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Continuous Improvement of Operating Performance

Half Year Results 2014

Vernier, 17 July 2014

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Gilles Andrier

CEO

Half Year Results 2014
Highlights

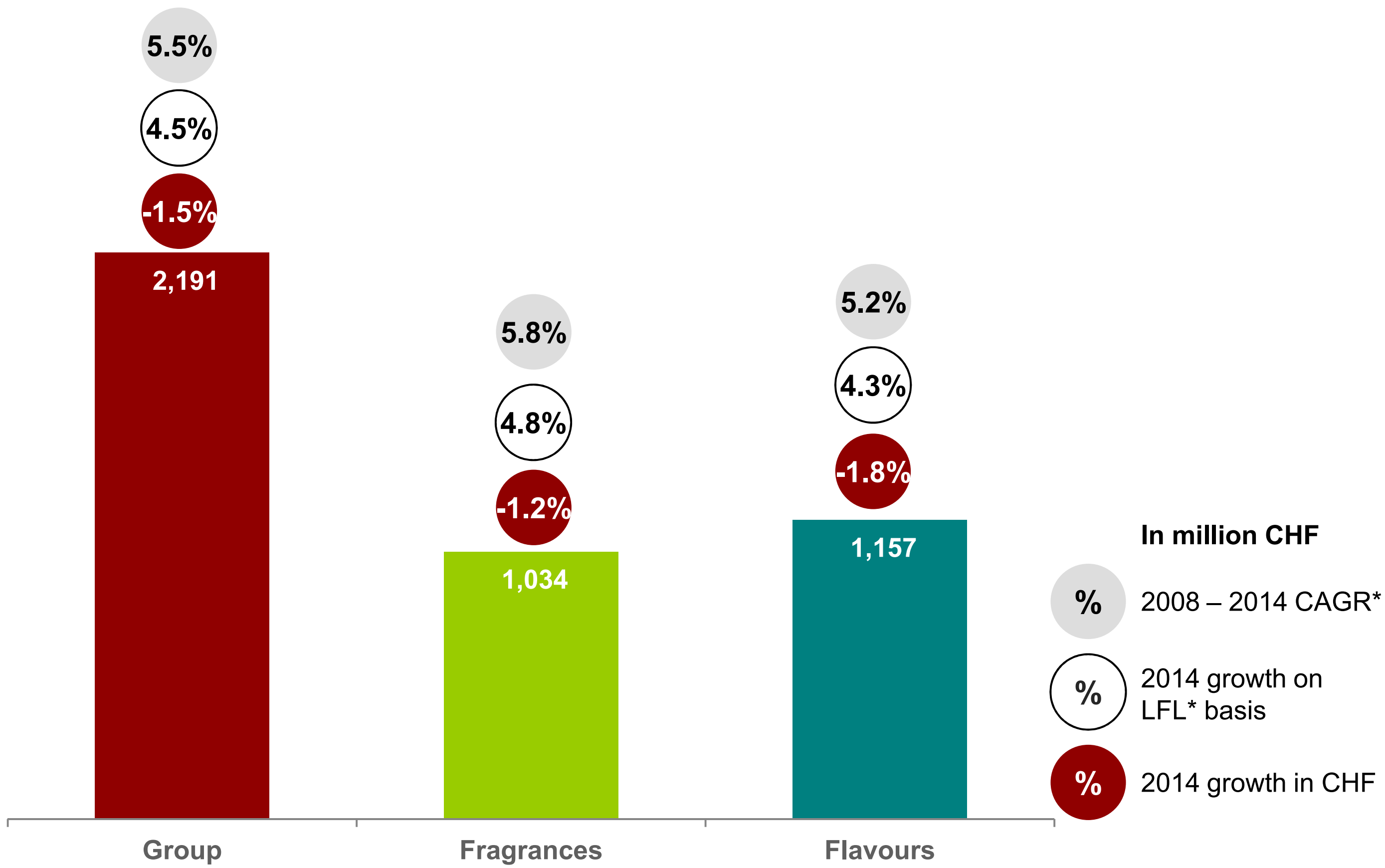
- Sales CHF 2.2 billion, up 4.5% on a like-for-like* basis
- Developing markets
  - account for 45% of group sales
  - grew 9.2% on a like-for-like basis
- EBITDA increased by 10.5% to CHF 562 million
- EBITDA margin improved to 25.6% in 2014 from 22.9% in 2013
- Free cash flow of 8.1% of sales, compared to 9.3% in 2013

