

INTERNATIONAL FLAVORS & FRAGRANCES INC  
Form 11-K  
June 28, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001 04858

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**International Flavors & Fragrances Inc.**

**Retirement Investment Fund Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**International Flavors & Fragrances Inc.**

**521 West 57th Street**

**New York, NY 10019**

Table of Contents

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**TABLE OF CONTENTS TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE**

**DECEMBER 31, 2011 AND 2010**

Table of Contents

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	3
<u>Financial Statements:</u>	
<u>Statement of Net Assets Available for Benefits as of December 31, 2011 and 2010</u>	4
<u>Statement of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2011 and 2010</u>	5
<u>Notes to Financial Statements</u>	6-16
<u>Supplemental Schedule:</u>	
<u>Part I Schedule H, Line 4i Schedule of Assets (Held at End of Year) - December 31, 2011</u>	17
<u>Signatures</u>	18
<u>Exhibit:</u>	
<u>Exhibit 23.1 Consent of Independent Registered Public Accounting Firm- Smolin, Lupin &amp; Co., P.A.</u>	

(\*) Other supplemental schedules required by 29 CFR2520.103-10 of the Department of Labor's Rule and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended have been omitted as they are not applicable.

**Table of Contents**

The Administrative Committee and Participants

International Flavors & Fragrances Inc.

Retirement Investment Fund Plan

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have audited the accompanying statement of net assets available for benefits of the International Flavors & Fragrances Inc. Retirement Investment Fund Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years ended December 31, 2011 and 2010 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at year end) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statement, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Smolin, Lupin & Co., P.A.

Fairfield, New Jersey

June 28, 2012

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS****DECEMBER 31, 2011 AND 2010**

Assets	2011	2010
Investments at fair value:		
International Flavors & Fragrances Inc. Common Stock Fund	\$ 8,103,726	\$ 8,693,990
Vanguard 500 Index Fund	40,687,973	41,326,002
Vanguard Asset Allocation Fund	3,356,895	3,592,224
Vanguard Equity Income Fund	5,251,136	4,709,858
Vanguard Explorer Fund	6,085,916	7,452,596
Vanguard International Growth Fund	17,323,687	20,348,554
Vanguard Long-Term Investment Grade Fund	12,215,008	9,756,545
Vanguard Mid-Cap Index Fund	11,742,825	12,737,908
Vanguard Prime Money Market Fund	30,037,381	30,237,490
Vanguard PRIMECAP Fund	11,471,568	12,430,192
Vanguard Retirement Savings Trust	12,345,507	9,870,862
Vanguard Total Bond Market Index Fund	17,506,414	15,826,493
Vanguard U.S. Growth Fund	9,695,254	10,103,087
Vanguard Target Retirement Income Fund	220,557	542,683
Vanguard Target Retirement Funds:		
2005 Fund	1,564,607	1,165,385
2010 Fund	920,888	679,870
2015 Fund	8,707,491	7,499,449
2020 Fund	2,603,432	2,133,541
2025 Fund	7,523,194	7,030,674
2030 Fund	2,186,841	1,375,388
2035 Fund	5,770,192	4,906,045
2040 Fund	1,553,924	1,149,314
2045 Fund	2,645,890	2,158,783
2050 Fund	871,429	369,237
Total investments	220,391,735	216,096,170
Notes receivable from participants	5,061,262	5,142,082
Net assets available for benefits	\$ 225,452,997	\$ 221,238,252

The accompanying notes are an integral part of these financial statements.

