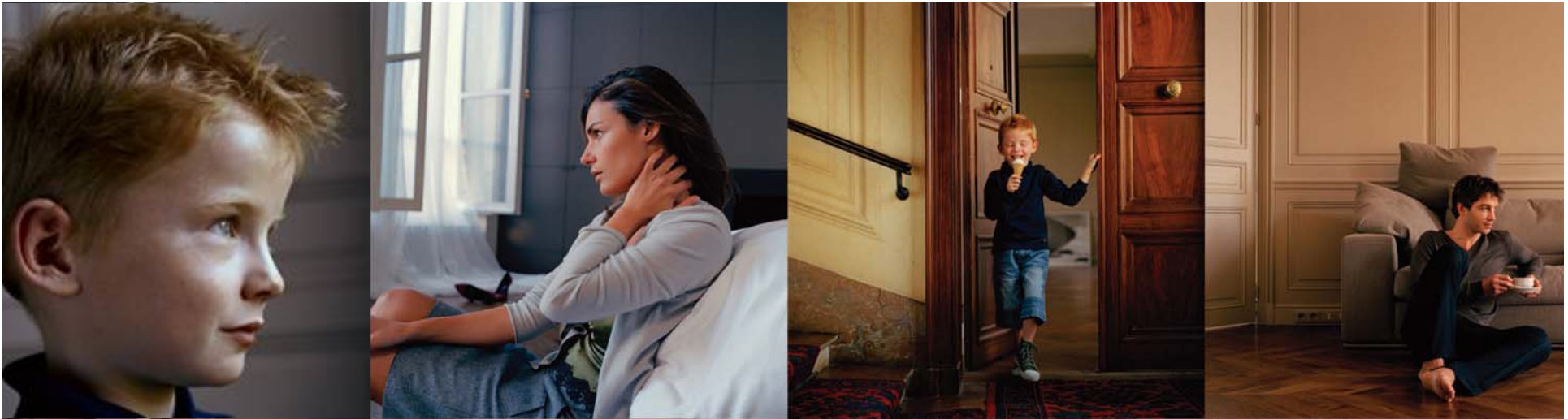


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Leading Sensory Innovation



## **Half Year 2009 Results**

**Improved momentum and strong cash flow**

Vernier, 4 August 2009

Givaudan<sup>®</sup>  
Leading Sensory Innovation

Gilles Andrier  
CEO

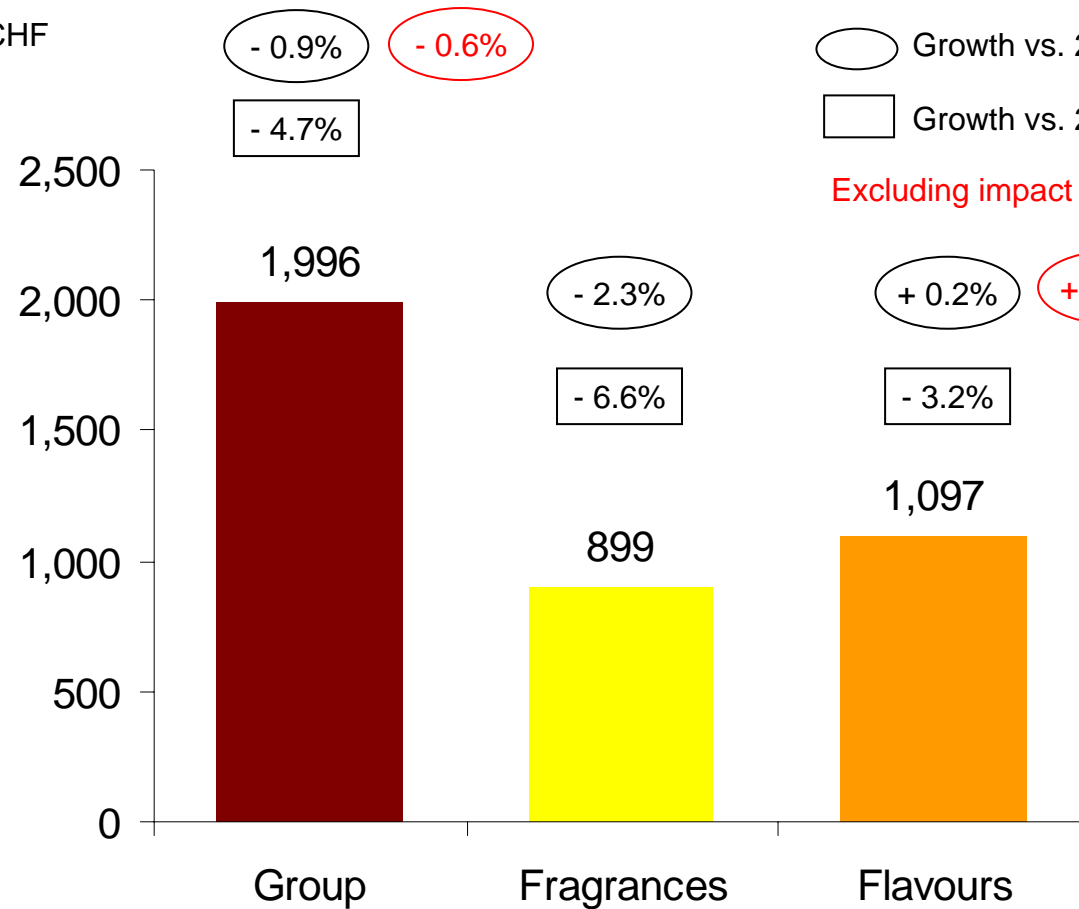
## Half Year 2009 Results

### Highlights

- Sales of CHF 1,996 million, slight decline of 0.6% in local currencies, excluding divested business
- EBITDA margin on a comparable basis of 21.2%
- Improved momentum in the course of the first half year in both sales and profitability
- Net income of CHF 95 million
- Net debt reduced by CHF 732 million supported by strong operating cash flow of CHF 422 million and successful completion of rights issue
- Quest integration well on track to achieve CHF 170 million and CHF 200 million of synergies at end of 2009 and 2010 respectively