Our 2014 six month results are a convincing demonstration of the continued value we bring to our customers, across all regions and segments

*** LFL (like-for-like) excludes the impact of currency, acquisitions and disposals**

Half Year Results 2014

Sales performance: Solid on a LFL basis



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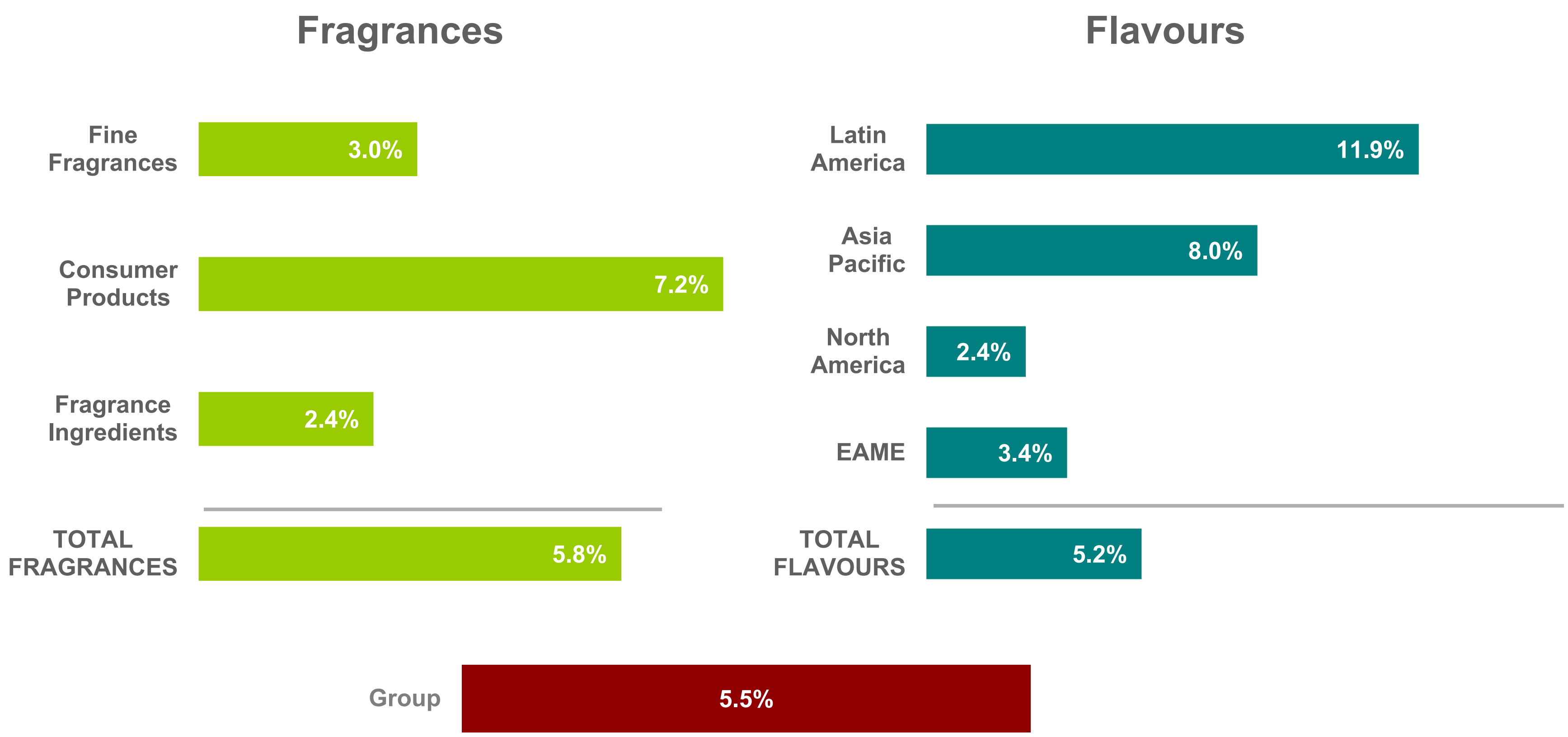
HY 2008 to HY 2014 sales CAGR
At top end of mid-term guidance



