

Givaudan Half Year Results 2003

Givaudan outgrows the market and increases cash flow



14 August 2003

Jürg Witmer

CEO





Overview

- Outgrowing the market
- Winning market share
- Strong impact of exchange rates
- Margin pressure being addressed
- Strong cash flow and further share buy-back
- Number one in Fragrances & Flavours



Key Figures - Currency Impact

	Actual mio. CHF	Actual growth		Pro forma growth		Actual mio. USD	Pro forma growth USD
		I. c.	CHF	I. c.	CHF		
Sales	1,379	+12%	+1%	+3%	-7%	1,022	12%
Gross Profit	637	+6%	-3%	-1%	-10%	472	9%
Operating Profit	216	0%	-10%	-4%	-14%	160	5%



Outgrowing the Market

- Total Fragrances sales grew by 5.5%
- Double-digit growth in Fine Fragrances/Consumer Products
- Good growth in Specialty Fragrance Ingredients
- Flavours grew by 17.2% (incl. FIS acquisition)
- All flavours segments up - except dairy
- Strong increase in foodservice
- Good growth in all regions - except US flavours

*all comments refer to local currency growth



Winning Market Share

- Win rate increased
- Aligned resources to the strategy of our customers
- Focus on key projects
- Strengthened regional presence in high growth areas
- Investment in Fine Fragrance starting to pay off
- Leader in global flavours savoury market
- Maintained leadership position in beverages



Margin Pressure

- Gross margin affected by
 - ◆ Exchange rates
 - ◆ Product mix in Flavours
 - ◆ Still lower Savoury margins
 - ◆ Price pressure
 - ◆ Raw material costs
- Manufacturing efficiency improved
- Operating costs stable, despite increased pension costs
- New initiatives



