

# Good Overall Results

## Givaudan Full Year 2001 Results

Jürg Witmer

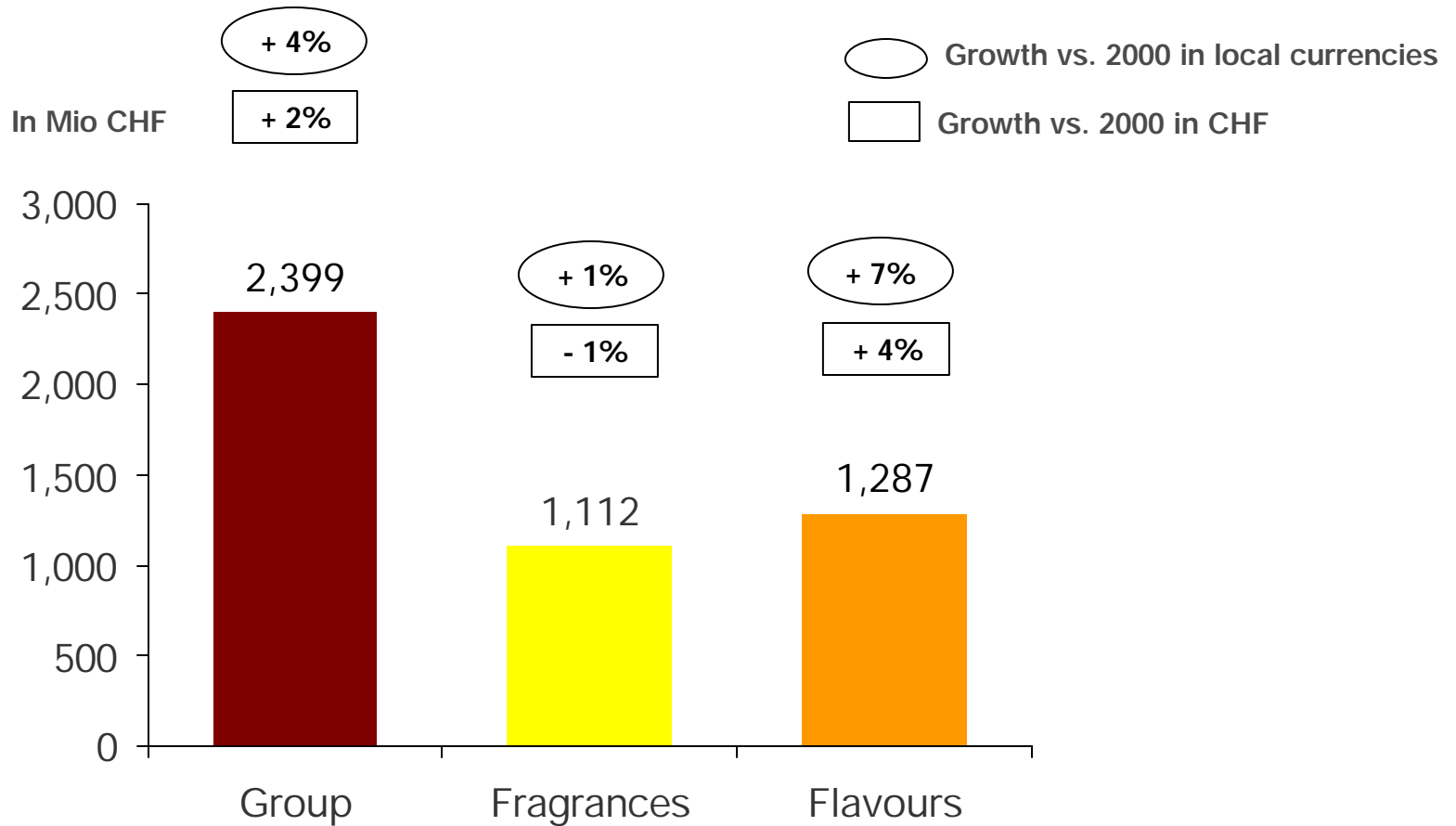
CEO

## *Overall good results - in a difficult economic environment*

- Sales in local currencies grew by 4.2% and 1.8% in Swiss Francs
- Gross profit margin increased by 0.1 percentage point to 48.1%
- In line with growth strategy, several new commercial and R&D projects were initiated, leading to a 7% decrease in operating profit
- Net income increased by 3.4 %
- Earnings per share (basic) increased by 6.4%
- Operating cash flow (OCFAT) increased by 41%
- A dividend increase of 7.7% to CHF 7 a share is proposed to the Annual General Meeting

