Double-digit Sales Growth and Strongly Improved Profitability

Half Year Results 2010

Vernier, 5 August 2010
Half Year Results 2010

Highlights

- Sales CHF 2.2 billion, up 10.5% growth in local currencies
- Developing markets reach 41% of group sales
- EBITDA improved to CHF 529 million, up 26% in local currencies
- EBITDA margin improved to 24.1% from 21.2%
- Net income CHF 200 million, up 108%
Half Year Sales 2010 Performance

<table>
<thead>
<tr>
<th></th>
<th>Growth vs. 2009 in local currencies</th>
<th>Growth vs. 2009 in CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>10.5%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Fragrances</td>
<td>13.3%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Flavours</td>
<td>8.1%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

In Mio CHF

2'199

1'017

1'182
Sales Evolution by Quarter
Excluding impact of discontinued business

% Growth in LC

In Mio CHF

<table>
<thead>
<tr>
<th>Group</th>
<th>Q3 2008</th>
<th>Q4 2008</th>
<th>Q1 2009</th>
<th>Q2 2009</th>
<th>Q3 2009</th>
<th>Q4 2009</th>
<th>Q1 2010</th>
<th>Q2 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>1,054</td>
<td>939</td>
<td>976</td>
<td>1,020</td>
<td>1,030</td>
<td>933</td>
<td>1,067</td>
<td>1,132</td>
</tr>
<tr>
<td>Fragrances</td>
<td>501</td>
<td>436</td>
<td>439</td>
<td>460</td>
<td>489</td>
<td>436</td>
<td>496</td>
<td>521</td>
</tr>
<tr>
<td>Flavours</td>
<td>553</td>
<td>503</td>
<td>537</td>
<td>560</td>
<td>541</td>
<td>497</td>
<td>571</td>
<td>611</td>
</tr>
</tbody>
</table>
HY 2008 to HY 2010 Sales CAGR
In-line with long term growth

**Fragrances**
- Fine Fragrances: 4.4%
- Consumer Products: 5.7%
- Fragrance Ingredients: 2.0%
- TOTAL FRAGRANCES: 4.9%

**Flavours**
- Latin America: 17.2%
- Asia Pacific: 7.7%
- North America: 0.2%
- EAME: 1.5%
- TOTAL FLAVOURS: 4.0%

**TOTAL GROUP**: 4.4%

Givaudan
Sales evolution by market
(in million CHF)

HY 2009
Mature 62%
Developing 38%

HY 2010
Mature 59%
Developing 41%

Sales evolution by market (in million CHF)

Mature
HY 2009: 1'242
HY 2010: 1'308
+ 7.6% in l.c.

Developing
HY 2009: 754
HY 2010: 891
+ 15.1% in l.c.
Sales evolution by region
(in million CHF)

Hy 2009

- Latin America: 41%
- North America: 25%
- Asia Pacific: 23%
- EAME: 11%

Hy 2010

- Latin America: 40%
- North America: 24%
- Asia Pacific: 24%
- EAME: 12%

<table>
<thead>
<tr>
<th>Region</th>
<th>HY 2009</th>
<th>HY 2010</th>
<th>Change in l.c.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>228</td>
<td>274</td>
<td>+14.1%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>453</td>
<td>525</td>
<td>+12.0%</td>
</tr>
<tr>
<td>North America</td>
<td>501</td>
<td>523</td>
<td>+9.2%</td>
</tr>
<tr>
<td>EAME</td>
<td>814</td>
<td>877</td>
<td>+9.4%</td>
</tr>
</tbody>
</table>
Fragrance Division
Sales and Comparable EBITDA

- Fine Fragrances grew 24.2%
  - Strong double-digit growth in Europe and North America
  - New wins, normalised order patterns with some re-stocking

- Consumer Products increased 9.9%
  - Double-digit sales growth in developing markets
  - Mature markets reported significant positive growth
  - Double-digit growth in Asia Pacific and North America

- Fragrance Ingredients grew 15.8%
  - Double-digit growth in all product categories
  - Some re-stocking effects
Flavour Division
Sales and Comparable EBITDA

