SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999   COMMISSION FILE NUMBER 1-4858

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

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

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

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

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

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

NONE
(TITLE OF CLASS)

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

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

The Registrant denies that any of its common stock is held by an "affiliate" of the Registrant within the meaning of Rule 405 of the Securities and Exchange Commission. See "Stock Ownership" in proxy statement incorporated by reference herein. The aggregate market value of all of the outstanding voting stock of Registrant as of March 20, 2000 was $3,548,163,811.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of March 20, 2000.

103,031,980 shares of Common Stock, par value 12-1/2(cent) per share

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III [Items 10, 11, 12 and 13] is hereby incorporated by reference from the Registrant's definitive proxy statement for the 2000 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A.

PART I

ITEM 1. BUSINESS.

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

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

The major manufacturing facilities of the Company are located in the United States, Holland, France, Great Britain, Ireland, Spain, Switzerland, Argentina, Brazil, Mexico, China, Hong Kong, Indonesia and Japan. Manufacturing facilities are also located in seven other countries. The Company maintains its own sales and distribution facilities in 34 countries and is represented by sales agents in additional countries. The Company's principal executive offices are located at 521 West 57th Street, New York, New York 10019 (Tel. No. 212-765-5500). Except as the context otherwise indicates, the term "the Company" as used herein refers to the Registrant and its subsidiaries.

MARKETS

Fragrance products are used by customers in the manufacture of such consumer products as soaps, detergents, cosmetic creams, lotions and powders, lipsticks, after-shave lotions, deodorants, hair preparations and air fresheners, as well as in other consumer products designed solely to appeal to the sense of smell, such as perfumes and colognes. The cosmetics industry, including perfumes and toiletries, is one of the Company's two largest customer groups. Most of the major United States companies in this industry are customers of the Company, and five of the largest United States cosmetics companies are among its principal customers. The household products industry, including soaps and detergents, is the other important customer group. Four of the largest United States household product manufacturers are major customers of the Company. In the five years ended December 31, 1999, sales of fragrance products accounted for approximately 57%, 57%, 58%, 58% and 59%, respectively, of the Company's total sales.

Flavor products are sold principally to the food and beverage industries for use in such consumer products as soft drinks, candies, baked goods, desserts, prepared foods, dietary foods, dairy products, drink powders, pharmaceuticals and alcoholic beverages. Two of the Company's largest customers for flavor products are major producers of prepared foods and beverages in the United States. In the five years ended December 31, 1999, sales of flavor products accounted for approximately 43%, 43%, 42%, 42% and 41%, respectively, of the Company's total sales.

PRODUCTS

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

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

MARKET DEVELOPMENTS

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

PRODUCT DEVELOPMENT AND RESEARCH

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

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

The work of the perfumers and flavorists is conducted in 32 fragrance and flavor laboratories in 24 countries. The Company maintains a research center at Union Beach, New Jersey. The Company spent $103,794,000 in 1999, $98,438,000 in 1998 and $94,411,000 in 1997 on its research and development activities, all of which were financed by the Company. These expenditures are expected to increase in 2000 to approximately $110,000,000. Of the amount expended in 1999 on such activities, 59% was for fragrances and the balance was for flavors. The Company employed 884 persons in 1999 and 820 persons in 1998 in such activities.

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

DISTRIBUTION

Most of the Company's sales are made through its own sales force, operating from eight sales offices in the United States and 44 sales offices in 33 foreign countries. Sales in other countries are made through sales agencies. For the year ended December 31, 1999, 32% of the Company's sales were to customers in North America, 39% in Europe, Africa and the Middle East, 16% in Latin America and 13% in Asia-Pacific. See Note 10 of the Notes to the Consolidated Financial Statements for other information with respect to the Company's segment operations.

The Company estimates that during 1999 its 30 largest customers accounted for about 54% of its sales, its four largest customers and their affiliates accounted for about 10%, 8%, 6% and 4%, respectively, of its sales, and no other single customer accounted for more than 3% of sales.

GOVERNMENTAL REGULATION

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

Department, the Environmental Protection Agency, the Occupational Safety and Health Administration and state authorities. The foreign subsidiaries are subject to similar regulation in a number of countries. Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. The Company expects to spend in 2000 approximately $2,600,000 in capital projects and $11,000,000 in operating expenses and governmental charges for the purpose of complying with such requirements. The Company expects that in 2001 capital expenditures, operating expenses and governmental charges for such purpose will not be materially different.

RAW MATERIAL PURCHASES

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

COMPETITION

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

EMPLOYEE RELATIONS

The Company at December 31, 1999 employed approximately 4,680 persons, of whom about 1,430 were employed in the United States. The Company has never experienced a work stoppage or strike and it considers that its employee relations are satisfactory.

ITEM 2. PROPERTIES.

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

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

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

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

ITEM 3. LEGAL PROCEEDINGS.

Various Federal and State authorities and private parties claim that the Company is a potentially responsible party as a generator of waste materials for alleged pollution at a total of 10 waste sites operated by third parties located principally in New Jersey. The governmental authorities seek to recover costs incurred and to be incurred to clean up the sites. In one current private suit, a waste site's former owner/operator seeks contribution and indemnification from generators and others for remedial action costs incurred and to be incurred at the site.

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

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

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

Not applicable.

EXECUTIVE OFFICERS OF REGISTRANT:

NAME	OFFICE AND OTHER BUSINESS EXPERIENCE(3)	AGE	YEAR FIRST BECAME OFFICER
Richard M. Furlaud(1)(2)	Chairman and Chief Executive Officer since December 14, 1999; Chairman Emeritus of the Board of Trustees, The Rockefeller University, an institution of higher learning; Retired President, Bristol-Myers Squibb Company	76	1999
Stephen A. Block	Senior Vice-President, General Counsel and Secretary	55	1993
Robert G. Corbett	Vice-President since May 1997; Director; employed by the Company in other positions prior thereto	45	1997
William S. Kane	Vice-President since September 1999; Senior Vice-President Human Resources, Channel One Network, television content provider, from 1997 to 1999; Director of Human Resources, Frigidaire Division of Electrolux, household products manufacturers, from 1994 to 1997	40	1999
Thomas E. Kinlin	Vice-President since September 1999; employed by the Company in other positions prior thereto	57	1999
Carlos A. Lobbosco	Vice-President; Director	60	1993
Jose A. Rodriguez	Vice-President since May 1998; employed by the Company in other positions prior thereto	56	1998
Douglas J. Wetmore	Vice-President and Chief Financial Officer since April 1998; Director; Controller prior thereto	42	1992

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(1) Chairman of Executive Committee of the Board of Directors.

(2) Mr. Furlaud was elected Chairman of the Board and Chief Executive Officer following the resignation of Mr. Eugene P. Grisanti as Chairman of the Board, President and Chief Executive Officer on December 14, 1999.

(3) Employed by the Company or an affiliated company for the last five years, except as otherwise indicated.

PART II

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

(a) Market Information.

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

QUARTER	1999 HIGH	1999 LOW	1998 HIGH	1998 LOW
First	$45.50	$34.25	$51.88	$42.06
Second	45.00	34.50	50.31	42.25
Third	48.50	33.63	44.50	32.06
Fourth	39.25	33.81	45.44	32.56

(b) Approximate Number of Equity Security Holders.

(A) TITLE OF CLASS	(B) NUMBER OF RECORD HOLDERS AS OF DECEMBER 31, 1999
Common stock, par value 12 1/2(cent) per share	4,209

(c) Dividends.

Cash dividends declared per share for each quarter since January 1998 were as follows:

	2000	1999	1998
First	$.38	$.38	$.37
Second		.38	.37
Third		.38	.37
Fourth		.38	.38

ITEM 6. SELECTED FINANCIAL DATA.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	1999	1998	1997	1996	1995
Net sales	$1,439,499	$1,407,349	$1,426,791	$1,436,053	$1,439,487
Net income(a)(b)	$ 162,000	$ 203,785	$ 218,229	$ 189,894	$ 248,817
Earnings per share:					
Net income per share--basic	$1.53	$1.90	$2.00	$1.71	$2.24
Net income per share--diluted	$1.53	$1.90	$1.99	$1.70	$2.22
Total assets	$1,401,495	$1,388,064	$1,422,261	$1,506,913	$1,534,269
Long-term debt	$ 3,832	$ 4,341	$ 5,114	$ 8,289	$ 11,616
Cash dividends declared per share	$1.52	$1.49	$1.45	$1.38	$1.27

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(a) Reflects nonrecurring charges ($21,910 after tax) in 1999 resulting from the Registrant's program to streamline its operations worldwide.

(b) Reflects nonrecurring charge ($31,315 after tax) in 1996 resulting from the Registrant's program to phase out and close certain aroma chemical operations.

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

Operations

In 1999, worldwide net sales were $1,439,499,000 compared to $1,407,349,000 and $1,426,791,000 in 1998 and 1997, respectively. Sales of fragrance products were $849,193,000, $820,149,000 and $821,592,000 in 1999, 1998 and 1997, respectively. Fragrance sales increased 4% in 1999 in comparison to 1998, following flat sales in 1998 compared to 1997. Flavor sales were $590,306,000, $587,200,000 and $605,199,000 in 1999, 1998 and 1997, respectively. Flavor sales increased 1% in 1999 in comparison to 1998, following a decrease of 3% in 1998 compared to 1997.

Sales outside the United States represented approximately 70% of total sales in 1999, 1998 and 1997. The following table shows sales on a geographic basis:

SALES BY DESTINATION (DOLLARS IN THOUSANDS)	1999	PERCENT CHANGE	1998	PERCENT CHANGE	1997
North America	$ 452,569	1%	$ 448,885	6%	$ 423,876
Europe, Africa and the Middle East (EAME)	565,209	1%	556,911	-4%	577,576
Latin America	232,913	-3%	239,472	8%	222,708
Asia-Pacific	188,808	16%	162,081	-20%	202,631
Total net sales	$1,439,499	2%	$1,407,349	-1%	$1,426,791

For the full year 1999, the Company's sales increased 2%. Growth was strongest in EAME fragrances and in Asia-Pacific in flavors and fragrances. Local currency sales in Asia-Pacific increased 12% for the year, as that region continued its economic recovery. Local currency sales growth in EAME fragrances totaled 6% for the year. Latin America flavor sales declined 11% as a result of the currency and economic conditions in the region, most notably in Brazil, the Company's largest flavor market in the area. In 1999, reported sales were unfavorably impacted by the continued strength of the U.S. dollar, principally against the European currencies; if the dollar exchange rates had remained the same during 1999 and 1998, consolidated sales would have been approximately 1% higher than reported.

