SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For Quarter Ended June 30, 1996 Commission file number 1-4858

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

New York	13-1432060
(State or other jurisdiction of incorporation or organization)	(IRS Employer identification No.)
521 West 57th Street, New York, N.Y.	10019-2960
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing for the past 90 days.

Yes X No

Number of shares outstanding as of August 7, 1996: 110,724,373

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.

CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	6/30/96	12/31/95
Assets		
Current Assets:		
Cash & Cash Equivalents	$ 226,800	$ 251,430
Short-term Investments	75,670	45,503
Trade Receivables	299,154	253,913
Allowance For Doubtful Accounts	(8,334)	(8,602)
Inventories: Raw Materials	220,889	233,759
Work in Process	27,080	27,739

Finished Goods	128,463	153,049
Total Inventories	376,432	414,547
Other Current Assets	89,258	79,186
Total Current Assets	1,058,980	1,035,977
Property, Plant & Equipment, At Cost	857,623	839,206
Accumulated Depreciation	(399,039)	(370,621)
	458,584	468,585
Other Assets	30,168	29,707
Total Assets	$1,547,732	$1,534,269
Liabilities and Shareholders' Equity		
Current Liabilities:		
Bank Loans	$ 16,978	$ 12,185
Accounts Payable-Trade	53,249	63,282
Dividends Payable	37,773	37,749
Income Taxes	87,784	70,471
Other Current Liabilities	96,030	92,714
Total Current Liabilities	291,814	276,401
Other Liabilities:		
Deferred Income Taxes	13,937	13,420
Long-term Debt	9,892	11,616
Other	118,765	116,272
Total Other Liabilities	142,594	141,308
Shareholders' Equity:		
Common Stock (115,761,840 shares issued in '96 and in '95)	14,470	14,470
Capital in Excess of Par Value	139,144	142,476
Retained Earnings	1,089,761	1,069,421
Cumulative Translation Adjustment	50,274	75,049
	1,293,649	1,301,416
Treasury Stock, at cost -- 4,664,567 shares in '96 and 4,808,005 in '95	(180,325)	(184,856)
Total Shareholders' Equity	1,113,324	1,116,560
Total Liabilities and Shareholders' Equity	$1,547,732	$1,534,269

See Notes to Consolidated Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.

CONSOLIDATED STATEMENT OF INCOME
(Dollars in thousands except per share amounts)

	3 Months Ended 6/30	
	1996	1995
Net Sales	$374,397	$394,306
Cost of Goods Sold	201,807	197,911
Research and Development Expenses	23,096	22,729
Selling and Administrative Expenses	55,355	55,603
Nonrecurring Charge	49,707	--
Interest Expense	747	1,047
Other (Income) Expense, Net	(2,699)	(3,034)
	328,013	274,256
Income Before Taxes on Income	46,384	120,050
Taxes on Income	16,681	44,348
Net Income	$ 29,703	$ 75,702
Earnings Per Share	$0.26	$0.68
Dividends Paid Per Share	$0.34	$0.31

	6 Months Ended 6/30	
	1996	1995
Net Sales	$757,164	$767,900
Cost of Goods Sold	405,878	388,695
Research and Development Expenses	46,045	44,870
Selling and Administrative Expenses	110,676	109,165
Nonrecurring Charge	49,707	--
Interest Expense	1,293	1,612
Other (Income) Expense, Net	(7,113)	(7,534)
	606,486	536,808
Income Before Taxes on Income	150,678	231,092
Taxes on Income	54,811	85,434
Net Income	$ 95,867	$145,658
Earnings Per Share	$0.86	$1.31
Average Number of Shares Outstanding (000's)	111,032	111,492
Dividends Paid Per Share	$0.68	$0.62

See Notes to Consolidated Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)

	6 Months Ended 6/30	
	1996	1995
Cash Flows From Operating Activities:		
Net Income	$ 95,867	$145,658
Adjustments to Reconcile to Net Cash Provided by Operations:		
Nonrecurring Charge	49,707	--
Depreciation	23,078	20,446
Deferred Income Taxes	(11,263)	5,126
Changes in Assets and Liabilities:		
Current Receivables	(51,696)	(71,083)
Inventories	25,410	(30,265)
Current Payables	99	11,735
Other, Net	(444)	(6,129)
Net Cash Provided by Operations	130,758	75,488
Cash Flows From Investing Activities:		
Proceeds From Sales/Maturities of Short-term Investments	12,424	49,115
Purchases of Short-term Investments	(43,830)	(69,342)
Additions to Property, Plant & Equipment, Net of Minor Disposals	(45,278)	(37,018)
Net Cash Used in Investing Activities	(76,684)	(57,245)
Cash Flows From Financing Activities:		
Cash Dividends Paid to Shareholders	(75,503)	(69,157)
Increase in Bank Loans	4,937	3,395
Decrease in Long-term Debt	(1,138)	(1,237)
Proceeds From Issuance of Stock Under Stock Option Plans	6,288	5,293
Purchase of Treasury Stock	(5,319)	(21,037)
Net Cash Used In Financing Activities	(70,735)	(82,743)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(7,969)	17,269
Net Change in Cash and Cash Equivalents	(24,630)	(47,231)
Cash and Cash Equivalents at Beginning of Year	251,430	230,581
Cash and Cash Equivalents at End of Period	$226,800	$183,350
Interest Paid	$ 1,263	$ 2,004
Income Taxes Paid	$ 48,451	$ 69,463