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011	2010
<b>Contributions:</b>		
Company contributions	\$ 6,027,316	\$ 5,474,033
Participant contributions	11,788,721	11,125,899
<b>TOTAL CONTRIBUTIONS</b>	<b>17,816,037</b>	<b>16,599,932</b>
<b>Investment income:</b>		
Dividends	4,387,011	3,649,738
Interest	331,188	280,200
Net (depreciation)/appreciation of investments	(4,330,578)	19,796,798
<b>TOTAL INVESTMENT INCOME</b>	<b>387,621</b>	<b>23,726,736</b>
Interest income on notes receivable from participants	215,720	243,924
Other asset transfers	284,296	8,196
<b>TOTAL ADDITIONS</b>	<b>18,703,674</b>	<b>40,578,788</b>
Benefits distributed	(14,441,557)	(15,889,744)
Administrative fees	(47,372)	(32,738)
<b>TOTAL DISBURSEMENTS</b>	<b>(14,488,929)</b>	<b>(15,922,482)</b>
Net increase in participants' balances during the year	4,214,745	24,656,306
<b>Net assets available for benefits:</b>		
Beginning of year	221,238,252	196,581,946
<b>END OF YEAR</b>	<b>\$ 225,452,997</b>	<b>\$ 221,238,252</b>

The accompanying notes are an integral part of these financial statements.

---

**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**NOTE 1. DESCRIPTION OF THE PLAN**

The following description of the International Flavors & Fragrances Inc. Retirement Investment Fund Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for complete information.

**A. General/Eligibility:**

The Plan is a defined contribution plan covering all U.S. based employees of International Flavors & Fragrances Inc. (IFF) and its domestic subsidiaries (the Company), with the exception of the unionized employees located in Jacksonville, Florida (the Union Plan). The Plan also covers certain employees who are U.S. citizens temporarily assigned to subsidiaries abroad. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, (ERISA). The Plan has been amended to reflect the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, the Pension Protection Act of 2006, the Heroes Earnings and Assistance Relief Tax Act (HEART) of 2008 and the Workers, Retiree and Employer Recovery Act (WRERA) of 2008.

Employees hired between January 1, 2006 and August 31, 2006 participated under a separate plan that was merged into the Plan effective September 1, 2006. Employees become eligible to participate in the Plan on their first day of employment and are automatically enrolled at a contribution rate of 4% of pre-tax eligible earnings in the Target Retirement Income Fund closest to the participant's 65 birthday. In July 2006 the Plan was amended to provide a different matching contribution formula, as described in Note 1E below, for employees who are hired by the Company or whose plan assets were merged into the Plan on or after September 1, 2006.

**B. Administration of the Plan:**

The Vanguard Fiduciary Trust Company is the Trustee of the Plan (Vanguard or the Trustee) and has custody of the assets. The Administrative Committee, whose appointment is overseen by the Company's Board of Directors, is responsible for administration of the Plan; the Administrative Committee oversees the Trustee in carrying out the day-to-day activities of administration. The Investment Committee, whose appointment is also overseen by the Company's Board of Directors, oversees the Plan's investment options and management of Plan assets.

**C. Investments:**

The Plan offers participants 23 investment funds and a common collective trust. Participants have the option to invest in, and direct any matching contribution towards any of the following funds:

**IFF Common Stock Fund:** This fund consists of common stock of the Company and investments in the Vanguard Prime Money Market fund as deemed necessary for orderly investment in such Company stock and for anticipated cash requirements.

**Vanguard Long-Term Investment Grade Fund:** This fund seeks a high and sustainable level of current income by investing in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be intermediate and long-term, investment-grade fixed income securities.

**Vanguard Prime Money Market Fund:** This fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper and other money market securities which maintain a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. The fund will invest more than 25% of its assets in securities issued by companies in the financial services industry. The portfolio is designed to maintain a constant \$1.00 share value. An investment in the money market fund is neither insured nor guaranteed by the U.S. Government, and there is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.





**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**Vanguard 500 Index Fund:** This fund seeks investment results that parallel the performance of the Standard & Poor's 500 Composite Stock Index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

**Vanguard U.S. Growth Fund:** This fund seeks long-term capital appreciation by investing in common stocks of companies with above average growth potential and reasonable stock prices in comparison with expected earnings. The level of current income produced by this fund ranges from moderate to very low.

