HALF YEAR RESULTS 2014
Continuous improvement of operating performance

- Sales of CHF 2.2 billion, up 4.5% on a like-for-like basis
- Full project pipeline and strong win rate across all regions and segments
- Developing markets account for 45% of sales and grew 9.2% on a like-for-like basis
- EBITDA increased by 10.5% to CHF 562 million
- EBITDA margin improved to 25.6% from 22.9% in 2013
- Net income of CHF 305 million, up 12.6% year on year
- Free cash flow of 8.1% of sales, compared to 9.3% in 2013

Geneva, 17 July 2014 – Givaudan Group sales for the first six months of the year totalled CHF 2,191 million, an increase of 4.5% on a like-for-like basis and a decline of 1.5% in Swiss francs.

Fragrance Division sales were CHF 1,034 million, an increase of 4.8% on a like-for-like basis and a decline of 1.2% in Swiss francs.

Flavour Division sales were CHF 1,157 million, an increase of 4.3% on a like-for-like basis and a decline of 1.8% in Swiss francs.

Gross Margin
The gross margin increased to 46.6% from 44.3%, driven by the positive leverage effect from the strong volume gains, lower operational costs following the closure of the Flavours facility in Bromborough, UK and supply chain efficiencies. The transfer of products to the new Flavours manufacturing facility in Makó, Hungary from Kemptthal, Switzerland, continues in line with project timelines.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
In the first six months of 2014, the EBITDA increased by 10.5% to CHF 562 million from CHF 509 million. An improved gross profit was the main driver behind the increased EBITDA. In the first six months of 2014 the Group recognised a one-off gain of CHF 38 million in the Flavour Division on the disposal of land at its Dübendorf location in Switzerland. When measured in local currency terms, the EBITDA increased by 17.5%. The EBITDA margin increased to 25.6% in 2014 from 22.9% in 2013.

Operating Income
The operating income increased by 11.8% to CHF 422 million, from CHF 377 million for the same period in 2013. When measured in local currency terms, the operating income increased by 20.7%. The operating margin increased to 19.2% in 2014 from 16.9% in 2013.

Financial Performance
Financing costs were CHF 32 million in the first half of 2014, versus CHF 39 million for the same period in 2013. The decrease was as a result of the lower net debt in the Group. Other financial

expense, net of income, was CHF 14 million in 2014 versus CHF 10 million in 2013. The main increase in financial expense was driven by continued currency volatility in emerging markets.

The Group's income taxes as a percentage of income before taxes were 19% in 2014, compared to 18% in June 2013.

Net Income

The net income for the first six months of 2014 was CHF 305 million compared to CHF 271 million in 2013, an increase of 12.6%. This results in a net profit margin of 13.9%, versus 12.2% in 2013. Basic earnings per share were CHF 33.13 versus CHF 29.61 for the same period in 2013.

Cash Flow

Givaudan delivered an operating cash flow of CHF 218 million for the first six months of 2014, compared to CHF 299 million in 2013, as a higher EBITDA was more than offset by temporary working capital requirements. Working capital as a percentage of sales decreased in 2014 when compared to the same period in 2013.

Total investments in property, plant and equipment were CHF 46 million, compared to CHF 35 million incurred in 2013. Intangible asset additions were CHF 21 million in 2014, compared to CHF 23 million in 2013, as the company continued to invest in its IT platform and implement SAP in new facilities. In addition, the Group received cash of CHF 56 million as a result of the sale of land at its Dübendorf location in Switzerland. Total net investments in tangible and intangible assets were 0.5% of sales, compared to 2.6% in 2013.

Operating cash flow after net investments was CHF 207 million, versus the CHF 242 million recorded in 2013. Free cash flow, defined as operating cash flow after investments and interest paid, was CHF 178 million in the first half of 2014, versus CHF 207 million for the comparable period in 2013. As a percentage of sales, free cash flow in the first six months of 2014 was 8.1%, compared to 9.3% in 2013.

Financial Position

Givaudan's financial position remained strong at the end of June 2014. Net debt at June 2014 was CHF 1,129 million, up from CHF 816 million at December 2013. The leverage ratio was 24%, compared to 18% at the end of 2013. The main reason for the increase in the leverage ratio was the payment of the CHF 433 million dividend in the first quarter of 2014.

Mid-term Guidance

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%.

Key Figures

For the six months ended 30 June, in million CHF except per share data	HY 2014	HY 2013
Group sales	**2,191**	**2,225**
Fragrance sales	1,034	1,047
Flavour sales	1,157	1,178
Gross profit	**1,020**	**985**
as % of sales	*46.6%*	*44.3%*
EBITDA[1]	**562**	**509**
as % of sales	*25.6%*	*22.9%*
Operating income	**422**	**377**
as % of sales	*19.2%*	*16.9%*
Income attributable to equity holders of the parent	**305**	**271**
as % of sales	*13.9%*	*12.2%*
Earnings per share - basic (CHF)	**33.13**	**29.61**
Earnings per share - diluted (CHF)	**32.71**	**29.29**
Operating cash flow	**218**	**299**
as % of sales	*9.9%*	*13.4%*
Free cash flow	**178**	**207**
as % of sales	*8.1%*	*9.3%*

1 EBITDA: **E**arnings **B**efore **I**nterest (and other financial income (expense), net), **T**ax, **D**epreciation and **A**mortisation. This corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

On a Like-for-like basis, excludes the impact of currency, acquisitions and disposals

in million CHF except for employee data	**30 June 2014**	**31 December 2013**
Current assets	*2,275*	*2,301*
Non-current assets	*3,876*	*3,901*
Total Assets	**6,151**	**6,202**
Current liabilities	*956*	*1,290*
Non-current liabilities	*2,006*	*1,489*
Equity	*3,189*	*3,423*
Total liabilities and equity	**6,151**	**6,202**
Number of employees	**9,560**	**9,331**

Fragrance Division

Fragrance Division sales were CHF 1,034 million, an increase of 4.8% on a like-for-like basis and a decline of 1.2% in Swiss francs. The acquisition of Soliance on the 2nd June 2014 contributed CHF 3 million of sales in the period.