*** All figures on a LFL (like-for-like), which excludes the impact of currency, acquisitions and disposals**

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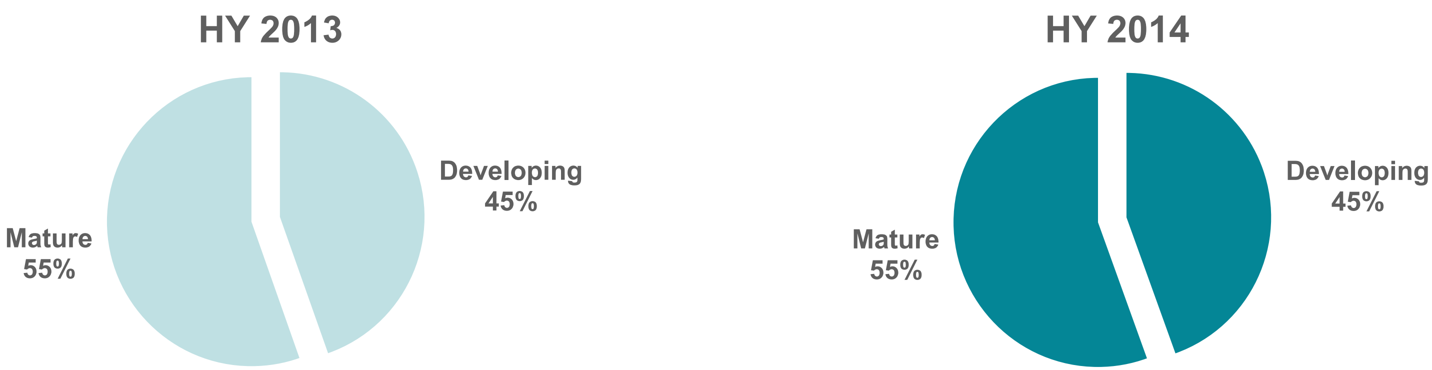
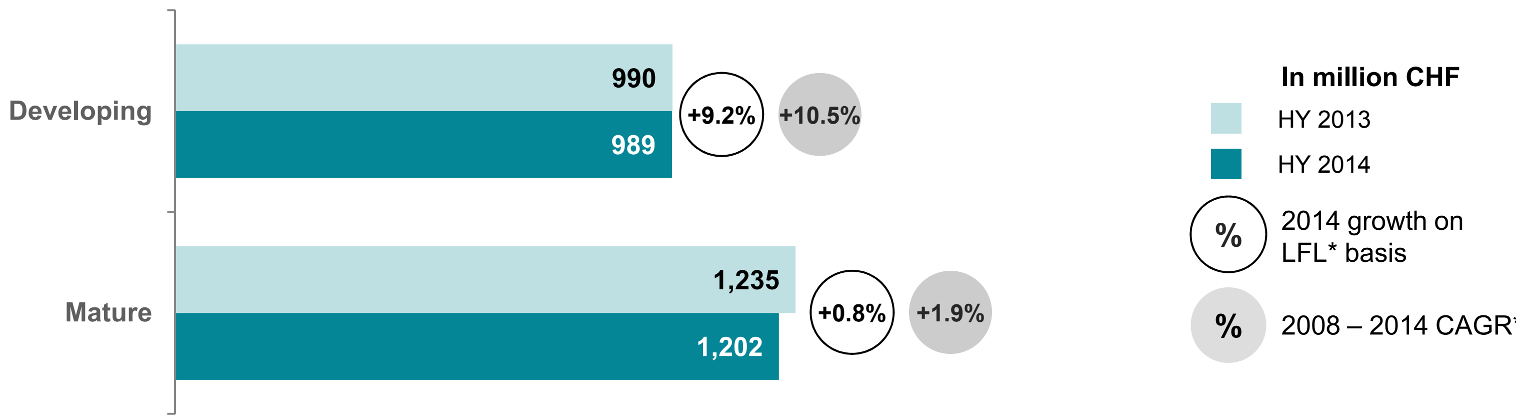
Sales evolution by market

