

Givaudan<sup>®</sup>  
Leading Sensory Innovation



## Half Year Conference

Zurich, 28 August 2008

Givaudan<sup>®</sup>  
Leading Sensory Innovation



It's GIVN - the Givaudan investment case

Givaudan<sup>®</sup>  
Leading Sensory Innovation

Gilles Andrier  
CEO

## Givaudan fundamentals

- Givaudan with sound growth, resilient business
- Well balanced with natural hedges
- Strong track record of delivering results
- Strong cash flow generation for shareholders
- Innovative fragrance and flavours are essential to make consumer staples successful in the market place
- Givaudan with leading innovation platform
- Sound upside potential in growth and profitability

Attractive, highly cash generative business with little downside risk  
and sound upside potential

## Sales growth 2001-2007

at comparable basis\*

In l.c. terms

	2001	2002	2003	2004	2005	2006	2007	Est. CAGR
<b>GIVAUDAN TOTAL</b>	<b>4.2%</b>	<b>6.1%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>3.5%</b>	<b>4.9%</b>	<b>4.0%</b>	<b>4.4%</b>
Fragrances	0.8%	5.2%	5.0%	4.8%	5.9%	8.6%	3.9%	4.9%
Flavours	7.2%	6.7%	3.7%	3.5%	1.9%	2.3%	4.2%	4.2%

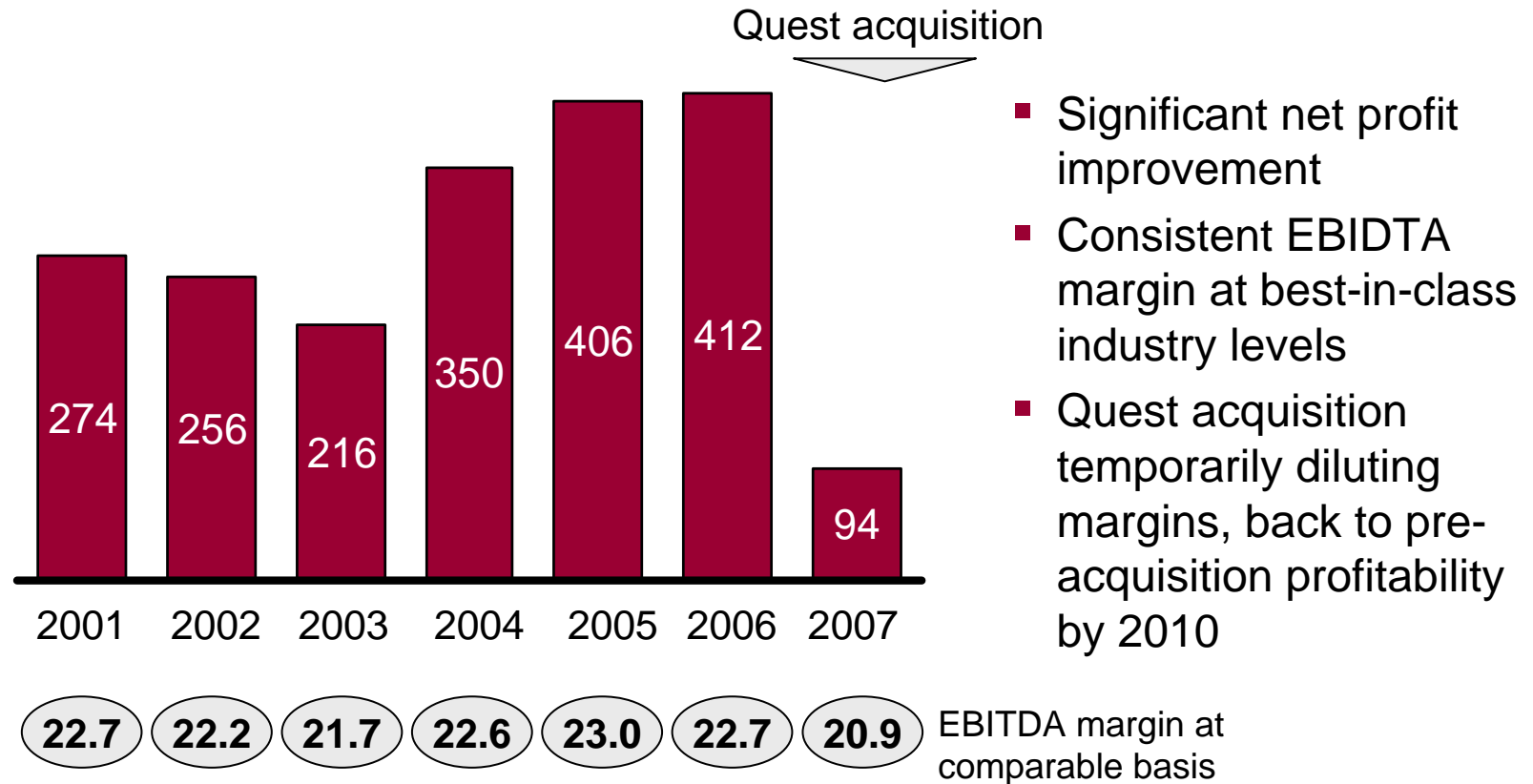
\* Comparable basis : elimating impacts of acquisitions, divestments and streamlining