- Double-digit growth in developing markets, Health and Wellness taste solutions and targeted key accounts
- Asia Pacific increased 10.6%, driven by China, India and Thailand
- Europe, Africa and Middle East grew 5.8% driven by the developing markets
- North America grew 3.4% with a significantly improved second quarter
- Latin America increased 26.1% driven by new wins and growth of existing products
Engaging the Senses
Continued commitment to R&D

- New perfume capsule for liquid detergents launched, leading to improved freshness level on laundry
- New captive ingredient Cassyrane™ introduced to perfumers palette; fruity natural black current and eucalyptus fruit note
- Roman Kaiser’s new book „The Scent of the Vanishing Flora“ is endorsed by the Convention on Biological Diversity
- Continued innovation in Health and Wellness taste solutions
- Further masking systems developed to eliminate the bitter component of Stevia-based sweeteners
- Progress in new natural ingredients to enhance salt and umami sensation in savoury applications
Matthias Währen
CFO
Financial Highlights

- Sales of CHF 2,199 million, an increase of 10.5% in local currencies
- Leverage on higher sales, increased absorption of production cost and tight cost control driving substantial profitability improvements
- Significantly improved EBITDA margin at comparable basis of 24.1%
- Despite weaker € and $, natural currency hedge of margins once again proved
- Net income of CHF 200 million, up 108%
- Working capital in % of sales maintained
- Net debt CHF 1,716 million, leverage ratio 33%
Exchange Rates Development

Average Exchange Rates
HY 2010 vs. HY 2009

Period End Exchange Rates
30.06.2010 vs. 31.12.2009

<table>
<thead>
<tr>
<th>Currency</th>
<th>HY 2010</th>
<th>HY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPY</td>
<td>1.18</td>
<td>1.18</td>
</tr>
<tr>
<td>USD</td>
<td>1.08</td>
<td>1.13</td>
</tr>
<tr>
<td>GBP</td>
<td>1.65</td>
<td>1.68</td>
</tr>
<tr>
<td>EUR</td>
<td>1.43</td>
<td>1.50</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>JPY</td>
<td>1.22</td>
<td>1.11</td>
</tr>
<tr>
<td>USD</td>
<td>1.08</td>
<td>1.04</td>
</tr>
<tr>
<td>GBP</td>
<td>1.61</td>
<td>1.67</td>
</tr>
<tr>
<td>EUR</td>
<td>1.32</td>
<td>1.48</td>
</tr>
</tbody>
</table>
Strong operating leverage supported by tight cost control

In Mio CHF

Sales
- HY 2008: 1'996
- HY 2009: 2'095
- HY 2010: 2'199

Comp. EBITDA
- HY 2008: 472
- HY 2009: 424
- HY 2010: 529

Comp. Net Income
- HY 2008: 220
- HY 2009: 182
- HY 2010: 295

As % of sales

- HY 2008: 13.4%
- HY 2009: 9.1%
- HY 2010: 10.5%

HY 2010
- Sales: +105
- Comp. EBITDA: +48
- Comp. Net Income: +113

HY 2009
- Sales: -99
- Comp. EBITDA: -48
- Comp. Net Income: -38

HY 2008
- Sales: +203
- Comp. EBITDA: +105
- Comp. Net Income: +113
## Business Statement

### In Mio CHF

<table>
<thead>
<tr>
<th></th>
<th>HY 2010</th>
<th>HY 2009</th>
<th>Change (in % CHF)</th>
<th>Change (in % LC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2'199</td>
<td>1'996</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(1'170)</td>
<td>(1'100)</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1'029</td>
<td>896</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Marketing, development &amp; distribution expenses</strong></td>
<td>(476)</td>
<td>(458)</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Administration expenses</strong></td>
<td>(72)</td>
<td>(71)</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Amortisation of intangible assets</strong></td>
<td>(94)</td>
<td>(82)</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Other operating income (expenses), net</strong></td>
<td>(57)</td>
<td>(40)</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>330</td>
<td>245</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Operating Income at comparable basis</strong></td>
<td>377</td>
<td>282</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>EBITDA at comparable basis</strong></td>
<td>529</td>
<td>424</td>
<td>25%</td>
<td>26%</td>
</tr>
</tbody>
</table>
Detail of Financing Costs and Other Financial Income (Expenses), net