Good LFL growth in emerging markets, absolute amounts impacted by currencies





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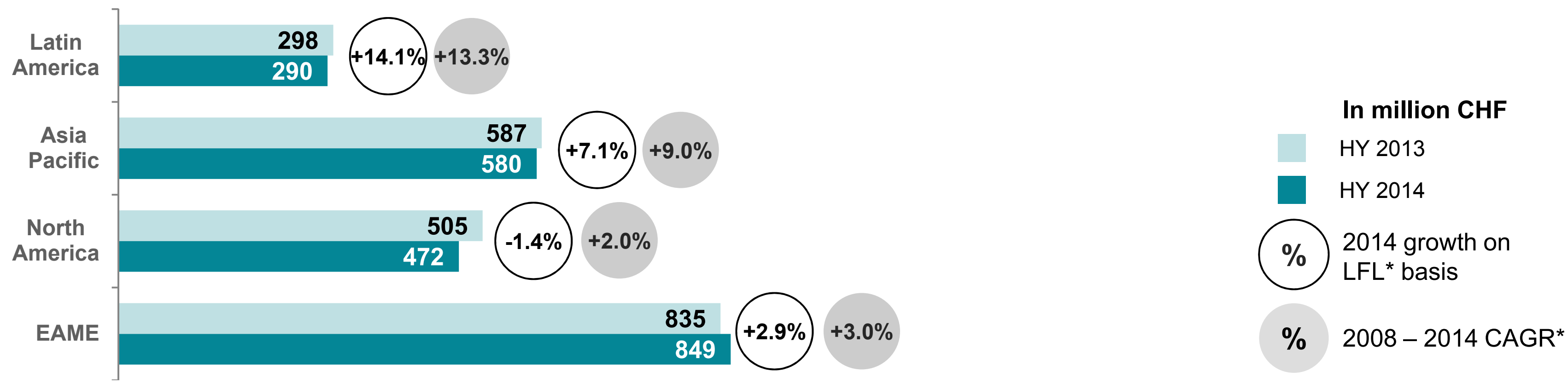
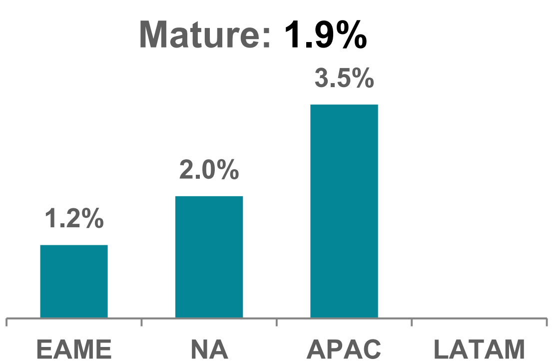
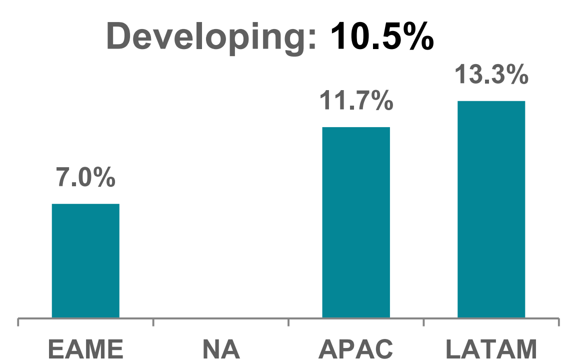
Sales evolution by region

Latin America continues strong momentum



2008 – 2014 CAGR by region and market





*** LFL (like-for-like) excludes the impact of currency, acquisitions and disposals**

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Fragrance Division
Sales and EBITDA

Fine Fragrances grew 5.0%
- Strong performance in developing markets driven by Latin America
- In mature markets Western Europe more than offset declines in North America

Consumer Products grew 4.2%
- Solid growth against two years of high comparables
- Double-digit growth in Latin America and strong single-digit growth in Asia Pacific, North America declined against prior year
- Strong growth in personal care and fabric care, partially offset by declines in oral care

