



## Givaudan 2002 Results

Geneva, 5 March 2003 – In 2002 Givaudan recorded sales of CHF 2.7 billion, resulting in an increase of 18.2% in local currencies and 11.4% in Swiss Francs compared to 2001. These figures include sales of the acquired FIS, Nestlé's flavour business, as from May 2002. On a comparable pro forma basis – as if the FIS acquisition had occurred on 1 January 2001 - Givaudan maintained its healthy growth with a 6.1% sales increase in local currencies, clearly outgrowing the market.

The gross margin – on a pro forma basis – improved from 46.9% to 47.4% in a very challenging and competitive market environment, driven by ongoing customer consolidation and continuously increasing price pressure. On a comparable basis, operating profit rose to CHF 432 million, an increase of 3.6% compared to 2001, representing a 15.5% margin compared to 14.9% last year.

Net income after tax was slightly below previous year's level, decreasing in comparable terms from CHF 280 Mio. to CHF 274 Mio., and in actual terms from CHF 274 Mio. to CHF 256 Mio. mainly due to integration charges and impairment of financial assets. Despite the acquisition of FIS, Givaudan continues to be in a strong financial position with an equity ratio of over 60%, reflecting Givaudan's strong cash generating capacity.

In October 2002, Givaudan initiated a share buy-back programme, which is by now well advanced and will after completion increase earnings per share by 8.3%. The Board of Directors will propose to the Annual General Meeting a dividend increase of CHF 1.10, from CHF 7.00 to CHF 8.10 per share, anticipating the planned reduction of shares due to the ongoing share buy-back programme.

### **Key Figures**

In million CHF except per share data	Actua			Pro forma *		
	2002	2001	Change in %	2002	2001	Change in %
Sales	2,674	2,399	11.4	2,796	2,795	0
Gross Profit	1,276	1,153	10.7	1,326	1,310	1.2
Gross Profit Margin	47.7%	48.1%		47.4%	46.9%	
Operating Profit	405	396	2.3	432	417	3.6
Operating Profit Margin	15.2%	16.5%		15.5%	14.9%	
EBITDA*	579	545	6.2	620	605	2.5
EBITDA Margin	21.7%	22.7%		22.2%	21.6%	
Net Income	256	274	(6.6)	274	280	(2.1)
Net Income Margin	9.6%	11.4%		9.8%	10.0%	
Earnings per share - basic (in CHF)	30.06	32.92		31.48	32.11	
Total Assets	4,561	4,319				
Total Liabilities	1,795	1,531				
Total Equity and Minority Interests	2,766	2,788				
Number of employees	5,844	5,325				

\*) Income statement figures and number of employees in pro forma terms as if the FIS acquisition had occurred on 1 January 2001, in order to make performance comparable.

### **Continued strong sales growth of flavours and fragrance consumer products**

The strong results of the Flavour Division, with a pro forma growth of 6.7% in local currencies reinforced Givaudan's position as the clear global leader in the flavour industry. This result was achieved despite the expeditious integration of FIS, which was completed by end 2002. The excellent double-digit growth of the Fragrance Consumer Products business unit was the key driver to the 5.2% local currency sales growth of the Fragrance Division, while Fine Fragrances and Fragrance Ingredients continued to be impacted by the current market conditions.

In 2002 Givaudan focused on growing organically and through selective acquisitions. Specific programmes were developed to improve win rates through customer intimacy, fostering innovation and driving operational efficiency, including the realignment of GivaudanAccess™. Givaudan's product range was enhanced by prudent, complementary acquisitions. Givaudan will continue to focus on its sensory expertise to drive profitable growth in order to become the undisputed global leader in taste and smell.

Barring extraordinary events, Givaudan expects again a good overall result for 2003.

The 2002 annual report is available on Givaudan's web site [by clicking here](#) .

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