# Sales by Division

Full Year 2001





## *High rate of innovation*

- Advances in creation tools
  - ◆ Virtual Aroma Synthesizer wins “Technological Breakthrough of the Year” award of the Fragrance Foundation
  - ◆ Portable VAS for customer interaction ready by mid 2002
- New powerful makrocyclic musk, Nirvanolide, added to our perfumers portfolio and several promising molecules close to introduction
- Complex flavour ingredients development on track
- Continued focus on new delivery technologies
- Several ScentTreks<sup>TM</sup> and TasteTreks<sup>TM</sup> with promising results
- More than 30 patent applications filed




## *Driving future growth*

- GivaudanAccess™ successfully launched in North America in mid-July 2001. European launch in January 2002.
- Opening of New York Fine Fragrance Creation Centre in late fall 2001. Paris Creation Centre to be opened in first half 2002.
- Several long-term projects with key customers launched
- External growth projects evaluated

## *FIS acquisition*

*The combined resources of FIS and Givaudan will create the global expert in the savoury/culinary product segment, bringing to our customers the most comprehensive product offering with a complementary, creative and technological expertise second to none.*

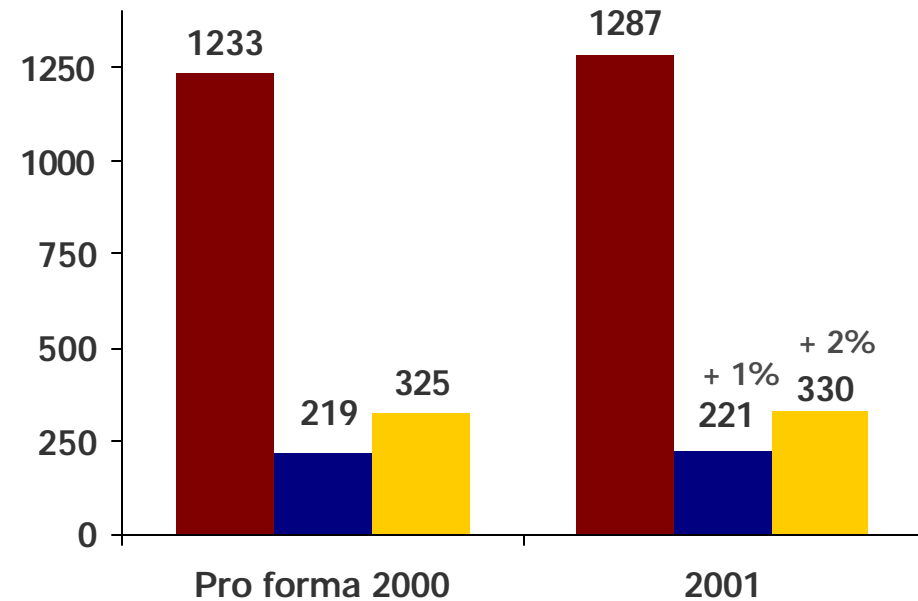
		
■ Top Notes	<i>Few</i>	<i>Experts</i>
■ Specific Flavours	<i>Experts</i>	<i>Some</i>
■ Natural Extracts	<i>Wine, Vegetable</i>	<i>Spice &amp; Herb</i>
■ Seasonings	<i>Blends, Food Bases</i>	<i>Limited</i>
■ Base Notes	<i>Experts</i>	<i>None</i>

# Flavour Division

## Sales, Operating Profit & EBITDA

In Mio CHF

+ 4% in CHF  
+ 7% in l.c.