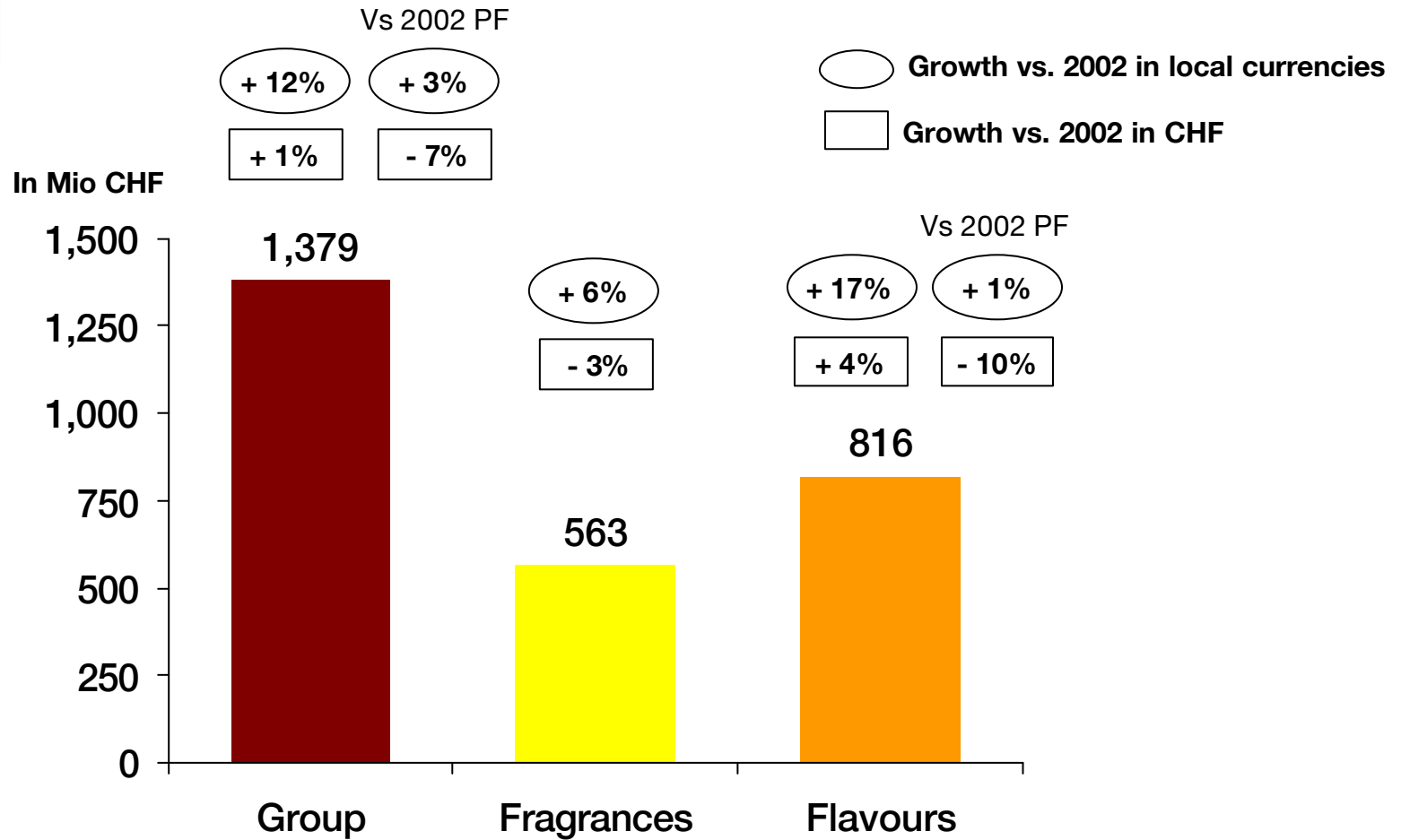
Cash Flow and Share Buy Back

- Operating cash flow before investments increased from CHF 94 mio to CHF 164 mio in the first half year
- Capital expenditures of CHF 40 mio match depreciation
- First buy back cancelled 725'627 shares
- Second buy back for up to 800'000 shares initiated
- Dividend increased by 15.7%



Sales by Division

