. Amen and Douglas J. Wetmore pursuant to 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.
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SIGNATURES

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Dated: July 30, 2008

By: /s/ DOUGLAS J. WETMORE

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

Dated: July 30, 2008

By: /s/ DENNIS M. MEANY

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

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
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INTERNATIONAL FLAVORS & FRAGRANCES INC.

Restated and Amended
Executive Separation Policy Document
(As Amended through and including December 31, 2007)

Executive Separation Policy

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Executive Separation Policy

1. Purpose. The purpose of this International Flavors & Fragrances Inc. Executive Separation Policy (the "Policy") is to provide certain severance payments and benefits to designated officers and other key executives and employees of the Company and its subsidiaries (each, an "Employee") in the event of termination of employment (i) prior to or more than two years after a Change in Control or (ii) within two years after a Change in Control. This Policy shall not affect the right of the Company or a subsidiary to terminate an Employee's employment with or without Cause.

2. Definitions. The following definitions are applicable for purposes of this Policy (including in any Annex hereto), in addition to terms defined in Section 1 above:

(a) "Annual Compensation" means the sum of salary and annual incentive compensation, calculated as follows:

(i) Salary shall be calculated as the Employee's annual salary with the Company and its subsidiaries at the highest rate in effect at any time during the five years preceding termination of employment; and

(ii) Annual incentive shall be calculated as the greater of Employee's average annual incentive award paid for performance in the three years preceding the year of termination under the AIP or the Employee's target annual incentive for the year of termination.

(b) "AIP" means any plan or arrangement of the Company providing cash-denominated bonuses for annual performance.

(c) "Beneficiary" means any family member or members, including by marriage or adoption, any trust in which the Employee or any family member or members have more than 50% of the beneficial interest, and any other entity in which the Employee or any family member or members own more than 50% of the voting interests, in each case designated by the Employee in his most recent written Beneficiary designation filed with the Committee as entitled to receive payments or benefits in connection with this Policy or, if there is no surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive payments or benefits in connection with this Policy on behalf or in lieu of such non-surviving designated Beneficiary.

(d) "Cause" means (i) the willful and continued failure by the Employee to perform substantially his duties with the Company (other than any such failure resulting from the Employee's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Employee by the Chairman of the Board of Directors or the President of the Company which specifically identifies the manner in which the Employee has not substantially performed his duties, (ii) the willful engagement by the Employee in conduct which is not authorized by the Board of Directors of the Company or within the normal course of the Employee's business decisions and is known by the Employee to be materially detrimental to the best interests of the Company or any of its subsidiaries, including any misconduct that results in material noncompliance with any financial reporting requirement under the Federal securities laws if such noncompliance results in an accounting restatement (as these terms are used in Section

304 of the Sarbanes-Oxley Act of 2002), or (iii) the willful engagement by the Employee in illegal conduct or any act of serious dishonesty which adversely affects, or, in the reasonable estimation of the Board of Directors of the Company, could in the future adversely affect, the value, reliability or performance of the Employee to the Company in a material manner. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company. Notwithstanding the foregoing, an Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Employee a copy of the resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board of Directors after reasonable notice to the Employee and an opportunity for him, together with his counsel, to be heard before the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Employee was guilty of the conduct set forth above in (i), (ii) or (iii) of this Section 2(c) and specifying the particulars thereof in detail.

(e) A "Change in Control" shall be deemed to have occurred if, after the Effective Date and while the affected Employee is employed by the Company or a subsidiary, there shall have occurred any of the following:

(i) Any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), acquires voting securities of the Company and immediately thereafter is a "40% Beneficial Owner." For purposes of this provision, a "40% Beneficial Owner" shall mean a person who is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then-outstanding voting securities; provided, however, that the term "40% Beneficial Owner" shall not include any person who was a beneficial owner of outstanding voting securities of the Company at February 20, 1990, or any person or persons who was or becomes a fiduciary of any such person or persons who is, or in the aggregate, are a "40% Beneficial Owner" (an "Existing Shareholder"), including any group that may be formed which is comprised solely of Existing Shareholders, unless and until such time after February 20, 1990 as any such Existing Shareholder shall have become the beneficial owner (other than by means of a stock dividend, stock split, gift, inheritance or receipt or exercise of, or accrual of any right to exercise, a stock option granted by the Company or receipt or settlement of any other stock-related award granted by the Company) by purchase of any additional voting securities of the Company; and provided further, that the term "40% Beneficial Owner" shall not include any person who shall become the beneficial owner of 40% or more of the combined voting power of the Company's then-outstanding voting securities solely as a result of an acquisition by the Company of its voting securities, until such time thereafter as such person shall become the beneficial owner (other than by means of a stock dividend or stock split) of any additional voting securities and becomes a 40% Beneficial Owner in accordance with this Section;

(ii) Individuals who on September 1, 2000 constitute the Board, and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election consent, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least

two-thirds (2/3) of the directors then still in office who either were directors on September 1, 2000 or whose election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof;

(iii) There is consummated a merger, consolidation, recapitalization, or reorganization of the Company, or a reverse stock split of any class of voting securities of the Company, if, immediately following consummation of any of the foregoing, either (A) individuals who, immediately prior to such consummation, constitute the Board do not constitute at least a majority of the members of the board of directors of the Company or the surviving or parent entity, as the case may be, or (B) the voting securities of the Company outstanding immediately prior to such recommendation do not represent (either by remaining outstanding or by being converted into voting securities of a surviving or parent entity) at least 60% or more of the combined voting power of the outstanding voting securities of the Company or such surviving or parent entity; or

(iv) The shareholders of the Company have approved a plan of complete liquidation of the Company and there occurs a distribution or other substantive step pursuant to such plan of complete liquidation, or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction have a similar effect), and in each case all material contingencies to the completion of the transaction have been satisfied or waived.

(f) "Committee" means the Compensation Committee of the Company's Board of Directors or such other committee as the Board may designate to perform administrative functions under the Policy.

(g) "Company" means International Flavors & Fragrances Inc., a New York corporation, or any successor corporation.

(h) "Designated Awards" means (i) options granted under the Company's Employee Stock Option Plan of 1988, Employee Stock Option Plan of 1992 and 1997 Employee Stock Option Plan, (ii) any other options granted under a Plan, whether currently existing or hereafter adopted by the Company, that, by its terms, does not permit such options to become vested and exercisable upon occurrence of a Change in Control and to remain outstanding for the periods provided in Section 5(a), and (iii) restricted stock and other equity-based awards granted under a Plan or arrangement that, by its terms, does not permit such awards to become vested and non-forfeitable upon occurrence of a Change in Control as provided in Section 5(a) in each case if such options or other awards remain outstanding and held by the Employee at the date of his termination of employment; provided, however, that only awards that were both granted and vested before 2005 are Designated Awards.

(i) "Disability" means a disability entitling the Employee to long-term disability benefits under the Company's long-term disability policy as in effect at the date of Employee's termination of employment.

(j) "Effective Date" means the date the Policy became effective, as set forth in Section 11(i) hereof.

(k) "Excess Benefit Plan" means the Company's Supplemental Retirement Plan and any supplemental pensions provided to the Employee under any resolutions adopted by the Board of Directors of the Company or any subsidiary, and as the same may be modified, replaced or

added to by the Company and its subsidiaries from time to time.