**Vanguard International Growth Fund:** This fund seeks long-term capital appreciation by investing in common stocks of seasoned companies based outside the United States that have above average growth potential. A 2% redemption fee is charged for any shares transferred out of this fund prior to the end of the two-month holding period.

**Vanguard Total Bond Market Index Fund:** This fund seeks investment results that parallel the performance of the Barclays Capital U.S. Aggregate Float Adjusted Bond Index. The fund maintains a dollar-weighted average maturity consistent with that of the index, which currently ranges between 5 and 10 years.

**Vanguard Explorer Fund:** This fund seeks to provide long-term capital appreciation by investing in a diversified portfolio of small company stocks with prospects for superior growth potential. These companies tend to be unseasoned.

**Vanguard PRIMECAP Fund:** This fund seeks to provide long-term capital appreciation by investing in stocks of companies with above average prospects for continued earnings growth that is not reflected in their current market price. A 1% redemption fee is charged for any shares transferred out of this fund prior to the end of the one year holding period.

**Vanguard Asset Allocation Fund:** This fund seeks to maximize long-term appreciation of capital and income by investing in common stocks, bonds and money market instruments. The mix, or allocation, of the three types of assets changes from time to time depending on which mix appears to offer the best combination of expected returns and risk. This fund may invest up to 100% of its assets in any one of the three asset classes.

**Vanguard Mid-Cap Index Fund:** This fund seeks to parallel the performance of the Morgan Stanley Capital International ( MSCI ) US Mid Cap 450 Index, which comprises a market-weighted group of medium-sized U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

**Vanguard Equity Income Fund:** This fund seeks to provide an above average level of current income and reasonable long-term capital appreciation by mainly investing in dividend-paying common stocks of established medium-size and large U.S. companies.

**Vanguard Target Retirement Funds:** These consist of 10 separate funds seeking capital appreciation and current income growth by investing in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within the target years of 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045 and 2050.

**Vanguard Target Retirement Income Fund:** This fund seeks current income and some capital appreciation by investing in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement.

---

**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**Vanguard Retirement Savings Trust:** This common collective trust seeks a stable share value of \$1.00 and a high level of current income consistent with a 2-3 year average maturity by investing primarily in investment contracts issued by insurance companies and commercial banks, and similar types of fixed-principal investments.

On February 8, 2012, Vanguard closed the Asset Allocation fund. Plan assets in this fund were transferred to the Vanguard Target Retirement Fund closest to the year a participant reached or will reach age 65.

***D. Cash or Deferred Wage and Salary Conversion Agreements:***

Each participant enters into a Cash or Deferred Wage and Salary Conversion Agreement ( CODA ) with the Company, pursuant to which participant contributions to the Plan are made. Such agreement specifies the portion of the participant's compensation, as defined in the Plan, during each Plan year that the participant elects to forego such compensation portion and to have such amount contributed by the Company to the participant's account with the Plan. Any such election remains in effect until changed by the participant. The Administrative Committee may limit the amounts specified in such agreement to ensure compliance with the antidiscrimination standards of Section 401(k) of the Internal Revenue Code (the Code ). Subject to these limitations, participants may contribute up to 30% of their annual base wages, before bonuses and overtime, up to the maximum amount permitted under the Code. Effective January 1, 2012, this amount was increased to 50%. Under the Code, the maximum amount permitted per participant was limited to \$16,500 in each of 2011 and 2010. Participants who will be age 50 or older by the end of the Plan year are eligible to make before-tax catch-up contributions. Catch-up contributions are limited to \$5,500 for eligible employees for each of 2011 and 2010. Amounts in excess of Code limits may, at the election of the participant, either be contributed to the Plan on an after-tax basis or treated as contributions to the Company's Deferred Compensation Plan ( DCP ) if an employee is eligible to participate in the DCP. If no election is made, the excess above Code limits, plus any income less any loss allocable thereto, shall be distributed to the participant. Participants may also make Roth 401k contributions to the plan on an after-tax basis, subject to limitations under the Code, but the invested principal and earnings accumulate tax free.