## Well balanced business with natural hedges

- Geography
  - 40% of sales in developing markets
  - 60% in mature markets
- Segments
  - Balanced portfolio in all fragrance and flavour applications
- Clients and products
  - Diversified client base ranging from multinationals to regional clients, from premium brands to private and white label
- Currency
  - Creation and production centers close to customers
  - Sales and expenses balanced across major currencies

## Strong track record of delivering results

Net profit, in CHF million



## Strong cash flow generation for shareholders

Free cash flow, in CHF million

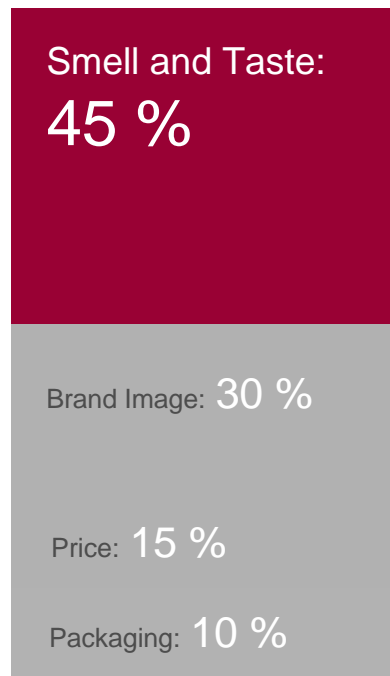
- Strong cash generation: accumulated free cash flow of over CHF 1.9 billion during the past 7 years
- CHF 671 million free cash flow returned to shareholders as dividends and CHF 976 million through share buy-backs
- Strong potential for increased free cash flow generation after integration



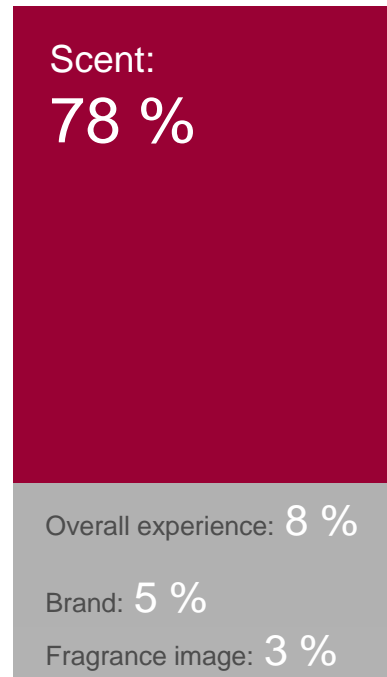
# Fragrances and Flavours

## Key drivers of consumer repurchase decisions

Food:



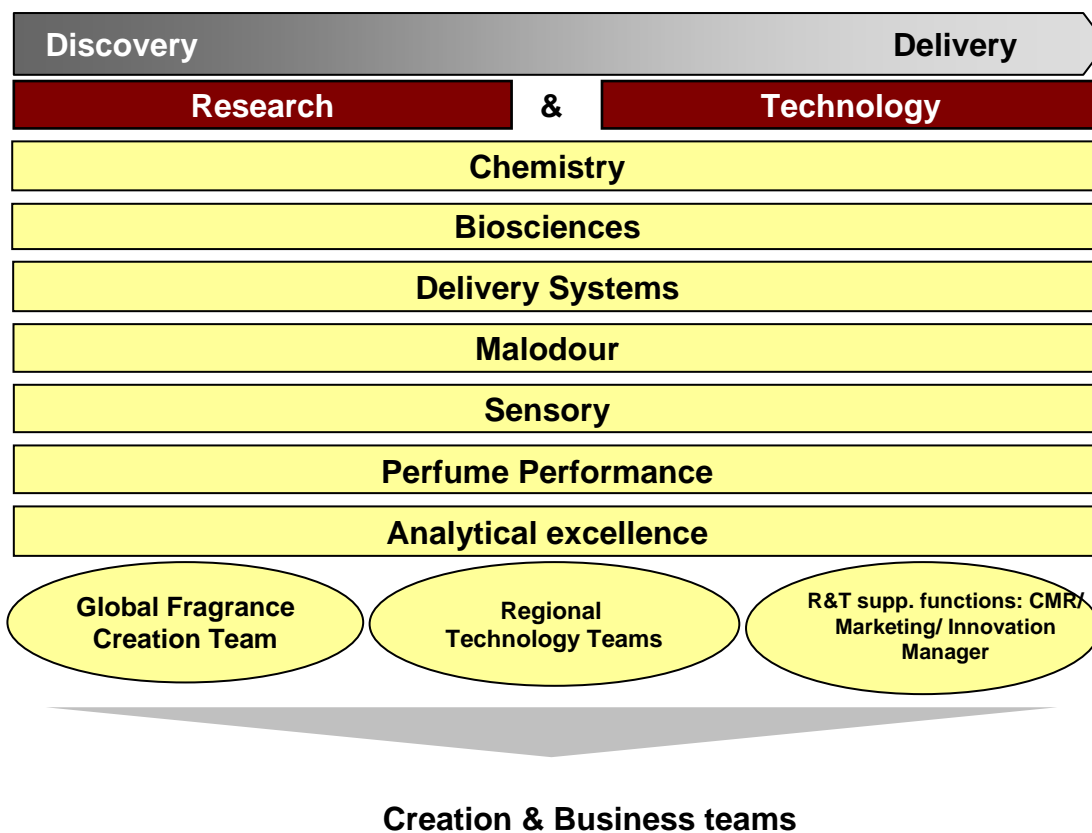
Fine Fragrances:



Source: AC Nielsen study

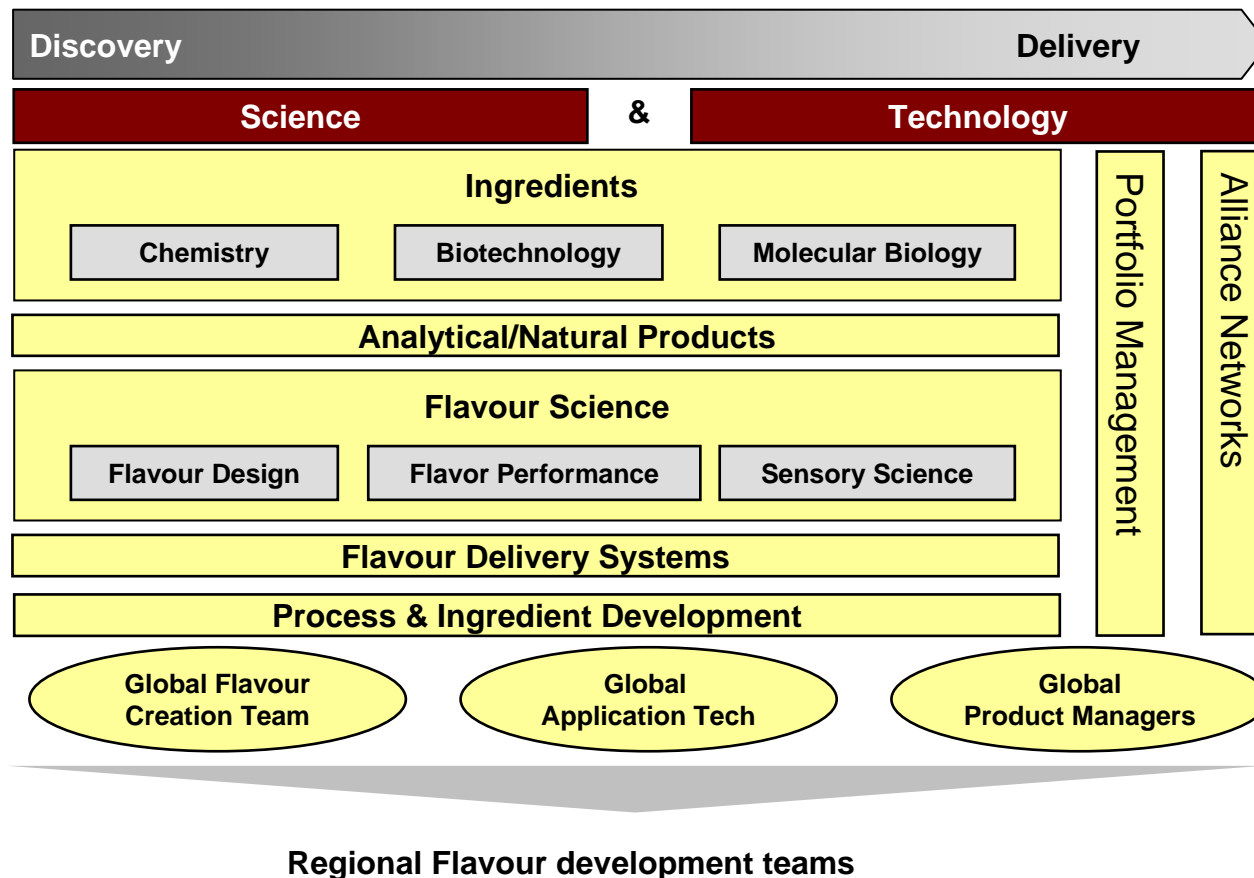
# Innovation platform – Fragrance Research

