



Givaudan^o

Annual Investor Conference 2002

Givaudan on track



10 April 2002



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Jürg Witmer

CEO

10 April 2002



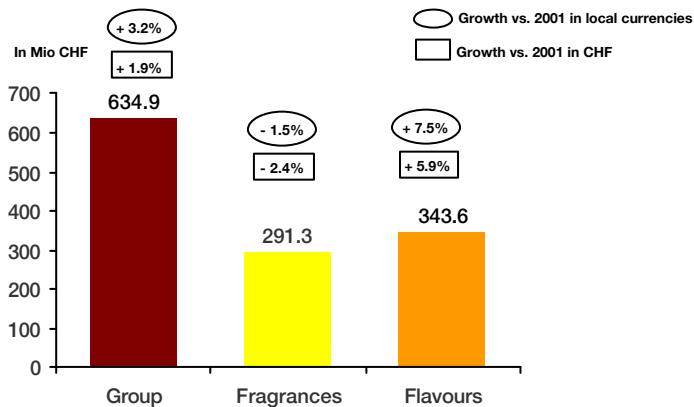
Agenda

- First Quarter Performance
- Savoury, a global growth opportunity
- GivaudanAccessTM progress
- Consumer trends
- Questions and answers
- Jürg Witmer
- Bob Pellegrino
- Dan Offermann / Jan Lenferink
- Roger Elkin
- Jürg Witmer / Othmar Vock



A promising start in 2002

Sales January - March 2002





Fragrance Division: Strong sales in Consumer Products hampered by a difficult environment for Fine Fragrances and Fragrance Ingredients

- Consumer Products continued its strong performance from last year in all regions.
- Fine Fragrances still suffer from weak economics and large inventories. Recovery expected still this year thanks to recent wins and good project portfolio.
- Fragrance Ingredients showed weaker quarter due to declining sales to fragrance houses and of pharmaceutical raw materials and UV sunscreen filters.



Sales of the Flavour Division increased in all segments and regions

- Double digit growth in Beverages and Confectionery
- North America and Europe continued strong performance due to new business won last year.
- Asia Pacific showed again a strong quarter with double digit growth in China and sustained solid growth in Japan.
- Excluding Argentina, Latin America recorded double digit growth thanks to Mexico and Brazil.



Focus on Key Growth Strategies

- Organic growth initiatives
 - ◆ Core lists / win rate
 - ◆ Emerging markets with focus on Asia Pacific
 - ◆ Foodservice
 - ◆ Speciality retail
 - ◆ Fine Fragrance repositioning
- E-enabled product offering to broaden customer base
- Market extension through new technologies
 - ◆ Several projects underway
- Driving industry consolidation
 - ◆ Opportunistic approach



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Today's presentation will focus on three important top-line growth areas:

- Savoury and Food Service
- GivaudanAccess™, our e-enabled product offering to broaden customer base
- Understanding of Consumer Trends



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Bob Pellegrino

President Flavours USA and Canada

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Savoury ... a Global Growth Opportunity



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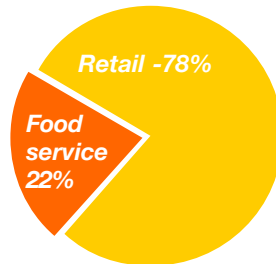
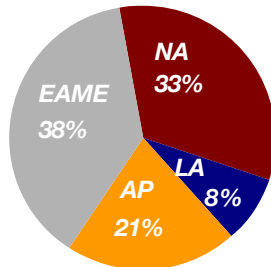
A vertical photograph on the left side of the slide shows a close-up of food being cooked in a dark pan. The food appears to be a piece of meat, possibly salmon or chicken, with some green herbs and small dark seeds or spices on top. Below the meat, there are some orange and white vegetables, possibly carrots and onions.

Some Savoury Definitions

- **Savoury** - Flavour profiles such as beef, chicken, vegetable or cheese for soups, sauces, meals, meats and snacks
- **Grocery manufacturers** - Food producers who make retail products for consumers
- **Food service** - A channel for food and beverages consumed away from home
- **Protein processors** - suppliers of beef and chicken products to food service and retail

The Savoury Market

Market size 1.8 billion CHF

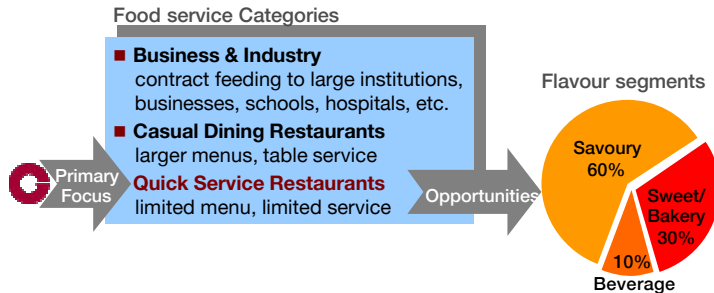


Projected annual growth rate 5%



The Food Service Market

- One third of consumer food spending is on outside eating
- Complements the packaged food market segment