(l) "Good Reason" means the occurrence of any of the following events, unless the Employee has consented in writing thereto:

(i) a reduction by the Company and its subsidiaries in the Employee's base salary as in effect immediately prior to the Change in Control;

(ii) the failure by the Company or a subsidiary to continue in effect any Plan (as hereinafter defined) in which the Employee was participating at the time of the Change in Control (i.e., with the effect of diminishing the Employee's compensation or benefits, or his or her opportunity to earn compensation through service or through satisfaction of performance conditions), unless such Plan (x) is replaced by a successor Plan providing to the Employee substantially similar compensation and benefits (which replacement Plan shall continue to be subject to this provision) or (y) terminates as a result of the normal expiration of such Plan in accordance with its terms, as in effect immediately prior to the Change in Control; or the taking of any other action, or the failure to act, by the Company or a subsidiary which would materially adversely affect the Employee's continued participation in any of such Plans as compared to the terms of such participation on the date of the Change in Control, including by materially reducing the Employee's benefits in the future under any such Plans;

(iii) effecting a change in the position of the Employee which does not represent a position commensurate in level, authority and responsibilities with or a promotion from Employee's position with the Company or any of its subsidiaries immediately prior to the date of the Change in Control, or assigning to the Employee responsibilities which are materially inconsistent with such prior position;

(iv) the Company's or a subsidiary's requiring the Employee to be based anywhere more than 45 miles from the location of Employee's office immediately prior to the Change in Control, except for required travel on the business of the Company or subsidiaries to an extent substantially consistent with the business travel obligations which the Employee undertook on behalf of the Company or subsidiaries prior to the Change in Control; or

(v) the failure of the Company to obtain the binding agreement of any successor to the Company expressly to assume and agree to fully perform the Company's obligations under this Policy, as contemplated in Section 11(f) hereof;

in each case after notice in writing from the Employee to the Company within 90 days after the initial occurrence of the event or initial existence of the condition constituting Good Reason, and after a period of 30 days after such notice has been given during which the Company and its subsidiaries fail to correct such conduct or condition. Immaterial diminutions in compensation or authority, duties or responsibilities (with materiality determined under Treasury Regulation § 1.409A-1(n)(ii)) shall not constitute "Good Reason"; unless otherwise required by Section 409A, a diminution of 1% of total direct compensation shall be deemed material.

(m) "LTIP" means a long-term performance incentive plan of the Company.

(n) "Plan" means any compensation plan of the Company or a subsidiary such as an incentive, stock option or restricted stock plan or any employee benefit plan of the Company or a

subsidiary such as a pension, profit sharing, medical, dental or life insurance plan.

(o) "Prior Executive Severance Agreement" means an Executive Severance Agreement between the Employee and the Company in effect immediately prior to the Effective Date of this Policy.

(p) "Retirement" means retirement at the election of the Employee after attaining age 62.

(q) "Retirement Plan" means the Company's tax-qualified pension plan in which the Employee participates, as the same may be modified, replaced or added to by the Company or a subsidiary from time to time.

3. Eligibility. Each officer of the Company or other key executive or employee of the Company or its subsidiaries who has been designated in writing by the Committee shall be eligible for the severance payments and benefits and other provisions of this Policy if his termination of employment qualifies hereunder. Eligible persons shall include persons employed outside the United States, if designated by the Committee and subject to Section 11(h) of this Policy.

4. Severance Payments and Benefits. For each class or tier of Employees eligible to participate under this Policy, the Committee shall specify the terms and conditions under which severance payments and benefits will be paid and other terms and conditions of participation. Such terms and conditions shall be set forth in an annex hereto that is specific to each such class or tier. The foregoing and the provisions of any such annex notwithstanding, the Committee may vary the terms or provide enhanced benefits in a document provided to a participant otherwise designated as a participant in a specified tier, except that the Committee shall not vary such terms and conditions in a way adverse to a previously designated participant without the written consent of such participant.

5. Acceleration of Equity Awards Upon a Change in Control; Certain Provisions Applicable to Equity Awards.

(a) *Acceleration Upon Change in Control*. In the event of a Change in Control, the following provisions will apply to any stock options, restricted stock and other awards based on stock then held by the Employee, other than Designated Awards and limited stock appreciation rights relating thereto:

(i) Any such option or other award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and exercisable as of the time of the Change in Control, except that if an option or other such award is intended to be a deferral of compensation fully compliant with Code Section 409A, the additional restrictions on the exercise of such award under the applicable plan or award agreement shall also apply.

(ii) All forfeiture conditions, deferral of settlement conditions, and other restrictions applicable to such restricted stock and other equity awards shall lapse and such awards shall be fully payable or settleable as of the time of the Change in Control without regard to deferral and vesting conditions, except to the extent of any waiver by the Employee or other express Employee election to defer beyond a Change in Control; provided, however, that, in the case of an award that constitutes a deferral of compensation under Code Section 409A (excluding any "grandfathered" award), the end of any deferral period and settlement of the award shall occur only if, in connection with

the Change in Control, there occurs a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company (as defined in Treasury Regulation § 1.409A-3(i)(5)) (but forfeiture conditions relating to such award will lapse), and any waiver or express election to defer such an award subject to Section 409A shall be subject to the requirements of Section 10(g)(ii).

(iii) With respect to such an outstanding equity award subject to achievement of performance goals and conditions, such award will be governed by the applicable plan, award document(s), or other agreement governing such award.

Notwithstanding the foregoing, Section 7 shall continue to apply to any such award in accordance with its terms.

(b) *More Favorable Terms Apply.* If and to the extent that the terms of an option, restricted stock award, or other award based on stock are more favorable to the Employee, in the event of a Change in Control, than those terms provided under this Section 5, those terms shall apply, and this Section 5 shall not operate in any way to restrict or cut back on the rights of the Employee with respect to such award.

6. Excise Tax Gross-Up. If an Employee who has been designated as eligible for benefits under this Section 6, as set forth in the Annex hereto designating the terms of such Employee's participation, becomes entitled to one or more payments in connection with a Change in Control or termination of employment during the two years following a Change in Control, other than a termination by the Company for Cause, (with a "payment" including, without limitation, the vesting of an option or other non-cash benefit or property, including under Section 5 of this Policy) pursuant to any plan, agreement or arrangement of the Company (together, "Severance Payments") which are or would be subject to the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (or any similar tax that may be imposed) (the "Excise Taxes"), the Company shall pay to the Employee an additional amount ("Gross-Up Payment") such that, after the payment by the Employee of all taxes (including without limitation all income and employment tax and Excise Tax and treating as a tax the lost tax benefit resulting from the disallowance of any deduction of the Employee by virtue of the inclusion of the Gross-Up Payment in the Employee's adjusted gross income), and interest and penalties with respect to such taxes, imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Taxes imposed upon the Severance Payments. The foregoing notwithstanding, if a reduction of any compensation under Section 4 or vesting of equity awards under Section 5 by an amount not exceeding 10% of the Safe Harbor Amount would avoid the imposition of the Excise Taxes on Employee, compensation pursuant to Section 4 and/or vesting of equity awards under Section 5 of this Agreement shall be reduced to the extent necessary, but not more than 10% of the Safe Harbor Amount, to result in no imposition of the Excise Taxes on Employee. This "cut-back" provision shall apply to cash payments under Section 4 and/or vesting under Section 5 so as to minimize the amount of compensation that is reduced (i.e., it applies to payments or vesting that to the greatest extent represent parachute payments), with the amount of compensation based on vesting to be measured (for purposes of this provision) by the intrinsic value of the equity award at the date of such vesting. "Safe Harbor Amount" shall mean one dollar less than 300% of the "base amount" as determined in accordance with Section 280G(b)(3) of the Code.

For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax and the amount of such Excise Tax:

(i) The Severance Payments shall be treated as "parachute payments" within the

meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless, and except to the extent that, in the written opinion of independent compensation consultants, counsel or auditors of nationally recognized standing ("Independent Advisors") selected by the Company and reasonably acceptable to the Employee, the Severance Payments (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the meaning of Section 280G(b)(3) of the Code or are otherwise not subject to the Excise Tax.

(ii) The amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Severance Payments or (B) the total amount of excess parachute payments within the meaning of Section 280G(b)(1) of the Code (after applying clause (i) above).

(iii) The value of any non-cash benefits or any deferred payment or benefit shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

For purposes of determining the amount of the Gross-Up Payment, the Employee shall be deemed (A) to pay federal income taxes at the highest marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is to be made; (B) to pay any applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year (determined without regard to limitations on deductions based upon the amount of the Employee's adjusted gross income); and (C) to have otherwise allowable deductions for federal, state, and local income tax purposes at least equal to those disallowed because of the inclusion of the Gross-Up Payment in the Employee's adjusted gross income. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time the Gross-Up Payment is made, the Employee shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined (but, if previously paid to the taxing authorities, not prior to the time the amount of such reduction is refunded to the Employee or otherwise realized as a benefit by the Employee) the portion of the Gross-Up Payment that would not have been paid if such Excise Tax had been applied in initially calculating the Gross-Up Payment, plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time the Gross-Up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest and penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

Subject to Section 10(a)(iii), the Gross-Up Payment provided for above shall be paid on the 30th day (or such earlier date as the Excise Tax becomes due and payable to the taxing authorities) after it has been determined that the Severance Payments (or any portion thereof) are subject to the Excise Tax; provided, however, that if the amount of such Gross-Up Payment or portion thereof cannot be finally determined on or before such day, the Company shall pay to the Employee on such day an estimate, as determined by the Independent Advisors, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code), as soon as the amount thereof can be determined. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Employee, payable on the fifth day after

demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). If more than one Gross-Up Payment is made, the amount of each Gross-Up Payment shall be computed so as not to duplicate any prior Gross-Up Payment.