Covering all scientific fields



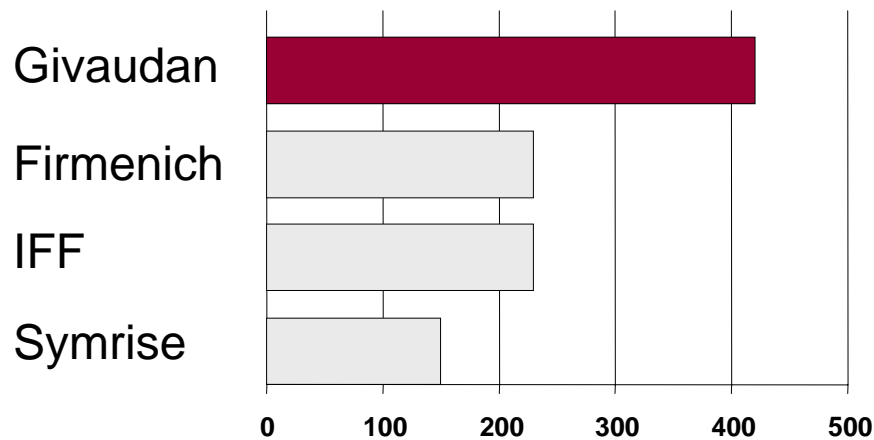
# Innovation platform – Flavour Research

Covering all scientific fields



## Innovation platform – R&D spending

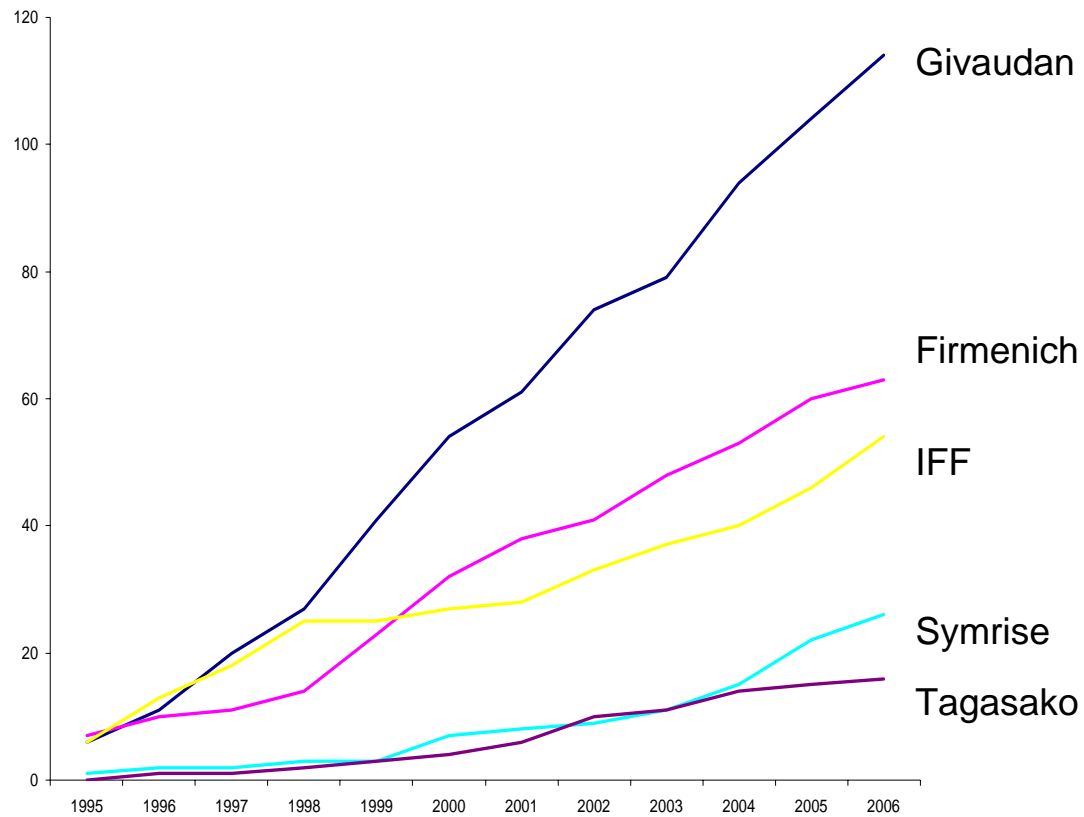
R&D spending of top four F&F companies, in CHF million