Fragrance Ingredients grew 7.6%
- Growth in all categories, led by Specialities

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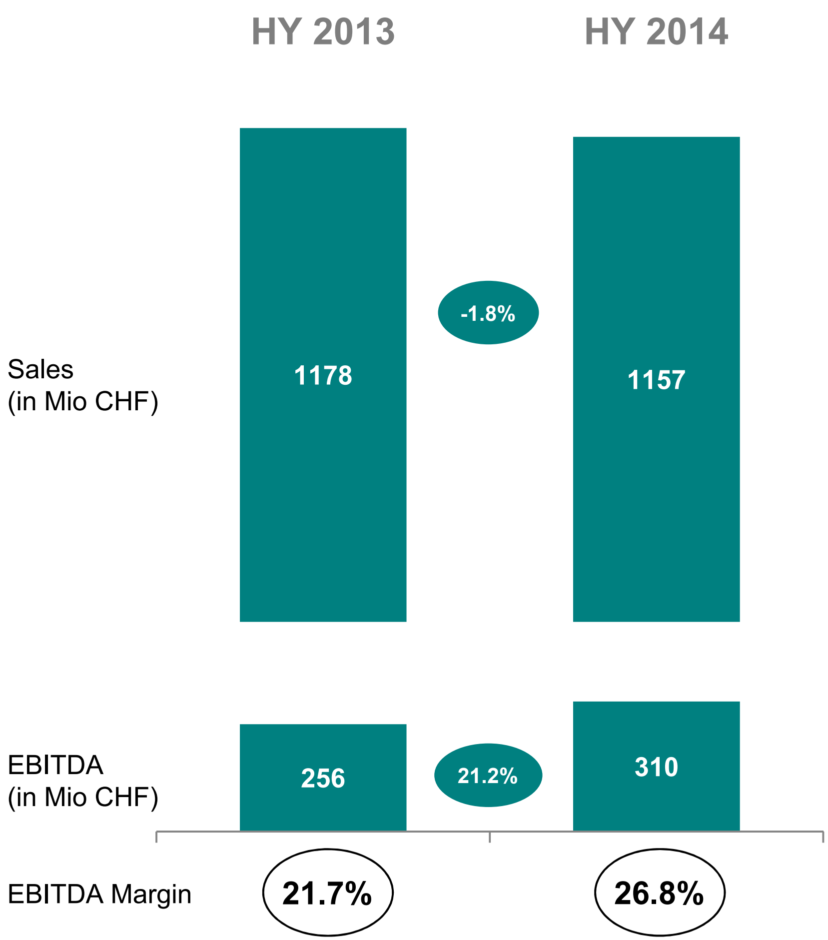
Flavour Division
Sales and EBITDA



Strong growth in developing markets and continued growth in Health and Wellness taste solutions

- Asia Pacific increased 7.0% driven by China, Indonesia, Philippines and Vietnam
- Europe, Africa and Middle East grew 2.5% driven by the developing markets, flat sales in the mature countries in Europe
- North America flat versus prior year
- Latin America increased 14.1% driven by strong growth in Argentina, Brazil and Peru