Total sales for Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 4.4% on a like-for-like basis. In Swiss francs, sales of compounds declined to CHF 905 million from CHF 926 million.

Fine Fragrance sales grew 5.0% on a like-for-like basis driven by strong growth in Latin America.

Sales for the Consumer Products business increased by 4.2% on a like-for-like basis driven by the strong performance of developing markets and despite last year’s strong comparables.

Sales of Fragrance Ingredients increased by 7.6% on a like-for-like basis driven by good growth in specialities and the Asian and North American market.

EBITDA declined slightly to CHF 252 million, compared to CHF 253 million for the first six months of 2013. The EBITDA margin increased slightly to 24.3% in 2014 from 24.1% in 2013.

The operating income decreased by 2.6% to CHF 188 million in 2014, versus CHF 193 million for the same period in 2013. The operating margin decreased to 18.1% in 2014 from 18.4% in 2013.

Fine Fragrances
Fine Fragrance sales grew 5.0% on a like-for-like basis in the first half of the year with the business delivering growth in both the developing and the mature markets.

In developing markets, strong double-digit growth in Latin America continued to drive performance. New wins with key accounts contributed significantly to the growth. In Central Asia, Middle East and Africa strong growth and new business in the Middle East more than offset a flat performance in Russia. In mature markets, growth in Western Europe more than compensated for lower sales in North America where new business was more than offset by erosion.

At the major award ceremonies in Europe and the USA, Givaudan delivered another strong showing led by: Tom Ford’s Plum Japonais, Tobacco Oud and Rive D’Ambre, Bottega Veneta pour Homme, James Bond Quantum, Ralph Lauren Polo Red, Le Male by Jean Paul Gaultier, Narciso Rodriguez for her, One million Intense, Black for Comme des Garçons, Victoria by Victoria's Secret and Playing with the Devil by Kilian.

Consumer Products
Sales for the Consumer Products business increased by 4.2% on a like-for-like basis against last year’s strong comparables. This performance was achieved across all customer groups. Developing markets posted good growth on top of the double-digit increase in the same period of last year. Mature markets showed mixed results when compared with the solid increase

experienced in the first half of 2013.

In Latin America the double-digit sales growth was driven by international customers. Sales in Asia showed a good increase across all customer groups. 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 sales in North America were down compared to prior year, mainly driven by international customers. Local and regional customers reported good growth against last year's double-digit increase.

On a product segment basis, strong increases were seen in the personal care and fabric care segments, followed by home care. Oral care sales decreased when compared to last year's strong sales.

Fragrance Ingredients
Sales of Fragrance Ingredients increased by 7.6% on a like-for-like basis. After a strong first quarter, the growth momentum continued in the second quarter in most regions, especially in Asia and North America, whereas the result was below last year in Latin America. All major product categories showed increased sales versus prior year, led by the growth of Specialities.

Flavour Division

Flavour Division sales were CHF 1,157 million during the first six months of 2014, an increase of 4.3% on a like-for-like basis and a decline of 1.8% in Swiss francs.

Sales growth was driven by the developing markets of Asia Pacific, Africa, Middle East and Latin America, driven mainly by new wins and existing business growth. The mature markets of North America and Western Europe were flat as a result of unfavourable market conditions. Growth across all major segments was realized with strength in Snacks, Beverages, Dairy and Sweet Goods. The evolution of Health and Wellness sales continued with solid gains as sweetness, salt and masking capabilities delivered improved taste solutions for customers.

EBITDA increased by 21.2% to CHF 310 million in 2014, from CHF 256 million for the first six months of 2013. The EBITDA margin was 26.8% in 2014, up from 21.7% in 2013. In the first six months of 2014 the Group recognised a one-off gain of CHF 38 million in the Flavours division on the disposal of land at its Dübendorf facility in Switzerland.

The operating income increased by 26.9% to CHF 234 million in 2014, from CHF 184 million for the same period in 2013. The operating margin increased to 20.2% in 2014 from 15.6% in 2013.

Asia Pacific
Sales in Asia Pacific rose 7.0% on a like-for-like basis. New wins and growth of existing products in the developing markets of China, Indonesia, Philippines and Vietnam contributed to the sales expansion with double digit gains while the mature markets grew as a result of good growth from Australia and Singapore markets. All major segments had positive gains with Beverages, Dairy, Savoury and Snacks each delivering strong growth as a result of existing business increases.

Europe, Africa and Middle East
Sales grew by 2.5% on a like-for-like basis, driven mainly by the emerging markets of Africa, Middle East, Poland and Turkey. The mature markets of France, Germany, Ireland and UK were flat when compared to prior year. Beverages, Dairy and Snacks segments drove the overall increase.

North America
Sales were flat on a like-for-like basis in North America with a strong performance in Sweet Goods, Dairy and Snacks offset by the Beverage and Savoury segments.

Latin America
Growth in Latin America was 14.1% on a like-for-like basis with strong increases coming from Argentina, Brazil and Peru. New wins and volume expansion contributed to the growth in all segments with exceptional growth coming from Beverages, Dairy, and Snacks segments.

Media release. DOWNLOAD

On 17 July 2014 at 15.00 CET, a conference call will be broadcasted. Please click here.

Available documents as downloadable files:

Half Year Report 2014
Half Year Results 2014 presentation

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