During 1998, sales growth was strong in North America, in both flavors and fragrances. Although economic difficulties unfavorably impacted Latin America flavor sales, fragrance sales in the area achieved double-digit sales growth for the year. Sales in Asia-Pacific, in both flavors and fragrances, were down 20% for the year, affected by the ongoing economic disruption in Japan and Southeast Asia. In 1998, reported sales were unfavorably impacted by the stronger U.S. dollar, most notably against the major European currencies; had the dollar exchange rates remained the same during 1998 and 1997, sales would have been approximately 2% higher than reported.

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

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

	1999	1998	1997
Cost of goods sold	55.0%	54.2%	54.2%
Research and development expenses	7.2%	7.0%	6.6%
Selling and administrative expenses	18.2%	17.0%	15.9%

Cost of goods sold, which includes cost of materials and internal manufacturing expenses, has remained fairly constant as a percentage of sales for the past several years. The moderate increase in 1999 was primarily due to the impact of the currency devaluation and economic disruption in Brazil, which impacted the Company's near-term ability to pass on price increases to its customers in that market.

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

Selling and administrative expenses are necessary to support the Company's sales and operating levels. Selling and administrative expenses increased as a percentage of sales primarily due to the costs of the Company's Y2K program; in 1999 and 1998, the costs for this program were $14,200,000 and $12,500,000, respectively. There were no comparable costs incurred in 1997. In 1999, administrative expenses also included approximately $6,000,000 in costs associated with the final settlement of certain employment contracts and $2,315,000 relating to the nonrecurring charges (discussed below). Administrative expenses for 1999 and 1998 also included certain costs incurred in connection with the Company's project to implement the enterprise requirements planning ("ERP") software package, SAP. Excluding these costs, selling and administrative expenses would have represented approximately 16.5% and 15.9% of sales in 1999 and 1998, respectively, in line with 1997 levels.

Operating profit, as shown in Note 10 of the Notes to the Consolidated Financial Statements, was $321,428,000 in 1999, $335,248,000 in 1998 and $355,748,000 in 1997. In 1999, operating profit declined primarily due to the decline in gross margin on sales, charges of $3,499,000 and increased research and development expenditures. Operating profit decreased in 1998 in comparison to 1997 as a result of the level of sales achieved. In 1999 and 1998, operating profit reflected the effects of the Year 2000 related expenses. Operating profit in 1999 excludes nonrecurring charges of $32,948,000.

Interest expense amounted to $5,154,000, $2,042,000 and $2,420,000 in 1999, 1998 and 1997, respectively. This expense relates primarily to bank loans taken out by some of the Company's subsidiaries and can be significantly affected by high interest rates in countries where local bank borrowing is used as a hedge against devaluations. In addition, in October 1999, the Company established a $300,000,000 commercial paper program; at December 31, 1999, $63,200,000 of commercial paper was outstanding. Interest expense increased in 1999 compared to 1998 mainly due to higher average borrowing levels during the year; the decrease in 1998 compared to 1997 was due to lower average borrowing levels. More details on bank loans, commercial paper and long-term debt are contained in Note 6 of the Notes to the Consolidated Financial Statements.

Other income was $291,000 in 1999, compared to $6,356,000 in 1998 and $10,442,000 in 1997. The decrease in other income in 1999 compared to 1998, was primarily due to facility closure costs (discussed below). Also, interest income decreased in 1999 compared to 1998, and 1998 compared to 1997, primarily due to lower average interest rates and lower levels of investments.

In June 1999, the Company announced a program to streamline the Company's operations worldwide by improving operating efficiencies and asset utilization, enabling significant cost savings and enhanced profitability. The program includes the closure of selected manufacturing, distribution and sales facilities in all geographic areas in which the Company operates. In addition, the Company will further consolidate and align production in its remaining manufacturing locations.

Once completed, the program will result in total pretax charges approximating $50,000,000 ($33,000,000 after tax, or approximately $.32 per share). The Company anticipates realizing annual savings on completion of this program of approximately $15,000,000; approximately $5,000,000 in savings from the program were realized in the second half of 1999.

As a result of this program, in 1999 the Company recorded total pretax charges of $40,900,000 ($27,200,000 after tax, or approximately $.26 per share); non-cash charges approximated $11,700,000.

Certain elements of the charges, relating primarily to accelerated depreciation on assets to be disposed of, have been recognized in cost of goods sold ($1,184,000) and selling and administrative expenses ($2,315,000). In addition, $4,480,000 associated primarily with facility closure is included in other income and expense. The balance of the charges, representing employee separation and asset-related costs, are recorded as nonrecurring charges in the Consolidated Statement of Income. Movements in the reserve resulting from the nonrecurring charges were as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE-RELATED	ASSET-RELATED	TOTAL
Original reserve	$22,951	$9,997	$32,948
Utilized in 1999	13,329	8,411	21,740
Balance December 31, 1999	$ 9,622	$1,586	$11,208

The balance of the reserve is expected to be utilized in 2000 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied. In excess of 200 employees will be affected by the program; at December 31, 1999, 170 employees had left the Company.

Of the total pretax charges in 1999, approximately $29,400,000 were for EAME, principally employee separation costs associated with the rationalization of certain operations and facilities in the United Kingdom, the Netherlands and France.

For North America, Latin America and Asia-Pacific, 1999 charges totaled $5,600,000, $2,900,000 and $3,000,000, respectively, and relate to employee separations and closure of operations.

During 1996, the Company undertook a program to phase out and close certain aroma chemical operations. At December 31, 1998, unutilized reserves totaled $2,721,000 relating to remaining decommissioning and disposal of plant equipment, and severance obligations. At December 31, 1999, the reserves under this program had been fully utilized; costs of completing the program approximated the original estimate.

Effective January 1, 1998, the Company adopted Statement of Position 98-1 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. SOP 98-1 establishes guidance on when costs incurred for internal-use software are capitalized. The Company capitalized approximately $24,800,000 and $28,000,000 in 1999 and 1998, respectively, related to the acquisition and development of the SAP software package.

Effective January 1, 1999, the Company adopted Statement of Position 98-5 (SOP 98-5), Reporting on the Costs of Start-Up Activities, which is effective for fiscal years beginning after December 15, 1998. SOP 98-5 requires that costs of start-up activities, including organization costs, be expensed as incurred. The impact of adopting this Standard was not material.

Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities, was issued in June 1998. In June 1999, the Financial Accounting Standards Board issued FAS 137 which defers the effective date of FAS 133 to fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company is currently evaluating the Standard, and the accounting and reporting implications thereof.

Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. In 1999, the Company spent approximately $1,200,000 on capital projects and about $10,800,000 in operating expenses and governmental charges for the purpose of complying with such regulations. Expenditures for these purposes will continue for the foreseeable future. In addition, the Company is party to a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act or similar state statutes. It is expected that the impact of any judgements in or voluntary settlements of such proceedings will not be material to the Company's financial condition, results of operations or liquidity.

Financial Condition

The financial condition of the Company remained strong during 1999. Cash, cash equivalents and short-term investments totaled $62,971,000 at December 31, 1999, compared to $115,999,000 and $260,446,000 at December 31, 1998 and 1997, respectively. Short-term investments are high-quality, readily marketable instruments. Working capital totaled $465,712,000 at year-end 1999, compared to $575,120,000 and $670,598,000 at December 31, 1998 and 1997, respectively. Gross additions to property, plant and equipment were $103,835,000, $91,690,000 and $59,284,000 in 1999, 1998 and 1997, respectively, and are expected to approximate $75,000,000 in 2000.

Notwithstanding its current strong financial condition, the Company established a $300,000,000 commercial paper program, which was put in place in October 1999. Proceeds from the commercial paper program will be used for general corporate purposes.

In September 1996, the Company announced a plan to repurchase an additional 7.5 million shares of its common stock. An existing program to purchase 7.5 million shares, in effect since 1992, was completed in 1997. Repurchases will be made from time to time on the open market or through private transactions as market and business conditions warrant. The repurchased shares will be available for use in connection with the Company's employee benefit plans and for other general corporate purposes. At December 31, 1999, approximately 5.6 million shares of common stock had been repurchased under the 1996 program. Under these plans, the Company purchased $46,298,000, $134,448,000 and $70,988,000 of treasury stock in 1999, 1998 and 1997, respectively.

The Company anticipates that its growth, capital spending and share repurchase plan will be funded from internal sources and credit facilities currently in place.

The Company paid dividends to shareholders totaling $161,249,000, $159,619,000 and $157,674,000 in 1999, 1998 and 1997, respectively. The dividend rate per share in 1999, 1998 and 1997 was, respectively, $1.52, $1.48 and $1.44.

Year 2000 Issue

This Year 2000 statement is designated a Year 2000 Readiness Disclosure within the meaning of the United States Year 2000 Information and Readiness Disclosure Act of 1998.

The Company's comprehensive program to address its "Year 2000" needs (the "Y2K Program") was completed prior to January 1, 2000. The Y2K program was designed to evaluate and, if necessary, repair or replace those computer programs and embedded computer chips that are significant to the Company and that use only the last two digits to refer to a year ("Y2K Code"), so that such Y2K Code would be "Year 2000 Capable," that is, would recognize dates beginning in the Year 2000. For purposes of the Y2K Program, Y2K Code is that which the Company concluded could, if not made Year 2000 Capable, materially affect the Company's operations and ability to service its customers, or create a safety or environmental risk. In addition to dealing with the Company's Y2K Code, the Y2K Program also was designed to identify and evaluate the Year 2000 readiness of the Company's key suppliers of inventory and non-inventory goods and services, and of the Company's significant customers.