Consumer Trends

- Ready meals or dine out
- Authentic & bold taste
- Convenience of preparation
- Ethnic
- Desire for variety - willingness to experiment
- Healthy



Savoury Customer Issues

Grocery Manufacturers

- Product differentiation
- Profiles with sensory advantage
- Consumer convenience
- Product development time
- Cost effectiveness

Food Service

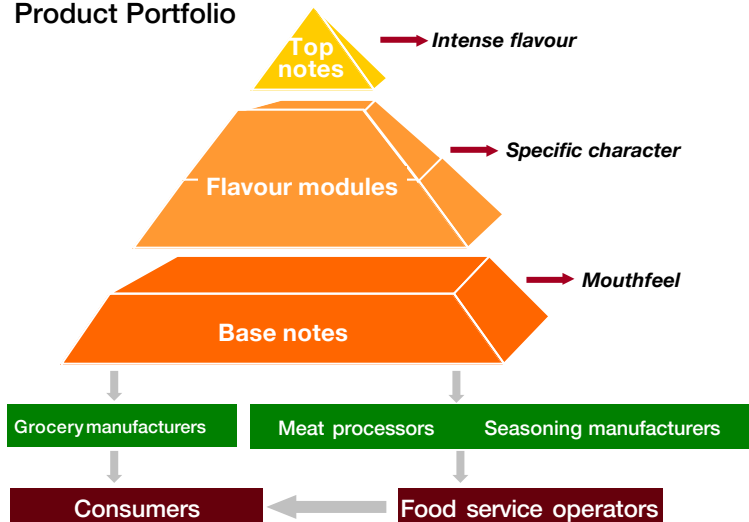
- Good taste
- Frozen shelf life
- Hold time
- Preparation time
- Supply chain support

Key Success Factors

- Product portfolio
- Customer intimacy
- Culinary application expertise
- Reaction flavour expertise
- Drying and encapsulation technology
- Manufacturing competency



Product Portfolio



Research Programs Supporting Savoury



Chef's Council™

- New cuisine and cooking methods

TasteTrek[®]

- Capturing authentic cuisine profiles



Research Programs Supporting Savoury



Flavour Ingredients

- New top notes, modules and base systems

Sensory Research

- Consumer-preferred profiles



Research Programs Supporting Savoury

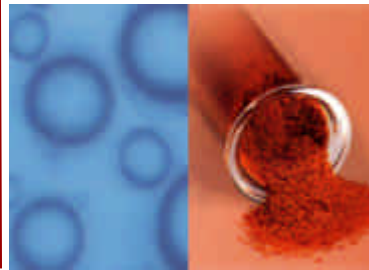


Process Technology

- New methods of reaction and drying

Delivery Technology

- Protective encapsulation systems



A vertical photograph on the left side of the slide shows a close-up of a savory dish. It features a piece of golden-brown, seared salmon or fish, garnished with a green leaf and black sesame seeds. Below the fish, there are sliced carrots and white onions. The dish is served in a dark-colored pan.

Savoury Strategies

- Reinforce Creating Sensory Advantage brand
- Identify and understand consumer-preferred profiles
- Focus on soup, sauce, meal and protein processors
- Deepen intimacy with Quick Service Restaurants
- Commercialize encapsulation technology
- Explore seasoning platform as flavour delivery vehicle

A vertical photograph on the left side of the slide shows a close-up of food being cooked in a dark pan. The food includes what appears to be a piece of salmon or a similar fish, topped with a green herb leaf and black sesame seeds. Below the fish, there are some round, light-colored ingredients, possibly onions or mushrooms, and some orange-colored items, possibly carrots or bell peppers.

Final Thoughts

- The savoury market is expanding in all regions
- Food service offers a significant growth opportunity
- Innovation opportunities exist
- We have the products, skills and customer relationships to succeed
- We will capitalize by integrating Nestlé's FIS business
- The savoury business is an attractive growth opportunity



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Dan Offermann

Head of Sales and Marketing GivaudanAccess™

Jan Lenferink

European Commercial Lead GivaudanAccess™

 10 April 2002



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GivaudanAccess Progress Report



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What Has Been Accomplished?

