Givaudan
ENGAGING THE SENSES

Givaudan Roadshows - Key Discussion Points - May/June 2003

In May and June 2003, Givaudan management and investor relations were in contact with investors during several roadshows (see agenda for forthcoming events), Please also refer to our latest investor relations presentation.

Below you will find the most frequently asked questions and the company's responses.

When do you plan to bring flavour margins back to pre-FIS-acquisition levels?
Is our target to recover any temporary dilution from acquisitions within two years. In the case of FIS we aim for pre-acquisition flavour margins by 2004.

How is current trading in fine fragrances? Do the investments in the new fine fragrance studios in New York and Paris have a positive pay-back?
The New York and Paris creation studios have improved customer intimacy. Brief activity increased substantially since we moved our creative talents closer to key customers. We have already been able to win a substantial number of new projects, which should lead to new business.

How does your pension fund situation look like?
On present net cash basis, our plans are fully funded. However running pension expenses have substantially increased over the last two years, from CHF 23 million in 2001 to CHF 48 million in 2002, and to an estimated CHF 64 million for 2003. This increase negatively impacted the company's EBIT by approximately 1.5% points.

What are your expectations for the H1 2003 results?
In line with our policy, we do not make any formal forward looking statement. The following factors have to be kept in mind, when judging the performance of our business:

- The second quarter 2002 was very strong thanks to major new business launches in flavours, mainly in North America.
- In actual terms, half year 2002 incorporated only 2 months of FIS activities.
- Strong currency fluctuations will impact the Swiss Franc consolidated results of the group.

What will be the top-line growth quality in 2003?
Givaudan's market performance remains very healthy. We have outgrown the market in the last two years and expect to continue with a good market performance also in 2003 in a difficult market environment. The announced transition from commodities to proprietary new speciality ingredients developed by our own research will have a temporary negative impact on sales. We are in the process of phasing out over the next two years the sunscreen filter business and several commodity type chemicals which had total sales of around CHF 80 million in 2002.

You generate consistently strong free cash flow. How will you use these funds? Do you intend to proceed with another share buy back soon?
In order to create value for our shareholders, we are constantly working on value adding business initiatives which will result in further profitable organic growth. In addition we will take advantage of opportunities to enhance our core competencies through strategic acquisitions. Any excess funds not needed for these initiatives or to keep the company in financially sound conditions, will be returned to shareholders.