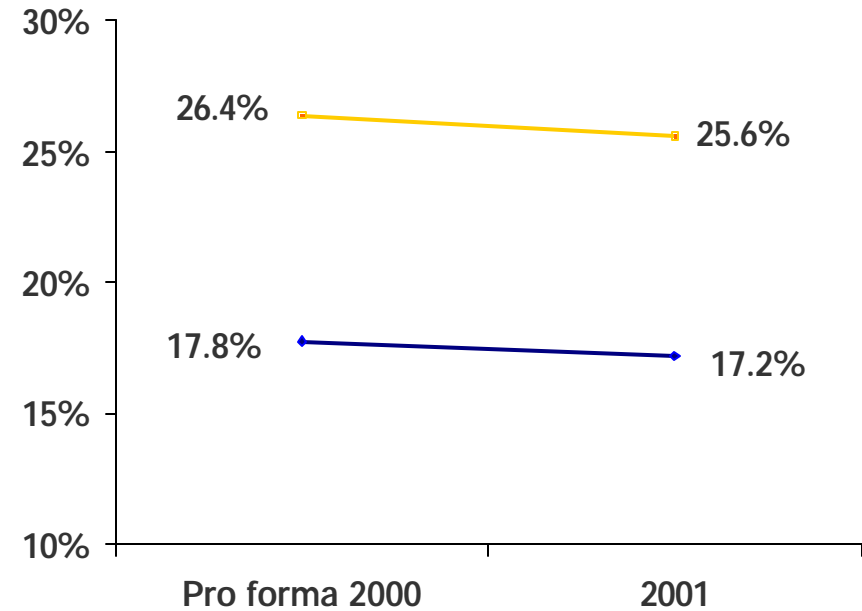


■ Sales

■ Operating Profit

■ EBITDA

In % of Sales





A vertical image of a yellow vanilla flower with green leaves is positioned on the left side of the slide.

## Flavour Division

### Key Accomplishments 2001

- Strong sales growth balanced across all segments globally
- Renewed growth in Europe and North America
- Continued double digit growth in Asia Pacific (past 3 years)
- Latin America sales slowed after growth in first semester due to economic downturn
- Increased new business from key initiatives (food service, ingredients)
- Double digit growth in wins on major customer projects globally

A vertical image of a vanilla flower is positioned on the left side of the slide. The flower is yellow with green leaves and is set against a light, textured background.

## Flavour Division

### Key Accomplishments 2001

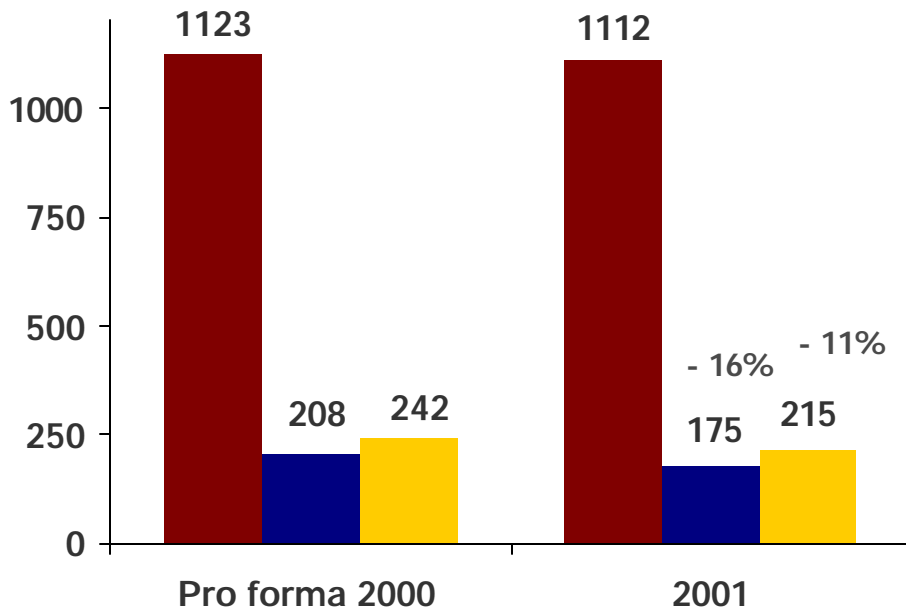
- R&D investments were leveraged for sales growth
- Global TasteTreks™ initiatives have led to breakthroughs in research
- Efficiency improvements in manufacturing and supply-chain led to shorter cycle times and improved service levels, offset vanilla price increases
- FIS acquisition leads to a strong position in savoury and food service

