

NEWS RELEASE



FOR IMMEDIATE RELEASE

IFF REPORTS SECOND QUARTER RESULTS
EARNINGS PER SHARE INCREASE 12% ON HIGHER SALES AND LOWER COSTS
REAFFIRMS 2006 GUIDANCE

New York, N.Y., July 26, 2006 ... International Flavors & Fragrances Inc. (NYSE: IFF) (“IFF” or the “Company”) reported earnings per share for the second quarter 2006 of \$.67 compared to \$.60 in the prior year quarter, an increase of 12%.

Second quarter 2006 sales totaled \$531 million, increasing 3% over the prior year quarter; fragrance and flavor sales increased 3% and 2%, respectively. Reported sales for the 2006 period were affected by the strength of the U.S. dollar; had exchange rates remained constant, sales would have been one percentage point higher.

Fragrance sales were led by fine fragrance, which increased 9%; much of the growth resulted from new product introductions. Sales of functional fragrances increased 1% while fragrance ingredient sales declined 3%.

The flavor sales performance benefited from new wins as well as from ease of comparison with the prior year quarter, when flavor sales were affected by a vendor-supplied raw material contamination issue, the impact of which approximated \$5.0 million in the 2005 quarter.

“The improvements in sales and costs are very encouraging. The IFF team will continue to focus on customers, innovation and people to drive our growth,” said Robert Amen, Chairman and Chief Executive Officer of IFF. “We continue to perform very well in fine fragrances, and in many of the markets we’ve targeted for growth – notably Eastern Europe, India and Latin America. Near term, our emphasis is on meeting or exceeding our 2006 targets for growth and profitability. The Fine Fragrance team is executing its strategy of building customer brands around the world very well. We need to build on this strength. We are assessing our Company plan and performance to determine what adjustments are needed to accelerate our growth in sales and profitability.”

“IFF is an outstanding company that is differentiated by its innovation, strong customer base, quality management team and dedicated employees. I am pleased to have the opportunity to lead IFF through its next stage of growth and look forward to leveraging our strengths as we work to accelerate IFF’s value creation.”

Second Quarter 2006

Sales performance by region and product category in comparison to the prior year quarter follows:

Second Quarter 2006 vs. 2005
% Change in Sales by Region of Destination

		Fine	Func'l.	Ingr.	Total Frag.	Flavors	Total
N. America	Reported	18%	1%	13%	10%	4%	7%
Europe	Reported	3%	3%	-13%	-1%	-3%	-2%
	<i>Local Currency</i>	<i>5%</i>	<i>5%</i>	<i>-11%</i>	<i>1%</i>	<i>-1%</i>	<i>-</i>
L. America	Reported	17%	-4%	-2%	1%	15%	5%
Asia Pacific	Reported	2%	10%	-4%	5%	1%	2%
	<i>Local Currency</i>	<i>2%</i>	<i>10%</i>	<i>-1%</i>	<i>6%</i>	<i>3%</i>	<i>4%</i>
India	Reported	8%	-8%	18%	-1%	9%	4%
	<i>Local Currency</i>	<i>8%</i>	<i>-8%</i>	<i>20%</i>	<i>-</i>	<i>9%</i>	<i>5%</i>
Total	Reported	9%	1%	-3%	3%	2%	3%
	<i>Local Currency</i>	<i>10%</i>	<i>2%</i>	<i>-2%</i>	<i>4%</i>	<i>3%</i>	<i>4%</i>

- North America fine fragrance and flavor growth was driven mainly by new product introductions while increases in ingredients and functional fragrances were primarily volume related.
- European growth was strongest in Eastern Europe, Africa and the Middle East, collectively increasing 15% over the 2005 quarter; a 2% decline in Western Europe offset this growth. Fine and functional fragrance growth was mainly the result of new product introductions while the decline in ingredients and flavor sales was mainly volume related.
- Latin America fine fragrance sales growth resulted from new product introductions while declines in functional fragrance and ingredients were primarily volume related. Flavor sales were strong throughout the region; this growth was mainly the result of new product introductions.
- Asia Pacific fine and functional fragrance sales growth resulted mainly from new product introductions, while volume declines negatively impacted ingredient sales. Flavor sales growth was mainly the result of new product introductions.
- India fragrance sales performance in all product categories resulted primarily from volume fluctuations while flavor sales increased due to the combined benefit of new product introductions and volume growth.

Net income for the 2006 quarter increased 8% compared with the prior year quarter.

- Gross profit, as a percentage of sales, improved nearly 1% compared to the prior year quarter. The improvement resulted mainly from the local currency sales performance, improved manufacturing expense absorption and favorable product mix. The 2005 margin was unfavorably impacted by costs attributable to the raw material contamination matter.
- Research and Development (“R&D”) expenses totaled 8.6% of sales, consistent with the prior year quarter.