The failure to make Y2K Code Year 2000 Capable could result in an interruption in, or failure of, certain business activities or operations, which could materially and adversely affect the Company's results of operations, liquidity and/or financial condition. As of January 1, 2000, and through the end of February 2000, significant computer systems have operated without Year 2000 related problems and appear to be Year 2000 Capable. The Company is not aware of any of its major customers or third-party suppliers having experienced significant Year 2000 related problems. However, due to the general uncertainty about the overall extent of the Year 2000 problem, including, but not limited to, uncertainty about the extent of Year 2000 capability of the Company's suppliers and customers, there is no guarantee that all potential Year 2000 problems have been identified.

Subject to the above uncertainties, however, the Company believes that, given the completion of the Y2K Program and the lack of known significant Year 2000 problems as of and since January 1, 2000, the likelihood of material interruptions of the Company's normal business are remote. Should a Year 2000 problem arise, the Company has contingency plans for the critical aspects of its operations. These contingency plans include, but are not limited to, increasing on-site and standby staffing, adjustment of raw material and product inventory levels, alternate sources of transportation and raw materials, alternate production plans, backup power supplies, utilities and communications, and emergency response and security procedures. Such plans are designed to avoid or mitigate potential serious disruptions in the Company's business.

At December 31, 1999 the total cost of the Company's Y2K Program was approximately $48,700,000. Of those costs, approximately $22,000,000 represented capital expenditures associated with replacement hardware, software and associated items. The remaining amount, totaling $26,700,000, was expensed as incurred and represented the costs of repair, testing and related efforts. These amounts do not include the cost of the SAP project. The Company does not anticipate any material costs related to the Y2K Program in 2000.

Euro Currency Adoption

As part of the European Economic and Monetary Union, a single currency (the "Euro") will replace the national currencies of many of the European countries in which the Company conducts business. The conversion rates between the Euro and the participating nations' currencies were fixed irrevocably as of January 1, 1999, with the participating national currencies scheduled to be removed from circulation between January 1, and June 30, 2002, and replaced by Euro notes and coinage. During the transition period, from January 1, 1999 through December 31, 2001, public and private entities as well as individuals may pay for goods and services using either checks, drafts, or wire transfers denominated in Euros or the participating country's national currency. The Company's systems and processes were "Euro Capable" (able to enter into Euro-denominated transactions) on January 1, 1999. The effects of the Euro conversion on the Company's revenues, costs and competitive position have not been significant. The costs of the systems and business process conversions were not material.

Subsequent Events

In January 2000, in connection with the Company's program to streamline operations, the Company initiated a Voluntary Retirement Incentive Program for United States-based employees meeting certain eligibility requirements. Those eligible employees electing to take the incentive will receive additional credit, for pension purposes, in terms of age and years of service, as well as certain other benefits. It is expected that the early retirement plan will result in a charge to 2000 earnings of approximately $10,000,000.

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

Statements in this Management's Discussion and Analysis which are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements. Risks and uncertainties with respect to the Company's business include general economic and business conditions, the price and availability of raw materials, the ability of the Company and third parties, including customers and suppliers, to adequately address the Year 2000 Issue, and political and economic uncertainties, including the fluctuation or devaluation of currencies in countries in which the Company does business.

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

See Note 12 of the Notes to the Consolidated Financial Statements for a discussion of the Company's exposure to, and management of, market risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS:

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

QUARTERLY FINANCIAL DATA (UNAUDITED)

QUARTER	NET SALES 1999	NET SALES 1998	GROSS PROFIT 1999	GROSS PROFIT 1998	NET INCOME* 1999	NET INCOME* 1998	NET INCOME PER SHARE BASIC 1999	NET INCOME PER SHARE BASIC 1998	NET INCOME PER SHARE DILUTED 1999	NET INCOME PER SHARE DILUTED 1998
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)									
First	$ 367,765	$ 373,411	$161,296	$175,204	$ 48,780	$ 62,626	$0.46	$0.58	$0.46	$0.58
Second	371,079	365,253	165,869	169,983	27,434	55,907	0.26	0.52	0.26	0.52
Third	364,674	349,846	165,242	156,670	49,155	50,249	0.46	0.47	0.46	0.47
Fourth	335,981	318,839	155,305	142,010	36,631	35,003	0.35	0.33	0.35	0.33
	$1,439,499	$1,407,349	$647,712	$643,867	$162,000	$203,785	$1.53	$1.90	$1.53	$1.90

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* Net income for the 1999 second, third and fourth quarters includes the after-tax effects of certain charges of $23,145, $1,748 and $2,289, respectively. See Note 2 of the Notes to Consolidated Financial Statements for further discussion.

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

None.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

	YEAR ENDED DECEMBER 31, 1999	1998	1997
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)		
CONSOLIDATED STATEMENT OF INCOME			
Net sales	$1,439,499	$1,407,349	$1,426,791
Cost of goods sold	791,787	763,482	773,145
Research and development expenses	103,794	98,438	94,411
Selling and administrative expenses	262,642	238,675	227,066
Nonrecurring charges	32,948	--	--
Interest expense	5,154	2,042	2,420
Other (income) expense, net	(291)	(6,356)	(10,442)
	1,196,034	1,096,281	1,086,600
Income before taxes on income	243,465	311,068	340,191
Taxes on income	81,465	107,283	121,962
NET INCOME	162,000	203,785	218,229
Other comprehensive income:			
Foreign currency translation adjustments	(48,005)	27,721	(84,406)
COMPREHENSIVE INCOME	$ 113,995	$ 231,506	$ 133,823
NET INCOME PER SHARE--BASIC	$1.53	$1.90	$2.00
NET INCOME PER SHARE--DILUTED	$1.53	$1.90	$1.99
CONSOLIDATED STATEMENT OF RETAINED EARNINGS			
At beginning of year	$1,210,620	$1,166,348	$1,106,572
Net income	162,000	203,785	218,229
	1,372,620	1,370,133	1,324,801
Cash dividends declared	160,830	159,513	158,453
At end of year	$1,211,790	$1,210,620	$1,166,348

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(DOLLARS IN THOUSANDS)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 62,135	$ 114,960
Short-term investments	836	1,039
Receivables:		
Trade	290,118	264,352
Allowance for doubtful accounts	(10,013)	(9,517)
Other	23,313	28,645
Inventories	415,269	403,961
Prepaid and deferred charges	53,756	44,588
Total Current Assets	835,414	848,028
PROPERTY, PLANT AND EQUIPMENT, NET	523,916	498,784
OTHER ASSETS	42,165	41,252
TOTAL ASSETS	$1,401,495	$1,388,064

LIABILITIES AND SHAREHOLDERS' EQUITY

	1999	1998
CURRENT LIABILITIES:		
Bank loans	$ 29,274	$ 29,072
Commercial paper	63,200	--
Accounts payable	71,989	60,331
Accrued payrolls and bonuses	18,527	16,507
Dividends payable	39,882	40,301
Income taxes	54,497	46,647
Other current liabilities	92,333	80,050
Total Current Liabilities	369,702	272,908
OTHER LIABILITIES:		
Long-term debt	3,832	4,341
Deferred income taxes	32,785	30,730
Retirement and other liabilities	136,679	135,034
Total Other Liabilities	173,296	170,105
SHAREHOLDERS' EQUITY:		
Common stock 12-1/2(cent) par value; authorized 500,000,000 shares; issued 115,761,840 shares	14,470	14,470
Capital in excess of par value	134,480	136,443
Restricted stock	--	(6,750)
Retained earnings	1,211,790	1,210,620
Accumulated other comprehensive income:		
Cumulative translation adjustment	(57,135)	(9,130)
	1,303,605	1,345,653
Treasury stock, at cost--10,939,915 shares in 1999 and 9,715,775 shares in 1998	(445,108)	(400,602)
Total Shareholders' Equity	858,497	945,051
Total Liabilities and Shareholders' Equity	$1,401,495	$1,388,064

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(DOLLARS IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 162,000	$ 203,785	$ 218,229
Adjustments to reconcile to net cash provided by operations:			
Depreciation	56,369	49,006	50,278
Deferred income taxes	(4,191)	15,877	8,201
Changes in assets and liabilities:			
Current receivables	(35,354)	(3,887)	(32,949)
Inventories	(33,955)	(31,354)	(20,524)
Current payables	40,719	(15,816)	11,473
Other, net	10,230	(1,185)	4,440
Net cash provided by operations	195,818	216,426	239,148
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales/maturities of short-term investments	1,073	41,766	23,056
Purchases of short-term investments	(955)	--	(9,851)
Additions to property, plant and equipment, net of minor disposals	(101,910)	(89,741)	(58,211)
Net cash used in investing activities	(101,792)	(47,975)	(45,006)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends paid to shareholders	(161,249)	(159,619)	(157,674)
Increase (decrease) in bank loans	1,599	16,570	(7,305)
Proceeds from issuance of commercial paper	63,200	--	--
Decrease in long-term debt	(859)	(1,380)	(2,357)
Proceeds from issuance of stock under stock option plans	4,290	4,569	15,356
Purchase of treasury stock	(46,298)	(134,448)	(70,988)
Net cash used in financing activities	(139,317)	(274,308)	(222,968)
Effect of exchange rate changes on cash and cash equivalents	(7,534)	3,823	(15,550)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(52,825)	(102,034)	(44,376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	114,960	216,994	261,370
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 62,135	$ 114,960	$ 216,994

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

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

PRINCIPLES OF CONSOLIDATION

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

CURRENCY TRANSLATION

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

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

INVENTORIES

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

CASH EQUIVALENTS

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

PROPERTY, PLANT AND EQUIPMENT

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

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

Long-lived assets are reviewed for impairment when events or changes in business conditions indicate that their full carrying value may not be recovered. Assets are considered to be impaired and written down to estimated fair value if expected associated cash flows are less than the carrying amounts.