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

These interim statements and management's related discussion and analysis should be read in conjunction with the consolidated financial statements and their related notes, and management's discussion and analysis of results of operations and financial condition included in the Company's 1995 Annual Report to Shareholders. In the opinion of the Company's management, all normal recurring adjustments necessary for a fair statement of the results for the interim periods have been made.

Statement of Financial Accounting Standard No. 121, Accounting For The Impairment Of Long-Lived Assets And For Long-Lived Assets To Be Disposed Of, is effective for fiscal years beginning after December 15, 1995. The standard requires that long-lived assets and certain identifiable intangibles held by an entity be reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. The effect of this standard was not material to the Company.

In June 1996, the Company announced the final phase of its program to expand and streamline its worldwide aroma chemical production facilities. This program will include the phase out of aroma chemical production at the Company's Union Beach, New Jersey plant over the 18 month period ending December 31, 1997, and the closure of smaller capacity aroma chemical facilities in Mexico City, Mexico and Rio de Janeiro, Brazil by the end of 1996. Most of the aroma chemical volume currently produced at Union Beach will be transferred to the Company's newly constructed, state-of-the-art facility in Augusta, Georgia. In addition, aroma chemical production capacity in Benicarlo, Spain will be expanded. The closure of the three facilities will affect approximately 220 employees associated with aroma chemical manufacturing at these locations, including 170 jobs at the Union Beach facility.

The aroma chemical streamlining resulted in a one-time pretax charge to second quarter 1996 earnings of $49,707,000 ($31,315,000 after tax or $.29 per share). Cost savings from this program have been specifically identified and are expected to ultimately increase pretax earnings by $20,000,000 annually, on completion of the phase-out of Union Beach operations.

The reserve established as a result of the one-time charge consists of the following components:

Employee related	$10,629,000
Closing manufacturing plants	39,078,000
Total nonrecurring charge	$49,707,000

Utilization of the reserve since the June 1996 announcement has not been material.

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

Operations

Worldwide net sales for the second quarter of 1996 were $374,397,000, compared to $394,306,000 in the 1995 second quarter. For the first six months of 1996, net sales totaled $757,164,000, compared to $767,900,000 for the six month period in 1995. Sales in the second quarter and the first six months of 1996 were unfavorably impacted by translation of European currencies into a stronger U.S. dollar.

Net income for the second quarter of 1996, including the one-time charge discussed below, totaled $29,703,000 compared to $75,702,000 in the prior year second quarter. On the same basis, net income for the first six months of 1996 totaled $95,867,000, compared to $145,658,000 for the comparable 1995 period. Net income for the second quarter and six month period ended June 30, 1996, excluding the one-time charge, was $61,018,000 and $127,182,000, respectively.

The Company's sales and earnings for the first half of 1996 were affected by slow customer reordering patterns for fragrances, both in Europe and the United States. The disruption of reorder patterns began with sluggish retail sales during the 1995 holiday season, and continued during the first half of 1996. During the first half of 1996, margins were unfavorably affected by the low volume of sales in the period. Sales, earnings and margins are also being impacted by highly competitive conditions for aroma chemicals, which have caused the Company to lower prices for certain aroma chemicals. The Company expects stronger sales and earnings during the second half of the year.

The percentage relationship of cost of goods sold and other operating expenses to sales for the first half 1996 and 1995 are detailed below.

	First Half	
	1996	1995
Cost of Goods Sold	53.6%	50.6%
Research and Development Expense	6.1%	5.8%
Selling and Administrative Expense	14.6%	14.2%

In June 1996, the Company announced the final phase of its program to expand and streamline its worldwide aroma chemical production facilities. This program will include the phase out of aroma chemical production at the Company's Union Beach, New Jersey plant over the 18 month period ending December 31, 1997, and the closure of smaller capacity aroma chemical facilities in Mexico City, Mexico and Rio de Janeiro, Brazil by the end of 1996. Most of the aroma chemical volume currently produced at Union Beach will be transferred to the Company's newly constructed, state-of-the-art facility in Augusta, Georgia. In addition, aroma chemical production capacity in Benicarlo, Spain will be expanded.

