Half-Year Report 2000

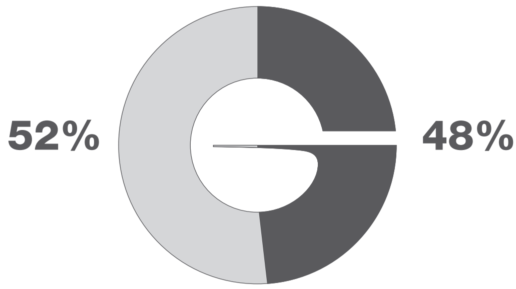
A Successful New Start

Givaudan was successfully spun off from Roche on 8 June 2000 and Givaudan's shares were floated and listed on the Swiss Stock exchange. In the first half-year 2000, enhanced margins continued to drive profitability in line with our expectations. Sales in Swiss Francs grew by 8 per cent. while operating profit increased by 14 per cent. and net income by 16 per cent. We expect local sales to pick up in the second half-year in view of new business recently won. The continuous efforts to reduce costs and the strong financial position should allow Givaudan to achieve a good result for the full-year 2000.

Sales by Division

Flavours
Growth*:
+11% in Swiss Francs
+ 1% in local currencies

Fragrances
Growth*:
+4% in Swiss Francs
- 1% in local currencies



Total sales: CHF 1'203 million

Growth*: + 8% in Swiss Francs
+ 0% in local currencies

* Growth versus 1st semester 1999

Key Figures (pro forma) [1]

in millions of Swiss Francs	**First half 2000**	First half 1999	% Change in CHF
Sales	**1'203**	1'117	8
Operating profit	**209**	183	14
Operating profit margin (%)	***17.4***	*16.4*	
Net income	**129**	111	16
EBITDA [2]	**276**	243	14
Earnings per Share - diluted (CHF) [3]	**14.96**	12.87	16
Total assets	**3'874**	3'431	
Total liabilities	**1'187**	933	
Total equity and minority interests	**2'687**	2'498	
Number of employees at 30 June	**4'996**	4'822	

1 The pro forma figures show the combined financial statements as if the spin-off had occurred on 1 January 1999.
2 EBITDA: Earnings Before Interest (and other financial income), Tax, Depreciation and Amortisation. This corresponds to operating profit before depreciation and amortisation.
3 The earnings per share reflect a share capital of 8'625'627 shares after the share split and the capital increase.

Givaudan

Business Overview

In the first half-year 2000, Givaudan further improved its gross profit margin, operating profit and net income in pro forma terms. Sales rose 8 per cent. in Swiss Francs whilst remaining flat in local currencies. Asia-Pacific and Europe have been the main growth drivers. The market situation was more difficult in the Americas, apart from fine fragrances which showed a positive development.

Compared to the first semester 1999 the gross profit margin rose by 1.2 percentage points to 48 per cent. This was essentially due to further efficiency improvements which were made through Givaudan's initiatives to shift towards global raw material purchasing, supplier reduction and long-term supply chain improvements.

Marketing, development and distribution costs increased to CHF 271 million, enabling us to better serve the growing emerging market customer base as well as to enter into new market segments, for example the fragrance speciality retail business.

In pro forma terms, operating profit grew to CHF 209 million (+14.2 per cent.), accounting for 17.4 per cent. of sales compared to 16.4 per cent. in 1999.

Major investments have been completed and brought on-line in the first half-year of 2000. This includes a fragrances compounding centre in Mt. Olive (New Jersey) and a flavours marketing and research centre in Cincinnati (Ohio). These new facilities create a solid base for further development and for better serving our customers.

World-wide headcount increased by 89 between 31 December 1999 and 30 June 2000 to reach a total of 4'996 employees. This is a result of resources required to support growth activity in Asia-Pacific and the staffing of the marketing and research centre in Cincinnati. Efforts to extend performance based variable pay to all employees are well under way. A long-term incentive plan for key staff is in the process of being implemented as a consequence of the spin-off.

