Good business momentum – currency and raw material headwinds

Half Year Results 2011
Vernier, 4 August 2011
Gilles Andrier
CEO
Half Year 2011 Results

- Good growth in line with mid-term targets
  - Full project pipeline and increased win rate
  - Strong innovation from R&D
- Raw materials further increased to 15% on a full year basis
- Price increases continue to be implemented
- Strong Swiss franc impacts financials

Givaudan’s business momentum continues to be strong with a full project pipeline and a further increased win rate. The company is therefore confident to achieve its ambitious mid-term targets.
Half Year Sales 2011 Performance

In line with mid-term guidance

+4.3%

- 8.8%

+3.9%

- 8.8%

+4.7%

- 8.8%

In million CHF

Growth vs. 2010 in local currencies

Growth vs. 2010 in CHF
Sales Evolution by Market
(in million CHF)

<table>
<thead>
<tr>
<th>Market</th>
<th>HY 2010</th>
<th>HY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>1,308</td>
<td>1,187</td>
</tr>
<tr>
<td>Developing</td>
<td>891</td>
<td>818</td>
</tr>
</tbody>
</table>

2011 Growth in l.c.:
- Mature: +3.3%
- Developing: +5.9%

2008 – 2011 CAGR:
- Mature: 10.3%
- Developing: 1.9%

59% Mature, 41% Developing in HY 2010
59% Mature, 41% Developing in HY 2011
Sales Evolution by Region
(in million CHF)

**HY 2010**
- Latin America: 242 (12%)
- Asia Pacific: 274 (24%)
- North America: 450 (24%)
- EAME: 812 (40%)

**HY 2011**
- Latin America: 242 (12%)
- Asia Pacific: 525 (25%)
- North America: 523 (22%)
- EAME: 877 (41%)

- **2011 Growth in l.c.**
  - Latin America: +2.4% +11.6%
  - Asia Pacific: +8.5% +10.2%
  - North America: +2.1%
  - EAME: +3.8% +2.7%

- **2008 – 2011 CAGR**
  - Latin America: +2.0%
  - Asia Pacific: +2.0%
  - North America: +2.0%
  - EAME: +2.0%
Fragrance Division
Sales and Comparable EBITDA

Fine Fragrances decreased 0.4% in l.c.
- Latin America delivered strong growth driven by new wins and the existing products
- Sales of new wins in the mature markets were offset by the erosion, resulting in a decline overall

Consumer Products up 4.7% in l.c.
- Developing and mature markets contributed to this sales development
- Good growth in all segments, especially strong growth in fabric softeners due to new encapsulation systems

Fragrance Ingredients up 6.8% in l.c.
- Strong growth in specialties and commodities
- Paradisamide™, a long-lasting fresh tropical fruit note, was launched
Flavour Division
Sales and Comparable EBITDA

Double-digit growth in Health and Wellness taste solutions and continued strong growth in developing markets.

- Asia Pacific increased 9.6% in l.c. driven by China, India, Thailand, Australia and Japan.
- Europe, Africa and Middle East grew 4.1% in l.c., due to the strong growth in Eastern Europe and the Middle East.
- North America grew 3.4% in l.c. driven by Savoury, Snacks and Beverages.
Continued Commitment to R&D
Strong innovation in all areas

- New captive molecule Karmaflor™, white flower with green tropical freshness
- Successfully developed Keratinoscent™, the first skin sensitation in-vitro bio assay
- Further progress in controlled release systems
- Continued innovation in Health and Wellness taste solutions with the first commercialisation of high-performing synthetic sweetness enhancer.
- High throughput screening using proprietary receptor-based bio-assays allows to screen natural flavour enhancers
- Further progress in uniquely nuanced lemon and orange compositions inspired by the great array of citrus varietals of the University of California Riverside
- Improved chicken and beef flavours as a result of better understanding the interaction between umami and salt perception
Matthias Währen
CFO
Half Year 2011 Results
Financial Highlights

- Sales CHF 2 billion, up 4.3% in local currencies
- Comparable EBITDA decreased to CHF 382 million, due to raw material cost increases and currency translation effects
- Comparable EBITDA margin of 19.1%, affected by raw material cost increases
- Net income CHF 120 million
- Net debt of CHF 1.6 billion, leverage ratio at 33%.
Exchange Rates Development
Swiss Franc continues to strengthen against all major currencies