***E. Company Contributions:***

The Company matches 100% of the first 4% of the participant's base compensation contributed and 75% of contributions over 4% and up to 8% of the participant's base compensation for (a) employees hired, re-hired or whose plan assets were transferred into the Plan on or after January 1, 2006 or (b) participants in which the sum of their age plus the number of service years was less than 70 as of December 31, 2007. For employees that were participants of the Plan before December 31, 2005, and who do not meet the criteria set forth in (a) and (b) above, the Company matches 50% of the first 6% of the participant's compensation, as defined, that a participant contributes to the Plan, whether on a deferred or after-tax basis.

***F. Vested Benefits/Forfeitures:***

All participants vest immediately in their contributions to the Plan plus earnings thereon. Participants vest in the Company's matching contribution after three years of continuous credited service. Forfeitures are applied towards employer matching contributions. For the year ended December 31, 2011 there were participant forfeitures of approximately \$171,000 and forfeitures applied against employer contributions of approximately \$111,000. For the year ended December 31, 2010 there were participant forfeitures of approximately \$95,000 and forfeitures applied against employer contributions of \$245,000. At December 31, 2011 and 2010, forfeited non-vested amounts not yet applied to employer matching contributions approximated \$138,000 and \$77,000, respectively.

**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

***G. Individual Accounts:***

A separate account is established and maintained for each active and former participant. Former participants are those who have terminated employment and have not yet received final payment of their account. The participant's contributions and the Company's matching contribution are credited to the specific participant's account. The participant's contributions and the Company's matching contributions are invested in one or more of the Plan's funds as directed by the participant.

Participants' accounts are maintained on a unit basis for all funds.

Interest earned and dividends paid are credited to each participant's account based on accumulated daily account balances and reinvested in the respective fund.

***H. Transfers Between Funds:***

Participants may transfer all or a portion of their balance in any fund of the Plan to an alternative fund of the Plan. Exchanges must be in increments of 1%. Participants may make these transfers as frequently as on a daily basis by contacting Vanguard. However, participants will not be able to move money back into the same fund within 60 days. The 60-day limitation does not apply to the Vanguard Prime Money Market Fund and the Vanguard Retirement Savings Trust. The Vanguard Retirement Savings Trust has an equity wash provision which prohibits participants from making direct exchanges from this trust to a competing option, such as the Vanguard Prime Money Market Fund. Instead, participants must first exchange assets to a non-competing fund (typically an equity fund) and remain in that fund for 90 days before exchanging into a competing fund.

***I. Notes Receivable from Participants and In-service Withdrawals:***

Participants may borrow from the Plan as described in Note 5. A participant may withdraw all or a portion of his or her balances if bona fide financial necessity can be demonstrated in accordance with guidelines set forth in the Code (hardship withdrawal). A participant who makes a hardship withdrawal is limited by the Code as to the amount of CODA contribution a participant may make for the taxable year following the year of the withdrawal. The amounts of in-service withdrawals are limited by government regulation to amounts contributed under CODA agreements and earnings on such contributions.

***J. Rollover Contributions:***

Participants who receive eligible rollover distributions from another ERISA qualified plan may roll that distribution into the Plan. Eligible rollover distributions are those that come directly from either another qualified retirement plan or an Individual Retirement Account (IRA) which was set up to hold a distribution from another qualified retirement plan on a temporary basis. Rollover amounts can only include pre-tax contributions, plus any untaxed earnings thereon. All rollovers from such an IRA must be made within one year of original distribution from the qualified retirement plan. Rollovers included in participant contributions were approximately \$913,000 and \$900,000 for 2011 and 2010, respectively.