## Sales Half Year 2009

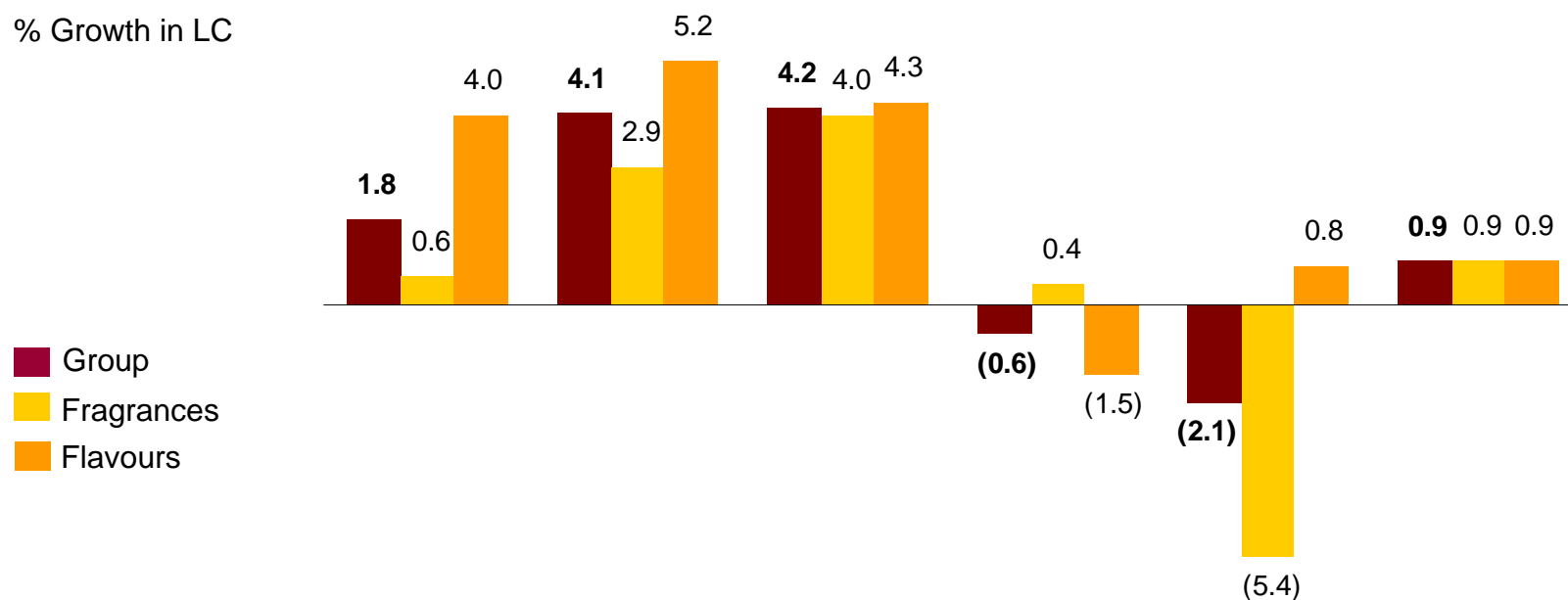
In Mio CHF



## Sales Evolution by Quarter

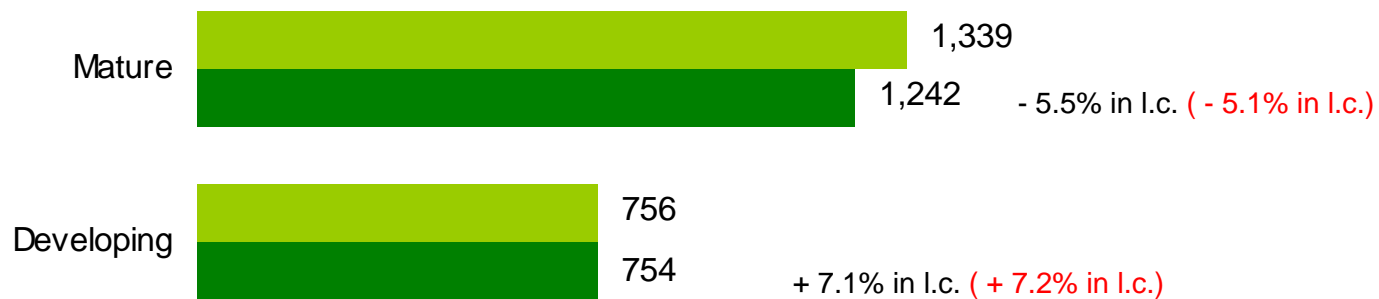
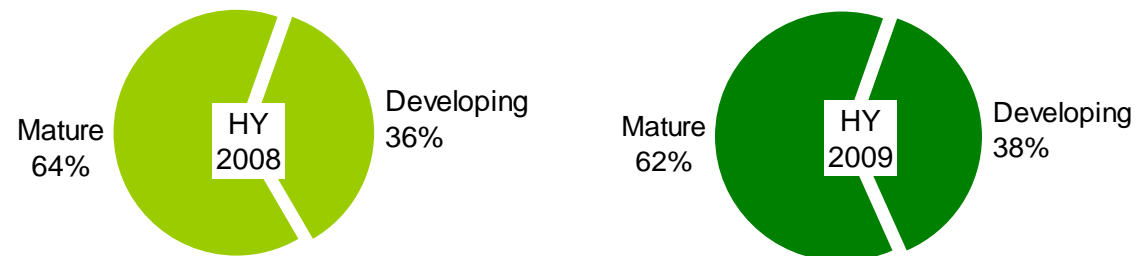
Excluding impact of discontinued business

% Growth in LC



In Mio CHF	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
<b>Group</b>	<b>1,053</b>	<b>1,041</b>	<b>1,054</b>	<b>939</b>	<b>976</b>	<b>1,020</b>
Fragrances	489	472	501	436	439	460
Flavours	564	569	553	503	537	560