The Company shall have the right to control all proceedings with the Internal Revenue Service that may arise in connection with the determination and assessment of any Excise Tax and, at its sole option, the Company may pursue or forego any and all administrative appeals, proceedings, hearings, and conferences with any taxing authority in respect of such Excise Tax (including any interest or penalties thereon); provided, however, that the Company's control over any such proceedings shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder, and the Employee shall be entitled to settle or contest any other issue raised by the Internal Revenue Service or any other taxing authority. The Employee shall cooperate with the Company in any proceedings relating to the determination and assessment of any Excise Tax and shall not take any position or action that would materially increase the amount of any Gross-Up Payment hereunder.

7. Employee Obligations and Conditions to Receipt of Payments and Benefits.

(a) *Obligations of the Employee.* The following requirements must be met by the Employee as a condition to his right to receive, continue to receive, or retain payments and benefits under the Policy, as specified in Section 7(b), (c) and (d):

(i) The Employee, acting alone or with others, directly or indirectly, shall not, during the Non-competition Period, either as employee, employer, consultant, advisor, or director, or as an owner, investor, partner, or shareholder unless the Employee's interest is insubstantial, engage in or become associated with a "Competitive Activity." For this purpose, (A) the "Non-competition Period" means the period prior to a Change in Control and during Employee's employment and within two years (or such other period as the Committee may specify) following termination of such employment with the Company and any subsidiary or for such shorter period following such termination as may be provided by applicable law; and (B) the term "Competitive Activity" means any business or other endeavor that engages in a line of business in any geographic location that is substantially the same as either (1) any line of operating business which the Company or a subsidiary engages in, conducts, or, to the knowledge of the Executive, has definitive plans to engage in or conduct, or (2) any operating business that has been engaged in or conducted by the Company or a subsidiary and as to which, to the knowledge of the Employee, the Company or subsidiary has covenanted in writing, in connection with the disposition of such business, not to compete therewith. The Committee shall, in the reasonable exercise of its discretion, determine which lines of business the Company and its subsidiaries conduct on any particular date and which third parties may reasonably be deemed to be in competition with the Company and its subsidiaries. For purposes of this Section 7(a) (including clause (ii) below), the Employee's interest as a shareholder is insubstantial if it represents beneficial ownership of less than five percent of the outstanding class of stock, and the Employee's interest as an owner, investor, or partner is insubstantial if it represents ownership, as determined by the Committee in its discretion, of less than five percent of the outstanding equity of the entity.

(ii) During the period prior to a Change in Control and during the Employee's employment and within two years (or such other period as the Committee may specify) following termination of such employment with the Company or any subsidiary or for such shorter period following termination as may be provided by

applicable law, the Employee, acting alone or with others, directly or indirectly, shall not (A) induce any customer or supplier of the Company or a subsidiary or affiliate, or other company with which the Company or a subsidiary or affiliate has a business relationship, to curtail, cancel, not renew, or not continue his or her or its business with the Company or any subsidiary or affiliate; or (B) induce, or attempt to influence, any employee of or service provider to the Company or a subsidiary or affiliate to terminate such employment or service.

(iii) The Employee shall not disclose, use, sell, or otherwise transfer, except in the course of employment with or other service to the Company or any subsidiary or affiliate, any confidential or proprietary information of the Company or any subsidiary or affiliate, including but not limited to information regarding the Company's current and potential customers, organization, employees, finances, and methods of operation and investments, so long as such information has not otherwise been disclosed to the public or is not otherwise in the public domain, except as required by law or pursuant to legal process, and the Employee shall not make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any other action which may, directly or indirectly, disparage or be damaging to the Company or any of its subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations, except as required by law or pursuant to legal process.

(iv) The Employee shall cooperate with the Company or any subsidiary or affiliate by making himself available to testify on behalf of the Company or such subsidiary or affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and otherwise to assist the Company or any subsidiary or affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the Company or such subsidiary or affiliate, as reasonably requested.

(v) The Employee shall deliver promptly to the Company on termination of the Employee's employment, or at any time the Company may so request, all documents, memoranda, notes, records, files, reports, and other materials, and all copies thereof, including digital versions, relating to the Company and its subsidiaries and affiliates, and all other property of the Company and its subsidiaries and affiliates, then in the possession of or under the Employee's control.

(b) *Effect of the Employee's Failure to Comply with Obligations.* The Company shall have no obligations to make payments or provide benefits to the Employee under this Policy if, in the case of an Employee whose employment terminates prior to a Change in Control, the Employee has failed or fails to comply with the obligations set forth in Section 7(a), other than inadvertent and inconsequential events constituting non-compliance, during the period of two years prior to the Employee's termination of employment or at any time following such termination of employment.

(c) *Employee Obligation to Execute Release and Termination Agreement.* The Company's obligations under this Policy to make payments and provide benefits is conditioned upon the Employee's signing a release and termination agreement and the expiration of any revocation period set forth therein. The Committee shall specify the form and content of such agreement, and may modify such form and content from time to time; provided, however, that, such agreement shall set forth the obligations in Section 7(a) and the Employee shall agree to

comply therewith, and the Employee shall agree to the terms of Section 7(d); and provided further, that during the two years following a Change in Control, such agreement shall not be modified in a manner that increases the obligations or decreases the rights of the Employee as compared to the form of such agreement in use prior to the Change in Control.

(d) *Clawback Provision.* In the case of any termination of the Employee's employment prior to a Change in Control, if the Employee has failed to comply with the obligations under Section 7(a) (other than an inadvertent and inconsequential event constituting non-compliance) during the two years prior to termination or during the period following termination which is the lesser of two years or the period during which the obligations under Section 7(a) continue to apply, all of the following forfeitures will result:

(i) The unexercised portion of any option, whether or not vested, and any other award not then vested will be immediately forfeited and canceled.

(ii) The Employee will be obligated to repay to the Company, in cash, within five business days after demand is made therefor by the Company,

(A) the total amount of any cash payments made to the Employee under this Policy, other than (i) such Employee's annual salary that had been payable as of the date of termination of employment, together with salary, incentive compensation and benefits which had been earned or become payable as of the date of termination but which had not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect, and (ii) cash payments under welfare benefit plans;

(B) other cash amounts paid to the Employee under any AIP and LTIP awards since the date two years prior to the Employee's termination of employment; and

(C) the Award Gain (as defined below) realized by the Employee upon each exercise of an option or settlement of a restricted stock or stock unit award (regardless of any elective deferral) since the date two years prior to Employee's termination of employment. For purposes of this Section 7(d), the term "Award Gain" shall mean (1), in respect of a given option exercise, the product of (X) the fair market value per share of stock at the date of such exercise (without regard to any subsequent change in the market price of shares) minus the exercise price times (Y) the number of shares as to which the option was exercised at that date, and (ii), in respect of any other settlement of an award granted to the Employee, the fair market value of the cash or stock paid or payable to the Employee (regardless of any elective deferral) less any cash or the fair market value of any stock or property (excluding any payment of tax withholding) paid by the Employee to the Company as a condition of or in connection such settlement.

8. Other Provisions Applicable to Severance Payments and Benefits.

(a) *Timing of Payments.* Subject to Section 10, all payments required to be paid as a lump sum under Section 4 and any Annex hereto implementing Section 4 shall be paid not later than the 15th day following the date of termination of Employee's employment (or the

date such lump sum otherwise became payable hereunder). Other payments shall be made as promptly as practicable following the earliest date such payments are due, subject to Section 10.