- Successfully launched in North America and six key markets in Europe
- Established core product offering of over 4000 flavours and fragrances
- Expanded product offering to include natural compounds and basic ingredients
- Expansion of site content
- Seamless integration with Givaudan core systems

The Customer's First Impression



Brochure



Welcome Kits



Fragrances Box Top



Savory Box Top

The GivaudanAccess advertising campaign became the platform for a consistent brand identity for first-impression promotional materials

Proactive Sample Initiative



Designed to accelerate customer conversion process

The Customer Response Has Been Positive...

- Since July 2001, we have registered over 13,500 new customers, representing a 22% penetration of the targeted market
- Customers have requested more than 2,800 samples which we view as a leading indicator of potential new business
- We have transacted over 2,100 orders, which have been growing in number at an encouraging rate
- Orders from new customers are picking up at an encouraging rate

Focus for 2002

- Continued expansion of the customer base
- Drive customer conversion
- Initiate user experience optimization program
- Expand into the balance of European markets
- Enhance service offerings, e.g.
 - ◆ Market and trend reports
 - ◆ Access maps



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Roger Elkin

Marketing Research Director

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A Crucial Success Factor in Fragrance Development

Consumer Understanding





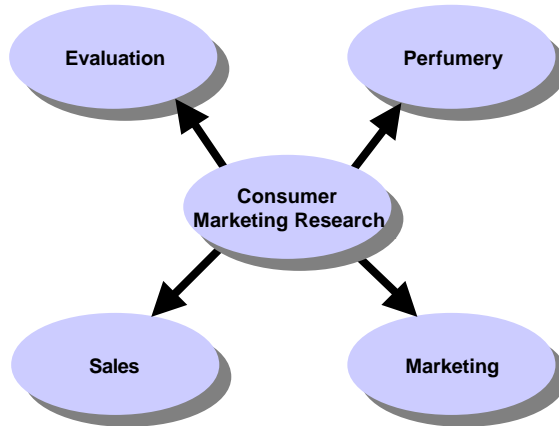
Global Consumer Understanding

- Dedicated senior research professionals in 5 countries
- Research associates around the world assist in developing fragrances
- Outside agencies





Consumer Research Supports All Key Functions





Linking Market Research & Fragrance Development

- **Fragrance Development**
 - ◆ **More than fragrance appeal**
 - ◆ **Diagnostics linked to fragrance appeal:**
 - ▲ **Olfactive impressions**
 - ▲ **Imagery**
- **Research Tool**
 - ◆ **Experimental fragrance tests**



Using Market Research as Competitive Advantage

- **Understanding Consumer Reactions in Context**
 - ◆ **The competitive market**
 - ◆ **Non-olfactive category needs**
 - ▲ **The role of fragrance in the marketing mix**
 - ▲ **Product benefits sought**
 - ▲ **Self-image needs**

- **Research Tools**
 - ◆ **Benchmarking - global fragrance tests of market leaders**
 - ◆ **FACETS - global consumer survey**
 - ◆ **NetScreen - online concept screening process**



How Consumer Insight Guides Development

- Two starting points for Fragrance Development
 - ◆ *Reactive*
 - ◆ *Proactive*

Step 1: Brief Received

- Positioning
- Target group
- Fragrance directions (perhaps)

Step 1: Market Opportunity

- Marketing
- Technology
- Consumer Research



How Consumer Insight Guides Development

- Research is used to:
 - ◆ *Inspire Perfumery*
 - ◆ *Find high-potential starting points*
 - ◆ *Increase fragrance life-span*

Step 1: Brief Received/

- Opportunity Identified
- Historical Research Review
 - FACETS
 - Benchmarking
 - Experimental fragrance tests
- NetScreen



Step 2: Fragrance Development

- Pursue broad development paths
- “Close-in” and “further-out” ideas



How Consumer Insight Guides Development

- Research is used to:
 - ◆ *Focus attention on appealing fragrances only*
 - ◆ *Ensure communication of client's intended message*
 - ◆ *Confirm improvements in fragrance appeal*

Step 3: Focus on High-Potential Themes

- Fragrance Reactions
 - Appeal
 - Perceptions/Imagery
- Discuss Development Strategy in Evaluation/Perfumery Work Sessions

Step 4: Rework Fragrances

- Assess Impact on
 - Appeal
 - Perceptions/Imagery



How Consumer Insight Guides Development

- Research is used to:
 - ◆ *Select the fragrance that best meets the business objectives*
 - ◆ *Provide our clients with a rich understanding of our fragrances' acceptance*

Step 5: Select Submission(s)

- Integrated Research Information

- Reflecting:

- Competitive environment
 - Brand perceptions
 - Product benefits
 - Fragrance appeal & perceptions



Consumer Understanding

- Essential competitive tool
- Source for creative inspiration
- Accelerates product development
- Drives new wins



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Jürg Witmer

Question and Answer Session

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