INCOME TAXES

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

RETIREMENT BENEFITS

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

FINANCIAL INSTRUMENTS

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

RISKS AND UNCERTAINTIES

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

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

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 1998, the Company adopted Statement of Position 98-1 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. SOP 98-1 establishes guidance on when costs incurred for internal-use software are capitalized.

Effective January 1, 1999, the Company adopted Statement of Position 98-5 (SOP 98-5), Reporting on the Costs of Start-Up Activities, which is effective for fiscal years beginning after December 15, 1998. SOP 98-5 requires that costs of start-up activities, including organization costs, be expensed as incurred. The impact of adopting this Standard was not material.

Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities, was issued in June 1998. In June 1999, the Financial Accounting Standards Board issued FAS 137 which defers the effective date of FAS 133 to fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company is currently evaluating the Standard, and the accounting and reporting implications thereof.

NET INCOME PER SHARE

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

	NUMBER OF SHARES		
(SHARES IN THOUSANDS)	1999	1998	1997
Basic EPS	105,748	107,122	109,065
Dilution under stock plans	195	308	560
Diluted EPS	105,943	107,430	109,625

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

Options to purchase 2,946,607, 2,295,667 and 944,959 shares were outstanding in 1999, 1998 and 1997, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares in the respective years.

NOTE 2. NONRECURRING AND OTHER CHARGES

In June 1999, the Company announced a program to streamline the Company's operations worldwide by improving operating efficiencies and asset utilization, enabling significant cost savings and enhanced profitability. The program includes the closure of selected manufacturing, distribution and sales facilities in all geographic areas in which the Company operates. In addition, the Company will further consolidate and align production in its remaining manufacturing locations.

Once completed, the program will result in total pretax charges approximating $50,000,000 ($33,000,000 after tax). The Company anticipates realizing annual savings on completion of this program of approximately $15,000,000; approximately $5,000,000 in savings from the program were realized in the second half of 1999.

As a result of this program, in 1999 the Company recorded total pretax charges of $40,900,000 ($27,200,000 after tax); non-cash charges approximated $11,700,000.

Certain elements of the charges, relating primarily to accelerated depreciation on assets to be disposed of, have been recognized in cost of goods sold ($1,184,000) and selling and administrative expenses ($2,315,000). In addition, $4,480,000 associated primarily with facility closure is included in other income and expense. The balance of the charges, representing employee separation and asset-related costs, are recorded as nonrecurring charges in the Consolidated Statement of Income. Movements in the reserve resulting from the nonrecurring charges were as follows:

(DOLLARS IN THOUSANDS)	EMPLOYEE-RELATED	ASSET-RELATED	TOTAL
Original reserve	$22,951	$9,997	$32,948
Utilized in 1999	13,329	8,411	21,740
Balance December 31, 1999	$ 9,622	$1,586	$11,208

The balance of the reserve is expected to be utilized in 2000 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied. In excess of 200 employees will be affected by the program; at December 31, 1999, 170 employees had left the Company.

Of the total pretax charges in 1999, approximately $29,400,000 were for EAME, principally employee separation costs associated with the rationalization of certain operations and facilities in the United Kingdom, the Netherlands and France.

For North America, Latin America and Asia-Pacific, 1999 charges totaled $5,600,000, $2,900,000 and $3,000,000, respectively, and relate to employee separations and closure of operations.

During 1996, the Company undertook a program to phase out and close certain aroma chemical operations. At December 31, 1998, unutilized reserves totaled $2,721,000 relating to remaining decommissioning and disposal of plant equipment, and severance obligations. At December 31, 1999, the reserves under this program had been fully utilized; costs of completing the program approximated the original estimate.

NOTE 3. MARKETABLE SECURITIES

Marketable securities are included in cash equivalents and short-term investments, as appropriate. At December 31, 1999 and 1998, marketable securities totaling $1,614,000 and $2,655,000, respectively, were available for sale and recorded at fair value which approximated cost. Realized gains and losses on the sale of marketable securities were not material.

NOTE 4. INVENTORIES

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(DOLLARS IN THOUSANDS)	
Raw materials	$229,896	$235,552
Work in process	7,423	8,251
Finished goods	177,950	160,158
	$415,269	$403,961

NOTE 5. PROPERTY, PLANT AND EQUIPMENT, NET

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(DOLLARS IN THOUSANDS)	
Land	$ 34,205	$ 33,784
Buildings and improvements	291,244	284,861
Machinery, equipment and software	572,181	526,859
Construction in progress	51,290	67,893
	948,920	913,397
Accumulated depreciation	425,004	414,613
	$523,916	$498,784

NOTE 6. BORROWINGS

Bank loans averaged $58,005,000 in 1999, $16,912,000 in 1998 and $19,639,000 in 1997. The highest levels were $84,942,000 in 1999, $29,636,000 in 1998 and $28,736,000 in 1997. The 1999 weighted average annual interest rate on these loans (based on balances outstanding at the end of each month) was approximately 9% and the average rate on loans outstanding at December 31, 1999 was 8%. These rates compare to 8% and 7%, respectively, in 1998, and 7% and 10%, respectively, in 1997.

At December 31, 1999, the Company had commercial paper outstanding of $63,200,000. The average interest rate on this commercial paper was 6.0%. Commercial paper maturities did not extend beyond March 31, 2000.

In addition, the Company maintained a revolving credit facility of $300,000,000 as a backstop for the commercial paper program. There were no amounts drawn on this facility at December 31, 1999. The Company compensates the banks participating in the credit facility in the form of fees, the amounts of which were not significant.

Long-term debt (all foreign) consists of a loan from a financial institution with an interest rate of 2.5%, and with an original term of seven years. Aggregate payments for the next five years of long-term debt outstanding at December 31, 1999 are $983,000 annually through 2003 and $883,000 in 2004. At December 31, 1999 and 1998, the estimated fair value of long-term debt, based on borrowing rates currently available to the Company with similar terms and maturities, approximated the recorded amount.

Cash payments for interest were $4,606,000 in 1999, $1,774,000 in 1998 and $2,330,000 in 1997.

At December 31, 1999, the Company and its subsidiaries had available unused lines of bank credit approximating $68,000,000.

NOTE 7. INCOME TAXES

	1999	1998	1997
	(DOLLARS IN THOUSANDS)		
U.S. income before taxes	$ 19,061	$ 54,745	$ 63,719
Foreign income before taxes	224,404	256,323	276,472
Total income before taxes	$243,465	$311,068	$340,191

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

	1999	1998	1997
	(DOLLARS IN THOUSANDS)		
Current			
Federal	$ 5,064	$ 4,830	$ 18,149
State and local	204	578	2,210
Foreign	80,388	85,998	93,402
	85,656	91,406	113,761
Deferred			
Federal	(8,773)	13,350	6,478
State and local	546	1,847	235
Foreign	4,036	680	1,488
	(4,191)	15,877	8,201
Total income taxes	$81,465	$107,283	$121,962

At December 31, 1999 and 1998, gross deferred tax assets were $63,900,000 and $56,000,000, respectively; gross deferred tax liabilities were $67,700,000 and $64,800,000, respectively. No valuation allowance was required for deferred tax assets. The principal components of deferred tax assets (liabilities) were:

	1999	1998
	(DOLLARS IN THOUSANDS)	
Employee and retiree benefits	$ 34,300	$ 33,000
Inventory	12,400	8,200
Property, plant and equipment	(40,500)	(34,800)
Other, net	(10,000)	(15,200)
	$ (3,800)	$ (8,800)

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

	1999	1998	1997
Statutory tax rate	35.0%	35.0%	35.0%
Difference in effective tax rate on foreign earnings and remittances	(1.0)	(0.5)	0.8
State and local taxes	0.2	0.5	0.5
Other, net	(0.7)	(0.5)	(0.4)
Effective tax rate	33.5%	34.5%	35.9%

Income taxes paid were $74,794,000 in 1999, $99,894,000 in 1998 and $110,594,000 in 1997.

Undistributed earnings of foreign subsidiaries for which no deferred taxes have been provided approximated $522,000,000 at December 31, 1999. Any additional U.S. taxes payable on these foreign earnings, if remitted, would be substantially offset by credits for foreign taxes already paid.

NOTE 8. SHAREHOLDERS' EQUITY

Transactions in treasury shares resulted in net charges to capital in excess of par value of $1,062,000, $975,000 and $1,963,000 in 1997, 1998 and 1999, respectively.

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

	NUMBER OF SHARES	AMOUNT
	(DOLLARS IN THOUSANDS)	
Balance January 1, 1997	5,790,323	$230,540
Acquisitions	1,633,034	73,869
Used for stock plans	(792,446)	(32,512)
Balance December 31, 1997	6,630,911	271,897
Acquisitions	3,222,900	134,448
Used for stock plans	(138,036)	(5,743)
Balance December 31, 1998	9,715,775	400,602
Acquisitions	1,268,633	46,473
Used for stock plans	(144,493)	(5,948)
Return of restricted stock	100,000	3,981
Balance December 31, 1999	10,939,915	$445,108

Under an employment contract dated January 1, 1997, the Company awarded 250,000 restricted shares of the Company's common stock. Under that contract, the restrictions would expire, subject to performance goals, over a five-year period; compensation expense was recognized over the restricted period. As a result of the termination of that contract, those shares for which restrictions would have lapsed in 2000-2001 were forfeited and have been returned to treasury stock.

Changes in the cumulative translation adjustment, included in other comprehensive income, were (in thousands):

Balance January 1, 1997	$ 47,555
Translation adjustments	(84,406)
Balance December 31, 1997	(36,851)
Translation adjustments	27,721
Balance December 31, 1998	(9,130)
Translation adjustments	(48,005)
Balance December 31, 1999	$(57,135)

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

Under the Rights Agreement, as amended, until a person or group acquired 20% or more of the Company's common stock or commenced a tender offer that would result in such person or group owning 20% or more, the rights would be evidenced by the common stock certificates, would automatically trade with the common stock and would not be exercisable.