- Selling, General and Administrative (“SG&A”) expenses, as a percentage of sales, increased to 16.5% from 16.1%, mainly as a result of higher incentive plan accruals and equity compensation expense than the 2005 quarter.
- Interest expense increased 4% from the prior year, primarily due to higher average levels of debt in the quarter and slightly higher interest rates.
- The effective tax rate was 28.0% compared to 30.8% in the prior year quarter; variations in the effective rate are mainly attributable to fluctuations in earnings in the countries in which the Company operates.

First Half 2006

For the six-month period ended June 30, 2006, sales totaled \$1,042 million, essentially flat with the 2005 period. Reported sales for the 2006 period were affected by the strength of the U.S. dollar; had exchange rates remained constant, sales would have been three percentage points higher.

Sales performance by region and product category in comparison to the prior year period follows:

Six Months 2006 vs. 2005
% Change in Sales by Region of Destination

		Fine	Func'l.	Ingr.	Total Frag.	Flavors	Total
N. America	Reported	20%	-3%	13%	8%	4%	6%
Europe	Reported	-2%	-2%	-16%	-6%	-5%	-6%
	<i>Local Currency</i>	<i>4%</i>	<i>4%</i>	<i>-12%</i>	<i>-1%</i>	<i>-</i>	<i>-</i>
L. America	Reported	13%	1%	4%	4%	17%	8%
Asia Pacific	Reported	2%	-1%	-5%	-1%	-1%	-1%
	<i>Local Currency</i>	<i>2%</i>	<i>-</i>	<i>-1%</i>	<i>-</i>	<i>2%</i>	<i>1%</i>
India	Reported	14%	4%	16%	8%	10%	9%
	<i>Local Currency</i>	<i>15%</i>	<i>5%</i>	<i>20%</i>	<i>10%</i>	<i>11%</i>	<i>10%</i>
Total	Reported	6%	-1%	-4%	-	1%	-
	<i>Local Currency</i>	<i>9%</i>	<i>1%</i>	<i>-1%</i>	<i>3%</i>	<i>4%</i>	<i>3%</i>

- North America fine fragrance and flavor growth resulted mainly from new product introductions while the decline in functional fragrances was volume related. Ingredients sales growth was due to a combination of volume and price.
- European growth was strongest in Eastern Europe, Africa and the Middle East, which was offset by an overall sales decline in Western Europe. Fine and functional fragrance growth resulted from new product introductions while the decline in ingredients was volume related, as was the decline in flavor sales.
- Latin America fine fragrance sales growth resulted from new product introductions while increases in functional fragrance and ingredients were primarily volume related. Flavor sales were strong throughout the region, mainly benefiting from new product introductions.
- Asia Pacific fine fragrance sales growth resulted mainly from new product introductions, while volume declines unfavorably impacted functional fragrance and ingredients. Flavor sales growth was mainly the result of new product introductions.

- India fragrance sales performance in all product categories resulted primarily from volume growth while flavor sales increased due to the combined benefit of new product introductions and volume growth.

Outlook for 2006 Reaffirmed

Consistent with prior guidance, IFF currently expects 2006 sales to increase in the low single digits in both local currency and reported dollars, in comparison to 2005.

Based on the foregoing and consistent with previous guidance, IFF currently expects earnings per share for 2006 to be in the range of \$2.20 to \$2.28.

About IFF

IFF is a leading creator and manufacturer of flavors and fragrances used in a wide variety of consumer products—from fine fragrances and toiletries, to soaps, detergents and other household products, to beverages and food products. IFF is dedicated to The Pursuit of Excellence in every area of its business, using knowledge, creativity, innovation and technology to continually provide customers with the highest quality products and service and superior consumer understanding. IFF has sales, manufacturing and creative facilities in 30 countries worldwide. For more information, please visit our Web site at www.iff.com.

Cautionary Statement Under The Private Securities Litigation Reform Act of 1995

Statements in this report, which are not historical facts or information, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's reasonable current assumptions and expectations. Certain of such forward-looking information may be identified by such terms as "expect", "believe", "may", "outlook", "guidance" and similar terms or variations thereof. All information concerning future revenues, tax rates or benefits, interest savings, earnings and other future financial results or financial position, constitutes forward-looking information. Such forward-looking statements involve significant risks, uncertainties and other factors. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions in the Company's markets, including economic, population health and political uncertainties; interest rates; the price, quality and availability of raw materials; the Company's ability to implement its business strategy, including the achievement of anticipated cost savings, profitability and growth targets; the impact of currency fluctuation or devaluation in the Company's principal foreign markets and the success of the Company's hedging and risk management strategies; the outcome of uncertainties related to litigation; uncertainties related to any potential claims and rights of indemnification or other recovery for customer and consumer reaction to its earlier contamination issue; 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 foreign governments. The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

Conference call

There will be a conference call today at 10:00 AM Eastern Time, at which time the Company will discuss operating results for the second quarter 2006, and its current expectations for 2006. The dial in number for U.S.-based participants is 1-877-704-5381; for international participants, the number is 1-913-312-1295. The pass code will be 4210967.