Strong growth in Fragrances and solid performance in Flavours





Sales Evolution by Quarter

Pro forma, in mio. CHF

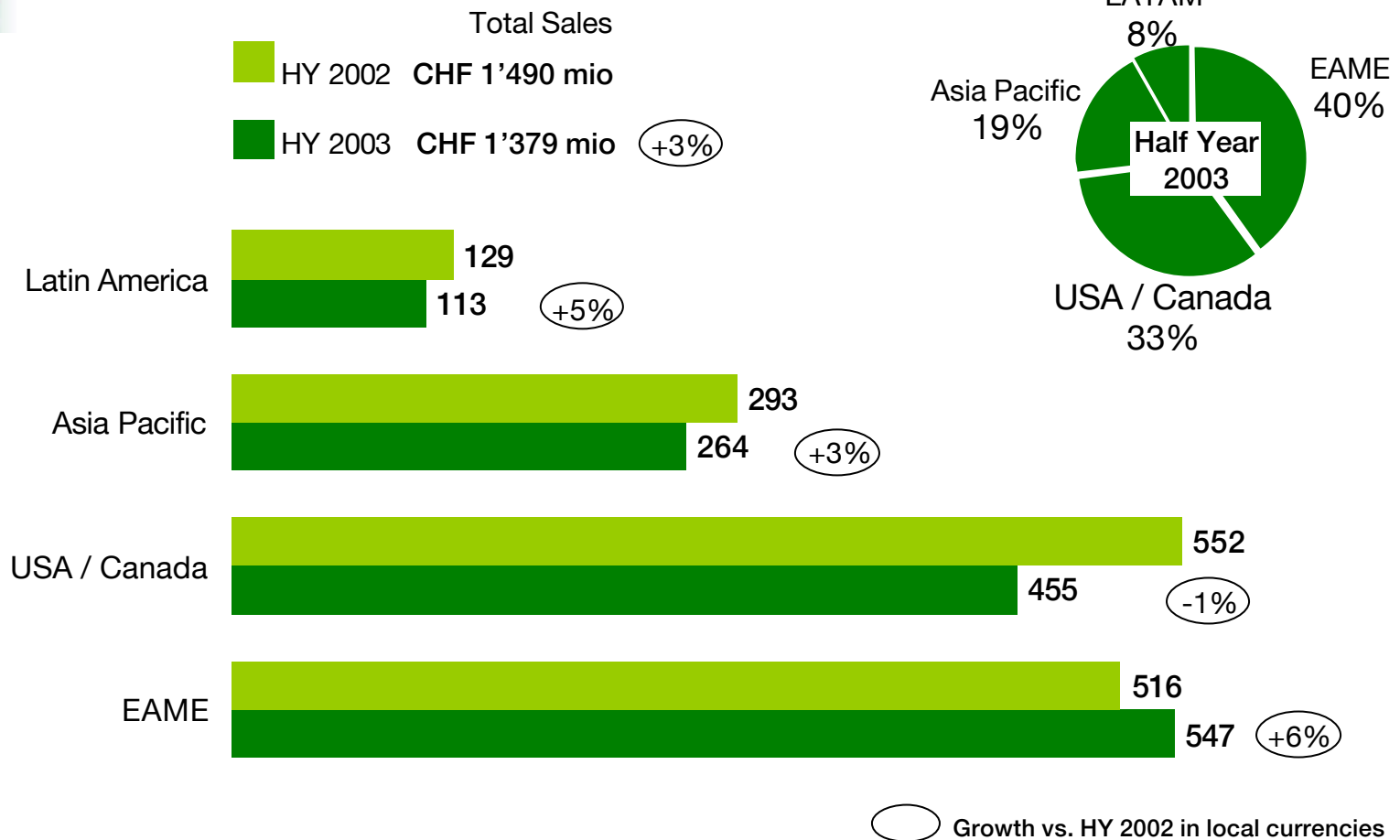
	Q1 2002	versus Q1 2001		Q2 2002	versus Q2 2001	
		in CHF	in l.c.		in CHF	in l.c.
Fragrances	291.3	-2.4%	-1.5%	291.3	0.6%	6.0%
Flavours	436.6	4.3%	6.0%	470.6	5.2%	13.4%
Givaudan Total	727.9	1.5%	2.3%	761.9	3.4%	11.0%