# Fragrance Division

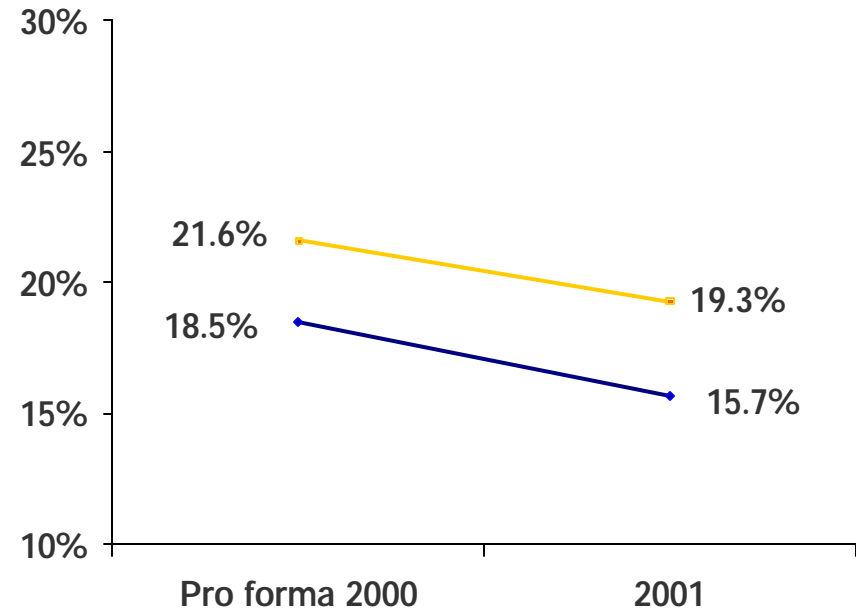
## Sales, Operating Profit and EBITDA

In Mio CHF

- 1% in CHF  
+ 1% in l.c.



In % of Sales



■ Sales    ■ Operating Profit    ■ EBITDA

A vertical strip on the left side of the slide shows a close-up of a yellow flower, possibly a lily or a similar species, with green leaves and a soft, out-of-focus background.

## Fragrance Division

### Key Accomplishments 2001

- Above 6% sales growth for Consumer Products globally
- Fine Fragrances sales declined influenced by economic downturn
- Streamlining of product portfolio towards higher added value specialities continued
- Weakness in commodity ingredients, pharmaceutical and sunscreen segments
- Repositioning of Fine Fragrances initiated
- Maintained leadership position in Asia Pacific



## Fragrance Division

### Key Accomplishments 2001

- Exclusive, technology-led projects secured with key global clients
- Nirvanolide, a powerful macrocyclic musk, added to perfumers palette
- Successful promotion of new specialities (e.g. Peonile, Labienoxime, Methyl Dianthilis)
- Capitalised on ScentTreds™ for new perfume creations
- Ongoing investments in delivery systems in partnership with key clients
- Strong win rate and project pipeline should continue to drive growth in 2002, particularly in Consumer Products

A vertical strip on the left side of the slide shows a close-up of a yellow flower, possibly a lily or a similar species, with green leaves and a soft, out-of-focus background.