Thereafter, or if the Company were involved in a merger or sold more than 50% of its assets or earning power, each right entitled its holder to purchase a certain amount of shares for a specified exercise price. Also, under certain circumstances, the Company's Board of Directors had the option to redeem or exchange one share of common stock for each right. The Rights Agreement expired on February 20, 2000. On March 9, 2000, the Company adopted a new shareholder rights protection agreement, the provisions of which are essentially identical with those of the agreement outlined above. The new agreement will expire in March 2010.

Dividends paid per share were $1.52, $1.48 and $1.44 in 1999, 1998 and 1997, respectively.

NOTE 9. STOCK OPTIONS

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

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

During 1999, options to purchase common stock were granted at exercise prices ranging from $34.94 to $41.19 per share. At December 31, 1999, the price range for shares under option was $19.30 to $49.88; options for 2,350,022 shares were exercisable at that date. During 1999, 144,493 shares of common stock under option were exercised at prices ranging from $19.30 to $43.25.

Stock option transactions were:

	SHARES OF COMMON STOCK		WEIGHTED AVERAGE EXERCISE PRICE
	AVAILABLE FOR OPTION	UNDER OPTION	
Balance January 1, 1997	237,094	3,486,355	$39.98
Granted	(781,250)	781,250	43.38
Exercised	--	(542,446)	33.61
Terminated	94,485	(94,485)	39.67
1997 Plan Increase	3,500,000	--	--
Balance December 31, 1997	3,050,329	3,630,674	41.67
Granted	(941,000)	941,000	48.93
Exercised	--	(138,036)	33.10
Terminated	397,719	(397,719)	46.26
Balance December 31, 1998	2,507,048	4,035,919	43.21
Granted	(846,000)	846,000	38.99
Exercised	--	(144,493)	30.89
Terminated	157,252	(157,252)	45.36
Lapsed	(160,296)	--	--
Balance December 31, 1999	1,658,004	4,580,174	$42.69

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

	RANGE OF EXERCISE PRICES	
	$10-$30	$30-$50
Number outstanding	177,548	4,402,626
Weighted average remaining contractual life, in years	0.8	6.8
Weighted average exercise price	$24.94	$43.41
Number exercisable	177,548	2,172,474
Weighted average exercise price	$24.94	$42.80

The Company applies Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its plans. Had compensation cost for the Company's stock option plans been determined based upon the fair value at the grant date, consistent with the methodology prescribed under Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, the Company's net income and basic earnings per share would have been reduced by approximately $5,400,000 ($.05 per share) in 1999, $4,700,000 ($.04 per share) in 1998 and $3,500,000 ($.03 per share) in 1997. These pro forma amounts may not be representative of future disclosures because the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years.

Using the Black-Scholes option valuation model, the estimated fair values of options granted during 1999, 1998 and 1997 were $7.65, $9.74 and $8.19, respectively. The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions. In addition, such models require the use of subjective assumptions, including expected stock price volatility. In management's opinion, such valuation models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

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

	1999	1998	1997
Risk-free interest rate	5.7%	5.6%	6.6%
Expected life, in years	5	5	5
Expected volatility	22.5%	19.5%	16.4%
Expected dividend yield	3.8%	3.0%	3.3%

NOTE 10. SEGMENT INFORMATION

The Company manages its operations by major geographical area. The flavor and fragrance divisions have similar economic and operational characteristics including research and development, the nature of the creative and production processes, the type of customers, and the methods by which products are distributed. Accounting policies used for segment reporting are the same as those described in Note 1. The Company evaluates the performance of its geographic areas based on operating profit, excluding interest expense, other income and expense, certain unallocated expenses, the effects of nonrecurring items and accounting changes, and income tax expense. Transfers between geographic areas are accounted for at prices which approximate arm's length market prices. The North America area includes the United States and Canada, and the EAME area includes Europe, Africa and the Middle East. Unallocated assets are principally cash, short-term investments and other corporate assets. Certain prior year amounts have been reclassified for comparability purposes.

1999 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EAME	LATIN AMERICA	ASIA-PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$476,496	$574,835	$212,770	$175,398	$ --	$1,439,499
Transfers between areas	62,432	124,927	756	13,540	(201,655)	--
Total sales	$538,928	$699,762	$213,526	$188,938	$(201,655)	$1,439,499
Operating profit	$ 69,555	$177,643	$ 41,288	$ 31,503	$ 1,439	$ 321,428
Corporate and other unallocated expenses						(40,152)
Nonrecurring charges						(32,948)
Interest expense						(5,154)
Other income (expense), net						291
Income before taxes on income						$ 243,465
Segment assets	$519,054	$487,261	$194,140	$176,222	$ (61,314)	$1,315,363
Unallocated assets						86,132
Total assets						$1,401,495

1998 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EAME	LATIN AMERICA	ASIA-PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$474,481	$569,894	$211,235	$151,739	$ --	$1,407,349
Transfers between areas	58,355	114,258	841	14,626	(188,080)	--
Total sales	$532,836	$684,152	$212,076	$166,365	$(188,080)	$1,407,349
Operating profit	$ 88,727	$172,392	$ 47,005	$ 26,954	$ 170	$ 335,248
Corporate and other unallocated expenses						(28,494)
Interest expense						(2,042)
Other income (expense), net						6,356
Income before taxes on income						$ 311,068
Segment assets	$463,289	$509,006	$164,434	$166,915	$ (50,008)	$1,253,636
Unallocated assets						134,428
Total assets						$1,388,064

1997 (DOLLARS IN THOUSANDS)	NORTH AMERICA	EAME	LATIN AMERICA	ASIA-PACIFIC	ELIMINATIONS	CONSOLIDATED
Sales to unaffiliated customers	$449,671	$589,308	$197,165	$190,647	$ --	$1,426,791
Transfers between areas	68,188	101,922	1,205	15,789	(187,104)	--
Total sales	$517,859	$691,230	$198,370	$206,436	$(187,104)	$1,426,791
Operating profit	$ 90,629	$186,113	$ 43,219	$ 36,663	$ (876)	$ 355,748
Corporate and other unallocated expenses						(23,579)
Interest expense						(2,420)
Other income (expense), net						10,442
Income before taxes on income						$ 340,191
Segment assets	$416,067	$451,784	$153,698	$159,725	$ (36,356)	$1,144,918
Unallocated assets						277,343
Total assets						$1,422,261

	CAPITAL EXPENDITURES			DEPRECIATION		
	1999	1998	1997	1999	1998	1997
	(DOLLARS IN THOUSANDS)					
North America	$ 57,306	$ 46,114	$ 13,773	$ 16,811	$ 16,774	$ 18,673
EAME	21,227	29,424	29,024	25,274	21,026	20,983
Latin America	14,585	10,130	8,617	6,322	4,077	3,415
Asia-Pacific	7,595	4,399	4,919	5,353	4,651	4,625
Unallocated assets	3,122	1,623	2,951	2,609	2,478	2,582
Consolidated	$103,835	$ 91,690	$ 59,284	$ 56,369	$ 49,006	$ 50,278

EAME operating profit for 1999 includes charges totaling $3,499,000 relating to accelerated depreciation on assets to be disposed. In 1999, corporate and other unallocated expenses include approximately $6,000,000 in costs associated with the final settlement of certain employment contracts.

Sales of fragrance products were $849,193,000, $820,149,000 and $821,592,000 in 1999, 1998 and 1997, respectively. Sales of flavor products were $590,306,000, $587,200,000 and $605,199,000 in 1999, 1998 and 1997, respectively. Sales in the United States, based on the final country of destination of the Company's products, were $434,641,000, $432,035,000 and $407,824,000 in 1999, 1998 and 1997, respectively. No other individual country of destination exceeded 8% of consolidated sales. Sales to the Company's largest customer in 1999, 1998 and 1997 accounted for 10%, 11% and 11% of worldwide net sales, respectively. Total long-lived assets consist of net property, plant and equipment and amounted to $523,916,000, $498,784,000 and $446,509,000 at December 31, 1999, 1998 and 1997, respectively; of the respective totals $238,786,000, $204,430,000 and $186,888,000 were located in the United States. No other individual country had long-lived assets that exceeded 10% of total long-lived assets.

Net foreign exchange gains of $622,000 in 1999, $943,000 in 1998 and $1,231,000 in 1997 are included in other income.

NOTE 11. RETIREMENT BENEFITS

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

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

Pension expense included the following components:

	U.S. PLANS			NON-U.S. PLANS		
	1999	1998	1997	1999	1998	1997
	(DOLLARS IN THOUSANDS)					
Service cost for benefits earned ...	$ 6,384	$ 5,886	$ 3,914	$ 6,687	$ 6,137	$ 5,819
Interest cost on projected benefit obligation	12,832	11,690	10,623	9,084	10,116	9,989
Expected return on plan assets	(14,614)	(12,972)	(11,383)	(11,086)	(11,980)	(10,621)
Net amortization and deferrals	(15)	(98)	(231)	665	712	495
Defined benefit plans	4,587	4,506	2,923	5,350	4,985	5,682
Defined contribution and other retirement plans	2,386	2,386	2,360	2,357	2,121	1,655
Total pension expense	$ 6,973	$ 6,892	$ 5,283	$ 7,707	$ 7,106	$ 7,337

Expense recognized for postretirement benefits included the following components:

	1999	1998	1997
	(DOLLARS IN THOUSANDS)		
Service cost for benefits earned	$1,832	$1,505	$1,070
Interest on benefit obligation	3,672	3,371	3,097
Net amortization and deferrals	33	28	(9)
Total postretirement benefit expense ..	$5,537	$4,904	$4,158

Changes in pension and postretirement benefit obligations were:

	U.S. Pension Plans		Non-U.S. Pension Plans		Postretirement Benefits	
	1999	1998	1999	1998	1999	1998
	(DOLLARS IN THOUSANDS)					
Benefit obligation at beginning of year	$ 188,095	$ 158,736	$ 184,910	$ 153,758	$ 55,933	$ 46,808
Service cost for benefits earned ...	6,384	5,886	6,687	6,137	1,832	1,505
Interest cost on projected benefit obligation	12,832	11,690	9,084	10,116	3,672	3,371
Actuarial (gain) loss	(25,658)	18,623	(1,765)	10,999	(8,255)	5,953
Curtailments	--	--	265	--	--	--
Plan participants' contributions ...	--	--	281	88	--	--
Benefits paid	(7,418)	(6,840)	(6,381)	(6,253)	(2,837)	(1,704)
Translation adjustments	--	--	(19,325)	10,065	--	--
Benefit obligation at end of year ..	$ 174,235	$ 188,095	$ 173,756	$ 184,910	$ 50,345	$ 55,933

Changes in pension plan assets were:

	U.S. PLANS		NON-U.S. PLANS	
	1999	1998	1999	1998
	(DOLLARS IN THOUSANDS)			
Fair value of plan assets at beginning of year ..	$ 236,468	$ 202,417	$ 164,803	$ 148,067
Actual return on plan assets	37,593	38,044	19,005	8,341
Employer contributions	841	2,847	5,083	5,551
Plan participants' contributions	--	--	281	88
Benefits paid	(7,418)	(6,840)	(6,381)	(6,253)
Translation adjustments	--	--	(17,879)	9,009
Fair value of plan assets at end of year	$ 267,484	$ 236,468	$ 164,912	$ 164,803

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

	U.S. Pension Plans		Non-U.S. Pension Plans		Postretirement Benefits	
	1999	1998	1999	1998	1999	1998
	(DOLLARS IN THOUSANDS)					
Plan assets in excess of (less than) projected benefit obligation	$ 93,249	$ 48,373	$(8,844)	$(20,107)	$(50,345)	$(55,933)
Remaining balance of unrecognized net (asset) liability established at adoption of FAS 87	(2,214)	(2,856)	1,235	1,589	--	--
Unrecognized prior service cost	4,107	4,505	5,230	6,371	161	174
Unrecognized net (gain) loss	(94,252)	(45,384)	1,804	10,996	(1,927)	6,348
Net asset (liability)	$ 890	$ 4,638	$ (575)	$ (1,151)	$(52,111)	$(49,411)

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

	U.S. PLANS		NON-U.S. PLANS	
	1999	1998	1999	1998
	(DOLLARS IN THOUSANDS)			
Prepaid benefit cost	$ 18,875	$ 20,331	$ 5,855	$ 6,191
Accrued benefit liability	(17,985)	(15,693)	(6,430)	(7,342)

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

	U.S. PLANS		NON-U.S. PLANS	
	1999	1998	1999	1998
Discount rate	7.7%	6.7%	5.9%	5.3%
Weighted average rate of compensation increase	4.5%	4.5%	3.1%	2.8%
Long-term rate of return on plan assets	8.0%	8.0%	7.6%	7.3%

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

	1999	1998
Discount rate	7.7%	6.7%
Initial medical cost trend rate	6.5%	7.0%
Ultimate medical cost trend rate	5.0%	5.0%
Medical cost trend rate decreases to ultimate rate in year	2003	2003

The effect of a 1% increase in the assumed medical rate of inflation would increase the accumulated postretirement benefit obligation, and the annual postretirement expense, by approximately $8,624,000 and $1,259,000, respectively; a 1% decrease in the rate would decrease the obligation and expense by approximately $6,806,000 and $955,000, respectively.

NOTE 12. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company uses forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates. These contracts, the counterparties to which are major international financial institutions, generally involve the exchange of one currency for a second currency at a future date, and have maturities which do not exceed six months. Gains and losses on such contracts are recognized in income as incurred, effectively offsetting the losses and gains on the foreign currency transactions that are hedged. At December 31, 1999 and 1998, the value of outstanding foreign currency exchange contracts was not material.

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

NOTE 13. CONTINGENT LIABILITIES

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

NOTE 14. SUBSEQUENT EVENTS

In January 2000, in connection with the Company's program to streamline operations, the Company initiated a Voluntary Retirement Incentive Program for United States-based employees meeting certain eligibility requirements. Those eligible employees electing to take the incentive will receive additional credit, for pension purposes, in terms of age and years of service, as well as certain other benefits. It is expected that the early retirement plan will result in a charge to 2000 earnings of approximately $10,000,000.

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of International Flavors & Fragrances Inc. and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICEWATERHOUSECOOPERS LLP
1301 Avenue of the Americas
New York, New York 10019
January 27, 2000

PART IV

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

(a) See Item 8 on page 12.
(b) No report on Form 8-K was filed during the last quarter of the year ended December 31, 1999.
(c) Exhibits.
(d) Not applicable.

NUMBER	
2	Not applicable.
3	Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
3(b)	By-laws of Registrant, incorporated by reference to Exhibit 3(b) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
3(c)	Amendment to By-laws adopted December 12, 1996, incorporated by reference to Exhibit 3(c) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1996 (File No. 1-4858).
3(d)	Amendment to By-laws adopted May 8, 1997, incorporated by reference to Exhibit 3(a) to Registrant's Report on Form 10-Q dated August 13, 1997 (File No. 1-4858).
3(e)	Amendments to By-laws adopted March 10, 1998, incorporated by reference to Exhibit 3(a) to Registrant's Report on Form 10-Q dated May 14, 1998 (File No. 1-4858).
3(f)	Amendments to By-laws adopted January 27, 2000 and December 14, 1999.
4(a)	Shareholder Protection Rights Agreement dated as of February 20, 1990 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
4(b)	Amendment No. 1 dated as of April 6, 1990 to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(b) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
4(c)	Amendment No. 2 dated as of March 8, 1994 to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(c) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
4(cc)	Amended and Restated Shareholder Protection Rights Agreement dated as of September 25, 1998, incorporated by reference to Exhibit (4) to Registrant's Report on Form 8-K dated September 25, 1998.
4(ccc)	First Amendment dated as of March 9, 1999 to the Amended and Restated Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(ccc) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1999 (File No. 1-4858).
4(d)	Specimen certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(d) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
9	Not applicable.
10(a)	Agreement dated as of January 1, 1997 between Registrant and Eugene P. Grisanti, Chairman and President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(b)	Form of Executive Severance Agreement approved by Registrant's Board of Directors on February 14, 1989 incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(c)	Registrant's Executive Death Benefit Plan effective July 1, 1990, incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(d)	Supplemental Retirement Investment Plan adopted by

Registrant's Board of Directors on November 14, 1989 incorporated by reference to Exhibit 10(d) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).

NUMBER	
10(e)	Supplemental Retirement Plan adopted by Board of Directors on October 29, 1986, incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(f)	Restated Management Incentive Compensation Plan of Registrant, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 28, 1995 (File No. 1-4858).
10(ff)	2000 Stock Award and Incentive Plan adopted by Registrant's Board of Directors on March 9, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
10(h)	Stock Option Plan for Non-Employee Directors, incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(hh)	2000 Stock Option Plan for Non-Employee Directors adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
10(i)	Registrant's Directors' Deferred Compensation Plan adopted by Registrant's Board of Directors on September 15, 1981, incorporated by reference to Exhibit 10(i) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(j)	Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995 incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-4858).
10(k)	364-day Credit Agreement dated as of June 1, 1999 among Registrant as Borrower, certain Initial Lenders, Citibank, N.A. as Agent and Salomon Smith Barney Inc. as Arranger, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 13, 1999 (File No. 1-4858).
10(l)	1997 Employee Stock Option Plan, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 27, 1997 (File No. 1-4858).
10(ll)	Amendments to 1997 Employee Stock Option Plan adopted by Registrant's Board of Directors on February 8, 2000.
10(m)	Agreement dated July 27, 1998 between Registrant and Stuart R. Maconochie, Vice-President of Registrant, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
10(n)	Agreement dated June 23, 1998 between Registrant and Carlos A. Lobbosco, Vice-President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
10(o)	Agreement dated as of October 1, 1999 between Registrant and Carlos A. Lobbosco, Vice-President of Registrant.
11	Not applicable.
12	Not applicable.
13	Not applicable.
16	Not applicable.
18	Not applicable.
21	List of Principal Subsidiaries. See page E-1 of this Form 10-K.
22	Not applicable.
23	Consent of PricewaterhouseCoopers LLP. See page 34 of this Form 10-K.
24	Powers of Attorney authorizing George Rowe, Jr. and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
27	Financial Data Schedule (EDGAR version only).
28	Not applicable.
99	None.

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(REGISTRANT)

By /s/ DOUGLAS J. WETMORE

DOUGLAS J. WETMORE
VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

Dated: March 30, 2000

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

PRINCIPAL EXECUTIVE OFFICER:

RICHARD M. FURLAUD
Chairman of the Board
and Chief Executive Officer

PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER:

By /S/ STEPHEN A. BLOCK

DOUGLAS J. WETMORE
Vice-President and Chief Financial Officer
and Director

STEPHEN A. BLOCK
ATTORNEY-IN-FACT

DIRECTORS:

MARGARET HAYES ADAME
ROBERT G. CORBETT
ROBIN CHANDLER DUKE
PETER A. GEORGESCU
CARLOS A. LOBBOSCO
GEORGE ROWE, JR.
HENRY P. VAN AMERINGEN
WILLIAM D. VAN DYKE, III

March 30, 2000

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

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-59689, No. 33-66756 and No. 33-47856) and the Registration Statement on Form S-8 (No. 33-54423) of International Flavors & Fragrances Inc. of our report dated January 27, 2000 relating to the financial statements and financial statement schedules, which appears on page 30 of this Form 10-K.

