

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

FORM 8-K

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

Date of report (Date of earliest event reported)

August 5, 2010

INTERNATIONAL FLAVORS & FRAGRANCES INC.

(Exact Name of Registrant as Specified in Charter)

New York

1-4858

13-1432060

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

521 West 57th Street, New York, New York

10019

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code

(212) 765-5500

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

Attached and being furnished hereby as Exhibit 99.1 is a copy of a press release of International Flavors & Fragrances Inc. ("IFF" or the "Company") dated August 5, 2010 reporting IFF's financial results for the quarter ended June 30, 2010.

An audio webcast, to discuss the Company's second quarter financial results and outlook, will be held today at 10:00 a.m. EST on August 5, 2010. Interested parties can access the webcast and accompanying slide presentation on the Company's website at www.iff.com, under the Investor Relations section. For those unable to listen to the live broadcast, a replay will be available on the Company's website approximately one hour after the event and will remain available on the IFF website until August 26, 2010.

Non-GAAP financial measures: To supplement the Company's financial results presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company uses, and has also included in the attached press release or as part of its webcast, certain non-GAAP financial measures. These non-GAAP financial measures should not be considered in isolation, as a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP financial measures as disclosed by the Company may also be calculated differently from similar measures disclosed by other companies. To ease the use and understanding of our supplemental non-GAAP financial measures, the Company includes the most directly comparable GAAP financial measure.

The Company discloses, and management internally monitors, the sales performance of international operations on a basis that eliminates the positive or negative effects that result from translating foreign currency sales into U.S. dollars. Management uses this constant dollar measure because management believes that it enhances the assessment of the sales performance of the Company's international operations and the comparability between reporting periods.

The Company uses certain non-GAAP financial operating measures which exclude in 2010, restructuring charges related to the Fragrance European facilities rationalization and in 2009, restructuring charges and employee separation costs related to a performance improvement plan. Management uses, and will use these non-GAAP financial measures in evaluating actual performance for the reporting period in relation to historical performance, both for the Company alone and against other companies, as well as in assessing management's own performance. The Company also calculates EBITDA amounts (earnings before interest, taxes, depreciation and amortization) as an additional indicator of its financial performance and as a benchmark versus certain debt covenants. At times, the Company may disclose free cash flow because the Company believes it is a measurement of cash flow that may be available for investing and financing activities. We define free cash flow as net cash provided from operations less capital expenditures and cash dividends. The Company also discloses, from time to time, non-GAAP effective tax rates, which exclude the effect of the benefits of tax rulings relating to prior periods, as additional information in seeking to assess and compare our tax rates without the benefit of those tax rulings.

Management believes that, given the special nature of the above items, the inclusion of information without the impact of these items provides added information and an added financial metric, for both management and investors to evaluate and understand the Company's operational performance and effective tax rate, as applicable, and assists management and may assist investors in evaluating the Company's period to period financial results. A material limitation of these financial measures is that such measures do not reflect actual GAAP amounts; restructuring charges and employee separation costs include actual cash outlays; In addition, the calculation of free cash flow does not reflect the residual cash flow available for discretionary expenditures since non-discretionary items such as debt repayments are not deducted in determining such measure and as such, should not be considered a substitute for cash provided by operating activities or other cash flow statement data prepared in accordance with GAAP. Free cash flow, as we define it, may differ from similarly named measures used by other entities. Management compensates for such limitations by clarifying that these measures are only one operating metric used for analysis and planning purposes and by providing the corresponding GAAP financial measures and a reconciliation to the corresponding GAAP financials measures on IFF's website at www.iff.com under the Investor Relations section.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release of International Flavors & Fragrances Inc., dated August 5, 2010.