## GivaudanAccess™

### Key Accomplishments 2001

- Successful launches achieved in North America and six key European markets
- 10'000 customers registered representing over 15% penetration
- Steady increase of sample activity month over month
- Continued strong expansion of product offering, including natural compounds and basic ingredients
- Expansion of site content
- Seamless integration into core systems achieved

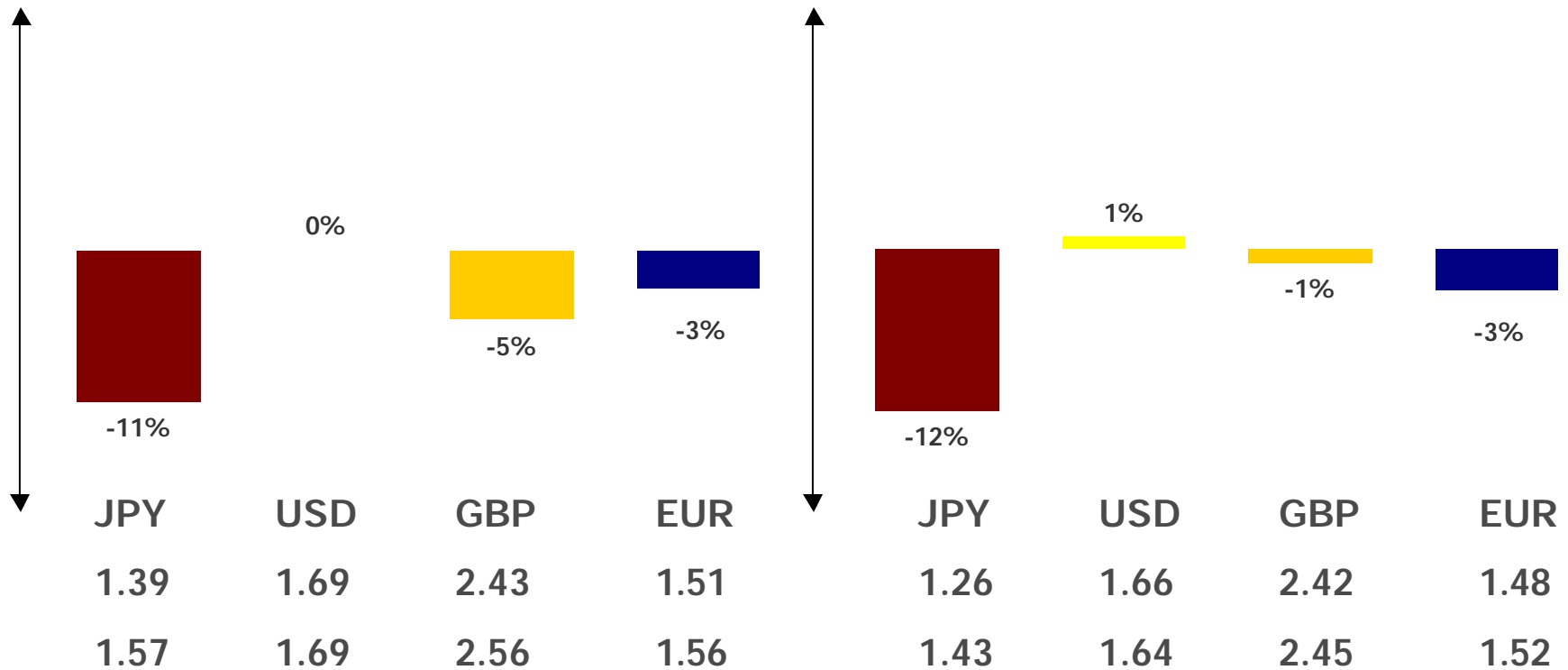
Othmar Vock

CFO

# Exchange Rates Development

Average Exchange Rates  
2001 vs. 2000

Period-End Exchange Rates  
31.12.2001 vs. 31.12.2000





## Financial Review

In Mio CHF	Actual		Pro forma	
	2001	2000	2001	2000
Sales	2'399	2'356	2'399	2'356
Gross profit	1'153	1'130	1'153	1'130
as % of sales	48.1%	48.0%	48.1%	48.0%
EBITDA	545	540	545	567
as % of sales	22.7%	22.9%	22.7%	24.1%
Operating profit	396	400	396	427
as % of sales	16.5%	17.0%	16.5%	18.1%
Net income	274	206	274	265
as % of sales	11.4%	8.7%	11.4%	11.3%