These steps are intended to improve the Company's production capabilities, to achieve cost efficiencies in the United States as well as internationally, and to maintain and extend the Company's leadership position in the aroma chemical market. They will also assure that the Company will have sufficient aroma chemical supply to meet its own and its customers' needs for the foreseeable future.

The closure of the three facilities will affect approximately 220 employees associated with aroma chemical manufacturing at these locations, including 170 jobs at the Union Beach facility.

The aroma chemical streamlining resulted in a one-time pretax charge to second quarter 1996 earnings of $49,707,000 ($31,315,000 after tax or $.29 per share). Cost savings from this program have been specifically identified and are expected to increase pretax earnings by $20,000,000 annually, on completion of the phase-out of Union Beach operations.

The reserve established as a result of the one-time charge consists of the following components:

Employee related	$10,629,000
Closing manufacturing plants	39,078,000
Total nonrecurring charge	$49,707,000

Of the charge, approximately $33,000,000 represents asset writedowns and other non-cash related costs. Usage of the reserve since the June 1996 announcement has not been material.

The phased transfer of production from Union Beach to Augusta will result, until the full closure of Union Beach, in some duplication of operating expenses which will affect both operating margins and earnings. However, the cost savings from the Company's program to streamline its worldwide aroma chemical facilities will more than offset the effect of these conditions when the program is fully implemented.

The effective tax rates for the second quarter and first six months 1996 were 36.0% and 36.4%, respectively, as compared to 36.9% and 37.0% for the comparable periods in 1995. The lower effective tax rate reflects the effects of lower tax rates in various tax jurisdictions in which the Company operates.

Statement of Financial Accounting Standard No. 121, Accounting For The Impairment Of Long-Lived Assets And For Long-Lived Assets To Be Disposed Of, is effective for fiscal years beginning after December 15, 1995. The standard requires that long-lived assets and certain identifiable intangibles held by an entity be reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. The effect of this standard was not material to the Company.

Financial Condition

The financial condition of the Company continued to be strong. Cash, cash equivalents and short-term investments totaled $302,470,000 at June 30, 1996. At June 30, 1996, working capital was $767,166,000 compared to $759,576,000 at December 31, 1995. Gross additions to property, plant and equipment during the first half of 1996 were $45,688,000.

In January 1996, the Company's cash dividend was increased 9.7% to an annual rate of $1.36 per share, and $.34 per share was paid to shareholders in both the first and second quarters of 1996. The Company anticipates that its growth, capital expenditure programs and share repurchase program will be funded from internal sources.

The cumulative translation adjustment component of Shareholders' Equity at June 30, 1996 was $50,274,000 compared to $75,049,000 at December 31, 1995. Changes in the component result from translating the net assets of the majority of the Company's foreign subsidiaries into U.S. dollars at current exchange rates as required by the Statement of Financial Accounting Standards No. 52 on accounting for foreign currency translation.

PART II. OTHER INFORMATION

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

At the annual meeting of Registrant's shareholders held Thursday, May 9, 1996, at which 94,048,305 shares, or 84.8%, of Registrant's Common Stock were represented in person or by proxy, the 12 nominees for director of Registrant, as listed in Registrant's proxy statement dated March 28, 1996 previously filed with the Commission, were duly elected to Registrant's Board of Directors. There was no solicitation of proxies in opposition to these nominees.

At such annual meeting, the shareholders also voted with respect to the other matter submitted for shareholder consideration as follows, the vote being legally sufficient to adopt the proposal:

> Proposal to approve alternative performance goals in connection with the grant of a restricted stock award to the Registrant's Chairman under a proposed new employment contract, in order to preserve the deductibility under the Internal Revenue Code of such award.

	No. of Shares Voted
FOR	90,951,816
AGAINST	2,610,282
ABSTAIN	486,207

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 27 -- Financial Data Schedule

(b) Reports on Form 8-K

Registrant filed no report on Form 8-K during the quarter for which this report on Form 10-Q is filed.

SIGNATURES

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Dated: August 14, 1996 By: /s/ THOMAS H. HOPPEL

Thomas H. Hoppel, Vice-President and Chief Financial Officer

Dated: August 14, 1996 By: /s/ STEPHEN A. BLOCK

Stephen A. Block, Vice-President Law and Secretary

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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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6-MOS
DEC-31-1996
JUN-30-1996
226,800
75,670
299,154
(8,334)
376,432
1,058,980
857,623
(399,039)
1,547,732
291,814
9,892
14,470
0
0
1,098,854
1,547,732
757,164
757,164
405,878
562,599
42,594
0
1,293
150,678
54,811
95,867
0
0
0
95,867
0.86
0.86