	Q1 2003	versus Q1 2002		Q2 2003	versus Q2 2002	
		in CHF	in l.c.		in CHF	in l.c.
Fragrances	283.7	-2.6%	6.9%	279.6	-4.0%	4.1%
Flavours	401.7	-8.0%	4.8%	414.4	-11.9%	-2.5%
Givaudan Total	685.4	-5.8%	5.6%	694.0	-8.9%	-0.1%



Sales Evolution by Region

In mio. CHF vs 2002 pro forma

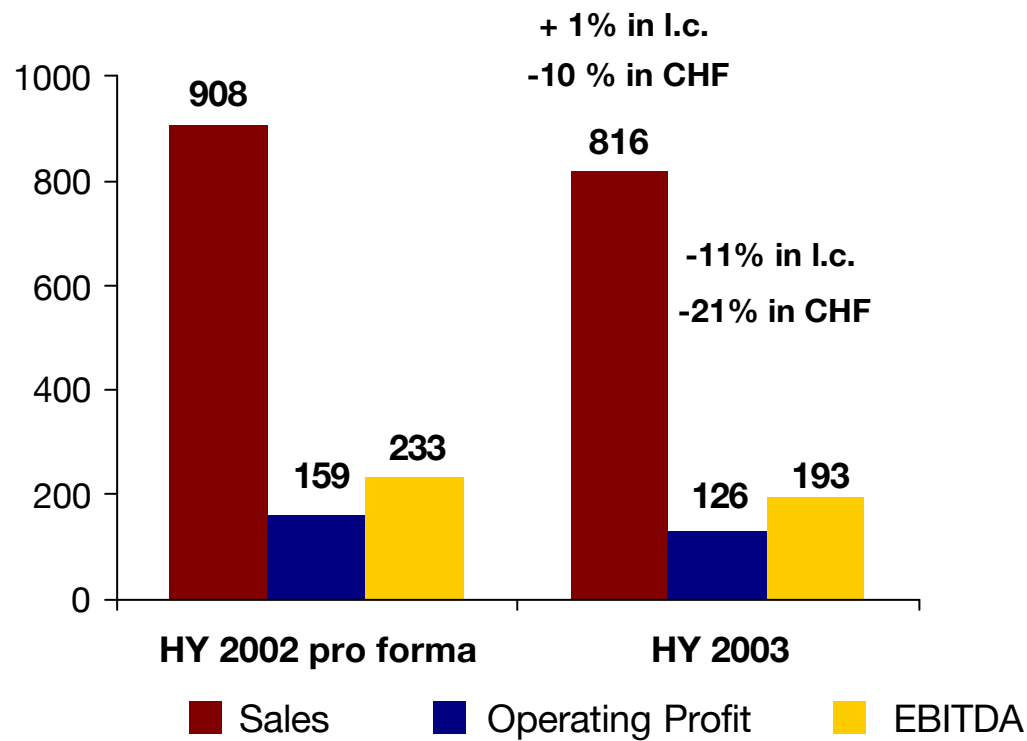




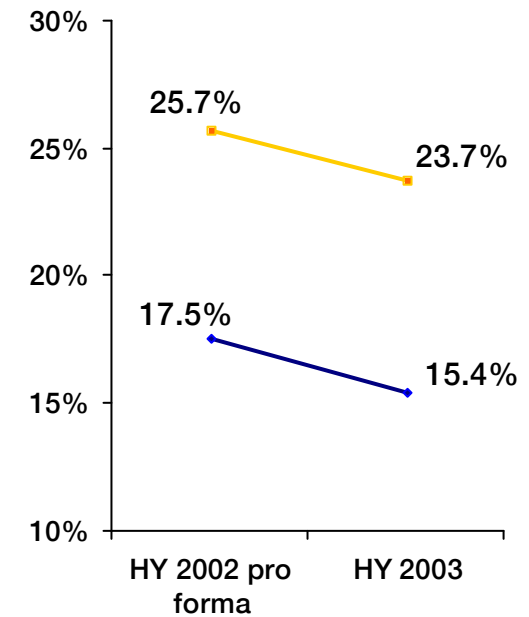
Flavour Division

Sales, Operating Profit and EBITDA

In Mio CHF



In % of Sales





Flavour Division

Key Accomplishments First Half 2003

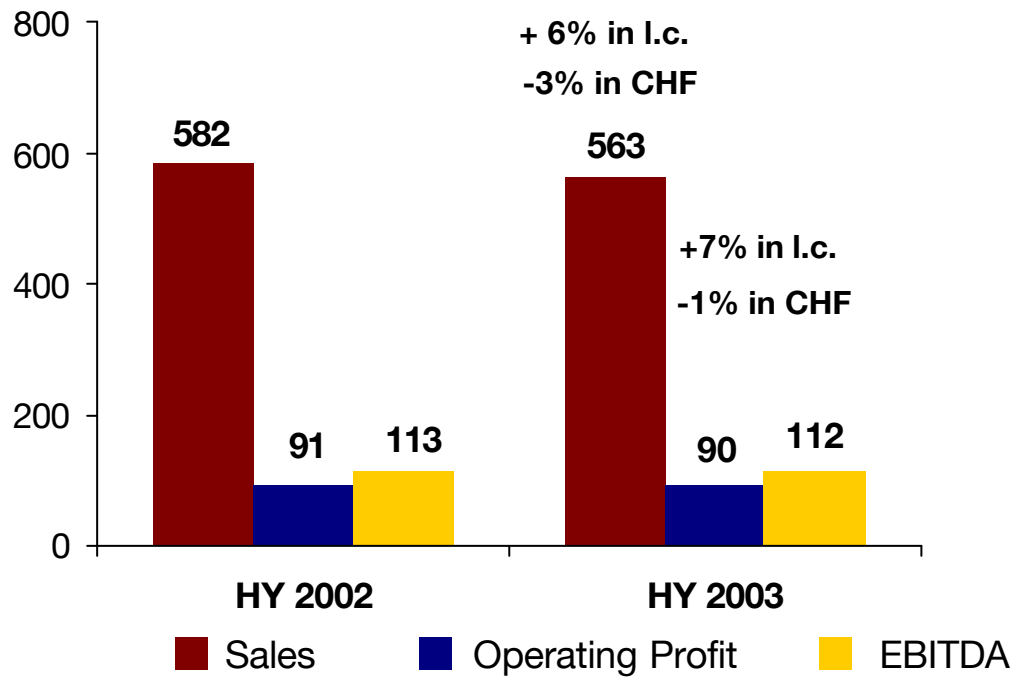
- Three out of four regions showing positive growth
- Double-digit growth in China, Japan, India and Eastern Europe
- Continued strong growth from Foodservice
- Favourable development of Savoury thanks to FIS and IBF