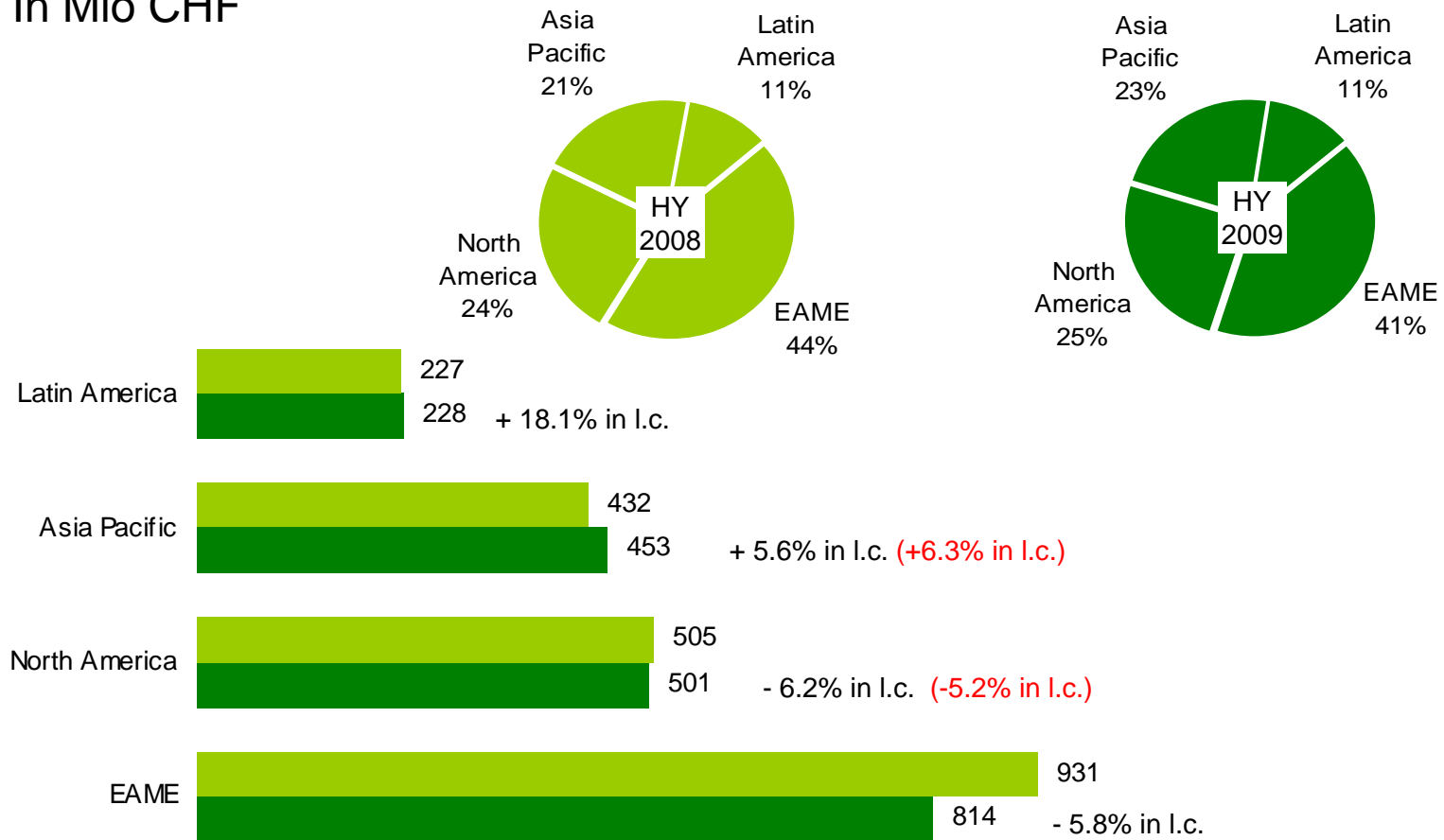
## Sales Evolution by Market In Mio CHF



Excluding impact of divested flavour business

# Sales Evolution by Region

In Mio CHF



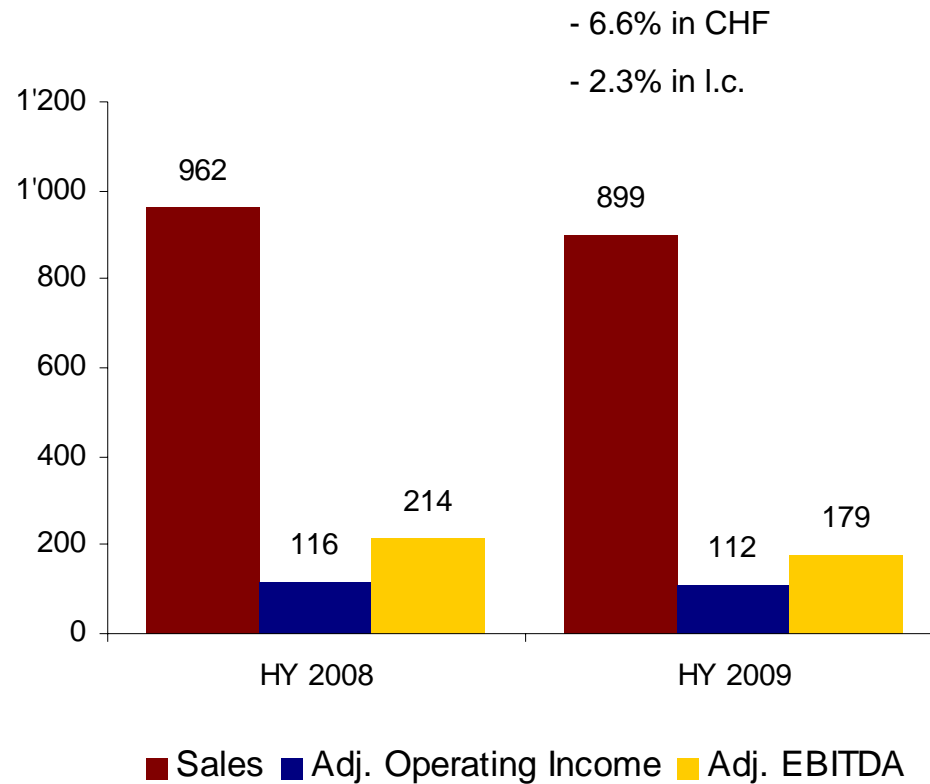
Excluding impact of divested flavour business

# Fragrance Division

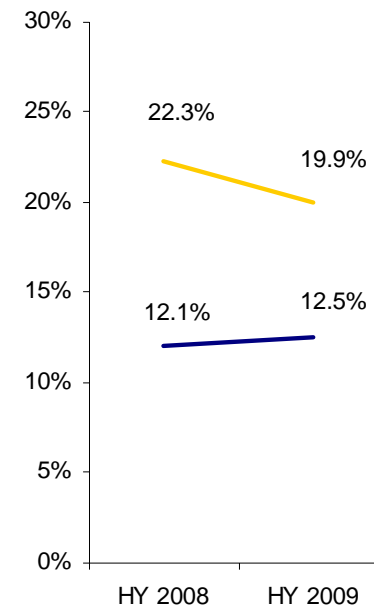
## Sales, Operating Income \* and EBITDA \*