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Matthias Währen

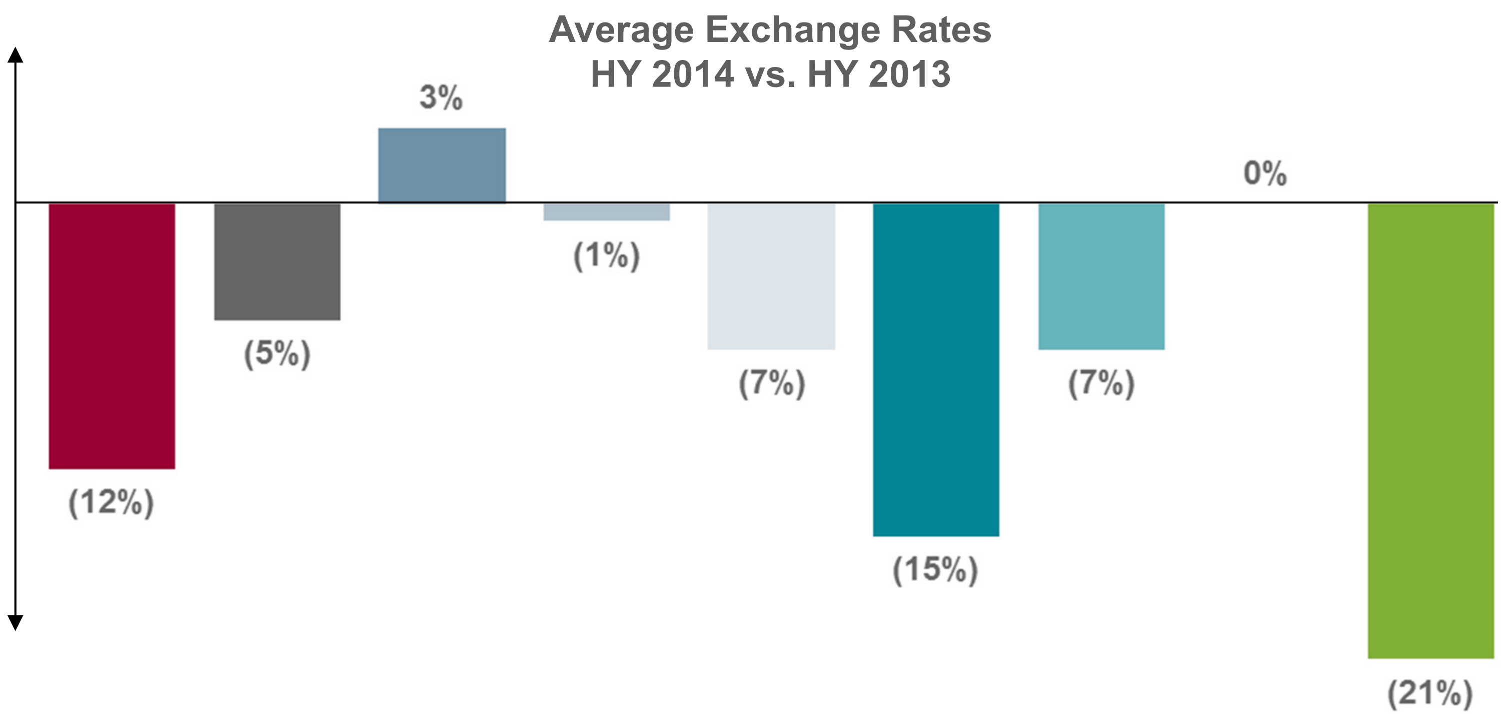
CFO

Half Year Results 2014
Financial Highlights

- Sales CHF 2.2 billion, up 4.5% in local currencies
- EBITDA increased by 10.5% to CHF 562 million
- EBITDA margin improved to 25.6%, including a one-off gain of CHF 38 million
- Net income of CHF 305 million, up 12.6% year on year
- Underlying investments up versus 2013, at 3.1% of sales
- Free cash flow of CHF 178 million, 8.1% of sales
- Net debt of CHF 1.1 billion, leverage at 24%

Exchange rates development

Results largely unaffected by currencies, despite some significant individual currency movements versus Swiss franc



	JPY	USD	GPB	EUR	SGD	BRL	CNY	MXN	IDR
HY 2014	0.87	0.89	1.49	1.22	0.70	0.39	0.14	0.07	0.76
HY 2013	0.99	0.94	1.44	1.23	0.75	0.46	0.15	0.07	0.96