(b) *Limitation of Benefits In Case of Certain Business Dispositions.* Notwithstanding anything in this Policy to the contrary, an Employee shall not be entitled to any payments or benefits upon a termination of employment prior to or more than two years after a Change in Control under Section 4, and any Annex implementing Section 4, unless the Committee in its sole discretion provides otherwise, in the event such termination of employment results from the sale or spin-off of a subsidiary, the sale of a division, other business unit or facility in which the Employee was employed immediately prior to such sale, and the Employee has been offered employment with the purchaser of such subsidiary, division, other business unit or facility or the spun-off entity on substantially the same terms and conditions under which the Employee worked prior to the sale. Such terms and conditions must include an agreement or plan binding on such purchaser or spun-off entity providing that, upon any termination of the Employee's employment with the purchaser or spun-off entity of the kinds described in Section 4, and any Annex hereto applicable to the Employee, within two years following such sale or spin-off (but not past the attainment of age 65 by the Employee), the purchaser or spun-off entity shall pay to such Employee amounts comparable to the payments that the Employee would have received under the applicable provision of Section 4 and such Annex, and provide comparable benefits, as if the Employee had been terminated in like circumstances at the time of such sale and provided payments and benefits under this Policy.

(c) *Deferrals Included in Salary and Bonus.* All references in this Policy to salary and annual incentive amounts mean those amounts before reduction pursuant to any deferred compensation plan or agreement.

(d) *Payments and Benefits to Beneficiary Upon Employee's Death.* In the event of the death of an Employee, all payments and benefits hereunder due to such Employee shall be paid or provided to his Beneficiary.

(e) *Transfers of Employment.* Anything in this Policy to the contrary notwithstanding, a transfer of employment from the Company to a subsidiary or vice versa shall not be considered a termination of employment for purposes of this Policy.

(f) *Calculation of Months.* Provisions of this Policy which calculate the number of months remaining until age 65 will treat, for example, the period from August 16 through October 15 as two whole months, will treat any remaining partial month as one whole month, and will treat any negative number resulting from termination after age 65 as zero.

9. Other Plans and Policies; Non-Duplication of Payments or Benefits.

(a) *Rights Under Other Plans.* Except to the extent that the terms of this Policy confer rights to severance payments and benefits that are more favorable to the Employee than are available under any other employee (including executive) benefit plan or executive compensation plan of the Company or a subsidiary in which the Employee is a participant, the Employee's rights under any such employee (including executive) benefit plan or executive compensation plan shall be determined in accordance with the terms of such plan (as it may be modified or added to by the Company from time to time), except as otherwise provided in

(b) *Superseded Agreements and Rights.* This Policy constitutes the entire understanding between the Company and the Employee relating to severance payments and benefits to be paid or provided to the Employee by the Company and its subsidiaries, and supersedes and cancels all prior agreements and understandings with respect to the subject matter of this Policy, except as otherwise provided in this Section 9(b). In order for the Employee to be entitled to any payments or benefits under this Policy, Employee must agree, within such period after the Committee has designated Employee as eligible to be covered by the Policy as the Committee may specify, that the Employee shall not be entitled to benefits under any Prior Executive Severance Agreement between the Company and the Employee. If, however, the Employee has previously entered or after the Effective Date enters into an employment agreement with the Company or a subsidiary, that employment agreement will not be superseded by this Policy unless it specifically so provides.

(c) *Non-Duplication of Payments and Benefits.* The Employee shall not be entitled to any payment or benefit under this Policy which duplicates a payment or benefit received or receivable by the Employee under any other employment agreement, severance agreement, or other agreement or understanding, or under any employee (including executive) compensation or benefit plan, of the Company or a subsidiary.

10. Special Rules for Compliance with Code Section 409A. This Section 10 serves to ensure compliance with applicable requirements of Code Section 409A. Certain provisions of this Section 10 modify other provisions of this Policy and the "Designations of Participants and Terms" annexed to this Policy (the "Designations"). If the terms of this Section 10 conflict with other terms of the Policy or the terms of the Designations, the terms of this Section 10 control. This Section 10 is effective as of December 31, 2007, but the Company generally will apply these rules before that date in connection with its good faith compliance with Code Section 409A and the guidance thereunder.

(a) *Timing of Certain Payments.* Payments and benefits specified under this policy shall be paid at the times specified as follows:

(i) *Accrued Payments at Termination.* Certain provisions of this Policy require payment of amounts accrued at the date of an Employee's termination of employment, specifically:

The Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

These amounts shall be payable at the date the amounts otherwise would have been payable under Company policies if the Employee's employment had not terminated, but in no event more than 60 days after termination of employment.

(ii) *Performance-Based Payments.* Any amount payable at the time a performance-based incentive award otherwise would be payable if employment had not terminated must be paid within 60 days after the date such award becomes payable.

- (iii) **Gross-Up.** Gross-up payments will be made at the time specified in Section 6, and in any event the gross up must be paid no later than the end of Employee's taxable year next following Employee's taxable year in which Employee remits the related taxes to the taxing authorities.
 - (iv) **Legal Fees and Expenses.** Any legal fees and expenses of Employee payable by the Company under Section 11(c) shall be paid within 30 days of the date the Company receives the bill therefore, and in any event the fees and expenses must be paid or reimbursed no later than the end of Employee's taxable year next following Employee's taxable year in which the legal fee or expense was incurred.
 - (v) **Other Prompt Payments.** Any payment or benefit required under Section 8(a) of the Policy to be paid promptly following a date or event shall be paid within 30 days after such date or event.
 - (vi) **No Employee Influence on Year of Payment.** In the case of any payment under the Policy payable during a specified period of time following a termination or other event, if such permitted payment period begins in one calendar year and ends in a subsequent calendar year, the Employee shall have no right to elect in which year the payment will be made, and the Company's determination of when to make the payment shall not be influenced in any way by the Employee.
- (b) *Special Rules for Severance Payments.* In the case of severance payments payable solely due to a termination by the Company not for Cause or, within two years after a Change in Control, by the Employee for Good Reason ("Severance"), the following rules will apply:

- (i) **Separate Payments.** Any lump-sum payment and each installment payment of Severance shall be deemed a separate payment for all purposes, including for purposes of Section 409A. The portion of a lump-sum payment of Severance payable for specified terminations in the period of two years following a Change in Control that exceeds the present value of the installment payments of Severance that would be payable for a specified termination not within two years following a Change in Control will be deemed to be a separate payment for all purposes, including for purposes of Section 409A (the "Separate Lump Sum").
- (ii) **Installment Payment Rules.** Installment payments shall be made at the dates specified in the applicable provision of the Designation, except that, in the case of any payment of installments in which the third monthly installment would be in March of the year following termination, such payment will be made between March 1 and March 15 of that March. Accordingly, the first three installments of Severance payable in installments shall constitute a short-term deferral under Treasury Regulation § 1.409A-1(b)(4). Severance payments payable in installments within six months after the Employee's termination of employment, other than those deemed to be short-term deferrals (the first three installments), shall be deemed to be paid under the "two-year/two-times" exclusion from being a deferral of compensation under Treasury Regulation § 1.409A-1(b)(9)(iii), up to the limit applicable under that Treasury Regulation. Any other amount payable as Severance in installments shall be deemed to be a deferral of compensation for purposes of Section 409A, and shall be subject to the six-month delay rule in Section 10(c). *(Note: For an Employee whose taxable income in each of the two years before 2007 exceeded \$225,000, a Severance aggregating up to approximately \$3.6 million could be paid in installments without a delay under the six-month delay rule upon a termination not for*

(iii) Lump-Sum Severance Payment Rules. If Severance is payable as a lump-sum payment, the amount of Severance payable at the date specified in Section 8(a) of the Policy (i.e., without the six-month delay) shall equal (A) the present value of the amount of Severance payments that would have been payable in the first three months assuming Severance were instead payable due to a termination not for Cause prior to a Change in Control (if this amount qualifies as a short-term deferral under Code Section 409A), plus (B) the maximum amount of Severance payable under the under the "two-year/two-times" exclusion from being a deferral of compensation under Treasury Regulation § 1.409A-1(b)(9)(iii), plus (C) the Separate Lump Sum identified in Section 10(b)(i) above (if this amount qualifies as a short-term deferral under Code Section 409A), plus (D), if the six-month delay rule in Section 10(c) does not apply, all remaining amounts of the Severance. Any other amounts of such Severance (i.e., amounts subject to the six-month delay rule) shall be paid at the date six months after the date of Employee's termination, together with applicable interest.