In Mio CHF

Financing Costs

- HY 2009: 75
- HY 2010: 54

Other Financial Expenses (net)

- HY 2009: 40
- HY 2010: 13

- Financing costs down in 2010, following conversion of MCS (lower interest and mandatory conversion feature)
- Other financial income and expenses – 2009 impacted by losses on own equity instruments (CHF 11 million) and impairments on AFS financial assets (CHF 8 million)
## Income Statement

<table>
<thead>
<tr>
<th></th>
<th>HY 2010</th>
<th>HY 2009</th>
<th>Change in %</th>
</tr>
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<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2'199</td>
<td>1'996</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>330</td>
<td>245</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Financial income (expenses), net</strong></td>
<td>(67)</td>
<td>(115)</td>
<td>(42%)</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>263</td>
<td>130</td>
<td>102%</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(63)</td>
<td>(34)</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Income for the period</strong></td>
<td>200</td>
<td>96</td>
<td>108%</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>-</td>
<td>(1)</td>
<td>n.r.</td>
</tr>
<tr>
<td><strong>Income attributable to equity holders</strong></td>
<td>200</td>
<td>95</td>
<td>111%</td>
</tr>
<tr>
<td><strong>Earnings per share - basic (CHF)</strong></td>
<td>22.58</td>
<td>12.62</td>
<td></td>
</tr>
<tr>
<td><strong>Comparable Earnings per share - basic (CHF)</strong></td>
<td>33.28</td>
<td>24.15</td>
<td></td>
</tr>
</tbody>
</table>
Free Cash Flow
Temporarily reduced, working capital metrics remain strong

<table>
<thead>
<tr>
<th></th>
<th>FCF HY 2009</th>
<th>EBITDA</th>
<th>Inventories</th>
<th>Receivables</th>
<th>Taxes Paid</th>
<th>Other</th>
<th>FCF HY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF HY 2009</td>
<td>256</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>(175)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>103</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td>(94)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Paid</td>
<td></td>
<td></td>
<td></td>
<td>(35)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82</td>
</tr>
</tbody>
</table>

- EBITDA up 27%
- Working capital as % of sales at 26%
  (HY 2009: 25%  HY 2008: 28%)
- DSO 69 days (HY 2009: 68 days)
- CDI 112 days (HY 2009: 113 days)

In Mio CHF
Financial Position

- Repayment of CHF 100 million of debt
- Mandatory convertible securities issued to holders in March 2010
- Net debt at CHF 1,716 million
- Leverage ratio of 33% at end of June 2010
Integration Update
Phasing of targeted savings and integration costs

- CHF 200 million of integration savings, CHF 30 million from cost containment measures taken in 2009
- CHF 440 million of total integration costs, of which approximately CHF 380 million cash costs

<table>
<thead>
<tr>
<th></th>
<th>In Mio CHF</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>E2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Integration Savings</td>
<td>200</td>
<td>25%</td>
<td>70%</td>
<td>85%</td>
<td>100%</td>
</tr>
<tr>
<td>Cost Containment Measures</td>
<td>30</td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Expected one-off costs</td>
<td>440</td>
<td>47%</td>
<td>25%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Financial Guidance

- Prior year sales comparables tougher in second half of 2010
- After good first half expect sales growth in l.c. to be above 5% for the full year
- On track to deliver comparable EBITDA margin of 22.7% for the full year 2010
- CAPEX – approximately 4% of sales for 2010 – 2012
- Tax rate – improving to 19% by 2012
- Targeted leverage ratio of 25% in the mid-term
Gilles Andrier
CEO
Medium-term sales guidance
Clear strategy to outgrow the market

Fragrances: CHF 220 million, incremental to market growth from 2009-2013
- Selected 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 from 2009-2013
- Developing markets: CHF 150 million
- Top 100 F&B companies: CHF 100 million
- Health and Wellness: CHF 100 million
- Food service: CHF 50 million
Well on track towards an exciting future
From number one to leadership

Unique platform for future growth in place

- Balanced portfolio across customers, geography, segments
- Critical mass and financial capability to invest into innovation
- In-depth global consumer understanding
- Best talent pool in the industry: unique and unrivalled innovation and creation capabilities
- 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.
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