



Givaudan: Good overall results

Geneva, 6 March 2002 - In 2001 Givaudan, a global leader in the fragrance and flavour industry with headquarters in Switzerland, recorded sales of CHF 2.4 billion, resulting in an increase of 4.2% in local currencies and 1.8% in Swiss Francs compared to 2000.

The growth objective set a year ago was met due to the overall good performance of the Flavour Division and of Fragrance Consumer Products. Both sectors showed full year sales growth in local currencies of above 6%. The double-digit growth rates in Asia Pacific for both divisions demonstrate that the expansion strategy in this region is on track. The Fine Fragrance and Fragrance Ingredients business units could not entirely avoid the slowdown in the economies of most major markets, and registered a decline in sales.

Despite the continued consolidation of its customer base and increased price pressure, Givaudan was able to increase its gross profit margin by 0.1 percentage points to 48.1 %.

In line with its long-term growth strategy, Givaudan initiated several new commercial, research and development projects. As a consequence, marketing, development and distribution expenses were increased at a higher rate than sales growth, leading to a lower operating margin of 16.5%. Among the investments for the future are the running cost of GivaudanAccess™, the new on-line product offering.

In a difficult economic and financial environment, Givaudan improved its overall financial performance. Givaudan further decreased its working capital and lowered its capital expenditures to 4.7% of sales. The resulting 41% increase in operating cash flow (OCFAT), from CHF 271 million to CHF 381 million, demonstrates the strong cash generation capacity of Givaudan's business. A decrease in financial expenses helped Givaudan to improve its consolidated net profit by 3.4% to CHF 274 million and to increase its basic earnings per share by 6.4% to CHF 32.92.

On the basis of the good performance in 2001, the Board of Directors proposes to the Annual General Meeting a dividend increase of 7.7% to CHF 7 per share.

Key Figures

In million CHF	2001	PF 2000*	Change in % Swiss Francs
Sales	2,399	2,356	1.8
Gross Profit	1,153	1,130	2.0
Gross Profit Margin	48.1%	48.0%	
Operating Profit	396	427	(7.3)
Operating Profit Margin	16.5%	18.1%	
EBITDA	545	567	(3.9)
EBITDA Margin	22.7%	24.1%	
Net Income	274	265	3.4
Net Income Margin	11.4%	11.3%	
Earnings per share - basic (in CHF)	32.92	30.95	6.4
Total Assets	4,319	4,114	
Total Liabilities	1,531	1,432	
Total Equity and Minority Interests	2,788	2,682	
Number of employees on 31 December	5,325	5,075	

*) 2000 figures are in pro forma terms and show the combined financial statements as if the spin-off had occurred on 1 January 1999.

In the past year, Givaudan strengthened its foundation for future growth. It kept its innovation rate at a high level and started to expand its customer base through GivaudanAccess™ while deepening the co-operation with core customers. The acquisition of the flavours business of Nestlé, FIS, announced in January 2002, represents a further step towards the goal of becoming the undisputed leader in the fragrance and flavour industry.

A solid financial structure and a net cash position combined with a fine customer base and dedicated employees have put Givaudan into a strong position for the future. Barring unforeseen events, Givaudan expects a good overall result for 2002.

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