(c) *Six-Month Delay Rule.*

(i) General Rule. The six-month delay rule will apply to certain payments and benefits under the Policy if all of the following conditions are met:

(A) The Employee is a "key employee" (as defined in Code Section 416(i) without regard to paragraph (5) thereof) for the year in which the separation from service occurs. The Company will determine status of "key employees" annually, under administrative procedures applicable to all Section 409A plans and applied in accordance with Treasury Regulation § 1.409A-1(i).

(B) The Company's stock is publicly traded on an established securities market or otherwise.

(C) The payment or benefit in question is a deferral of compensation and not excepted or excluded from being such by the short-term deferral rule, or the "two-years/two-times" rule in Treasury Regulation § 1.409A-1(b)(9)(iii), or any other exception or exclusion; provided, however, that the exclusion under Treasury Regulation § 1.409A-1(b)(9)(v)(D) shall apply in the case of Severance only if and to the extent that it is not necessary to apply to any other payment or benefit payable within six months after the Employee's separation from service.

(ii) Effect of Rule. If it applies, the six-month delay rule will delay a payment or benefit which otherwise would be payable under this Policy within six months after the Employee's separation from service.

(A) Any delayed payment or benefit shall be paid on the date six months after the Employee's separation from service.

(B) During the six-month delay period, accelerated payment will occur in the event of the Employee's death but not for any other reason (including no acceleration upon a Change in Control)

(C) Any payment that is not triggered by a separation from service, or is triggered by a

separation from service but would be made more than six months after separation (without applying this six-month delay rule), shall be unaffected by the six-month delay rule.

(iii) Limit to Application of Six-Month Delay Rule. If the terms of any agreement or other document relating to this Policy impose this six-month delay rule in circumstances in which it is not required for compliance with Section 409A, those terms shall not be given effect.

(d) *"Termination of Employment" Defined.* For purposes of this Policy, a "termination of employment" means a separation from service within the meaning of Treasury Regulation § 1.409A-1(h), except for a termination of employment providing for payments or benefits that are "grandfathered" under Code Section 409A.

(e) *Performance-Goal Applies to AIP and LTIP Awards in Certain Cases.* In the case of an Employee's termination of employment within two years after a Change in Control, if such termination is a Retirement or a termination due to Disability in which the Employee has elected voluntarily to terminate (but not a termination due to Disability if the Company has elected such termination), the payment of any amount (pro rated or otherwise) based on the target annual incentive under any AIP (as under Section II(f)(ii) of each of the Designations) or based on the target LTIP award for a performance cycle (as under Section II(f)(vi) of each of the Designations) shall be made to the Employee only if one of the following performance conditions, related to the financial success of the Company, have been satisfied:

- (i) The minimum performance that is a condition for payment of the incentive award at the level that would authorize any positive payment under the incentive award is achieved over the entire performance period; or
- (ii) For financial reporting purposes, the Company has determined for any quarterly reporting period ending at or after the date of termination through the end of the performance period that achievement of the minimum level of performance specified in (i) is probable (so that accounting expense is accrued relating to the award); or
- (iii) The Company's earnings before taxes reportable in its financial statements for any quarterly reporting period ending at or after the date of termination through the end of the year of termination or the later end of the performance period, or for the full year of termination, are positive.

The payment of any such amount shall be made within 30 days after the Committee has determined that any of the performance conditions hereunder has been achieved.

(f) *Settlement of Stock Units.* Any provision of the Designations (including Sections II(c)(iv), II(d)(vi), and II(f)(iv)) providing for accelerated settlement of restricted stock units or stock units (including performance-based awards in the nature of stock units), other than stock units "grandfathered" under Code Section 409A, shall have no effect. However, those provisions will continue to apply by their terms with respect to the lapse of the risk of forfeiture of such awards. The timing of settlement of such awards shall be governed by specific documents governing the compliance of such stock units with Code Section 409A.

(g) *Other Provisions.*

- (i) **Good Reason.** The definition of "Good Reason" in Section 2(l) of the Policy has been modified to constitute an "involuntary separation" within the meaning of Treasury Regulation § 1.409A-1(n), and shall be so construed and interpreted.
- (ii) **Deferrals and Waivers of Settlement.** Certain provisions of the Policy and Designations, specifically Policy Section 5(a)(ii) and Designations Section II(d)(vi) and Section II(f)(iv), refer to deferrals and waivers of settlement of awards. Any such deferral or waiver relating to an award that is a deferral of compensation subject to Section 409A (i.e., is not a "grandfathered" award or excluded from Section 409A) will be permitted only in accordance with the provisions specified in Section 5(b) of the Company's Deferred Compensation Plan, as amended and restated October 8, 2007, subject to any additional limitations as may be necessary for compliance with Code Section 409A.
- (iii) **Continued Benefits.** Medical, dental and group life and disability benefits shall be continued as specified in Designation Sections II(a)(vi) and II(d)(ix), subject to any applicable requirements under Treasury Regulation § 1.409A-1. If any of these benefits are not excluded from being deferrals of compensation under Code Section 409A, in addition to any other requirement regarding the timing of payment, the benefits or any payments in lieu of the benefits shall be made no later than the end of Employee's taxable year next following Employee's taxable year in which the benefit or expense was due to be paid.
- (iv) **Excess Benefit Plan.** The Company shall have no authority to elect to pay the present value of accrued obligations to the Employee under the Excess Benefit Plan as a lump sum except for "grandfathered" accrued obligations and except as permitted in compliance with Code Section 409A (including transition rules and as permitted under permitted under Treasury Regulation § 1.409A-3(j)(4)). In addition, the terms of any "rabbi trust" required or permitted to be established under the Policy in connection with the Excess Benefit Plan or otherwise shall be limited as required by Code Section 409A.
- (v) **Other Separate Payments.** In addition to the provisions of Section 10(b)(i), each other payment or benefit payable under this Policy shall be deemed a separate payment for all purposes, including for purposes of Section 409A.
- (vi) **Non-transferability.** No right of an Employee to any payment or benefit under this Policy shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Employee or of any beneficiary of the Employee.
- (vii) **No Acceleration.** The timing of payments and benefits under the Policy may not be accelerated to occur before the time specified for payment hereunder, except to the extent permitted under Treasury Regulation § 1.409A-3(j)(4) or as otherwise permitted under Code Section 409A without the Employee incurring a tax penalty.
- (h) **General Compliance.** In addition to the foregoing provisions, the terms of this Policy, including any authority of the Company and rights of the Employee which constitute a deferral of compensation subject to 409A (and which is not grandfathered or excluded from being deemed such a deferral), shall be limited to those terms permitted under 409A without resulting in a tax penalty to Employee, and any terms not so permitted under 409A shall be modified and limited to the extent necessary to conform with Section 409A but only to the extent that such modification or limitation is permitted under Section 409A and the regulations and guidance issued thereunder. The Company and

its employees and agents make no representation and are providing no advice regarding the taxation of the payments and benefits under this Policy, including with respect to taxes, interest and penalties under Section 409A and similar liabilities under state and local tax laws. No indemnification or gross up is payable under this Policy with respect to any such tax, interest, or penalty under Section 409A or similar liability under state or local tax laws applicable to any employee, except that this provision does not limit the gross up payable under Section 6 or affect the methodology for determining the gross up payable under Section 6.

11. Miscellaneous

(a) *Withholding.* The Company shall have the right to deduct from all payments hereunder any taxes required by law to be withheld therefrom.

(b) *No Right To Employment.* Nothing in this Policy shall be construed as giving any person the right to be retained in the employment of the Company or any subsidiary, nor shall it affect the right of the Company or any subsidiary to dismiss an Employee without any liability except as provided in this Policy.

(c) *Legal Fees.* The Company shall pay all legal fees and related expenses incurred by an Employee in seeking to obtain or enforce any payment, benefit or right provided by this Policy; provided; however, that the Employee shall be required to repay any such amounts to the Company to the extent that an arbitrator or a court of competent jurisdiction issues a final, unappealable order setting forth a determination that the position taken by the Employee was frivolous or advanced in bad faith. The timing of payments under this Section 11(c) shall be subject to Section 10(a)(iv).