SIGNATURE

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Dated: August 5, 2010

/s/ Kevin C. Berryman

Name: Kevin C. Berryman

Title: Executive Vice President and
Chief Financial Officer

Exhibit Index

Number

99.1

Description

Press Release of International Flavors & Fragrances Inc. dated August 5, 2010

IFF Reports Second Quarter 2010 Results***Both Local Currency Sales & Reported Sales Increased 17%******Adjusted EPS Increased 31%, Reported EPS Up 38%***

NEW YORK--(BUSINESS WIRE)--August 5, 2010--International Flavors & Fragrances Inc. (NYSE: IFF), a leading global creator of flavors and fragrances for consumer products, today reported second quarter 2010 revenue of \$666 million, 17 percent higher than the prior year quarter. Revenue in local currency increased 17 percent as foreign currency had a limited impact on results. Reported earnings per share (EPS) were \$0.83, compared to \$0.60 for the second quarter 2009. EPS in 2010 included a \$0.02 per share expense related to ongoing restructuring efforts in Europe, while second quarter 2009 included a \$0.05 per share expense relating to restructuring and employee separation costs. Excluding these items, adjusted EPS for the second quarter increased 31 percent to \$0.85 versus \$0.65 in the prior year quarter.

“It is clear that the strong momentum we experienced in the beginning of the year continued into the second quarter,” said Doug Tough, Chairman and Chief Executive Officer. “We are very pleased to report strong year-over-year improvements across all our financial metrics. While we have benefited from some elements of restocking and favorable prior year comparisons, the team was successful in winning key new business that will support our efforts to drive market share improvements.”

Mr. Tough added, “As we enter the second half of 2010, it is important to note that the benefits of restocking have begun to subside. When combined with stronger prior year comparisons, we expect local currency sales in the second half to return to more normalized levels, with relative strength in the third quarter versus the fourth. In addition, we continue to be mindful that foreign exchange movements may impact our results. As a result, in order for us to be successful, we must continue to execute our plans, serve customers well, anticipate challenges and win in the marketplace every day.”

Flavor Business Unit

Local currency sales in the second quarter increased 11 percent over the comparable 2009 period. The strong trends in Europe, Africa, Middle East (EAME) and Greater Asia continued, as strong demand and new business wins once again led to double-digit growth. In North America, sales increased seven percent as double-digit performances in both Confectionery and Beverage drove results. Performance in Latin America was solid as the company more than offset the loss of non-strategic business that began in the third quarter of 2009.

Operating profit increased 18 percent, or \$10 million, to \$65 million in the second quarter. This increase was driven by accelerated sales growth, improving input costs and our continued margin improvement initiatives. As a result, operating profit margin improved 100 bps to 21.2 percent versus 20.2 percent in the prior year period.

Fragrance Business Unit

Local currency sales in the second quarter increased 23 percent over the prior-year period as all regions and nearly all categories reported double-digit growth. Trends in the Fine Fragrance and Beauty Care category continued to be robust, growing very strong double-digits, as new business wins, higher volumes, restocking and favorable comparisons benefited results. In Beauty Care, both Hair Care and Toiletries continued to perform very well, increasing at a strong double-digit rate. Functional Fragrance also performed well, driven by strong trends in Fabric Care and double-digit growth in Home Care. Fragrance Ingredients local currency sales increased 24 percent as favorable comparison versus the year-ago period, some elements of restocking and improvements in underlying demand aided results.

Operating profit increased by \$28 million to \$65 million in the second quarter, including a \$2 million charge related to ongoing restructuring efforts in Europe as compared to \$5 million related to restructuring costs in the prior year period. Excluding these items, adjusted operating profit grew nearly 60 percent, or \$25 million, to \$67 million. As a result, adjusted operating profit margin for the quarter increased 430 bps to 18.6 percent, driven by higher volumes, reduced input costs and benefits from previous cost reduction initiatives.

Sales performance by region and product category follows:

		Second Quarter 2010 vs. Second Quarter 2009					
		Fine & Beauty Care	Functional	Ingredients	Total Frag.	Flavors	Total
North America	Reported	24%	10%	25%	19%	7%	13%
EAME	Reported	47%	5%	22%	23%	14%	20%
	<i>Local Currency</i>	<i>55%</i>	<i>10%</i>	<i>29%</i>	<i>29%</i>	<i>18%</i>	<i>25%</i>
Latin America	Reported	34%	7%	26%	19%	8%	15%
	<i>Local Currency</i>	<i>31%</i>	<i>7%</i>	<i>27%</i>	<i>18%</i>	<i>4%</i>	<i>13%</i>
Greater Asia	Reported	26%	24%	8%	21%	18%	19%
	<i>Local Currency</i>	<i>23%</i>	<i>22%</i>	<i>7%</i>	<i>19%</i>	<i>12%</i>	<i>15%</i>
Total	Reported	36%	11%	21%	21%	13%	17%
	<i>Local Currency</i>	<i>37%</i>	<i>12%</i>	<i>24%</i>	<i>23%</i>	<i>11%</i>	<i>17%</i>