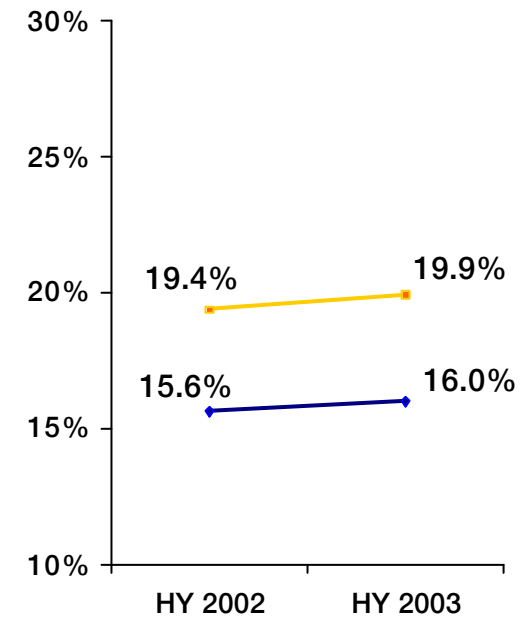
Fragrance Division

Sales, Operating Profit and EBITDA

In Mio CHF



In % of Sales





Fragrance Division

Key Accomplishments First Half 2003

- Excellent growth above market resulting in market share gains
- Double-digit growth of Fine Fragrances
- High single-digit growth in Fragrance Consumer Goods
- Good growth of Speciality Fragrance Ingredients
- Phase-out of sunscreen filters and other commodity type ingredients on track



Innovation

- Three new fragrance molecules added in 1st half 2003 to the perfurmer's palette:
 - ◆ Pharaone, a high diffuse top spice green note
 - ◆ Floridile, a fruity warm peachy character odorant
 - ◆ Belambre, a new transitional woody-ambery impact odorant
- Further progress in VAS technology
- More than 30 new odours captured from latest ScentTrek™ to the South Indian flora
- Continued advances in receptor biology
- Enhanced flavour offerings through latest TasteTrek™ expeditions to Asia and Latin America