# Business Statement

In Mio CHF	2001		2000 (pro forma)		Change
		In % of sales		In % of sales	In %
Sales	2399	100.0	2356	100.0	+ 2 %
Cost of sales	(1246)	(51.9)	(1226)	(52.0)	+ 2 %
<b>Gross Profit</b>	<b>1153</b>	<b>48.1</b>	<b>1130</b>	<b>48.0</b>	<b>+ 2 %</b>
Marketing, development & distribution expenses	(597)	(24.9)	(538)	(22.9)	+ 11 %
Administration expenses	(82)	(3.4)	(82)	(3.5)	+ 0 %
Amortisation of intangible assets	(71)	(3.0)	(71)	(3.0)	+ 0 %
Other operating income (expenses), net	(7)	(0.3)	(12)	(0.5)	- 42 %
<b>Operating profit</b>	<b>396</b>	<b>16.5</b>	<b>427</b>	<b>18.1</b>	<b>- 7 %</b>

# Income Statement

	2001		2000 (pro forma)		Change
		In % of sales		In % of sales	In %
<b>In Mio CHF</b>					
Sales	2399	100.0	2356	100.0	+ 2 %
Operating profit	396	16.5	427	18.1	- 7 %
Financial income (expenses), net	(12)	(0.5)	(49)	(2.1)	- 76 %
<b>Result before taxes</b>	<b>384</b>	<b>16.0</b>	<b>378</b>	<b>16.0</b>	<b>+ 2 %</b>
Income taxes	(109)	(4.6)	(112)	(4.7)	- 3 %
<b>Result after taxes</b>	<b>275</b>	<b>11.4</b>	<b>266</b>	<b>11.3</b>	<b>+ 3 %</b>
Minority interest	(1)	-	(1)	-	-
<b>Net income</b>	<b>274</b>	<b>11.4</b>	<b>265</b>	<b>11.3</b>	<b>+ 3 %</b>

## Detail of Financial Income (Expenses)

In Mio CHF	2001	2000 (pro forma)
Interest expense	(42)	(42)
Exchange gains (losses), net	14	(13)
Interest & dividend income	26	18
Amortisation of debt discount	(5)	0
Net gains (losses) on marketable securities	0	(14)
Net gains (losses) on derivatives	3	0
Impairment of financial assets	(9)	-
Other financial income (expenses), net	1	2
<b>Total Financial income (expenses), net</b>	<b>(12)</b>	<b>(49)</b>

## Key Performance Ratios

In % of sales	2001	2000 (pro forma)
Gross Profit Margin	48.1%	48.0%
Operating Return On Sales	16.5%	18.1%
EBITA	19.5%	21.1%
EBITDA	22.7%	24.1%
EBIDA	18.2%	19.3%
OCFAT	15.9%	11.5%
Net Profit	11.4%	11.3%
ROE	9.8%	9.9%
ROIC	14.4%	14.6%
Gross Additions to PPE	4.7%	5.6%

## Operating Cash Flow after Investments and Tax

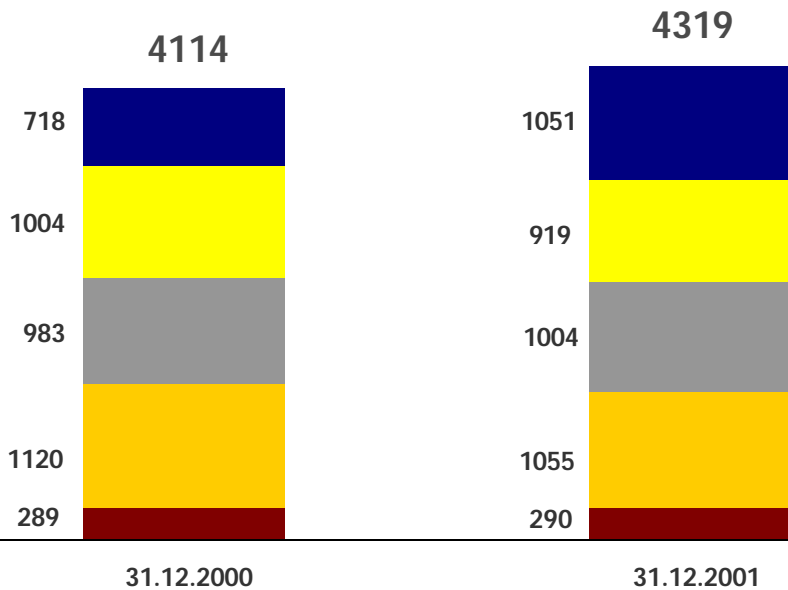
In Mio CHF	2001	2000 (actual)
<b>EBITDA</b>	<b>545</b>	<b>540</b>
Change in working capital	15	(54)
Net Additions to PPE and Intangibles	(108)	(128)
Income taxes paid	(82)	(79)
Other operating cash flows, net	11	(8)
<b>Operating Cash Flow after Investments and Tax</b>	<b>381</b>	<b>271</b>
<b>OCFAT</b>	<b>15.9%</b>	<b>11.5%</b>