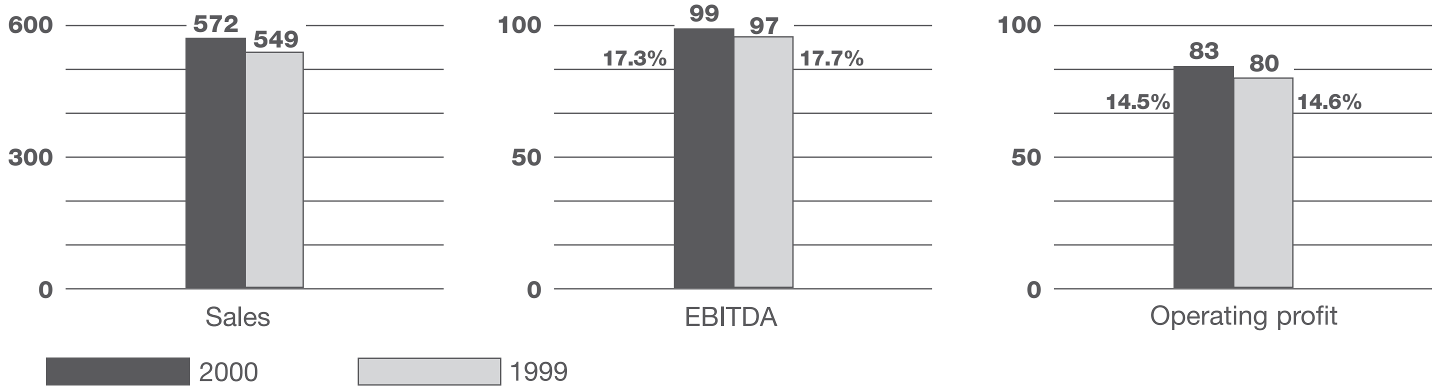
Spin-off from Roche

On the first day of trading on 8 June 2000, Givaudan's shares closed at CHF 510 and have since traded around CHF 500 – at the midpoint of our pre spin-off published range between CHF 450 and CHF 550. By the end of July 2000, approximately 50 per cent. of all shares changed hands. The shareholder base is now stabilising and will allow the share price to reflect the company's future performance.

Givaudan can now exclusively focus on its core competencies: the creation, production and marketing of fragrances and flavours. All members of the company world-wide have been highly motivated by its independence. Givaudan is well positioned to become the undisputed industry leader based on organic growth, expansion into related fields and further industry consolidation.

Fragrance Division

Six months ended 30 June
Actual in millions of Swiss Francs and in per cent. of sales



In the first-half year 2000, the fragrance division recorded sales of CHF 572 million resulting in a growth of 4 per cent. in Swiss Francs, and a decline of 1 per cent in local currencies – principally attributed to the shortfall in the consumer products segment. All geographic regions showed moderate growth apart from Latin America where sales have been down compared to the first half-year 1999.

The fine fragrances business rebounded from one year ago and showed double-digit growth in Swiss Francs, as well as in local currencies. Several new wins in prestige fragrances during the first semester ensure that this trend continues.

Givaudan was the clear winner amongst fragrance houses at the 28th Annual Fragrance Foundation Awards, held on 6 April in New York. Givaudan won four first-places out of eleven nominations.

The consumer products business segment was affected by a market slowdown, particularly in the Americas. Continued price pressure and slow order patterns by important customers are at the root of this development.

The sales of fragrance ingredients grew steadily in Swiss Francs as well as in local currencies. The trend towards the sale of higher value added fragrance ingredients was sustained.

The increased marketing, development and distribution costs are linked to programmes for better understanding consumer needs and further improving win rates in fine fragrances and consumer products. Substantial investments have also been made for the fast-growing speciality retail product segment.

The Virtual Aroma Synthesiser (VAS), a proprietary creation tool for Givaudan's perfumers, was introduced division-wide. All major sites are now using this powerful tool in order to improve fragrance creation and efficiency. Two new molecules were introduced during the first semester to enhance the perfumers' creation portfolio: a breakthrough powerful sandalwood component and a new strong floral note. Additionally, a total of 15 patents have been prepared since January, with most of them already filed. Givaudan now co-operates with Roche in the area of olfactive receptor genes.