\* At comparable basis

In Mio CHF



In % of Sales



## Fragrance Division

### Highlights - Sales

- Fine Fragrances experienced a strong decline
  - In Latin America, Fine Fragrances continued to deliver strong sales growth
  - In North America and Europe, sales declined in an environment of weaker consumer confidence and reduced travel activity
  - Significant number of wins, offset by strong erosion of existing business
  
- Consumer Products showed a good momentum
  - Double digit sales growth in developing markets
  - Slight sales decline in Europe, Africa and Middle East, despite an improvement in the second quarter
  - Sales declined in North America due to weakness in air care
  
- Fragrance Ingredients experienced a strong decline
  - Strong decline of fragrance ingredients sales due to tight inventory management of customers

## Fragrance Division

### Highlights – Investments/Closures

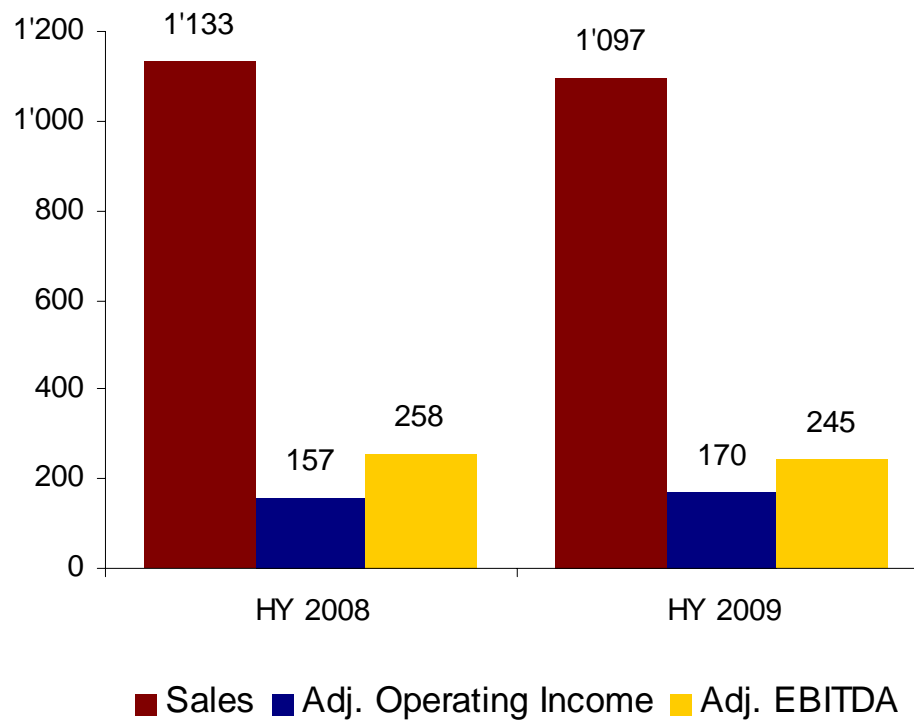
- Expansion of low cost ingredients production in Mexico
- Opening of the extended and dedicated fragrance creation, application and production site in Buenos Aires (Argentina)
- New Fragrance Consumer Products Creation Centre in East Hanover (USA) fully operational
- Production set-up for encapsulation systems in Vernier (Switzerland)
- Closure of Lyon (France) fully completed

## Flavour Division

### Sales, Operating Income \* and EBITDA \*

In Mio CHF

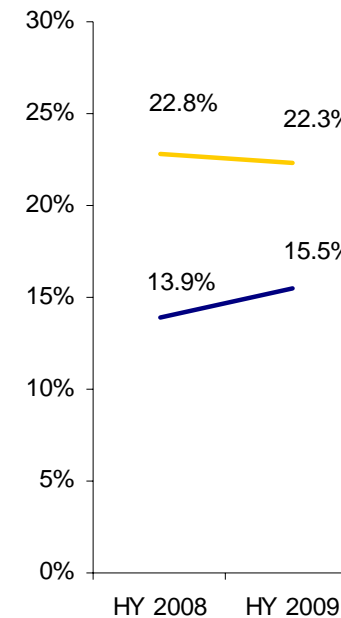
- 3.2% in CHF  
+ 0.2% / + 0.8% \*\* in l.c.



\* At comparable basis

\*\* Excluding impact of divested flavour business

In % of Sales



## Flavour Division

### Highlights - Sales

- Double-digit sales growth in the developing markets of Asia Pacific, Latin America, Middle East and Africa
- Eastern European markets decline mid single-digit
- Sales in Western Europe and North America showed a low single-digit decline
- Sales for health and wellness applications progressed strongly
- Beverages showed a strong rebound in the second quarter
- Dairy and Savoury demonstrated a sustained growth performance

## Flavour Division

### Highlights – Investments

- Production consolidation and expansion in Sao Paulo (Brazil)
- Opening of a refitted Flavour sales, creation and application centre in Buenos Aires (Argentina)
- Consolidation of spray dry and blending capacity in Devon (USA)
- Consolidation of liquid compounding in East Hanover (USA)
- Global application and creation technology laboratories in Naarden (Netherlands)
- Consolidation of regional sampling in Switzerland

## Leading Sensory Innovation

Continued commitment to R&D

- Further progress in Givaudan's innovative naturals programme
- New captive molecule Mystikal™ enriches palette of novel ingredients for our perfumers
- Market launch of Cosmone™, a novel musk
- Continued success with TasteSolutions™ in the area of health and wellness, to reduce sugar and salt in food and beverages
- Development of unique citrus varieties in collaboration with the University of California, Riverside
- New, proprietary natural ingredients for the TasteEssentials™ chicken and vanilla portfolios

Givaudan<sup>®</sup>  
Leading Sensory Innovation

Matthias Währen  
CFO

## Half Year 2009 Results

### Financial Highlights

- Sales of CHF 1,996 million, slight decline of 0.6% in local currencies, excluding divested business
- Integration savings, price increases and cost containment measures partially offsetting impact of higher raw material prices
- Solid EBITDA margin at comparable basis of 21.2%
- Strong cash flow from operations of CHF 422 million
- Successful rights issue of CHF 420 million
- Net debt down by CHF 732 million since December 2008