PRICEWATERHOUSECOOPERS LLP
1301 Avenue of the Americas
New York, New York 10019
March 27, 2000

INTERNATIONAL FLAVORS & FRAGRANCES INC. AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 1999

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANS-LATION ADJUST-MENTS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts	$9,517	$1,645	$ 668	($ 481)	$10,013

FOR THE YEAR ENDED DECEMBER 31, 1998

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ACCOUNTS WRITTEN OFF	TRANS-LATION ADJUST-MENTS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts	$8,101	$2,228	$1,053	$ 241	$ 9,517

FOR THE YEAR ENDED DECEMBER 31, 1997

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

EXHIBIT 21

LIST OF REGISTRANT'S PRINCIPAL SUBSIDIARIES

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

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

EXHIBIT INDEX

EXHIBIT	
2	Not applicable.
3	Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
3(b)	By-laws of Registrant, incorporated by reference to Exhibit 3(b) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
3(c)	Amendment to By-laws adopted December 12, 1996, incorporated by reference to Exhibit 3(c) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1996 (File No. 1-4858).
3(d)	Amendment to By-laws adopted May 8, 1997, incorporated by reference to Exhibit 3(a) to Registrant's Report on Form 10-Q dated August 13, 1997 (File No. 1-4858).
3(e)	Amendments to By-laws adopted March 10, 1998, incorporated by reference to Exhibit 3(a) to Registrant's Report on Form 10-Q dated May 14, 1998 (File No. 1-4858).
3(f)	Amendments to By-laws adopted January 27, 2000 and December 14, 1999.
4(a)	Shareholder Protection Rights Agreement dated as of February 20, 1990 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
4(b)	Amendment No. 1 dated as of April 6, 1990 to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(b) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
4(c)	Amendment No. 2 dated as of March 8, 1994 to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(c) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
4(cc)	Amended and Restated Shareholder Protection Rights Agreement dated as of September 25, 1998, incorporated by reference to Exhibit (4) to Registrant's Report on Form 8-K dated September 25, 1998.
4(ccc)	First Amendment dated as of March 9, 1999 to the Amended and Restated Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(ccc) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1999 (File No. 1-4858).
4(d)	Specimen certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(d) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
9	Not applicable.
10(a)	Agreement dated as of January 1, 1997 between Registrant and Eugene P. Grisanti, Chairman and President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(b)	Form of Executive Severance Agreement approved by Registrant's Board of Directors on February 14, 1989 incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(c)	Registrant's Executive Death Benefit Plan effective July 1, 1990, incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(d)	Supplemental Retirement Investment Plan adopted by Registrant's Board of Directors on November 14, 1989 incorporated by reference to Exhibit 10(d) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).

EXHIBIT	
10(e)	Supplemental Retirement Plan adopted by Board of Directors on October 29, 1986, incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(f)	Restated Management Incentive Compensation Plan of Registrant, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 28, 1995 (File No. 1-4858).
10(ff)	2000 Stock Award and Incentive Plan adopted by Registrant's Board of Directors on March 9, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
10(h)	Stock Option Plan for Non-Employee Directors, incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(hh)	2000 Stock Option Plan for Non-Employee Directors adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
10(i)	Registrant's Directors' Deferred Compensation Plan adopted by Registrant's Board of Directors on September 15, 1981, incorporated by reference to Exhibit 10(i) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
10(j)	Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995 incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-4858).
10(k)	364-day Credit Agreement dated as of June 1, 1999 among Registrant as Borrower, certain Initial Lenders, Citibank, N.A. as Agent and Salomon Smith Barney Inc. as Arranger, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 13, 1999 (File No. 1-4858).
10(l)	1997 Employee Stock Option Plan, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 27, 1997 (File No. 1-4858).
10(ll)	Amendments to 1997 Employee Stock Option Plan adopted by Registrant's Board of Directors on February 8, 2000.
10(m)	Agreement dated July 27, 1998 between Registrant and Stuart R. Maconochie, Vice-President of Registrant, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
10(n)	Agreement dated June 23, 1998 between Registrant and Carlos A. Lobbosco, Vice-President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
10(o)	Agreement dated as of October 1, 1999 between Registrant and Carlos A. Lobbosco, Vice-President of Registrant.
11	Not applicable.
12	Not applicable.
13	Not applicable.
16	Not applicable.
18	Not applicable.
21	List of Principal Subsidiaries. See page E-1 of this Form 10-K.
22	Not applicable.
23	Consent of PricewaterhouseCoopers LLP. See page 34 of this Form 10-K.
24	Powers of Attorney authorizing George Rowe, Jr. and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
27	Financial Data Schedule (EDGAR version only).
28	Not applicable.
99	None.

Exhibit 3(f)

AMENDMENTS TO BY-LAWS OF REGISTRANT
ADOPTED BY BOARD OF DIRECTORS ON
JANUARY 27,2000 AND DECEMBER 14,1999

A. Adopted January 27, 2000:

RESOLVED that Article II, Section 10 of the By-laws of the Corporation, as amended, is hereby amended, effective immediately, by designating the existing text thereof, following the section caption, as subsection (a) and by adding at the end thereof the following new subsection:

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

B. Adopted December 14, 1999:

RESOLVED that Article II, Section 2 of the By-laws of the Corporation, as amended, is hereby further amended, effective immediately, by changing the word "eleven" appearing therein to "twelve".

INTERNATIONAL FLAVORS & FRAGRANCES INC.
BOARD OF DIRECTORS MEETING HELD 2/8/00

Section 7 of the 1997 Employee Stock Option Plan (the "Plan") is deleted and the following is substituted therefor:

"7. Employment at the Time of Each Purchase:

(a) Except as provided below in subsections (b) and (c) of this section, any stock option may be exercised by any Participant only so long as he or she remains in the employ of IFF; provided that if a Participant voluntarily resigns, becomes totally disabled or retires, he or she may exercise within 3 months thereafter (but not later than the expiration date of the option) the option as to the balance, if any, of the shares which the Participant was entitled to purchase pursuant to section 9 hereof at the date of such resignation, disability or retirement. Authorized leaves of absence for military or governmental service or other purposes approved by the Committee will be deemed a continuation of employment for purposes of the Plan, and modifications or extensions of the periods of the option agreement or otherwise may be made by the Committee. If a Participant dies while employed by IFF, his or her legal representatives, distributees or legatees as the case may be, may exercise within three (3) months thereafter (but not later than the expiration date of the option) the option as to the balance, if any, of the shares which the Participant was entitled to purchase pursuant to Section 9 hereof at the date of his or her death or, in case such death occurs less than 48 months from the date of the grant of the option, that proportion of the shares covered by the option which the number of days in the period from the date of grant to the date of the Participant's death bears to the number 1460, less any shares previously purchased under the option.

(b) Any stock option granted on or after February 8, 2000 may be exercised by a Participant who retires at age 65 or older, until the option's expiration date, as to the balance, if any, of the shares which the Participant was entitled to purchase pursuant to Section 9 hereof at the date of such retirement.

(c) On and after February 8, 2000, the Committee, in its discretion, (i) may grant one or more stock options, which by their terms may be exercised by the Participant with respect to any or all of the shares subject thereto, and/or for periods of time after the termination of the Participant's employment for any reason (but not later than the expiration date of the option), and (ii) may reserve to itself the right to extend or vary the terms of one or more stock options granted on or after February 8, 2000 to allow the exercise of the option by the Participant with respect to any or all of the shares subject thereto and/or for periods of time after the termination of the Participant's employment for any reason (but not later than the expiration date of the option).

(d) In the event of the death of any holder of any option granted or amended by the Committee pursuant to subsections (b) or (c) of this section while such option remains exercisable, the option may be exercised by his or her "Beneficiary," as hereinafter defined, legal representatives, distributees or legatees, as the case may be, within 12 months thereafter (but not later than the expiration date of the option) as to the entire number of shares which the Participant was entitled to purchase thereunder at the date of his or her death.

(e) For purposes of this section, the term "Beneficiary" shall mean, with respect to any option, the family member or members, or the trust or trusts for the benefit of one or more family members, which have been designated by an optionee in his or her most recent written beneficiary designation filed with the Committee as entitled to exercise such option after such optionee's death, or if there is no surviving designated Beneficiary, then the legal representatives, distributees or legatees of such Beneficiary."

The first sentence of Section 9 of the Plan shall be amended to read as follows:

"9. Exercise of Options. Except as the Committee may otherwise determine pursuant to subsection (c) of Section 7 hereof, the stock options may be exercised as follows: up to one-third of the shares covered at any time after 24 months from the date of grant; up to two-thirds of such shares at any time after 36 months from such date; and all the shares at any time after 48 months from such date."

The first sentence of Section 12 of the Plan shall be amended to read as follows:

"12. Nonassignability. No option shall be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or to a Beneficiary."

[IFF LETTERHEAD]

Exhibit 10 (o)

As of October 1, 1999

Mr. Carlos A. Lobbosco
Thorney Court Apartments
Palace Gate
Kensington
London W8 5NJ
England

Dear Carlos,

This letter will outline the understandings you and International Flavors & Fragrances Inc. ("IFF" or the "Company") have reached in respect of your assignment, effective October 1, 1999, as President, Fragrance Division (the "Assignment"). This letter supersedes the letter agreement between you and IFF dated June 23, 1998.

We have agreed as follows:

1. Effective October 1, 1999, your annual base salary will be US$500,000. Your salary will be reviewed annually, commencing at the end of 2000, in accordance with IFF policy for officers of the Company.

2. IFF will cause to be leased for your use during the Assignment, in the name of IFF, an apartment in New York City, New York, for your business and personal use (the "Apartment"). IFF will cause the rent and utilities (other than telephone) to be paid on the Apartment. The initial monthly rent for the Apartment may not exceed US$10,000 without the prior written approval of the Chairman and Chief Executive Officer of the Company. Any taxable income that you are required to recognize as a result of the Company's leasing the Apartment for your use will be considered "Other Assignment Income", as defined in

Section 5 below. You will be responsible for all costs related to any housing that you continue to maintain in Argentina during the Assignment.

3. During the Assignment you will continue to participate in the IFF Management Incentive Compensation Plan ("MICP") on the same terms as you currently participate in the MICP. Your MICP award will continue to be based on a combination of the performance of IFF as well as your own performance.