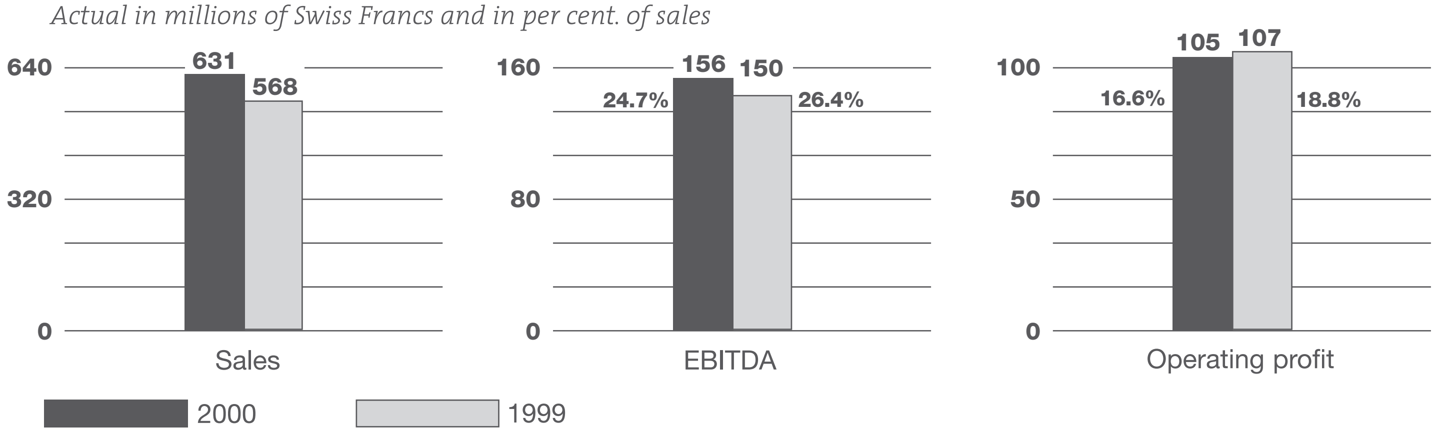
Operating profit and EBITDA as presented in this report are expressed in historic terms. Their relatively flat development reflects the extraordinary costs which were required for the spin-off during the first semester 2000.

The construction of a pilot plant for encapsulated fragrances at the research centre in Dübendorf (Switzerland) has been completed. This centre is now operational. The new compounding facility in Mt. Olive was officially opened in late April 2000. This investment of USD 55 million provides our North American operations with a state-of-the-art facility for highly automated compounding. This results in increased capacity, more efficient processes and the ability to manage future growth.

Two major investments to increase capacity and upgrade existing facilities are ongoing in China and India to maintain and further strengthen our leading role in these fast-growing markets. Production is scheduled to begin in autumn 2000. The two facilities will help Givaudan to fully support both local and global customers in their expansion in these fast-growing markets.

Flavour Division

Six months ended 30 June
Actual in millions of Swiss Francs and in per cent. of sales



In the first half-year 2000, the flavour division recorded sales of CHF 631 million which represents a growth of 11 per cent in Swiss Francs and 1 per cent in local currencies compared to the first half-year 1999.

The Asia-Pacific and Europe, Africa and the Middle East regions have been the main growth drivers, especially in the dairy and savoury segment.

Asia-Pacific continued its strong growth pattern established in 1999 by posting a double-digit increase. The beverage, dairy and savoury segments achieved good double-digit sales as a result of new wins and an overall substantial growth from the Chinese market. Confectionery also showed positive growth.

Combined sales in North and Latin America were flat despite double-digit growth in the Mexican market. The Latin American economic crises, coupled with slow market growth in North America are the main reasons for this development.

European sales grew slightly despite difficult markets in the United Kingdom and Germany. More favourable results were achieved in the other Central European markets, in Eastern Europe, in Scandinavia and the Baltic Region as well as on the Iberian Peninsula. All four segments, i.e. beverages, confectionery, dairy and savoury, contributed to the growth in Europe, with beverages and confectionery leading the way.

Efforts and programmes to shift towards global raw materials purchasing and to supplier reduction were continued in the first half-year. In addition, supply chain management has been improved.

Research and development has moved into its new state-of-the-art development centre in Cincinnati. New scientists have been recruited in order to enlarge Givaudan's scientific and technological base so as to develop innovative flavour compounds and delivery systems to serve our customers.

Operating profit and EBITDA as presented in this report are expressed in historic terms. Their relatively flat development reflects the extraordinary costs that were required for the spin-off during the first semester 2000.

The investment project in Cincinnati initiated in 1999 has been completed in the first half of this year. Investments are now focused on improving manufacturing technology and further strength-ening our presence in the Asia-Pacific region, particularly in China, India and Japan.

Givaudan

Framework of Interim Condensed Consolidated Financial Statements

Group Organisation

Givaudan SA operates under the name Givaudan and is headquartered in Vernier, Switzerland, near Geneva. The financial statements include the operations of Givaudan SA and its controlled subsidiaries where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

On 9 May 2000 the spin-off of Givaudan was approved at the Annual General Meeting of Roche shareholders. Until 8 June 2000 the Group operated as the Fragrance and Flavour Division of the Roche Group.

On 8 June 2000 the Group was spun off as an independent company under the name of Givaudan. The shares in Givaudan were distributed on this date as a special dividend to the holders of Roche shares and non-voting equity securities.