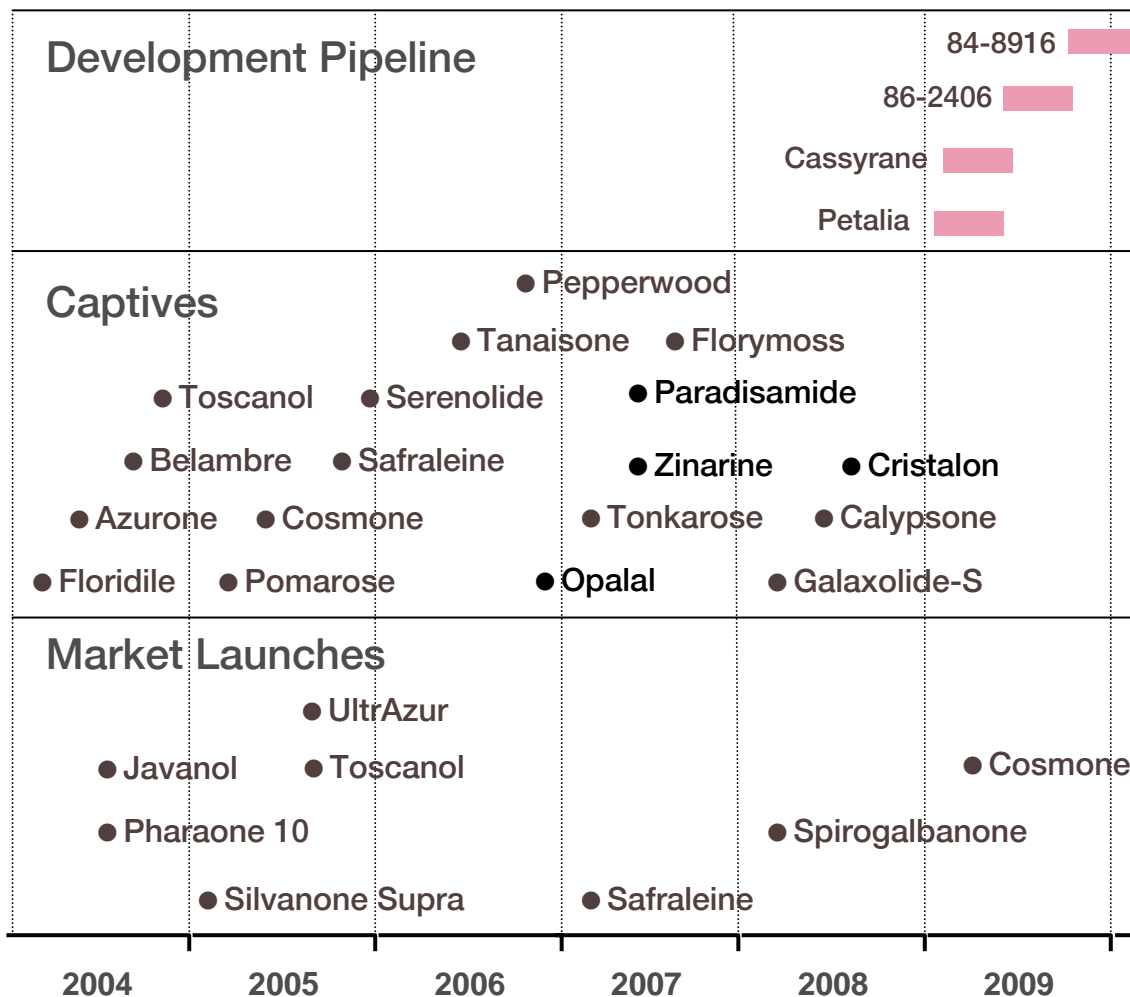
- Largest and most performing R&D organisation in the industry
- Biggest talent pool:
  - 25% of 530 perfumers
  - 40% of 400 senior flavourists
- Sophisticated creation tools and consumer understanding