## Key Operating Results

in Mio CHF, except %'s

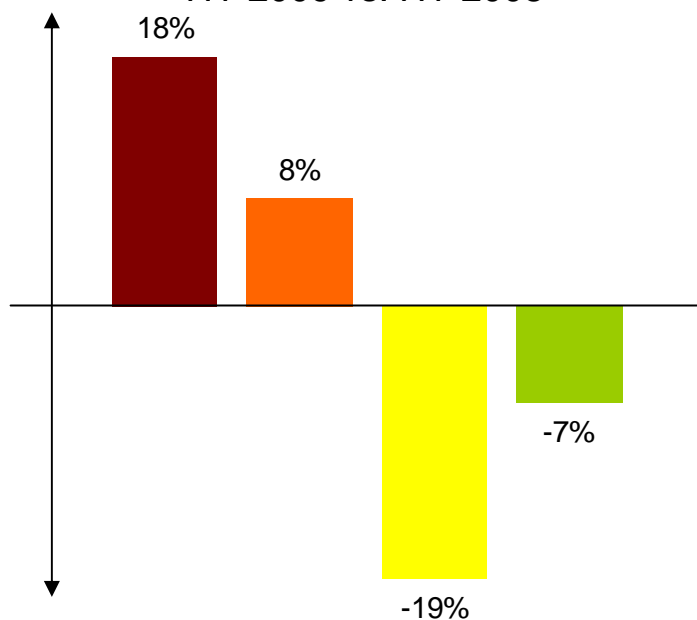
	HY 2009	HY 2008
Sales	1,996	2,095
Gross Profit margin	44.9%	46.5%
Operating margin at comparable basis	14.1%	13.0%
EBITDA margin at comparable basis	21.2%	22.5%
Gross Additions to PPE as % of sales	2.2%	4.3%
Cash flows from operating activities	422	93
	HY 2009	FY 2008
Net Debt (*)	1,703	2,438
Leverage ratio (*)	32.6%	46.2%

(\*) MCS considered as Equity

## Exchange Rates Development

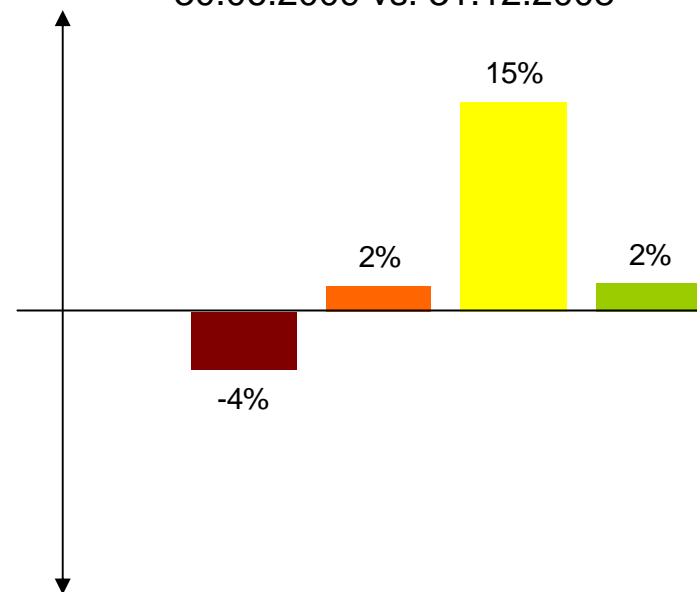
Average Exchange Rates

HY 2009 vs. HY 2008



Period End Exchange Rates

30.06.2009 vs. 31.12.2008



	JPY	USD	GBP	EUR
HY 2009	1.18	1.13	1.68	1.50
HY 2008	1.00	1.05	2.08	1.61

	JPY	USD	GBP	EUR
30.06.2009	1.13	1.09	1.79	1.52
31.12.2008	1.18	1.07	1.56	1.49

## Business Statement

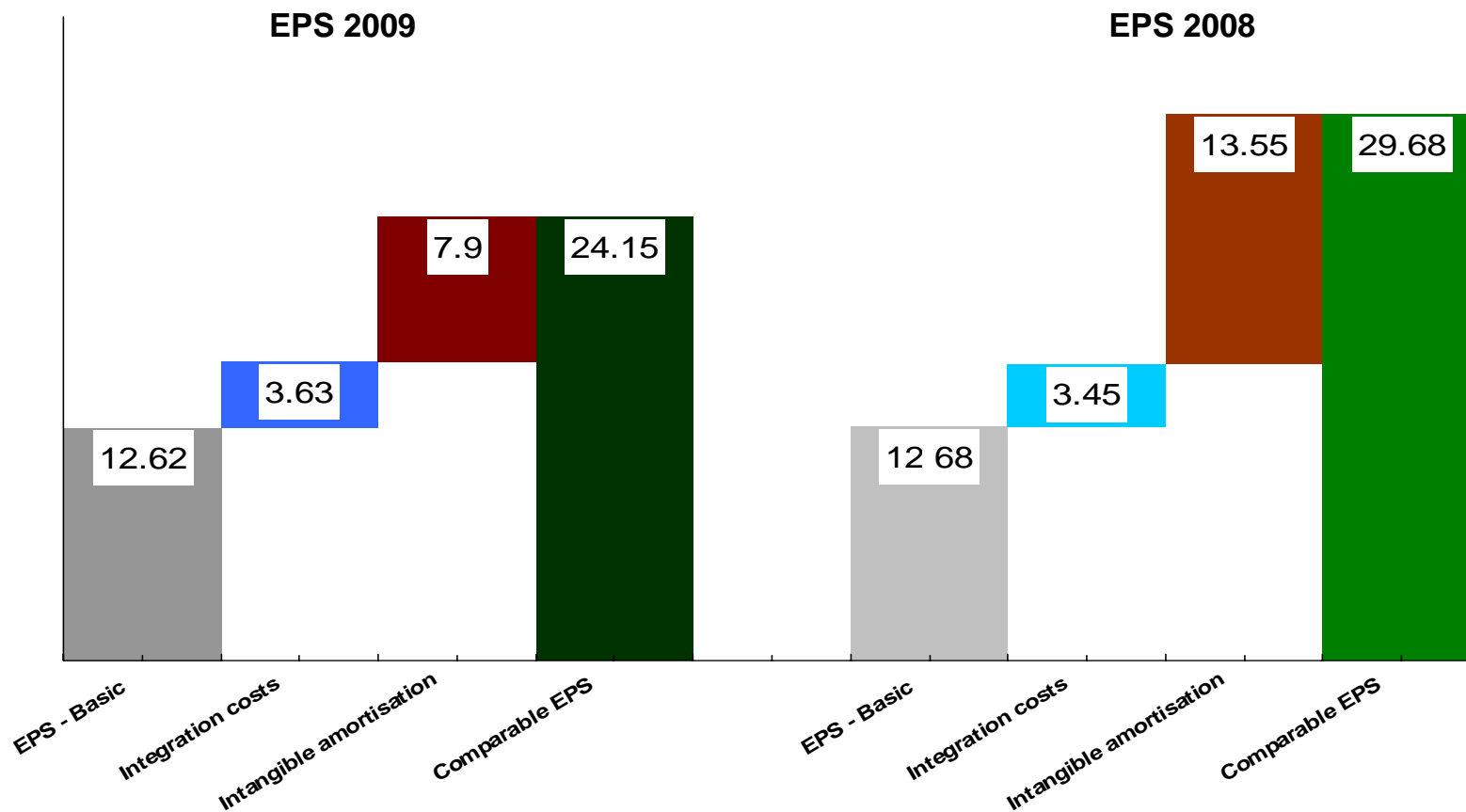
In Mio CHF	HY 2009		HY 2008		Change	Change
		in % of sales		in % of sales	in % CHF	in % LC
Sales	1,996	100.0	2,095	100.0	-5%	-1%
Cost of sales	(1,100)	(55.1)	(1,121)	(53.5)	-2%	3%
<b>Gross Profit</b>	<b>896</b>	<b>44.9</b>	<b>974</b>	<b>46.5</b>	<b>-8%</b>	<b>-5%</b>
Marketing, development & distribution expenses	(458)	(22.9)	(488)	(23.3)	-6%	-3%
Administration expenses	(71)	(3.6)	(66)	(3.2)	8%	11%
Amortisation of intangible assets	(82)	(4.1)	(132)	(6.3)	-38%	-38%
Other operating income (expenses), net	(40)	(2.0)	(50)	(2.4)	-20%	-12%
<b>Operating Income</b>	<b>245</b>	<b>12.3</b>	<b>238</b>	<b>11.4</b>	<b>3%</b>	<b>6%</b>
<b>Operating Income at comparable basis</b>	<b>282</b>	<b>14.1</b>	<b>273</b>	<b>13.0</b>	<b>3%</b>	<b>8%</b>
EBITDA at comparable basis	424	21.2	472	22.5	-10%	-7%