Basis of preparation of financial statements

These financial statements are the interim condensed consolidated financial statements (hereafter "the interim financial statements") of Givaudan SA, a company registered in Switzerland, and its subsidiaries (hereafter "the Group") for the six-month period ended 30 June 2000 (hereafter "the interim period"). They are prepared in accordance with and comply with the International Accounting Standards on Interim Financial Reporting.

These interim financial statements should be read in conjunction with the Listing Prospectus issued on 22 May 2000 as they provide an update of the most recent financial information available. These interim financial statements are not audited. The Listing Prospectus is available on internet at www.givaudan.com or at the Investor Relations department.

These interim financial statements show the Group's result of operations and cash flows until 8 June 2000 as part of the Roche Group and thereafter as an independent company.

The Group operates in markets where no significant seasonal or cyclical variations in sales are experienced during the financial year.

Income tax expense is recognised based uponthe best estimate of the weighted average annual income tax rate expected for the full financial year.

Accounting Policies

The Group is issuing for the first time as an independent company an interim financial report. The Group has completed the implementation of revised or new standards issued by theInternational Accounting Committee that became effective from 1 January 2000. No adjustments were necessary as a result of these implementations, as the Group's accounting policies, as previously used in the Listing Prospectus, already reflected the main principles in the new standards.

Pro forma information

Pro forma information is presented for illustrative purposes. The pro forma information shows what the significant effects on the interim financial statements might have been had the spin-off from the Roche Group occurred on 1 January 1999. The significant pro forma adjustments are described in Note f. The pro forma information does not purport to represent what the Group's result of operations or balance sheet would actually have been. They have been prepared for illustrative purposes only and, because of their nature, cannot give a complete financial picture of the Group.

Givaudan

Interim Condensed Consolidated Financial Statements

Consolidated income statement for the six months ended 30 June

in millions of Swiss Francs	Actual		Pro forma	
	2000	1999	**2000**	1999
Sales [a]	**1'203**	1'117	**1'203**	1'117
Cost of sales	**(626)**	(594)	**(626)**	(594)
Gross profit	**577**	**523**	**577**	**523**
Marketing, development and distribution expenses [b]	**(271)**	(243)	**(271)**	(243)
Administration expenses	**(40)**	(35)	**(44)**	(39)
Amortisation of intangible assets	**(35)**	(29)	**(35)**	(29)
Other operating income (expense), net	**(43)**	(29)	**(18)**	(29)
Operating profit	**188**	187	**209**	**183**
Financial income (expense), net	**(71)**	(44)	**(21)**	(4)
Result before taxes	**117**	**143**	**188**	**179**
Income taxes	**(42)**	(52)	**(58)**	(66)
Result after taxes	**75**	**91**	**130**	**113**
Minority interests	**(1)**	0	**(1)**	0
Change in accounting policies	**0**	(2)	**0**	(2)
Net income	**74**	**89**	**129**	**111**
Earnings per share – basic (CHF) [c]	**25.22**	**215.00**	**14.99**	**12.90**
Earnings per share – diluted (CHF) [c]	**25.19**	**215.00**	**14.96**	**12.87**

Consolidated balance sheet

in millions of Swiss Francs	Actual		Pro forma	
	30 June 2000	31 December 1999	**30 June 2000**	31 December 1999
Current assets	**1'472**	**1'302**	**1'472**	**1'182**
Long-term assets	**2'402**	**2'427**	**2'402**	**2'375**
Total assets	**3'874**	**3'729**	**3'874**	**3'557**
Current liabilities	**947**	**1'102**	**922**	**758**
Non-current liabilities	**249**	**1'894**	**265**	**223**
Minority interests	**2**	**2**	**2**	**2**
Share Capital [d]	*86*	*6*	*86*	*86*
Reserves and retained earnings	*2'590*	*725*	*2'599*	*2'488*
Equity	**2'676**	**731**	**2'685**	**2'574**
Total equity and liabilities	**3'874**	**3'729**	**3'874**	**3'557**

Reference letters indicate corresponding notes to the consolidated financial statements

Interim Condensed Consolidated Financial Statements

Consolidated statement of changes in equity for the six months ended 30 June

in millions of Swiss Francs	Actual		Pro forma	
	2000	1999	**2000**	1999
Equity at the beginning of the period	**731**	557	**2'574**	557
Net income	**74**	89	**129**	111
Dividends paid	**0**	(50)	**0**	(50)
Re-assignment of assets	**1'763**	0	**0**	1726
Movements on own equity instruments held [e]	**(10)**	0	**(10)**	0
Increase in share capital	**80**	0	**0**	80
Currency translation gains (losses) recognised during the period	**38**	93	**(8)**	72
Equity at the end of the period	**2'676**	**689**	**2'685**	**2'496**