***K. Benefit Payments:***

On termination of service due to death, disability or retirement, a participant or beneficiary may elect to receive benefits based on one of the following options:

A lump-sum payment;  
Periodic payments.

**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

Lump sum or installment payments may be made in cash or securities at the direction of the Plan's Administrative Committee that directs the Trustee. When periodic payments are elected, a participant's interest remains in the Plan and continues to receive allocations of earnings and losses until fully distributed.

***L. Termination of Plan:***

The Company may terminate the Plan at any time. In such event, the total amounts in participants' accounts shall continue in the trust for their benefit and become 100% vested in their account, and shall be distributed to their designated beneficiaries or them, as described in Note 1K above, upon retirement, death, disability or termination of employment. At the present time, the Company has no intention of terminating the Plan.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies followed by the Plan:

***A. Method of Accounting:***

The Plan's financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

***B. Valuation of Investments:***

Investments are reported at fair value (see Note 3) in accordance with accounting guidance on fair value measurements and disclosures. Fair value is the price that would be recorded to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

***C. Notes Receivable from Participants:***

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

***D. Security Transactions and Related Investment Income:***

Security transactions are recorded on the trade date; interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date. Capital gain distributions from mutual funds are recorded as dividend income.

The Statement of Changes in Net Assets Available for Benefits presents the net appreciation (depreciation) in the fair value of the Plan's investments, which consists of the realized gains and losses and the unrealized appreciation (depreciation) on those investments.

***E. Administrative Expenses:***

All expenses that arise in connection with the administration of the Plan are paid by the Company except for loan administration fees (see Note 5) and discretionary portfolio management fees associated with the Vanguard Managed Account Program. Brokerage fees are included in the cost of investments when purchased and are deducted from proceeds received in determining realized gains and losses on investments sold. Investment advisory fees for the management of the Vanguard funds are expenses of the funds in which participants participate.



**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**F. *Contribution Income:***

Contributions made in accordance with participants' CODA agreements (see Note 1D) are recognized during the period in which the Company makes payroll deductions from the participants' compensation. Company contributions are recognized during the same period in which the Company makes payroll deductions from the participants' compensation for the participant contributions.

**G. *Benefit Obligations:***

Benefits are recorded when paid.

**H. *Risks and Uncertainties:***

The Plan provides for various investment options in any combination of investment funds described in Note 1C. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in market value could materially affect participants' account balances and the amounts reported in the financial statements.

**I. *Use of Estimates:***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

**NOTE 3. FAIR VALUE MEASUREMENTS**

Accounting guidance on fair value measurements specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1: Quoted prices for *identical* instruments in active markets;

Level 2: Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011 AND 2010**

The IFF Common Stock Fund is valued based on the closing price of the underlying IFF common stock at the valuation date, plus any uninvested cash position. Mutual funds, which include money market funds, are registered investment companies and are valued at quoted market prices which represent the net asset value of the underlying shares held by the Plan at the valuation date. The Vanguard Retirement Savings Trust is a common collective trust that holds fully benefit responsive investment contracts that are valued at contract value which is the same as fair value in all material respects. There were no investments classified as Level 3 for the periods ending December 31, 2011 and 2010.

While the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***Investments Measured at Fair Value on a Recurring Basis***

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2011 and 2010 (Level 1 and 2 inputs are defined above):

	Fair Value Measurements as of		
	December 31, 2011		
	Using Input Type		
	Level 1	Level 2	Total
<b>Mutual funds:</b>			
Balanced	\$ 3,356,895	\$ -	\$ 3,356,895
Bond	29,721,422	-	29,721,422
Domestic equity	84,934,672	-	84,934,672
International equity	17,323,687	-	17,323,687
Money market	30,037,381	-	30,037,381
Retirement income	34,568,445	-	34,568,445
Common stock fund	-	8,103,726	8,103,726
Common/collective trust funds	-	12,345,507	12,345,507
Total investments measured at fair value	\$ 199,942,502	\$ 20,449,233	\$ 220,391,735