## Income Statement

In Mio CHF	HY 2009	HY 2008	Change in %
Sales	1,996	2,095	-5%
Operating Income	245	238	3%
Financial income (expenses), net	(115)	(108)	6%
<b>Income before taxes</b>	<b>130</b>	<b>130</b>	<b>0%</b>
Income taxes	(34)	(35)	-3%
<b>Income after taxes</b>	<b>96</b>	<b>95</b>	<b>1%</b>
Minority interest	(1)	(1)	n.r.
<b>Net income</b>	<b>95</b>	<b>94</b>	<b>1%</b>
Earnings per share - basic (CHF)	12.62	12.68	
<b>Comparable Earnings per share - basic (CHF)</b>	<b>24.15</b>	<b>29.68</b>	

# Income Statement

## Earnings Per Share comparison



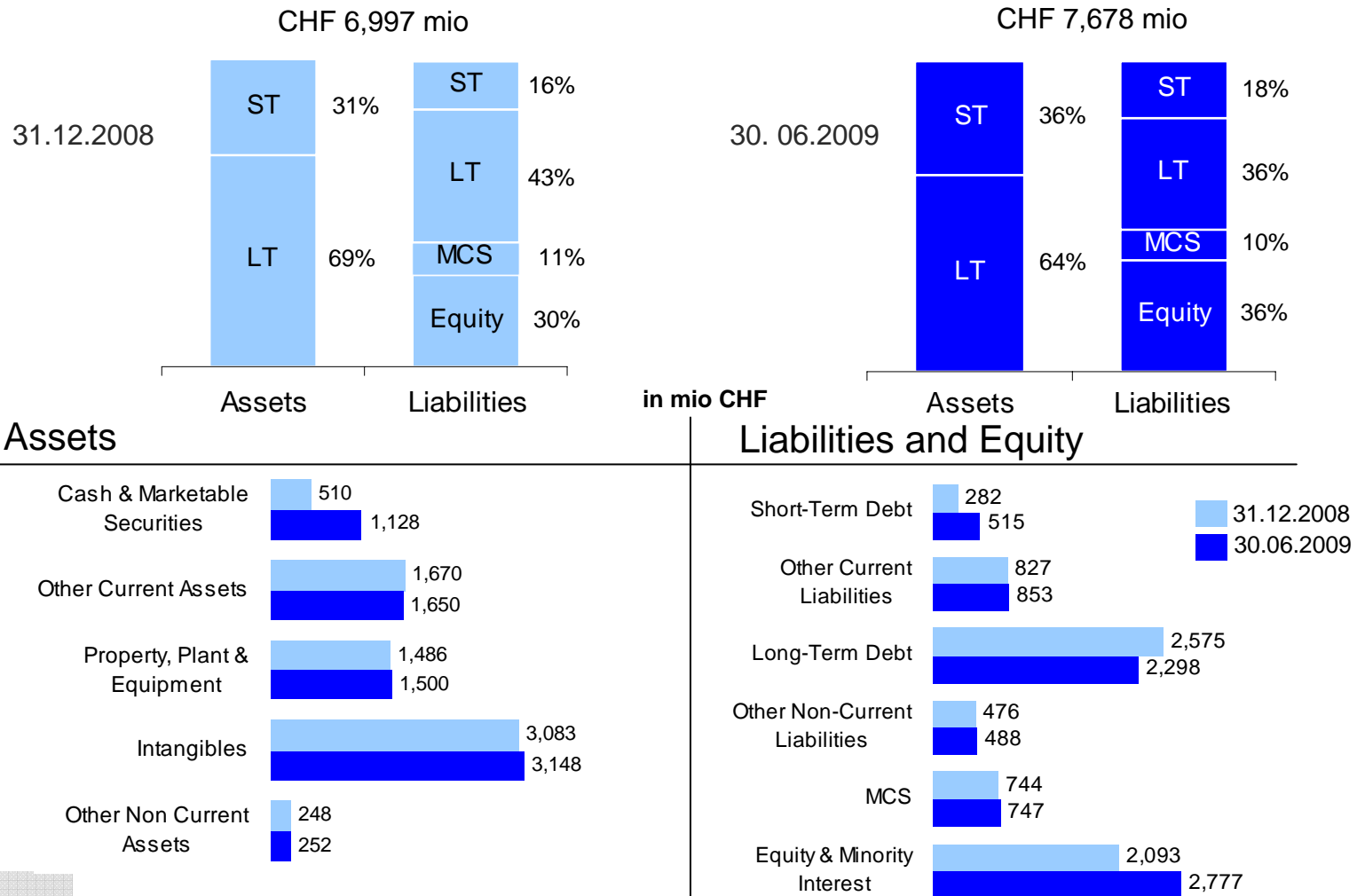
## Detail of Financing Costs and Other Financial Income (Expenses), net