(d) *Amendment and Termination.* The Board of Directors of the Company may amend or terminate this Policy at any time, provided, however, that, without the written consent of an affected Employee, (i), during the two years following a Change in Control, this Policy may not be amended or terminated in any manner materially adverse to an Employee, and (ii), at any other time, this Policy may not be amended or terminated in any manner materially adverse to an Employee except with one year's advance notice to the affected Employee, and no such amendment or termination shall be effective to limit any right or benefit relating to a termination during the two years after a Change in Control under Section 4 and any Annex implementing Section 4, Section 5 or Section 6 if a Change in Control has occurred prior to the lapse of such one-year period.

(e) *Governing Law; Arbitration.* THE VALIDITY, CONSTRUCTION, AND EFFECT OF THIS POLICY AND ANY RULES AND REGULATIONS RELATING TO THIS POLICY SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS (INCLUDING THOSE GOVERNING CONTRACTS) OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAW. If any provision hereof shall be held by a court or arbitrator of competent jurisdiction to be invalid and unenforceable, the remaining provisions shall continue to be fully effective. Any dispute or controversy arising under or in connection with this Policy shall be settled exclusively by arbitration in New York, New York by three arbitrators in accordance with the rules of the American Arbitration Association in effect at the time of submission to arbitration. Judgment may be entered on the arbitrators' award in any court having jurisdiction. For purposes of settling any dispute or controversy arising hereunder or for the purpose of entering any judgment upon an award rendered by the arbitrators, the Company and the Employee hereby consent to the jurisdiction of any or all of the following courts: (i) the United States District

Court for the Southern District of New York, (ii) any of the courts of the State of New York, or (iii) any other court having jurisdiction. The Company and the Employee hereby waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to such jurisdiction and any defense of inconvenient forum. The Company and the Employee hereby agree that a judgment upon an award rendered by the arbitrators may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(f) *Nonassignability.* Payments and benefits under this Policy may not be assigned by the Employee. The terms and conditions of this Policy shall be binding on the successors and assigns of the Company.

(g) *No Duty to Mitigate.* No employee shall be required to mitigate, by seeking employment or otherwise, the amount of any payment that the Company becomes obligated to make under this Policy, and, except as expressly provided in this Policy, amounts or other benefits to be paid or provided to an Employee pursuant to this Policy shall not be reduced by reason of the Employee's obtaining other employment or receiving similar payments or benefits from another employer.

(h) *Foreign Participants.* The terms and conditions of participation of any Employee whose employment is subject to the laws or customs of any jurisdiction other than the United States or a state thereof may be modified by the Committee to conform to or otherwise take into account such laws and customs. In no event shall payments or benefits be payable hereunder if and to the extent that such benefits would duplicate severance payments or benefits payable in accordance with such laws and customs, although severance payments and benefits payable hereunder may supplement those payable under such laws and customs. This Policy will be of no force or effect to the extent superseded by foreign law.

(i) *Effective Date.* This Policy became effective as of April 13, 2000. This amendment and restatement of the Policy is effective as of December 11, 2007 and shall apply to executives hired after October 22, 2007.

Executive Separation Policy**TIER I****Designation of Participants and Terms**

This documents sets forth the participants designated in the Tier I participation level under the International Flavors & Fragrances Inc. Executive Separation Policy (the "Policy"). All of the terms of the Policy are incorporated into this Annex, and capitalized terms defined in the Policy have the same meaning in this Annex.

I. Designation of Participants in Tier I.

The Committee and/or the Board shall designate the Tier I participants under the Policy.

II. Terms of Participation in Tier I

Subject to all of the terms and conditions of the Policy, including Section 10 (modifying certain terms hereof to comply with Code Section 409A), the terms and conditions set forth below apply to Employees designated as Tier I participants. This Annex shall have no application to Employees designated as participants at a level other than Tier I, unless the Committee shall adopt such terms and conditions and so specify in a separate Annex to the Policy.

(a) *Termination by the Company Not for Cause Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is by the Company (or its subsidiaries) other than for Cause and such termination is not due to death, Disability or Retirement, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A lump-sum cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) For a period terminating on the earliest of 18 months (24 months for

executives hired prior to October 22, 2007 and having continuous service) following the date of termination of employment or the Employee's attaining age 65, severance payments, paid periodically at the date annual salary payments would otherwise have been made, at a monthly rate equal to one-twelfth of the sum of the Employee's annual salary at the date of termination plus the Employee's average annual incentive award paid for performance in the three years preceding the year of termination under any AIP (or averaged over the lesser number of years during which the Employee was eligible for AIP awards or, if not eligible before the year of termination, the Employee's target annual incentive under the AIP for the year of termination).

(iv) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(v) Unless otherwise determined by the Committee, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(vi) For a period terminating on the earliest of 18 months (24 months for executives hired prior to October 22, 2007 and having continuous service) following the date of termination of employment, the commencement of eligibility for benefits under a new employer's welfare benefits plan, or the Employee's attaining age 65, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit Plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such Plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance, group accident insurance, and group disability insurance policies of the Company and subsidiaries then in effect and covering the Employee immediately prior to termination;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(a)(vi), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide to the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's Plans and policies.

(vii) The Employee's benefits and rights under the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(b) *Termination by the Company for Cause or Voluntary Termination by the Employee Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately forfeited and the Employee's options which have vested at or before the Employee's termination of employment (A), if termination is by the Company (or its subsidiaries) for Cause, such options shall be immediately canceled, and (B), if termination is voluntary by the Employee, such options shall remain outstanding and exercisable only for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(c) *Termination Due to Death, Disability or Retirement Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses

reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(v)).

(v) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination had Employee's employment continued through the end of such performance cycle, with such LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle). This amount will be payable at such time as the LTIP awards for the applicable performance cycle otherwise become payable, except the Committee may instead make a good faith estimate of the actual performance achieved through the date of termination and rely on this estimate to determine the amount payable in settlement of such LTIP award, in which case such payment will constitute full settlement of such LTIP award.

(vi) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(d) *Termination by the Company Not for Cause or by Employee for Good Reason Within Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) not for Cause or is by the Employee for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the

Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable as a lump sum.

(iii) A lump-sum cash severance payment equal to the product of the Employee's Annual Compensation, multiplied by 3.

(iv) A cash payment of a prorated portion of each of the Employee's LTIP awards for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle) This amount will be payable as a lump sum.

(v) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable for the remaining period until the stated expiration date of the option.

(vi) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(vii) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such Plan and/or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(d), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(viii) The Employee will be credited with additional age and years of service under any Excess Benefit Plan as though the Employee continued to be employed for a period of 36 months after termination at a rate of compensation equal to his or her Annual Compensation, and the Employee will be deemed to be fully vested under any such Excess Benefit Plan, with the time or times at which benefits are payable under any such Plan unchanged; provided, however, that if an Excess Benefit Plan does not permit such additional crediting of age and years of service, then Employee will be paid in a lump sum the present value of the additional benefits he would have received under such Plan had Employee's employment continued to the third anniversary of his termination at an annual rate of compensation equal to his or her Annual Compensation; provided further, that, subject to Section 10(g)(ii), the Company's obligations under any such Excess Benefit Plan shall be fully funded by deposits into a "rabbi trust" the trustee of which shall be independent of the Company and the terms of which shall preclude access by the Company to any of the trust assets, except for attachments by creditors of the Company upon insolvency or bankruptcy of the Company, until all obligations to the Employee and his beneficiaries have been satisfied; and provided further, that, subject to Section 10(g)(ii), the Company may elect to satisfy all obligations to the Employee and his beneficiaries by payment, as a lump sum, of the present value of the accrued benefit under any Excess Plan.

(ix) For a period terminating on the earlier of 36 months following the date of termination of employment or the commencement of eligibility for benefits under a new employer's welfare benefits plan, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance and group disability insurance policies of the Company and subsidiaries then in effect for Employee;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(d)(ix), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's plans and policies. Notwithstanding anything to the contrary contained herein, in the event the Employee becomes eligible for benefits under a new employer's welfare benefit plan during the 36 month period following the date of termination, the benefits required to be provided to the employee pursuant to this Part II(d)(iv) shall be reduced by the amount of substantially similar benefits

provided to the Employee at no additional cost by such new employer.