## Innovation platform – First class results

### Pipeline of new fragrance molecules patent applications



## Innovation platform – Commercialisation



- Industry leading portfolio of captive molecules as competitive edge for Givaudan perfumers
- Continued double-digit sales growth of specialties in the commercialisation phase

## Clear strategy to outgrow the market

### **Fragrances: CHF 220 million, incremental to market growth in the coming 5 years**

- Top CP & FF industry players: CHF 70 million
- Feminine Fine Fragrances: CHF 20 million
- Air Care and Household: CHF 70 million
- Developing markets: CHF 30 million
- US regional and local clients: CHF 30 million

### **Flavours: CHF 400 million, incremental to market growth in the coming 5 years**

- Developing markets: CHF 150 million
- Top 100 F&B companies: CHF 100 million
- Health and Wellness: CHF 100 million
- Food service: CHF 50 million

### **Key success factors**

- Largest and best innovation platform
- Best talent pool
- Global reach and presence
- Solid track record

## Sound upside potential in profitability

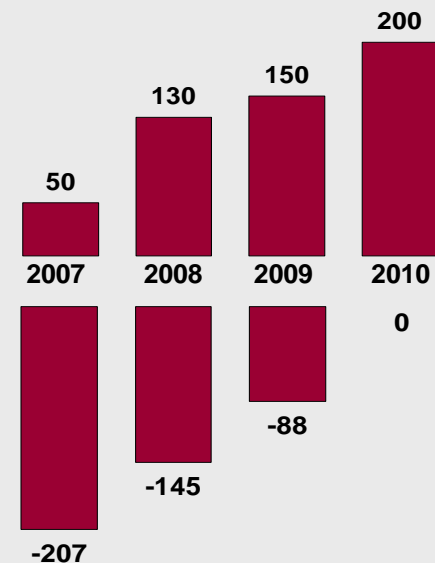
Achieving pre-acquisition profitability levels by 2010

### 2010: EBITDA margin of 22.7%

- Synergy delivery on track
- Input cost increase compensated by selective price increases and operational efficiency improvements
- Reduced CAPEX requirements beyond 2010

### Synergies

in CHF million



### Restructuring costs

in CHF million



## Well on track towards an exciting future

From number one to leadership

- Maintained confidence for 2008
  - Integration well on track
  - Sustained briefing activity and good project pipeline
  - F&F business proven to be resilient in a difficult economic environment
  
- Unique platform for future growth in place
  - Strategic fit reconfirmed: customers, geography, segments
  - Growth opportunities
  - Critical mass and financial capability to invest in innovation
  - Best talent pool in the industry
  - Enhanced intimacy and close partnership with key accounts

Givaudan is well on track to further develop its leading position in the fragrance and flavour industry and deliver value to customers and shareholders

Givaudan<sup>®</sup>  
Leading Sensory Innovation



## Disclaimer

**No warranty and no liability:** While Givaudan is making great efforts to include accurate and up-to-date information, we make no representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided on this handout and disclaim any liability for the use of it.

**No offer and no solicitation:** The information provided on this handout does not constitute an offer of or solicitation for the purchase or disposal, trading or any transaction in any Givaudan securities. Investors must not rely on this information for investment decisions.

**Forward-looking information:** This handout may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors, and therefore actual results may differ significantly from those presented.

Copyright © 2008 Givaudan SA All rights reserved

**Givaudan**<sup>®</sup>  
Leading Sensory Innovation