	Fair Value Measurements as of		
	December 31, 2010		
	Using Input Type		
	Level 1	Level 2	Total
<b>Mutual funds:</b>			
Balanced	\$ 3,592,224	\$ -	\$ 3,592,224
Bond	25,583,038	-	25,583,038
Domestic equity	88,759,643	-	88,759,643
International equity	20,348,554	-	20,348,554
Money market	30,237,490	-	30,237,490
Retirement income	29,010,369	-	29,010,369
Common stock fund	-	8,693,990	8,693,990
Common/collective trust funds	-	9,870,862	9,870,862



Edgar Filing: INTERNATIONAL FLAVORS & FRAGRANCES INC - Form 11-K

Total investments measured at fair value	\$ 197,531,318	\$ 18,564,852	\$ 216,096,170
--	----------------	---------------	----------------

**Table of Contents**

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**

**RETIREMENT INVESTMENT FUND PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**NOTE 4. TAX STATUS**

The Internal Revenue Service has determined and informed Vanguard via a favorable determination letter dated March 31, 2008 that the prototype plan on which the Plan is based is designed in accordance with applicable sections of the Code. Since the date of the most recent request for determination to the Internal Revenue Service, the Company has made certain amendments to the Plan. However, the Company believes the Plan is designed to be and is currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. Participants will not be subject to income tax for contributions made on their behalf by the Company, nor on money earned by the Plan and credited to their account until such time as they withdraw their balance.

The Plan does not have any uncertain tax positions that would result in the recording of a liability (or asset) for unrecognized tax benefits as of December 31, 2011 and 2010. The Plan is subject to routine audits by taxing jurisdictions and has open tax years of 2008 to 2010. There are currently no audits in progress.

**NOTE 5. NOTES RECEIVABLE FROM PARTICIPANTS**

Upon application by a participant and validation as appropriate per the participant loan policy, the Trustee may make a loan to a participant in an amount not exceeding the lesser of 50% of the balance in the participant's account, or \$50,000, with a minimum loan of \$1,000. Loan withdrawals are allocated, as applicable, to the participant's balance in each of his or her selected investment funds. The loans are collateralized by the balance in the participants' accounts and bear interest at a fixed rate equal to the Citibank, N.A. prime rate, plus 1/2 percent, but in no case in excess of the legal rate of interest. Interest rates are determined on the first business day of the calendar quarter. The Plan limits the total number loans outstanding at any time for each participant to three loans. Loans are subject to a loan origination fee of \$30 if they are requested on-line or \$80 if they are requested through a participant services representative. Loan origination fees are deducted from the loan proceeds. In addition, participants with outstanding loans are subject to an annual administrative fee of \$10, which is deducted from their respective accounts each July, except for the first year of the loan. Interest rates on outstanding participant loans at December 31, 2011 and 2010 ranged from 3.75% to 10%.

**NOTE 6. RELATED PARTY TRANSACTIONS**

The IFF Common Stock Fund invests in shares of the Company's common stock. The fund is designed as a means for employees to participate in the potential long-term growth of the Company. Investments in the IFF Company Stock Fund qualify as party-in-interest transactions.

Most Plan investments consist of units in investment funds managed by Vanguard. Vanguard is a party-in-interest as defined by ERISA.

In the opinion of the Investment Committee, fees paid during the year for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

**NOTE 7. TRANSFER OF ASSETS**

Other asset transfers, net in 2011 and 2010 include \$284,296 and \$8,196, respectively, of asset transfer-ins from an affiliated plan.