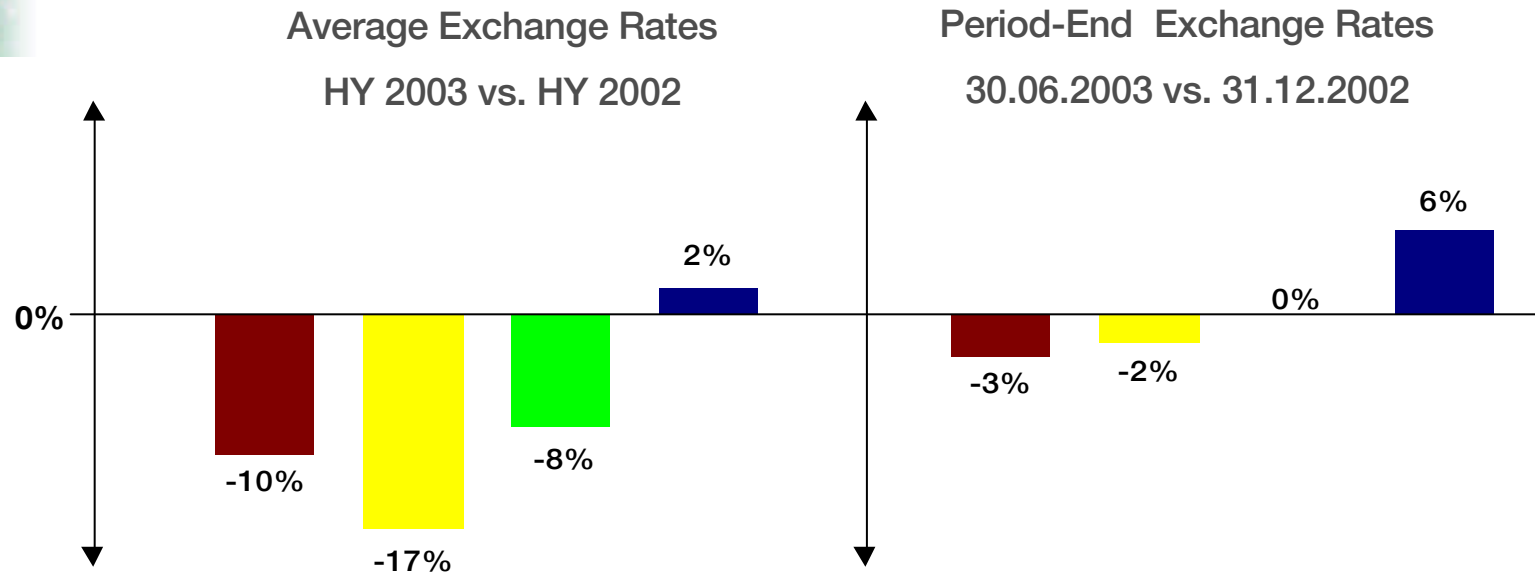
Othmar Vock

CFO





Exchange Rates Development



	JPY	USD	GBP	EUR		JPY	USD	GBP	EUR
HY 2003	1.14	1.35	2.18	1.49	30.06.03	1.13	1.35	2.23	1.54
HY 2002	1.26	1.64	2.36	1.47	31.12.02	1.16	1.38	2.23	1.45
HY 2001	1.42	1.71	2.45	1.53					



Business Statement

In Mio CHF	HY 2003		HY 2002		Change in %
		in % of sales	pro forma	in % of sales	
Sales	1,379	100.0	1,490	100.0	- 7%
Cost of sales	(742)	(53.8)	(779)	(52.3)	- 5%
Gross Profit	637	46.2	711	47.7	- 10%
Marketing, development & distribution expenses	(321)	(23.3)	(336)	(22.6)	- 4%
Administration expenses	(48)	(3.5)	(60)	(4.0)	- 20%
Amortisation of intangible assets	(46)	(3.3)	(50)	(3.3)	- 8%
Other operating income (expenses), net	(6)	(0.4)	(15)	(1.0)	- 60%
Operating profit	216	15.7	250	16.8	- 14%



Key Operating Ratios

	HY 2003	HY 2002 pro forma
in % of Sales		
Gross Profit Margin	46.2%	47.7%
Operating Return On Sales (EBIT)	15.7%	16.8%
EBITA	19.0%	20.1%
EBITDA	22.1%	23.2%
EBIDA	18.2%	18.4%



Income Statement

In Mio CHF	HY 2003		HY 2002		Change in %
		in % of sales	pro forma	in % of sales	
Sales	1'379	100.0	1'490	100.0	- 7%
Operating profit	216	15.7	250	16.8	- 14%
Financial income (expenses), net	(30)	(2.2)	(17)	(1.2)	+ 76%
Result before taxes	186	13.5	233	15.6	- 20%
Income taxes	(54)	(3.9)	(72)	(4.8)	- 25%
Result after taxes	132	9.6	161	10.8	- 18%
Minority interest	(2)	(0.2)	(1)	(0.1)	-
Net income	130	9.4	160	10.7	- 19%
Earnings per share - basic (CHF)	16.09		18.41		- 13%