In Mio CHF	HY 2009	HY 2008
Interest expense (including derivative expenses)	(64)	(64)
Mandatory conversion feature of the MCS	(8)	(8)
Amortisation of debt discount	(3)	(3)
<b>Total financing costs</b>	<b>(75)</b>	<b>(75)</b>
Net gains (losses) on currency derivatives, net	(44)	51
Realised and unrealised exchange gains (losses), net	31	(62)
Fair value and realised gains (losses) from own equity instruments, net	(11)	(20)
Capital taxes and non-business taxes	(3)	(4)
Other financial income (expenses), net	(13)	2
<b>Total other financial income (expense), net</b>	<b>(40)</b>	<b>(33)</b>
<b>Total financial income (expense), net</b>	<b>(115)</b>	<b>(108)</b>

## Cash Flow Statement

in Mio CHF	HY 2009	HY 2008
<b>Cash flows from (for) operating activities</b>	<b>422</b>	<b>93</b>
Increase (decrease) in debt, net	(352)	51
Dividends paid	(71)	(139)
Issuance of shares	480	-
Other cash flows from (for) financing activities	209	(56)
<b>Cash flows from (for) financing activities</b>	<b>266</b>	<b>(144)</b>
Cash effect of Quest acquisition	-	53
Other cash flows from (for) investing activities	(6)	(83)
<b>Cash flows from (for) investing activities</b>	<b>(6)</b>	<b>(30)</b>
Net effect of currency translation on cash	9	(12)
<b>Increase (decrease) in cash</b>	<b>691</b>	<b>(93)</b>
Cash at the beginning of the year	419	359
<b>Cash at the end of the period</b>	<b>1,110</b>	<b>266</b>

# Balance Sheet

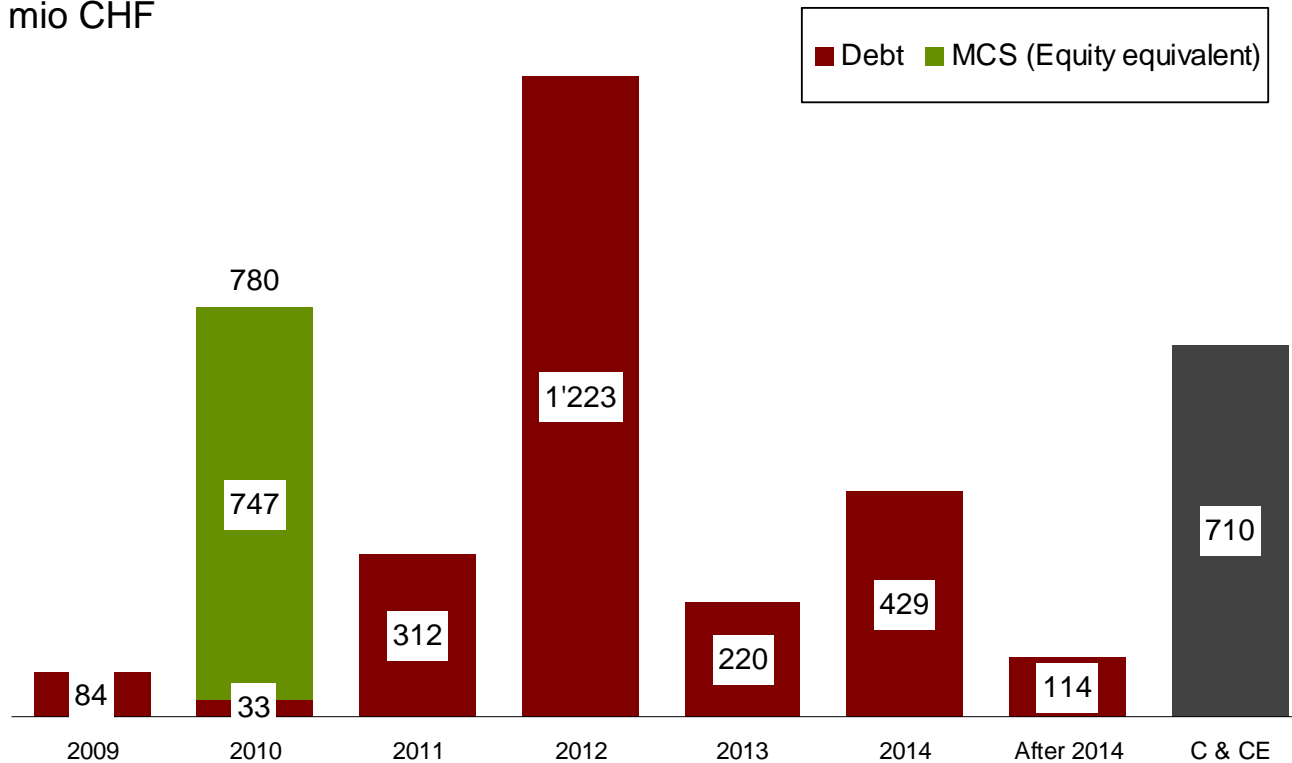


## Financial Debt and Cash and Cash Equivalents

As at 30th June 2009 total debt of CHF 2,415 m exc. MCS

Pre-payment of CHF 398 million syndicated loan made on 23 July 2009. Amounts shown as if transaction would have occurred on 30 June 2009.

