Givaudan
ENGAGING THE SENSES

Half Year Results 2006 : Givaudan continues on its profitable growth path

- **Sales up 7.8% to CHF 1,474 million**
- **Operating profit improved 11% to CHF 313 million**
- **Net profit increased 28% to CHF 266 million**
- **Earnings per share improved 30% to CHF 37.37**

Geneva, 4 August 2006. In the first half of 2006, sales totalled CHF 1,474 million, resulting in a growth of 3.7% in local currencies and 7.8% in Swiss francs. This good growth was achieved despite the on-going streamlining of commodity ingredients in both divisions. Although raw material prices continued to rise, the gross profit margin was maintained at previous year's level. The operating performance remained strong. This, together with a positive non-operating result, led to an improvement in the net profit. Both, operating cash flow and balance sheet remained strong.

Sales
Fragrance sales grew 5.4% in local currencies and 9.3% in Swiss francs, substantially above market. Total sales reached CHF 606 million. Fine Fragrances posted double digit growth, supported by several new product launches and a regained momentum with US specialty retail sales. Consumer Products delivered strong growth despite last year's high comparables. In Fragrance Ingredients, specialties again delivered double digit growth, offset by CHF 9 million of discontinued commodities (estimated full year impact CHF 17 million).

Flavour sales grew 2.6% in local currencies and 6.8% in Swiss francs, in line with the market. Total sales of CHF 868 million were impacted by continued streamlining of commodity ingredients, amounting to CHF 7 million (estimated full year impact CHF 25 million). Latin American sales showed strong double digit growth. Europe and North America exceeded prior year's levels with low single digit growth, whilst Asia Pacific experienced slow sales due to a decline in the Japanese Beverage segment and high comparables.

Gross Profit
The gross profit margin was sustained at 49.1%. The effect of rising raw material costs was offset by an improved product mix, price increases, disciplined cost control and efficiency gains.

Operating Profit
EBIT increased by 11.0% to CHF 313 million resulting in an improved margin of 21.2%. This result includes a one time gain of CHF 18 million from the disposal of land in Switzerland and CHF 4 million charges linked to the closure of the two US flavours sites announced in January this year.

Cash Flow
Operating cash flow amounted to CHF 192 million, compared to CHF 168 million in 2005. Capital expenditures reached CHF 55 million, consistent with last year's level.

Net Profit

The improved operating performance, combined with a positive net financial result, led to a net profit increase of 27.9% to CHF 266 million. Earnings per share increased by 29.9%, from CHF 28.76 to CHF 37.37.

Share Buy Back Programme
At the Annual General Meeting on 7 April 2006, the shareholders cancelled the remaining 200'000 shares bought back under the second share buy back programme.
By 12 July 2006, 127'800 shares have been purchased under the third programme. This programme aims to buy back a total of 720,000 shares by 31 May 2007.

Outlook
Despite increasing raw material prices combined with strong sales comparables in the second half year, Givaudan remains confident for the full year 2006 to outgrow the market and to sustain its solid operating margin achieved in 2005.

Key Figures

In Mio CHF except per share data	**HY 2006**	**HY 2005**
Group Sales	1,474	1,368
Fragrances Sales	606	555
Flavour Sales	868	813
Gross Profit	724	674
as % of sales	*49.1%*	*49.3%*
EBITDA 1)	367	339
as % of sales	*24.9%*	*24.8%*
Operating Profit	313	282
as % of sales	*21.2%*	*20.6%*
Net Income	266	208
as % of sales	*18.0%*	*15.2%*
Earnings per share (basic)	37.37	28.76

In Mio CHF	**30 June 2006**	**31 December 2005**
Current assets	*1,570*	*1,723*
Non-current assets	*2,719*	*2,793*
Total Assets	**4,289**	***4,516***
Current liabilities	*640*	*763*
Non-current liabilities	*1,280*	*1,316*
Equity	*2,369*	*2,437*
Total liabilities and equity	**4,289**	***4,516***

1) EBITDA: Earnings Before Interest (and other financial income), Tax, Depreciation and Amortisation. This corresponds to operating profit before depreciation, amortisation and impairment of long-lived assets. The 2005 comparative has been adjusted to reflect an impairment charge of CHF 4 million which was previously included in EBIDTA.

This afternoon, 4 August 2006, at 15.00 CET a conference call between the company and analysts and investors will also be broadcasted on Givaudan's web site. Click here for more information.

Available Documents as downloadable files:

Half Year Report 2006
Half Year 2006 Results Presentation

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