Average Exchange Rates
HY 2011 vs. HY 2010

Period End Exchange Rates
30.06.2011 vs. 31.12.2010

<table>
<thead>
<tr>
<th></th>
<th>JPY</th>
<th>USD</th>
<th>GBP</th>
<th>EUR</th>
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<tbody>
<tr>
<td>HY 2011</td>
<td>1.10</td>
<td>0.90</td>
<td>1.46</td>
<td>1.27</td>
</tr>
<tr>
<td>HY 2010</td>
<td>1.18</td>
<td>1.08</td>
<td>1.65</td>
<td>1.43</td>
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<tbody>
<tr>
<td>30/06/2011</td>
<td>1.04</td>
<td>0.84</td>
<td>1.35</td>
<td>1.22</td>
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<tr>
<td>31/12/2010</td>
<td>1.15</td>
<td>0.93</td>
<td>1.46</td>
<td>1.25</td>
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</table>
Operating performance

Significantly impacted by raw material increases and CHF

- Sales of CHF 2,005 million (2010: CHF 2,199 million)
- Gross Margin of 43.0%, down from 46.8%, significantly impacted by surge in raw material costs
- Operating expenses remain under control
- Comparable EBITDA of CHF 382 million (2010 CHF 529 million), of which currency is CHF 43 million
- Comparable EBITDA margin of 19.1%, margins remain naturally protected against strong Swiss franc
- Operating Income of CHF 215 million (2010: CHF 330 million), given lower integration costs
Financing Costs and Other Financial Expenses

Under control, despite significant currency volatility

- Financing costs down in 2011, following conversion of MCS (lower interest and mandatory conversion feature)
- Other financial income and expenses – despite continued currency volatility, exposures remain limited, main losses from currencies which are expensive to hedge
Net Income
Significantly impacted by operating performance

- Income before tax of CHF 154 million, down from CHF 263 million in 2010, driven by:
  - Surge in raw material costs
  - Strong CHF
- Effective tax rate of 22% (2010: 24% at HY 2010)
- Net Income of CHF 120 million
- Basic EPS of CHF 13.19, versus CHF 22.58 in 2010
Free Cash Flow
Raw materials also impacting inventory levels

- EBITDA down 25%
- Working capital as % of sales at 29% (HY 2010)
- DSO 70 days (HY 2010: 69 days)
- CDI 125 days (HY 2010: 112 days)

In Mio CHF

<table>
<thead>
<tr>
<th>FCF HY 2010</th>
<th>EBITDA HY 2010</th>
<th>Inventories</th>
<th>Receivables</th>
<th>Liabilities</th>
<th>Other</th>
<th>FCF HY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>82</td>
<td>(122)</td>
<td>(26)</td>
<td>41</td>
<td>(56)</td>
<td>(13)</td>
<td>(95)</td>
</tr>
</tbody>
</table>

Givaudan®
Future debt profile following July refinancing plan
Taking advantage of market conditions to refinance early

- July 2011: Refinancing of syndicated loan, new CHF 500 million facility negotiated
- Reimbursement of CHF 837 million short term debt from cash and initial draw down of CHF 250 million debt
- Additional draw down facilities available to refinance short term debt if required
Leverage Ratio
Underlying ratio trending to medium term target, but CTA impacting equity

- Leverage ratio of 33.0% at June 2011, up from Dec 2010 due primarily to dividend payment and CTA
- Expected cash generation in second six months will reduce leverage ratio in line with medium term target
Short-term outlook
Improving second half 2011

- Lower comparables for Q3 and Q4
- Good progress on price pass through
- Continued strengthening of the Swiss franc
- Economic uncertainties remain
- Givaudan’s business resilient
Medium-term Guidance
Profitable, above market growth

- Organic sales growth of 4.5% - 5.5% per year based on market growth of 2% - 3%

- Best-in-class EBITDA margins

- Free cash flow after capital investment and interest of 14% - 16% of sales by 2015

- Return above 60% of the company’s annual free cash flow to shareholders, after the leverage target reaches a level below 25% (leverage defined as net debt divided by net debt plus equity)
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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