In mio CHF



## Quest Integration

Estimated phasing of targeted savings and integration costs

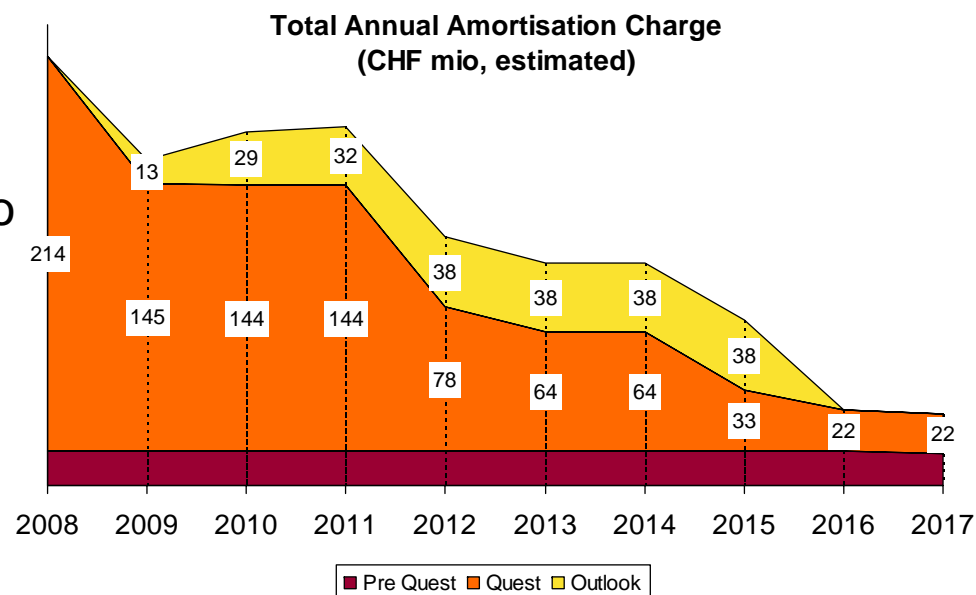
- CHF 200 million savings
- CHF 440 million of total integration costs, of which approximately CHF 340 million cash costs

	In Mio CHF	2007	2008	E2009	E2010
Expected Savings	200	25%	70%	85%	100%
Expected one-off costs	440	47%	25%	15%	13%

## Amortisation of intangible assets

Quest Intangibles amortisation significantly impacts Operating and Net Profit

- Pre Quest amortisation of intangible assets of approx. CHF 19 million
- Quest intangible assets (exc. goodwill) amounts to CHF 1,225 million
- Intangible assets mainly related to customers, formulae, technologies and contract
- Estimated economic lives ranging from 18 months to 15 years



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Leading Sensory Innovation

Gilles Andrier  
CEO

## Short-term outlook 2009

Uncertainties ahead, but Givaudan fundamentals strong

- Signs of recovery after strong destocking in the first months of 2009
- Uncertainties remain in mature markets due to low consumer confidence
- Developing markets overall show a positive momentum
- Accurate forecasting of the underlying market growth remains difficult
- Confident to outgrow the underlying market, based on brief pipeline and new wins

Givaudan is well positioned in a resilient industry

## Additional profitability drivers in 2009

- Negative elements in 2009:
  - Average raw material cost 0-2% up in 2009 compared with 2008
  - Working through peak raw material costs through first half year
  - Lower volumes
  - Mix change due to lower sales in Fine Fragrances
  - Higher pension fund costs of CHF 23 million
  
- Positive elements in 2009:
  - Price increases as from 1 January 2009
  - Further integration savings of CHF 30 million according to plan
  - Continued cost containment initiatives to reflect sales development

## Financial guidance

- Growth
  - 2009 – 2013: CHF 620 million sales, incremental to market growth in the coming 5 years
  
- EBITDA margin
  - Achieve pre-Quest-acquisition EBITDA margin by the end of 2010 (22.7%)
  
- CAPEX
  - 2009: 3% to 4% of sales
  - 2010 - 2012: approximately 4% of sales
  
- Tax rate
  - Improving to 19% by 2012

## Well on Track towards an Exciting Future

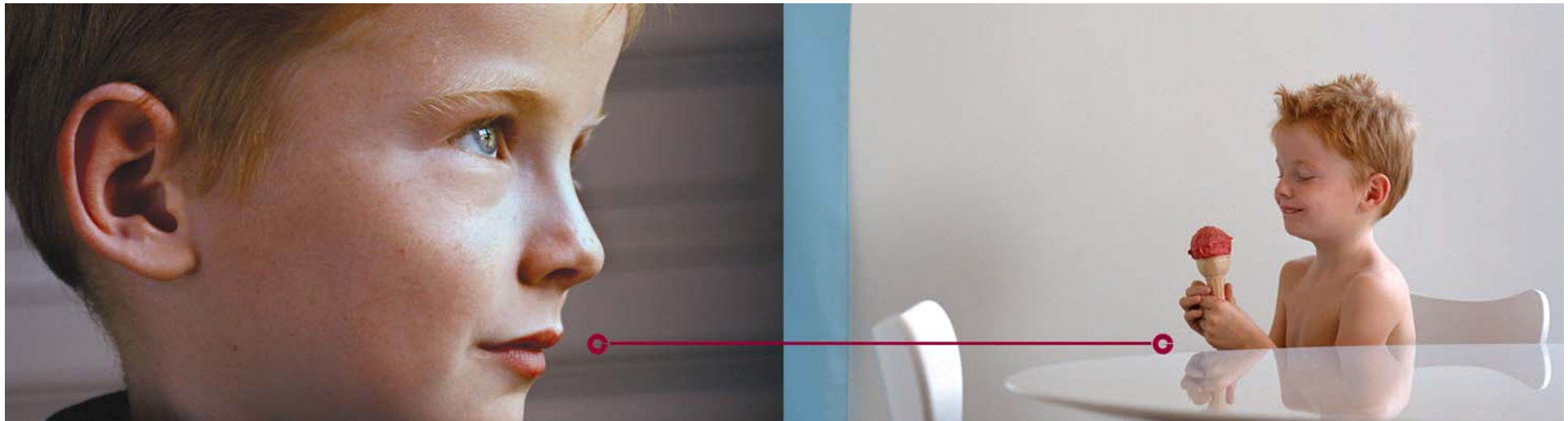
### From Number One to Leadership

Unique platform for future growth in place

- Balanced portfolio across customers, geography, segments
- Critical mass and financial capability to invest into innovation
- In-depth global consumer understanding
- Best talent pool in the industry: unique and unrivalled innovation and creation capabilities
- Enhanced intimacy and close partnership with key accounts

Givaudan is well on track to further develop its leading position in the fragrance and flavour industry and deliver value to customers and shareholders.

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