A replay of the call will be available from 1:00 PM Eastern Time beginning Wednesday, July 26, 2006 and ending at Midnight Wednesday, August 9. The dial in number for the replay for U.S.-based listeners is 1-888-203-1112; for international listeners, the number is 1-719-457-0820. The replay pass code will be 4210967.

The call can also be monitored via the World Wide Web at www.iff.com. Real Network's Real Player or Microsoft Media Player is required to access the webcast. They can be downloaded from www.real.com or www.microsoft.com/windows/mediaplayer. A replay of the conference call will be available on the Company's website for twelve months.

Contact

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

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Net Sales	\$515,578	\$530,505	\$1,038,630	\$1,041,937
Cost of goods sold	299,065	302,889	607,462	597,707
Gross margin on sales	216,513	227,616	431,168	444,230
Research & development	44,380	45,588	89,133	91,190
Selling and administrative	82,866	87,684	167,610	173,272
Amortization	3,767	3,711	7,535	7,421
Restructuring and other charges (income)	-	(304)	-	357
	85,500	90,937	166,890	171,990
Interest expense	(6,062)	(6,300)	(11,638)	(11,673)
Other income (expense), net	2,558	286	3,114	(153)
Pretax income	81,996	84,923	158,366	160,164
Income taxes	25,283	23,741	49,110	45,292
Net income	\$56,713	\$61,182	\$109,256	\$114,872
<u>Including restructuring and other charges (income):</u>				
Net income	\$56,713	\$61,182	\$109,256	\$114,872
Earnings per share – basic	\$0.60	\$0.67	\$1.16	\$1.26
Earnings per share – diluted	\$0.60	\$0.67	\$1.14	\$1.25
<u>Excluding restructuring and other charges (income):</u>				
Net income	\$56,713	\$61,085	\$109,256	\$115,236
Results per share – basic	\$0.60	\$0.67	\$1.16	\$1.26
Results per share – diluted	\$0.60	\$0.67	\$1.14	\$1.25
<u>Average shares outstanding (in thousands):</u>				
Basic	93,876	90,869	94,100	91,202
Diluted	95,255	91,787	95,640	91,997

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

	December 31, 2005	June 30, 2006
Cash & short-term investments	\$ 272,897	\$ 30,152
Receivables	368,519	419,397
Inventories	430,794	443,339
Other current assets	119,064	102,646
Total current assets	1,191,274	995,534
Property, plant and equipment, net	499,145	487,631
Goodwill and other intangibles, net	772,651	765,230
Other assets	175,126	204,185
Total assets	\$2,638,196	\$2,452,580
Bank borrowings, overdrafts and current portion of long-term debt	\$ 819,392	\$ 308,936
Other current liabilities	383,304	395,525
Total current liabilities	1,202,696	704,461
Commercial paper and long-term debt	131,281	415,791
Non-current liabilities	388,872	386,330
Shareholders' equity	915,347	945,998
Total liabilities and shareholders' equity	\$2,638,196	\$2,452,580

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

	Six Months Ended June 30,	
	2005	2006
Cash flows from operating activities:		
Net Income	\$109,256	\$114,872
Adjustments to reconcile to net cash provided by operations:		
Depreciation and amortization	46,429	44,602
Deferred income taxes	17,488	329
Gain on disposal of assets	(1,520)	(3,881)
Changes in assets and liabilities		
Current receivables	(50,426)	(60,327)
Inventories	1,192	1,163
Current payables	(40,524)	(2,336)
Others, net	(24,354)	26,543
Net cash provided by operations	57,541	120,965
Cash flows from investing activities:		
Net change in short-term investments	35	25
Additions to property, plant and equipment	(38,149)	(19,806)
Proceeds from disposal of assets	433	6,504
Net cash used in investing activities	(37,681)	(13,277)
Cash flows from financing activities:		
Cash dividends paid to shareholders	(33,104)	(33,990)
Net change in bank loans	7,852	(32,508)
Net change in commercial paper outstanding	91,891	281,521
Repayments of long-term debt	(11,655)	(499,306)
Proceeds from issuance of stock under stock option and employee stock purchase plans	17,764	23,146
Purchase of treasury stock	(60,988)	(91,315)
Net cash (used in) provided by financing activities	11,760	(352,452)
Effect of exchange rates changes on cash and cash equivalents	(4,352)	2,052
Net change in cash and cash equivalents	27,268	(242,712)
Cash and cash equivalents at beginning of year	32,596	272,545
Cash and cash equivalents at end of period	\$59,864	\$29,833