



## Investor News

Geneva, 10 April 2015

### 2015 First quarter sales

#### Stable sales performance, confident in delivering 14-16% free cash flow as a percentage of sales in 2015

In the first three months of 2015, Givaudan recorded sales of CHF 1,091 million, an increase of 0.9% on a like-for-like basis, and 0.4% in Swiss francs compared to the previous year.

In a challenging economic environment, characterised by a slowdown in the developing markets of Asia and Eastern Europe, Givaudan started the year with a stable business momentum against high comparables in 2014. The project pipeline and win rates were sustained at a high level.

Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum, assuming a market growth of 2-3%, and to continue on the path of market share gains. By delivering on the Company's five-pillar growth strategy – developing markets, health and wellness, market share gains with targeted customers and segments, research and sustainable sourcing – Givaudan expects to outgrow the underlying market and to continue to achieve its industry-leading EBITDA margin while targeting an annual free cash flow of between 14% and 16% of sales in 2015. Givaudan confirms its intention to return above 60% of the Company's free cash flow to shareholders while maintaining a medium term leverage ratio target below 25%.

#### Sales January to March

In million CHF	2015	2014	Change %	
			in CHF	LFL*
<b>Group sales</b>	<b>1,091</b>	<b>1,087</b>	<b>0.4</b>	<b>0.9</b>
Fragrance sales	519	516	0.7	0.3
Flavour sales	572	571	0.1	1.5
<b>Mature markets</b>	<b>593</b>	<b>600</b>	<b>-1.1</b>	<b>0.3</b>
<b>Developing markets</b>	<b>498</b>	<b>487</b>	<b>2.1</b>	<b>1.8</b>

\*LFL: like-for-like

#### Fragrance Division

The Fragrance Division recorded sales of CHF 519 million, a growth of 0.3% on a like-for-like basis and an increase of 0.7% in Swiss francs. Including Soliance, the growth was 2.0% in local currencies. The sales of Soliance, which was acquired on 2 June 2014, amounted to CHF 8 million for the first three months of 2015, a double-digit growth when compared to the same period of last year.



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Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 0.5% on a like-for-like basis. In Swiss francs, sales of compounds decreased by 0.7 % to CHF 450 million in 2015 from CHF 453 million in 2014.

**Fine Fragrance sales declined by 1.8%** on a like-for-like basis against double-digit comparables of prior year.

Sales in Latin America were affected by high comparables and a slow market demand. Strong growth and positive momentum continued in Europe and in the developing markets of Asia Pacific, Middle East and Africa; regions which generated a significant amount of new win revenues.

**Consumer Product sales increased by 1.1%** on a like-for-like basis with solid growth in developing countries more than offsetting lower sales in mature markets.

Sales in Asia increased strongly across all customer groups and all sub-regions. The local and regional customers posted a double-digit sales growth in the region. Sales in Latin America delivered solid growth against double-digit comparables supported by all customer groups and led by a double-digit increase with local and regional customers. In Europe, Africa and the Middle East, sales growth was spread across all customers, driven in particular by good performance with local and regional customers. The Africa and Middle East business delivered double-digit growth. Sales in North America were down compared to prior year, mainly driven by international customers.

On a product segment basis, the sales growth was sustained by the strong increase in fabric care. In developing markets sales growth was driven by home care and personal care.

**Sales of Fragrance Ingredients declined by 0.6%** on a like-for-like basis compared to a solid prior year first quarter.

Givaudan continues to transfer the manufacturing of ingredients to countries where it can sustain its competitiveness and increase the local capacities to fulfil the growing demand for certain specialities.

## Flavour Division

The Flavour Division reported sales of CHF 572 million, a growth of 1.5% on a like-for-like basis and a slight increase of 0.1% in Swiss francs.



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Against strong prior year comparables the Flavour Division performance was positively impacted by the developing markets of Brazil, India, parts of Africa as well as from the mature markets of North America and Western Europe. Growth was in the segments of Dairy and Snacks.

**Sales for Asia Pacific decreased 3.1%** on a like-for-like basis against a strong double-digit comparable. The developing markets of India and Vietnam grew whilst China, Philippines and Thailand decreased. The mature markets of Australia and Japan declined reflecting continued difficult trading conditions. Snacks achieved solid growth driven by new wins and existing business growth while all other segments were soft.

**Sales in Europe, Africa and the Middle East were flat** on a like-for-like basis. The mature markets of Western Europe achieved a solid growth, offset by declines in the developing markets of Africa, the Middle East, Poland and Russia. Dairy, Snacks and Savoury increased as a result of new wins and existing business growth.

**Latin America increased 7.6%** on a like-for-like basis, versus high double-digit prior year comparables, with strong growth in Brazil and positive momentum in Mexico driving the growth. New wins and existing business growth contributed to the overall increase in all segments with particular good performance coming from the Sweet Goods, Savoury and Beverages areas.

**Sales in North America increased by 6.2% on a like-for-like basis** driven by double-digit growth in Beverages and Dairy. New wins and growth of the existing portfolio contributed to the strong performance.

**Note:** Like-for-like excludes the impact of currency, acquisitions and disposals

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