Consolidated statements of cash flows for the six months ended 30 June

in millions of Swiss Francs	Actual		Pro forma	
	2000	1999	**2000**	1999
Cash flows from operating activities	**190**	121	**186**	49
Cash flows from financing activities	**189**	(59)	**93**	83
Cash provided by operating and financing activities	**379**	62	**279**	132
Cash flows for investing activities	**(89)**	(26)	**(89)**	(26)
Total cash flows, net	**290**	36	**190**	106
Net effect of currency translation on cash	**15**	2	**15**	2
Increase (decrease) in cash	**305**	38	**205**	108
Cash at the begining of the period	**115**	85	**215**	85
Cash at the end of the period	**420**	123	**420**	193

Reference letters indicate corresponding notes to the consolidated financial statements

Givaudan

Notes to Interim Condensed Consolidated Financial Statements

a) Sales

Actual segment sales figures are included in the respective divisional comments. Sales made by Group companies to Roche Group companies are shown as sales to third parties. Delivery prices for these sales are set on an arm's length basis.

b) Marketing, development and distribution expenses

In the six months ended 30 June product development and research activities expenses amounted to CHF 88 million in 1999 and CHF 98 million in 2000.

c) Earnings per share

Earnings per share amounts are shown in both basic and diluted terms. The Group has acquired a small number of its own equity instruments (see Note e below), and the diluted earnings per share figures assume that these shares would be released to meet the planned obligations.

d) Share capital

At 31 December 1999 the Group's ultimate parent company, Givaudan SA was a fully owned subsidiary of the Roche Group. The authorised and called-up share capital was 6'000 bearer shares with a nominal value of CHF 1'000 each. On 4 April 2000 these 6'000 bearer shares were split into 600'000 registered shares with a nominal value of CHF 10 each. On 9 May 2000 Givaudan SA issued a further 8'025'627 registered shares to the Roche Group with a nominal value of CHF 10 each, resulting in a cash inflow of CHF 80 million. As a result issued share capital increased to 8'625'627 registered shares with a nominal value of CHF 10 each.

On 8 June 2000, the holders of Roche bearer shares and non-voting equity securities received one Givaudan registered share as a special dividend for each Roche share or non-voting equity security.

On 8 June 2000, the shares of Givaudan SA were listed on the SMI (Swiss Market Index).

e) Own equity instruments

Subsequent to 8 June 2000 the group reacquired 20'300 of its own shares at a cost of CHF 10 million . The Group is in the process of setting up an executive equity compensation scheme, and has purchased these shares to meet the anticipated obligations.

f) Pro forma adjustments

The most significant pro forma adjustments are as follows:

Administration expenses

The adjustment made between the historical and the pro forma administration expenses covers estimated additional ongoing costs of being a publicly held company, including shareholder relations costs, annual general meeting costs and shareholder communication costs. The adjustment also includes the estimated cost for additional staff required for the performance of specific corporate functions previously performed by the Roche Group. These expenses are reflected at cost as administration expenses and amount to CHF 4 million in each of the six months periods ended 30 June 1999 and 30 June 2000.

Other operating income (expense), net

One time and extraordinary other operating expenses related to the spin-off of CHF 25 million have been excluded in the pro forma statement in the six months period ended 30 June 2000.

Financial income (expense), net

The pro forma adjustment reflects the estimated stamp duty cost of CHF 25 million in 2000, as well as the estimated decrease in interest expenses as a result of the repayment of short-term debt and of balances due to Roche companies. In the six months ended 30 June the interest expenses due to Roche companies were CHF 87 million in 1999 and CHF 25 million in 2000.

Income Taxes

The pro forma adjustment reflects the estimated increase to income taxes from the above adjustments at the statutory rate of the Group entities in which the related items are recorded.

Balance sheet

The pro forma balance sheet adjustments affect cash, balances due to/due from Roche companies, debts and equity and reflect re-assignment of assets by Roche Group.

Earnings per share

The earnings per share figures assume a share capital of 8'625'627 shares (diluted) and 8'605'327 shares (basic) for both years 1999 and 2000.

Corporate information

Annual media conference: 6 March 2001.
Annual investor's conference: 7 March 2001.
Annual general meeting: 18 May 2001.

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