(e) *Termination by the Company for Cause or Voluntary Termination by the Employee Within Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee not for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, if termination is by the Company (or its subsidiaries) for Cause all of the Employee's options (vested and unvested) shall be immediately forfeited and canceled, and if termination is voluntary by the Employee, all of the Employee's options which have not vested at the time of his termination shall be immediately fully vested and exercisable, and all of the Employee's options which have vested at or before his termination shall remain outstanding and exercisable for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(f) *Termination Due to Death, Disability or Retirement Within Two Years After a Change in Control.* An Employee who is eligible for Tier I severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause or voluntary by the Employee for Good Reason, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which

have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination, subject to Section 10(e) in applicable cases. This amount will be payable as a lump sum.

(iii) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable after termination for the following periods (but in no event past the stated expiration date of the option): (A) for one year if termination resulted from the Employee's death, (B) three years if termination resulted from the Employee's Disability, or (C) for the remaining period until the stated expiration date of the option if termination resulted from Retirement. At the end of the applicable post-termination exercise period, such options shall be canceled.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(v) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such Plan or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(f), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.)

(vi) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle), subject to Section 10(e) in applicable cases. This amount will be

payable as a lump sum.

(vii) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans, except that the Employee will be deemed to be fully vested under any such Excess Benefit Plan.

(g) *Entitlement to Gross-Up.* Tier I level participants shall be entitled to the Gross-Up Payment in accordance with Section 6 of the Policy.

Executive Separation Policy**TIER II****Designation of Participants and Terms**

This documents sets forth the participants designated in the Tier II participation level under the International Flavors & Fragrances Inc. Executive Separation Policy (the "Policy"). All of the terms of the Policy are incorporated into this Annex, and capitalized terms defined in the Policy have the same meaning in this Annex.

I. Designation of Participants in Tier II.

The Committee and/or the Board shall designate the Tier II participants under the Policy.

II. Terms of Participation in Tier II

Subject to all of the terms and conditions of the Policy, including Section 10 (modifying certain terms hereof to comply with Code Section 409A), the terms and conditions set forth below apply to Employees designated as Tier II level participants. This Annex shall have no application to Employees designated as participants at a level other than Tier II, unless the Committee shall adopt such terms and conditions and so specify in a separate Annex to the Policy.

(a) *Termination by the Company Not for Cause Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is by the Company (or its subsidiaries) other than for Cause and such termination is not due to death, Disability or Retirement, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A lump-sum cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) For a period terminating on the earliest of 12 months (18 months for executives hired prior to October 22, 2007 and having continuous service) following the

date of termination of employment or the Employee's attaining age 65, severance payments, paid periodically at the date annual salary payments would otherwise have been made, at a monthly rate equal to one-twelfth of the sum of the Employee's annual salary at the date of termination plus the Employee's average annual incentive award paid for performance in the three years preceding the year of termination under any AIP (or averaged over the lesser number of years during which the Employee was eligible for AIP awards or, if not eligible before the year of termination, the Employee's target annual incentive under the AIP for the year of termination).

(iv) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(v) Unless otherwise determined by the Committee, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(vi) For a period terminating on the earliest of 12 months (18 months for executives hired prior to October 22, 2007 and having continuous service) following the date of termination of employment, the commencement of eligibility for benefits under a new employer's welfare benefits plan, or the Employee's attaining age 65, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit Plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such Plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance, group accident insurance, and group disability insurance policies of the Company and subsidiaries then in effect and covering the Employee immediately prior to termination;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(a)(vi), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide to the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's Plans and policies.

(vii) The Employee's benefits and rights under the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(b) *Termination by the Company for Cause or Voluntary Termination by the Employee Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this

Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately forfeited and the Employee's options which have vested at or before the Employee's termination of employment (A), if termination is by the Company (or its subsidiaries) for Cause, such options shall be immediately canceled, and (B), if termination is voluntary by the Employee, such options shall remain outstanding and exercisable only for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(c) *Termination Due to Death, Disability or Retirement Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination

had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(v) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination had Employee's employment continued through the end of such performance cycle, with such LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination. This amount will be payable at such time as the LTIP awards for the applicable performance cycle otherwise become payable, except the Committee may instead make a good faith estimate of the actual performance achieved through the date of termination and rely on this estimate to determine the amount payable in settlement of such LTIP award, in which case such payment will constitute full settlement of such LTIP award.

(vi) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(d) *Termination by the Company Not for Cause or by Employee for Good Reason Within Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) not for Cause or is by the Employee for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable as a lump sum.

(iii) A lump-sum cash severance payment equal to the product of the Employee's Annual Compensation, multiplied by 2.

(iv) A cash payment of a prorated portion of each of the Employee's LTIP awards for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle). This amount will be payable as a lump sum.

(v) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable for the remaining period until the stated expiration date of the option.

(vi) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(vii) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such plan and/or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(d), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(viii) The Employee will be credited with additional age and years of service under any Excess Benefit Plan as though the Employee continued to be employed for a period of 24 months after termination at a rate of compensation equal to his or her Annual Compensation, and the Employee will be deemed to be fully vested under any such Excess Benefit Plan, with the time or times at which benefits are payable under any such Plan unchanged; provided, however, that if an Excess Benefit Plan does not permit such additional crediting of age and years of service, then Employee will be paid in a lump sum the present value of the additional benefits he would have received under such Plan had Employee's employment continued to the third anniversary of his termination at an annual rate of compensation equal to his or her Annual Compensation; provided further, that, subject to Section 10(g)(iv), the Company's obligations under any such Excess Benefit Plan shall be fully funded by deposits into a "rabbi trust" the trustee of which shall be independent of the Company and the terms of which shall preclude access by the Company to any of the trust assets, except for attachments by creditors of the Company

upon insolvency or bankruptcy of the Company, until all obligations to the Employee and his beneficiaries have been satisfied; and provided further, that, subject to Section 10(g)(iv), the Company may elect to satisfy all obligations to the Employee and his beneficiaries by payment, as a lump sum, of the present value of the accrued benefit under any Excess Plan.

(ix) For a period terminating on the earlier of 24 months following the date of termination of employment or the commencement of eligibility for benefits under a new employer's welfare benefits plan, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance and group disability insurance policies of the Company and subsidiaries then in effect for Employee;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(d)(ix), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's plans and policies. Notwithstanding anything to the contrary contained herein, in the event the Employee becomes eligible for benefits under a new employer's welfare benefit plan during the 24-month period following the date of termination, the benefits required to be provided to the employee pursuant to this Part II(d)(iv) shall be reduced by the amount of substantially similar benefits provided to the Employee at no additional cost by such new employer.

(e) *Termination by the Company for Cause or Voluntary Termination by the Employee Within Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee not for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee

to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, if termination is by the Company (or its subsidiaries) for Cause all of the Employee's options (vested and unvested) shall be immediately forfeited and canceled, and if termination is voluntary by the Employee, all of the Employee's options which have not vested at the time of his termination shall be immediately fully vested and exercisable, and all of the Employee's options which have vested at or before his termination shall remain outstanding and exercisable for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(f) *Termination Due to Death, Disability or Retirement Within Two Years After a Change in Control.* An Employee who is eligible for Tier II severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause or voluntary by the Employee for Good Reason, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination, subject to Section 10(e) in applicable cases. This amount will be payable as a lump sum.

(iii) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable after termination for the following periods (but in no event past the stated expiration date of the option): (A) for one year if termination resulted from the Employee's death, (B) three years if termination resulted from the Employee's Disability, (C) for the remaining period until the stated expiration date of the option if termination resulted from Retirement or (D), unless otherwise determined by the Committee, for 90 days. At the end of the applicable post-termination exercise period, such options shall be canceled.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(v) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such Plan and/or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(f), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock

Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(vi) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle), subject to Section 10(e) in applicable cases. This amount will be payable as a lump sum.

(vii) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans, except that the Employee will be deemed to be fully vested under any such Excess Benefit Plan.

(g) *Entitlement to Gross-Up.* Tier II level participants shall be entitled to the Gross-Up Payment in accordance with Section 6 of the Policy.

(h) *Period During Which Restrictions Under Section 7(a)(i) and (ii) Apply.* Tier II level participants shall be subject to the Non-competition Period under Section 7(a)(i) of this Policy for 18 months following termination of employment rather than two years, and shall be subject to the restrictions under Section 7(a)(ii) of this Policy for 18 months following termination of employment rather than two years. Except for this limitation, Sections 7(a)(i) and 7(a)(ii) apply to each such participant in accordance with their terms.