Cash Flow Statement

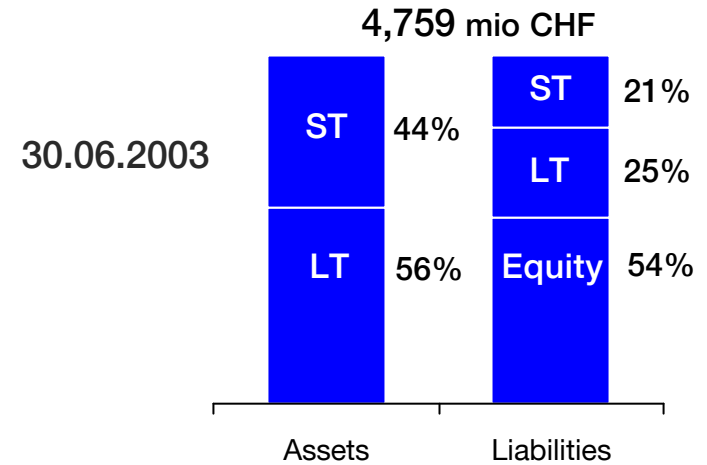
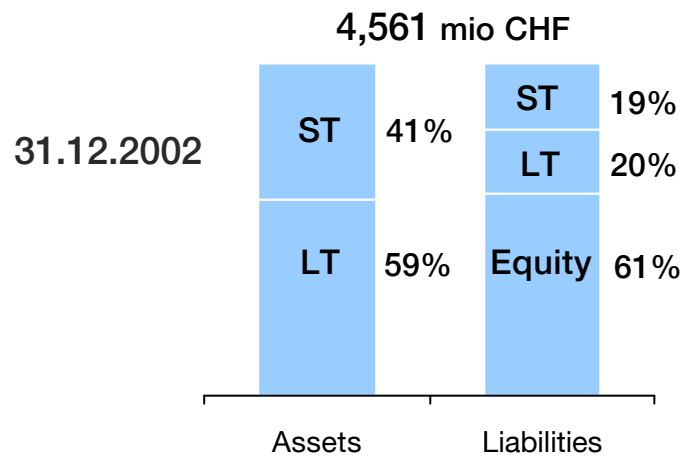
in Mio CHF

In Actual Terms

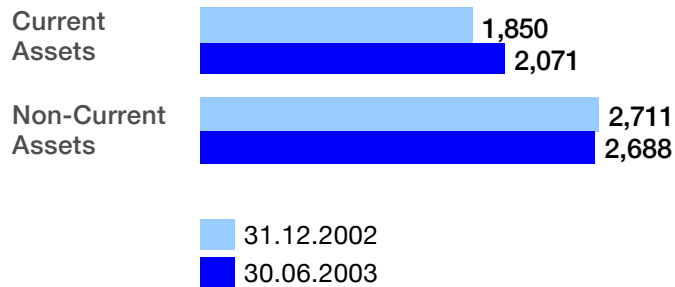
	HY 2003	HY 2002
Cash flows from (for) operating activities	164	94
Cash flows from (for) financing activities	(2)	(39)
Cash flows from (for) investing activities	(40)	(148)
Net effect of currency translation on cash	(1)	(3)
Increase (decrease) in cash	121	(96)
Cash at the beginning of the year	454	467
Cash at the end of June	575	371



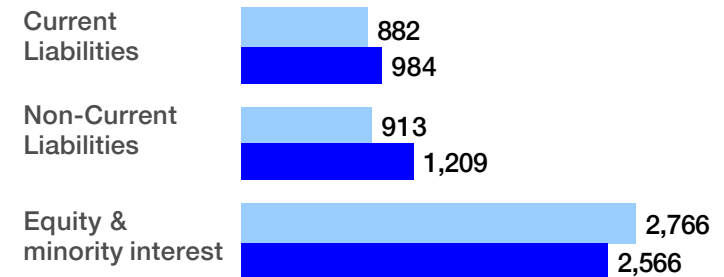
Balance Sheet



Assets



Liabilities and Equity



Jürg Witmer

CEO





Number One in Fragrances and Flavours

- Continued aligning of resources with overall strategy to focus on key customers
- Leveraging competencies from recent acquisitions across Givaudan's global organisation in 2003
- Continue to expand our organisation and asset base in Asia, where we are the clear market leader
- Further investments in high growth business segments
- Ongoing efficiency improvement initiatives



Outlook 2003

- Outgrowing the market
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