Second Quarter 2010 Highlights

- Gross profit, as a percentage of sales, was 42.8 percent compared with 40.1 percent in the prior year period. This improvement was mainly attributable to accelerated sales, moderating input costs and fixed cost leverage.
- Research, Selling and Administrative (RSA) expenses as a percentage of sales increased 160 bps to 26.3 percent. The increase of \$35 million is mainly attributable to additional incentive compensation accruals of \$18 million plus litigation related costs, investments and spending to support the higher level of business activity, reduction of R&D credits, unfavorable foreign currency movements and lower prior period base spending. Within RSA, R&D expense as a percentage of sales increased 60 bps to 8.4 percent.
- Operating profit increased \$24 million to \$108 million in the second quarter, including a \$2 million charge related to ongoing restructuring efforts in Europe as compared to \$5 million related to restructuring and employee separation costs in the prior year period. Excluding these items, adjusted operating profit grew 24 percent, or \$21 million, to \$110 million. As a result, adjusted operating profit margin increased 90 bps to 16.5 percent versus the year ago period.
- Interest expense decreased \$2 million year-over-year reflecting lower levels of outstanding debt and lower borrowing costs.
- The effective tax rate in the quarter was 28.3 percent compared to 29.2 percent in the comparable period last year. The year-over-year decrease reflects the mix of earnings across the countries in which the company operates and lower repatriation costs.
- Cash flow from operations improved by \$40 million to \$128 million for six months of 2010 compared to the same period in 2009. This improvement was led by our strong profit performance as well as our continued focus to drive working capital improvement.

About IFF

International Flavors & Fragrances Inc. (NYSE: IFF), is a leading global creator of flavors and fragrances used in a wide variety of consumer products and packaged goods. Consumers experience these unique scents and tastes in fine fragrances and beauty care, detergents and household goods, as well as beverages, confectionery and food products. The Company leverages its competitive advantages of brand understanding and consumer insight combined with its focus on R&D and innovation, to provide customers with differentiated product offerings. A member of the S&P 500 Index, IFF has sales, manufacturing and creative facilities in 32 countries worldwide. For more information, please visit our website at www.iff.com.

Audio Webcast

An audio webcast to discuss the Company's second quarter 2010 financial results and outlook will be held today at 10:00 a.m. EST August 5, 2010. Interested parties can access the webcast and accompanying slide presentation on the Company's website at www.iff.com under the Investor Relations section. For those unable to listen to the live broadcast, a replay will be available on the Company's website approximately one hour after the event and will remain available on the IFF website until August 26, 2010.

Cautionary Statement Under The Private Securities Litigation Reform Act of 1995

Statements in this quarterly release, which are not historical facts or information, are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

Such forward-looking statements are based on management’s current assumptions, estimates and expectations. Certain of such forward-looking information may be identified by such terms as “expect”, “anticipate”, “believe”, “outlook”, “guidance”, “may” and similar terms or variations thereof. All information concerning future revenues, tax rates or benefits, interest and other savings, earnings and other future financial results or financial position, constitutes forward-looking information. Such forward-looking statements involve significant risks, uncertainties and other factors. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others the following: general economic and business conditions in the Company’s markets, including economic and recessionary pressures; energy and commodity prices; decline in consumer confidence and spending; the impact of currency fluctuation or devaluation in the Company’s principal foreign markets and the impact on the availability, effectiveness and cost of the Company’s hedging and risk management strategies; population health and political uncertainties; fluctuating interest rates; continued volatility of the capital and credit markets and any adverse impact on our cost of and access to capital and credit; fluctuations in the price, quality and availability of raw materials; the Company’s ability to implement its business strategy, including the achievement of anticipated cost savings, profitability and growth targets; the outcome of uncertainties related to litigation; the impact of possible pension funding obligations and increased pension expense on the Company’s cash flow and results of operations; and the effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by U.S. and foreign governments. The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

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

Certain other factors which may impact our financial results or which may cause actual results to differ from such forward-looking statements are also discussed in the Company’s periodic reports filed with the Securities and Exchange Commission and available on the IFF website at www.iff.com under “Investor Relations”. You are urged to carefully consider all such factors.