Executive Separation Policy

TIER III

Designation of Participants and Terms

This documents sets forth the participants designated in the Tier III participation level under the International Flavors & Fragrances Inc. Executive Separation Policy (the "Policy"). All of the terms of the Policy are incorporated into this Annex, and capitalized terms defined in the Policy have the same meaning in this Annex.

I. Designation of Participants in Tier III.

The Committee and/or the Board shall designate the Tier III participants under the Policy.

II. Terms of Participation in Tier III

Subject to all of the terms and conditions of the Policy, including Section 10 (modifying certain terms hereof to comply with Code Section 409A), the terms and conditions set forth below apply to Employees designated as Tier III level participants. This Annex shall have no application to Employees designated as participants at a level other than Tier III, unless the Committee shall adopt such terms and conditions and so specify in a separate Annex to the Policy.

(a) *Termination by the Company Not for Cause Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is by the Company (or its subsidiaries) other than for Cause and such termination is not due to death, Disability or Retirement, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A lump-sum cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) For a period terminating on the earliest of 12 months following the date of termination of employment or the Employee's attaining age 65, severance payments, paid

periodically at the date annual salary payments would otherwise have been made, at a monthly rate equal to one-twelfth of the sum of the Employee's annual salary at the date of termination plus the Employee's average annual incentive award paid for performance in the three years preceding the year of termination under any AIP (or averaged over the lesser number of years during which the Employee was eligible for AIP awards or, if not eligible before the year of termination, the Employee's target annual incentive under the AIP for the year of termination).

(iv) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(v) Unless otherwise determined by the Committee, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(vi) For a period terminating on the earliest of 12 months following the date of termination of employment, the commencement of eligibility for benefits under a new employer's welfare benefits plan, or the Employee's attaining age 65, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit Plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such Plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance, group accident insurance, and group disability insurance policies of the Company and subsidiaries then in effect and covering the Employee immediately prior to termination;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(a)(vi), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide to the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's Plans and policies.

(vii) The Employee's benefits and rights under the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(b) *Termination by the Company for Cause or Voluntary Termination by the Employee Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a

Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately forfeited and the Employee's options which have vested at or before the Employee's termination of employment (A), if termination is by the Company (or its subsidiaries) for Cause, such options shall be immediately canceled, and (B), if termination is voluntary by the Employee, such options shall remain outstanding and exercisable only for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(c) *Termination Due to Death, Disability or Retirement Prior to or More than Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This

amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) Unless otherwise determined by the Committee, the Employee's options, both those vested and not vested at the time of the Employee's termination of employment, shall be governed by the terms of the option agreements in respect of such options.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(v) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination had Employee's employment continued through the end of such performance cycle, with such LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination. This amount will be payable at such time as the LTIP awards for the applicable performance cycle otherwise become payable, except the Committee may instead make a good faith estimate of the actual performance achieved through the date of termination and rely on this estimate to determine the amount payable in settlement of such LTIP award, in which case such payment will constitute full settlement of such LTIP award.

(vi) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(d) *Termination by the Company Not for Cause or by Employee for Good Reason Within Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) not for Cause or is by the Employee for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable as a lump sum.

(iii) A lump-sum cash severance payment equal to the product of the

(iv) A cash payment of a prorated portion of each of the Employee's LTIP awards for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle). This amount will be payable as a lump sum.

(v) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable for the remaining period until the stated expiration date of the option.

(vi) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(vii) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such plan and/or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(d), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(viii) The Employee will be credited with additional age and years of service under any Excess Benefit Plan as though the Employee continued to be employed for a period of 18 months after termination at a rate of compensation equal to his or her Annual Compensation, and the Employee will be deemed to be fully vested under any such Excess Benefit Plan, with the time or times at which benefits are payable under any such Plan unchanged; provided, however, that if an Excess Benefit Plan does not permit such additional crediting of age and years of service, then Employee will be paid in a lump sum the present value of the additional benefits he would have received under such Plan had Employee's employment continued to the third anniversary of his termination at an annual rate of compensation equal to his or her Annual Compensation; provided further, that, subject to Section 10(g)(iv), the Company's obligations under any such Excess Benefit Plan shall be fully funded by deposits into a "rabbi trust" the trustee of which shall be independent of the Company and the terms of which shall preclude access by the Company to any of the trust assets, except for attachments by creditors of the Company upon insolvency or bankruptcy of the Company, until all obligations to the Employee and his beneficiaries have been satisfied; and provided further, that, subject to Section

10(g)(iv), the Company may elect to satisfy all obligations to the Employee and his beneficiaries by payment, as a lump sum, of the present value of the accrued benefit under any Excess Plan.

(ix) For a period terminating on the earlier of 18 months following the date of termination of employment or the commencement of eligibility for benefits under a new employer's welfare benefits plan, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance and group disability insurance policies of the Company and subsidiaries then in effect for Employee;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(d)(ix), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's plans and policies. Notwithstanding anything to the contrary contained herein, in the event the Employee becomes eligible for benefits under a new employer's welfare benefit plan during the 18-month period following the date of termination, the benefits required to be provided to the employee pursuant to this Part II(d)(iv) shall be reduced by the amount of substantially similar benefits provided to the Employee at no additional cost by such new employer.

(e) *Termination by the Company for Cause or Voluntary Termination by the Employee Within Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee not for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Unless otherwise determined by the Committee, if termination is by the Company (or its subsidiaries) for Cause all of the Employee's options (vested and unvested) shall be immediately forfeited and canceled, and if termination is voluntary by the Employee, all of the Employee's options which have not vested at the time of his termination shall be immediately fully vested and exercisable, and all of the Employee's options which have vested at or before his termination shall remain outstanding and exercisable for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) The Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(f) *Termination Due to Death, Disability or Retirement Within Two Years After a Change in Control.* An Employee who is eligible for Tier III severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within two years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause or voluntary by the Employee for Good Reason, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the target annual incentive for the year of termination, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination, subject to Section 10(e) in applicable cases. This amount will be payable as a lump sum.

(iii) Except for Designated Awards, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable after termination for the following periods (but in no event past the stated expiration date of the option): (A) for one year if termination resulted from the Employee's death, (B) three years if termination resulted from the Employee's Disability, (C) for the remaining period until the stated expiration date of the option if termination resulted from Retirement or (D), unless otherwise determined by the Committee, for 90 days. At the end of the applicable post-termination exercise period, such options shall be canceled.

(iv) The Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination (subject to Sections 10(f) and 10(g)(ii)).

(v) The Employee's Designated Awards, if any, will be subject to the terms of the Plan and/or stock option agreement under which they were granted, except that, in the case of options which are Designated Awards, and irrespective of such Plan and/or stock option agreement, Employee will be entitled to a payment equal to the following: for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(f), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(vi) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination, determined as the target LTIP award for that performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination (divided by the total number of days in the performance cycle), subject to Section 10(e) in applicable cases. This amount will be payable as a lump sum.

(vii) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans, except that the Employee will be deemed to be fully vested under any such Excess Benefit Plan.

(g) *Entitlement to Gross-Up.* Tier III level participants shall be entitled to the Gross-Up Payment in accordance with Section 6 of the Policy.

(h) *Period During Which Restrictions Under Section 7(a)(i) and (ii) Apply.* Tier III level participants shall be subject to the Non-competition Period under Section 7(a)(i) of this Policy for 12 months following termination of employment rather than two years, and shall be subject to the restrictions under Section 7(a)(ii) of this Policy for 12 months following termination of employment rather than two years. Except for this limitation, Sections 7(a)(i) and 7(a)(ii) apply to each such participant in accordance with their terms.

CERTIFICATION

I, Robert M. Amen, certify that:

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

Dated: July 30, 2008

By: /s/ Robert M. Amen

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

CERTIFICATION

I, Douglas J. Wetmore, certify that:

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

Dated: July 30, 2008

By: /s/ Douglas J. Wetmore

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

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

In connection with the Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc. (the "Company") for the quarterly period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert M. Amen, as Chief Executive Officer of the Company, and Douglas J. Wetmore, as Chief Financial Officer, each hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

By: /s/ Robert M. Amen

Name: Robert M. Amen

Title: Chairman of the Board
and Chief Executive Officer

Dated: July 30, 2008

By: /s/ Douglas J. Wetmore

Name: Douglas J. Wetmore

Title: Senior Vice President
and Chief Financial Officer

Dated: July 30, 2008