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011 AND 2010****NOTE 8. NET APPRECIATION/(DEPRECIATION) ON INVESTMENTS**

The net appreciation/(depreciation) in the fair value of investments (including gains and losses on investments sold during the year) was as follows:

**YEAR ENDED DECEMBER 31, 2011**

	International Flavors & Fragrances Inc. Common Stock Fund	Mutual Funds	Net Appreciation/ (Depreciation)
IFF Common Stock Fund	\$ (458,423)	\$ -	\$ (458,423)
Vanguard 500 Index Fund		(104,015)	(104,015)
Vanguard Asset Allocation Fund		(83,345)	(83,345)
Vanguard Equity Income Fund		312,183	312,183
Vanguard Explorer Fund		(158,611)	(158,611)
Vanguard International Growth Fund		(3,224,091)	(3,224,091)
Vanguard Long-Term Investment Grade Fund		1,073,578	1,073,578
Vanguard Mid-Cap Index Fund		(467,903)	(467,903)
Vanguard PRIMECAP Fund		(769,801)	(769,801)
Vanguard Total Bond Market Index Fund		612,008	612,008
Vanguard U.S. Growth Fund		(88,236)	(88,236)
Vanguard Target Retirement 2005 Fund		29,058	29,058
Vanguard Target Retirement 2010 Fund		(1,806)	(1,806)
Vanguard Target Retirement 2015 Fund		(103,798)	(103,798)
Vanguard Target Retirement 2020 Fund		(61,975)	(61,975)
Vanguard Target Retirement 2025 Fund		(237,532)	(237,532)
Vanguard Target Retirement 2030 Fund		(78,258)	(78,258)
Vanguard Target Retirement 2035 Fund		(291,133)	(291,133)
Vanguard Target Retirement 2040 Fund		(78,104)	(78,104)
Vanguard Target Retirement 2045 Fund		(122,181)	(122,181)
Vanguard Target Retirement 2050 Fund		(35,921)	(35,921)
Vanguard Target Retirement Income Fund		7,728	7,728
<b>Total</b>	<b>\$ (458,423)</b>	<b>\$ (3,872,155)</b>	<b>\$ (4,330,578)</b>

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011 AND 2010****YEAR ENDED DECEMBER 31, 2010**

	International Flavors & Fragrances Inc. Common Stock Fund	Mutual Funds	Net Appreciation/ (Depreciation)
IFF Common Stock Fund	\$ 2,363,803	\$ -	\$ 2,363,803
Vanguard 500 Index Fund		4,653,049	4,653,049
Vanguard Asset Allocation Fund		426,644	426,644
Vanguard Equity Income Fund		464,078	464,078
Vanguard Explorer Fund		1,579,180	1,579,180
Vanguard International Growth Fund		2,415,506	2,415,506
Vanguard Long-Term Investment Grade Fund		405,896	405,896
Vanguard Mid-Cap Index Fund		2,379,463	2,379,463
Vanguard PRIMECAP Fund		1,154,493	1,154,493
Vanguard Total Bond Market Index Fund		371,574	371,574
Vanguard U.S. Growth Fund		972,373	972,373
Vanguard Target Retirement 2005 Fund		86,557	86,557
Vanguard Target Retirement 2010 Fund		46,680	46,680
Vanguard Target Retirement 2015 Fund		642,816	642,816
Vanguard Target Retirement 2020 Fund		160,050	160,050
Vanguard Target Retirement 2025 Fund		656,813	656,813
Vanguard Target Retirement 2030 Fund		135,533	135,533
Vanguard Target Retirement 2035 Fund		501,946	501,946
Vanguard Target Retirement 2040 Fund		86,897	86,897
Vanguard Target Retirement 2045 Fund		221,712	221,712
Vanguard Target Retirement 2050 Fund		33,581	33,581
Vanguard Target Retirement Income Fund		38,154	38,154
<b>Total</b>	<b>\$ 2,363,803</b>	<b>\$ 17,432,995</b>	<b>\$ 19,796,798</b>

**Table of Contents****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011 AND 2010****NOTE 9. PLAN INVESTMENTS REPRESENTING 5% OR MORE OF THE PLAN'S NET ASSETS**