International Flavors & Fragrances Inc.
Consolidated Income Statement
(Amounts in thousands except per share data)
(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	2009 ⁽¹⁾	% Change	2010	2009 ⁽¹⁾	% Change
Net sales	\$665,800	\$568,261	17	\$1,319,710	\$1,127,891	17
Cost of goods sold	380,799	340,347	12	764,501	677,912	13
Gross margin	285,001	227,914	25	555,209	449,979	23
Research and development	55,844	44,248	26	108,475	91,578	18
Selling and administrative	119,523	96,032	24	227,532	188,918	20
Restructuring and other charges	1,843	4,104		6,831	4,104	
Interest expense	12,051	14,047		24,787	33,828	
Other (income) expense, net	2,107	1,569		4,871	406	
Pretax income	93,633	67,914	38	182,713	131,145	39
Income taxes	26,481	19,831	34	51,772	35,866	44
Net income	<u>\$ 67,152</u>	<u>\$ 48,083</u>	40	<u>\$ 130,941</u>	<u>\$ 95,279</u>	37
Earnings per share - basic	\$0.84	\$0.61		\$1.65	\$1.21	
Earnings per share - diluted	\$0.83	\$0.60		\$1.63	\$1.20	
Average shares outstanding						
Basic	79,188	78,352	1	78,978	78,273	1
Diluted	80,111	79,050	1	79,902	78,898	1

(1) Includes the following reclassifications and revision for the three and six months ended June 30, 2009 to conform to the current year presentation: Cost of goods sold \$0.2 million and \$0.3 million, respectively; Research and development (R&D) \$(4.5) million and \$(7.4) million, respectively; Selling and administrative \$1.5 million and \$3.4 million, respectively. The adjustments to R&D above for the three and six months ended June 30, 2009 include \$(2.8) million and \$(3.7) million, respectively, related to the revision of excess foreign R&D credits from income tax expense.

International Flavors & Fragrances Inc.
Condensed Consolidated Balance Sheet
(Amounts in thousands)
(Unaudited)

	June 30, 2010	December 31, 2009
Cash & cash equivalents	\$ 110,552	\$ 80,135
Receivables	475,996	444,265
Inventories	454,608	444,977
Other current assets	182,464	158,689
Total current assets	1,223,620	1,128,066
Property, plant and equipment, net	482,041	501,293
Goodwill and other intangibles, net	717,452	720,530
Other assets	303,769	294,885
Total assets	\$ 2,726,882	\$ 2,644,774
Bank borrowings and overdrafts, and current portion of long-term debt	\$ 48,739	\$ 76,780
Other current liabilities	446,620	407,674
Total current liabilities	495,359	484,454
Long-term debt	934,600	934,749
Non-current liabilities	448,892	453,661
Shareholders' equity	848,031	771,910
Total liabilities and shareholders' equity	\$ 2,726,882	\$ 2,644,774

International Flavors & Fragrances Inc.
Consolidated Statement of Cash Flows
(Amounts in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 130,941	\$ 95,279
Adjustments to reconcile to net cash provided by operations:		
Depreciation and amortization	40,221	38,263
Deferred income taxes	(14,737)	7,165
Gain on disposal of assets	(1,845)	(1,487)
Equity based compensation	10,780	10,136
Changes in assets and liabilities		
Current receivables	(53,766)	(61,681)
Inventories	(30,384)	47,268
Current payables	58,580	(27,461)
Changes in other assets/liabilities	(12,150)	(19,945)
Net cash provided by operations	127,640	87,537
Cash flows from investing activities:		
Additions to property, plant and equipment	(37,013)	(18,545)
Purchase of investments	(2,444)	(1,882)
Termination of net investment hedge	1,668	(13,604)
Proceeds from disposal of assets	1,438	835
Net cash used in investing activities	(36,351)	(33,196)
Cash flows from financing activities:		
Cash dividends paid to shareholders	(39,631)	(39,338)
Net change in bank borrowings and overdrafts	(33,637)	(25,878)
Proceeds from issuance of stock under stock plans	14,674	1,507
Purchase of treasury stock	-	(1,967)
Net cash used in financing activities	(58,594)	(65,676)
Effect of exchange rates changes on cash and cash equivalents	(2,278)	(3,317)
Net change in cash and cash equivalents	30,417	(14,652)
Cash and cash equivalents at beginning of year	80,135	178,467
Cash and cash equivalents at end of period	\$ 110,552	\$ 163,815

Certain reclassifications have been made to the prior year's operating activities to conform to the 2010 presentation.