4. I will recommend to the Stock Option and Compensation Committee of the Board of Directors that, at its meeting on November 9, 1999, you be granted a stock option award of 25,000 shares of IFF Common Stock under, and subject to the terms and conditions of, the IFF 1997 Employee Stock Option Plan.

5. To the extent that the effective aggregate income tax rate on your annual base salary and MICP during the relating to the Assignment ("Assignment Salary and Bonus") exceeds 30%, IFF will reimburse you, on a fully "grossed up" basis, for all income taxes in excess of 30% in respect of such taxable Assignment Salary and Bonus. IFF will also fully "gross up" any other taxable income relating to the Assignment that you are required to recognize ("Other Assignment Income"). Assignment Salary and Bonus and Other Assignment Income are sometimes collectively referred to as "Assignment Compensation." The effective aggregate income tax rate on your Assignment Salary and Bonus, and the income tax due on Other Assignment Income, will be determined by considering income taxes owed on the Assignment Salary and Bonus and Other Assignment Income in any country in which such taxes are required to be paid, and will be calculated by PricewaterhouseCoopers LLP or such other independent public accountants whom IFF may elect to retain to prepare your income tax returns related to the Assignment Compensation (the "Accountant"). IFF will pay that percentage of the cost of having your taxes prepared by the Accountant that Assignment Compensation bears to total taxable income reported in returns prepared for you by the Accountant (the "Assignment Compensation Percentage"). The

determination by the Accountant of (a) the effective aggregate income tax rate in respect of Assignment Salary and Bonus, (b) income taxes owed on Other Assignment Income, and (c) the Assignment Compensation Percentage will be binding on both you and IFF. You will be fully and solely responsible for all income and other taxes due in any country in respect of any income (whether or not compensation from IFF) other than Assignment Compensation. Any taxable income that you are required to recognize as a result of the Company's payment of the Assignment Compensation Percentage will be considered Other Assignment Income.

6. During the Assignment you will continue to participate in the IFF TCN Pension Plan, (the "TCN Plan"). IFF agrees to assure that, upon your retirement from the Company, you will receive an aggregate minimum monthly pension, expressed as a 60-month annuity certain (the "Pension"), of at least the amount in respect of the various retirement dates set forth in the schedule below (the "Pension Schedule"). The Pension will be paid in US Dollars. If your actual retirement date (the "Retirement Date") falls between any two dates in the Pension Schedule, the Pension will be adjusted accordingly.

   The amount of the Pension will first be calculated by aggregating the retirement benefits that you have or will have earned at your actual retirement date from all sources in which you currently participate or have participated during your IFF service, including but not limited to the TCN Plan, pension plans of other IFF entities, and the Argentina social security/retirement system (collectively the "Applicable Sources"). The amount of the Pension will be calculated in accordance with the terms of the TCN Plan. If for any reason the Pension as calculated under the TCN Plan does not provide the minimum Pension required by the Pension Schedule, IFF will pay you a monthly supplemental amount so that your aggregate retirement benefit from all Applicable Sources equals the Pension required by the Pension Schedule for the applicable retirement date. You will have the right to elect to receive the Pension in such a way that, rather than receiving a 60-month annuity certain (which provides no benefit for your surviving spouse beyond the fifth anniversary after the Retirement Date), your surviving spouse, upon your death, will continue to receive a benefit equal to 50% of the benefit you were receiving at your death. You acknowledge, however, that should you elect such a "joint and 50%" option, the amount to be paid to you at your retirement will be reduced actuarially from that set forth in the Pension Schedule.

Pension Schedule

Retirement Data	Minimum Guaranteed Monthly Pension (US$)
July 1, 2000	13,400
July 1, 2001	17,100
July 1, 2002	21,100
On or After July 1, 2003	25,000

7. It is currently anticipated that the Assignment will expire as of July 1, 2001. IFF or you may elect to cause the Assignment to terminate earlier, and the Assignment may be extended upon mutual agreement between you and IFF. In the event IFF terminates the Assignment, or in the event, as a result of the serious physical or mental illness of either your wife or one of your children (a "Medical Emergency"), you elect to terminate the Assignment, in either case before July 1, 2001, from such expiration or earlier termination of the Assignment until the Retirement Date, which, subject to the last sentence of this Section 7 and to Section 12 below, will be July 1, 2003, you will remain an employee of IFF, based in Buenos Aires, Argentina, and will perform such services for IFF as the Chief Executive Officer of

the Company may request. During this period your base salary will not be lower than that in effect at the end of the Assignment, and you will continue to participate in the TCN Plan and have the same other benefits from IFF as you had in Argentina prior to the Assignment. Should you elect to terminate the Assignment before July 1, 2001 for any reason other than a Medical Emergency, the date on which you terminate the Assignment will be deemed the Retirement Date.

8. During the Assignment, you will be eligible, as part of your paid vacation, for annual home leave to Argentina. IFF will pay for up to eight round trip business class airfares between Argentina and New York, which may be used by you and members of your family. Any taxable income that you are required to recognize as a result of the Company's payment of any of such airfares will not be considered Assignment Compensation, and will be your sole responsibility.

9. Until the Retirement Date, (a) you will be covered for life, disability and travel insurance under those programs--including but not limited to life insurance under IFF's basic and supplemental programs of US$1,000,000--maintained by IFF for its employees in the United States; (b) you and your family will continue to be covered by the IFF Argentina medical scheme; and (c) you will also continue to be included in the IFF global medical and dental program, currently administered by CIGNA.

10. IFF Argentina will continue to pay your annual membership fees, up to a maximum of the equivalent in Argentine Pesos of US$9,000 per year (the "Club Fees"), in the Argentine Club in Buenos Aires. Should you elect to join a social/sport club in New York, all fees and expenses of joining and/or maintaining your membership in such club will be your sole responsibility.

11. IFF will pay on your behalf the out-of-pocket expenses associated with the shipment of your personal goods from London to New York at the commencement, and from New York to Argentina at the

termination, of the Assignment, in each case in accordance with the IFF Corporate Relocation Policy then in effect. The Company will also pay or reimburse you for all fees and expenses needed to obtain any visa, other travel documents and/or work permits that may be required. You acknowledge that the effectiveness and continuing enforceability of this Agreement is conditioned upon your obtaining all authorizations necessary to enable you to undertake and to continue the Assignment. IFF will assist you in obtaining and keeping all such authorizations. Finally, in accordance with the IFF Corporate Relocation Policy IFF will pay or reimburse you for your temporary living expenses in New York until you move into your permanent residence, which you intend to occur by March 31, 2000. Any taxable income that you are required to recognize as a result of IFF's payment or reimbursement of any cost or expense contemplated by this Section 11 will be considered Other Assignment Income.

12. In the event your employment with IFF is terminated by IFF for any reason other than for "cause" prior to July 1, 2003, and in connection with such termination you are not entitled to the benefits under the Executive Severance Agreement between you and the Company dated December 14, 1993, you will retire from IFF employment as of the termination date, which will be deemed the Retirement Date. In such event, you may elect (a) to commence receiving the Pension immediately after the Retirement Date, or (b) in lieu of commencing to receive the Pension at the Retirement Date, to receive "Salary Continuation Payments" equal to your monthly base salary at the Retirement Date, for the shorter of (i) twenty-four (24) months or (ii) if the Retirement Date occurs on or after July 1, 2001, the number of months between the Retirement Date and July 1, 2003, after which the Pension will commence (with the amount of the Pension--including the guaranteed minimum--computed based on your years of service through the Retirement Date but with a commencement date based on your age on the actual date on which the Pension commences). After the Retirement Date, you will be entitled to all other benefits then granted by IFF to retired

employees of IFF Argentina. "Cause" will have the same meaning in this Agreement as in the Executive Severance Agreement.

13. Should you die during the Assignment, IFF will assist your family in arranging for, and will pay all reasonable costs of, the repatriation of your remains and personal effects to Argentina.

Carlos, if the terms set forth above accurately reflect our understanding, please sign the extra copy of this letter and return it to Steve Block. If you have any questions, please feel free to contact Steve Block, Bill Kane or me.

Sincerely,

INTERNATIONAL FLAVORS &
FRAGRANCES INC.

By: /s/ EUGENE P. GRISANTI

Eugene P. Grisanti
Chairman, President &
Chief Executive Officer

AGREED AND ACCEPTED:

/s/ CARLOS A. LOBBOSCO
- ----------------------------
Carlos A. Lobbosco

POWER OF ATTORNEY

Exhibit 24

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 1999, hereby constitutes and appoints George Rowe, Jr. and Stephen A. Block his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Margaret Hayes Adame (L.S.)

Margaret Hayes Adame

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 1999, hereby constitutes and appoints George Rowe, Jr. and Stephen A. Block his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Robert G. Corbett (L.S.)

Robert G. Corbett

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 1999, hereby constitutes and appoints George Rowe, Jr. and Stephen A. Block his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Robin Chandler Duke (L.S.)

Robin Chandler Duke

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 1999, hereby constitutes and appoints George Rowe, Jr. and Stephen A. Block his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Richard M. Furlaud (L.S.)

Richard M. Furlaud

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 1999, hereby constitutes and appoints George Rowe, Jr. and Stephen A. Block his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Peter A. Georgescu (L.S.)

Peter A. Georgescu

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Carlos A. Lobbosco (L.S.)

Carlos A. Lobbosco

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ George Rowe, Jr. (L.S.)

George Rowe, Jr.

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Henry van Ameringen (L.S.)

Henry van Ameringen

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

William D. Van Dyke, III (L.S.)

William D. Van Dyke, III

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand and seal this 9th day of March 2000.

/s/ Douglas J. Wetmore (L.S.)

Douglas J. Wetmore

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

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12-MOS
DEC-31-1999
DEC-31-1999
62,135
836
290,118
10,013
415,269
835,414
948,920
425,004
1,401,495
369,702
3,832
0
0
14,470
844,027
1,401,495
1,439,499
1,439,499
791,787
1,156,578
32,657
1,645
5,154
243,465
81,465
162,000
0
0
0
162,000
1.53
1.53