Investments at fair value that represent 5% or more of the Plan's net assets at December 31, 2011 and 2010 were as follows:

	2011	2010
Mutual Funds:		
Vanguard 500 Index Fund Signal Shares	\$ 40,687,973	\$ 41,326,002
Vanguard Prime Money Market Fund	30,037,381	30,237,490
Vanguard Total Bond Market Index Fund	17,506,414	15,826,493
Vanguard International Growth Fund	17,323,687	20,348,554
Vanguard Retirement Savings Trust	12,345,507	*
Vanguard Long-Term Investment Grade Fund	12,215,008	*
Vanguard Mid-Cap Index Fund	11,742,825	12,737,908
Vanguard PRIMECAP Fund	11,471,568	12,430,192

\*Fair value of funds did not represent 5% or more of Plan assets at each respective year-end.

**Table of Contents****SUPPLEMENTAL SCHEDULE****INTERNATIONAL FLAVORS & FRAGRANCES INC.****RETIREMENT INVESTMENT FUND PLAN****EIN No. 13-432060****PLAN No. 001****FORM 5500****SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2011**

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party		Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
* International Flavors & Fragrances Inc. Common Stock Fund		Company Stock Fund	a	\$ 8,103,726
* Vanguard Retirement Savings Trust		Common/Collective Trust	a	12,345,507
* Vanguard Long-Term Investment Grade Fund		Mutual Fund	a	12,215,008
* Vanguard Prime Money Market Fund		Mutual Fund	a	30,037,381
* Vanguard 500 Index Fund		Mutual Fund	a	40,687,973
* Vanguard U.S. Growth Fund		Mutual Fund	a	9,695,254
* Vanguard International Growth Fund		Mutual Fund	a	17,323,687
* Vanguard Total Bond Market Index Fund		Mutual Fund	a	17,506,414
* Vanguard Explorer Fund		Mutual Fund	a	6,085,916
* Vanguard PRIMECAP Fund		Mutual Fund	a	11,471,568
* Vanguard Asset Allocation Fund		Mutual Fund	a	3,356,895
* Vanguard Mid-Cap Index Fund		Mutual Fund	a	11,742,825
* Vanguard Equity Income Fund		Mutual Fund	a	5,251,136
* Vanguard Target Retirement 2005 Fund		Mutual Fund	a	1,564,607
* Vanguard Target Retirement 2010 Fund		Mutual Fund	a	920,888
* Vanguard Target Retirement 2015 Fund		Mutual Fund	a	8,707,491
* Vanguard Target Retirement 2020 Fund		Mutual Fund	a	2,603,432
* Vanguard Target Retirement 2025 Fund		Mutual Fund	a	7,523,194
* Vanguard Target Retirement 2030 Fund		Mutual Fund	a	2,186,841
* Vanguard Target Retirement 2035 Fund		Mutual Fund	a	5,770,192
* Vanguard Target Retirement 2040 Fund		Mutual Fund	a	1,553,924
* Vanguard Target Retirement 2045 Fund		Mutual Fund	a	2,645,890

Edgar Filing: INTERNATIONAL FLAVORS & FRAGRANCES INC - Form 11-K

* Vanguard Target Retirement 2050 Fund	Mutual Fund	a	871,429
* Vanguard Target Retirement Income Fund	Mutual Fund	a	220,557
* Participant Loans	Varying maturity dates through 04/17/2021, interest ranging from 3.75% to 10.00%, per annum		5,061,262
TOTAL			\$ 225,452,997

\* Indicates party-in-interest to the plan.

a The cost of participant-directed investments is not required to be disclosed. See report of independent registered public accounting firm.

**Table of Contents**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERNATIONAL FLAVORS &  
FRAGRANCES INC.

RETIREMENT INVESTMENT  
FUND PLAN

Date: June 28, 2012

By: /s/ Shelley Bellisle  
Shelley Bellisle  
Chairman, Administrative  
Committee