International Flavors & Fragrances Inc.
Business Unit Performance
(Amounts in thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net Sales				
Flavors	\$ 304,323	\$ 269,768	\$ 604,492	\$ 535,889
Fragrances	361,477	298,493	715,218	592,002
Consolidated	<u>665,800</u>	<u>568,261</u>	<u>1,319,710</u>	<u>1,127,891</u>
Operating Profit				
Flavors	64,507	54,594	126,084	107,434
Fragrances ⁽¹⁾	65,374	37,743	121,389	74,535
Global Expenses	(22,090)	(8,807)	(35,102)	(16,590)
Consolidated	<u>107,791</u>	<u>83,530</u>	<u>212,371</u>	<u>165,379</u>
Interest Expense	(12,051)	(14,047)	(24,787)	(33,828)
Other income (expense), net	(2,107)	(1,569)	(4,871)	(406)
Income before taxes	<u>\$ 93,633</u>	<u>\$ 67,914</u>	<u>\$ 182,713</u>	<u>\$ 131,145</u>

(1) Includes \$(2.8) million for the three months and \$(3.7) million for the six months ended June 30, 2009 related to the reclass of excess foreign R&D credits from income tax expense to conform to current year presentation.

International Flavors & Fragrances Inc.
Reconciliation of Income
(Amounts in thousands)
(Unaudited)

The following information and schedule provides reconciliation information between reported GAAP amounts and certain adjusted amounts. This information and schedule is not intended as, and should not be viewed as, a substitute for reported GAAP amounts or financial statements of the Company prepared and presented in accordance with GAAP.

	Second Quarter 2010 Items Impacting Comparability		
	Reported (GAAP)	Restructuring Charges	Adjusted (Non-GAAP)
Net Sales	\$ 665,800	-	
Cost of goods sold	380,799	-	
Gross Profit	285,001	-	
Research and development	55,844	-	
Selling and administrative	119,523	-	
RSA Expense	175,367	-	
Restructuring and other charges	1,843	1,843 ^(a)	-
Operating Profit	107,791	1,843	109,634
Net Interest Exp.	12,051	-	
Other (income)/expense, net	2,107	-	
Pretax income	93,633	1,843	95,476
Income taxes	26,481	(249)	26,730
Net income	67,152	1,594	68,746
Earnings per share - diluted	\$ 0.83	\$ 0.02	\$ 0.85

^(a) Entirely related to the Fragrance European facilities rationalization

	Second Quarter 2009 Items Impacting Comparability			Adjusted (Non-GAAP)
	Reported (GAAP)	Restructuring Charges	Employee Separation Costs	
Net Sales	\$ 568,261	-	-	
Cost of goods sold	340,347	-	-	
Gross Profit	227,914	-	-	
Research and development	44,248 ^(a)	-	-	
Selling and administrative	96,032 ^(a)	-	920 ^(b)	95,112
RSA Expense	140,280	-	920	139,360
Restructuring and other charges	4,104	4,104 ^(b)	-	-
Operating Profit	83,530	4,104	920	88,554
Net Interest Exp.	14,047	-	-	
Other (income)/expense, net	1,569	-	-	
Pretax income	67,914	4,104	920	72,938
Income taxes	19,831	(1,419)	(240)	21,490
Net income	48,083	2,685	680	51,448
Earnings per share - diluted	\$ 0.60	\$ 0.03 ^(c)	\$ 0.01 ^(c)	\$ 0.65

^(a) Certain reclassifications have been made to 2009 amount in order to confirm with 2010 presentation

^(b) Restructuring and employee separation costs were related to our performance improvement plan were recorded as: Fragrances \$4M and Corp \$1M

^(c) The sum of EPS Reported, plus the per share effects of items added back to reconcile to EPS as Adjusted, may not equal the total EPS as Adjusted, due to rounding differences.

CONTACT:

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