## Financial Cash Flow

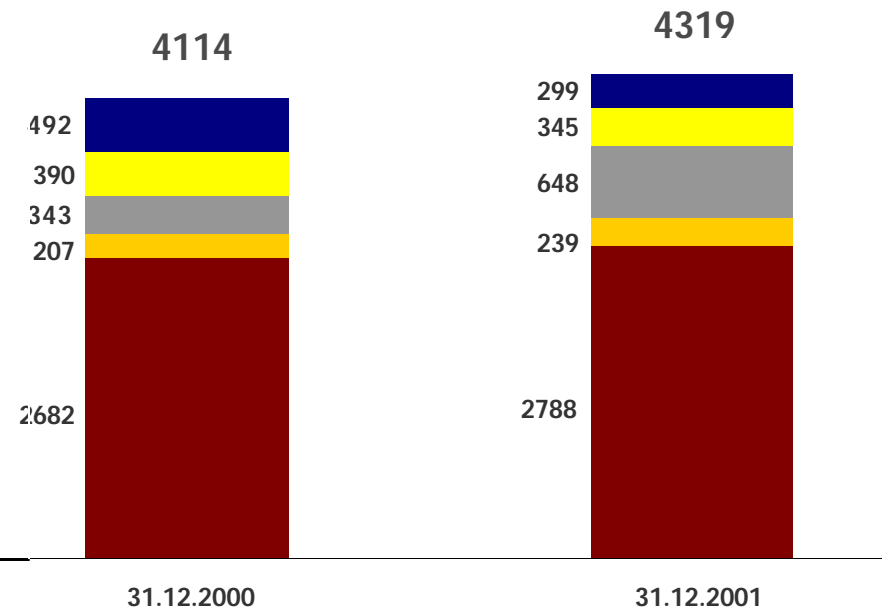
In Mio CHF	2001	2000 (actual)
<b>Operating Cash Flow after Investments</b>	<b>381</b>	<b>271</b>
Net increase in bank loans	131	298
Capital increase	-	80
Net cash effect of Spin-Off	-	116
Purchase of marketable securities, net	(236)	(452)
Purchase of own equity instruments, net	(45)	(139)
Dividends Paid	(54)	-
Others, net	11	(7)
Net effect of currency translation	(1)	(2)
<b>Cash Movement</b>	<b>+ 187</b>	<b>+ 165</b>

# Balance Sheet

## Assets



## Liabilities and Equity



- Other Non-Current Assets
- PPE
- Cash and Marketable Securities
- Intangibles
- Other Current Assets


- Equity
- Long-Term debt
- Short-Term debt
- Other Non-Current Liabilities
- Other Current Liabilities

In Mio CHF



Jürg Witmer

CEO



***In 2001 we strengthened our basis for future growth. We kept our innovation rate high and started to expand our customer base while deepening our co-operation with core customers.***

Jürg Witmer, CEO Givaudan

- Strong scientific and technological base, unique creative potential, state-of-the-art operating asset base in all key markets
- Important growth initiatives successfully launched
- Further step to industry leadership through FIS acquisition
- Givaudan is well positioned for a successful 2002