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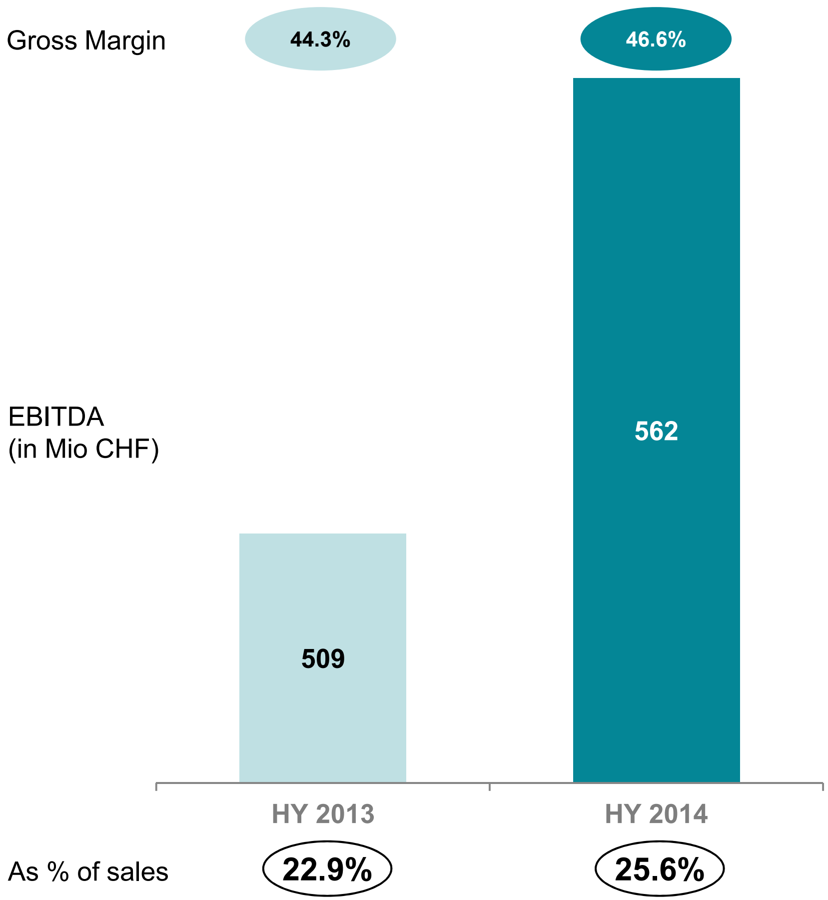
Operating performance

Continued improvement

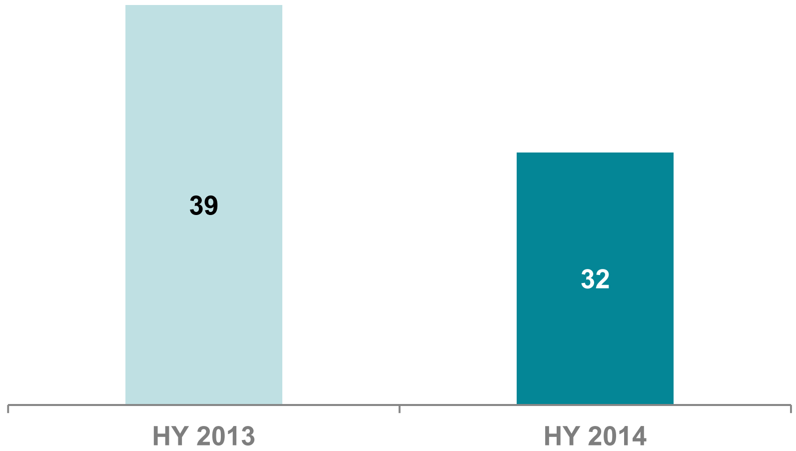


- Sales of CHF 2,191 million (2013: CHF 2,225 million)
- Gross Margin of 46.6%, up from 44.3%, driven by solid sales volumes, lower operational costs in Flavours and supply chain efficiencies
- EBITDA of CHF 562 million, up 10.5%, driven by
  - Improved Gross Profit
  - Operating expenses under control
  - One-off gain of CHF 38 million
- EBITDA margin of 25.6%, up from 22.9% in 2013
- Operating Income of CHF 422 million, up 11.8% from 2013, driven by higher EBITDA

Financing costs and other financial expenses

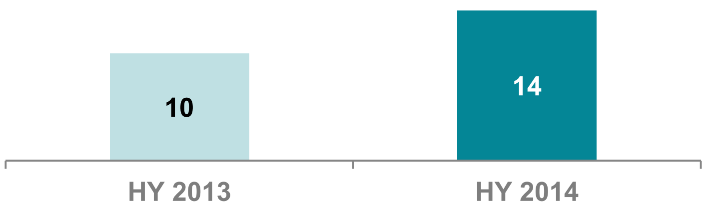
Reduction in financing costs offsetting increased currencies losses

Financing costs
(in Mio CHF)



Financing costs down in 2014, following re-financing over recent years at attractive interest rates and continued deleveraging

Other financial expenses (net)
(in Mio CHF)



Main increase due to continued currency volatility in certain emerging markets where hedging is expensive or not possible

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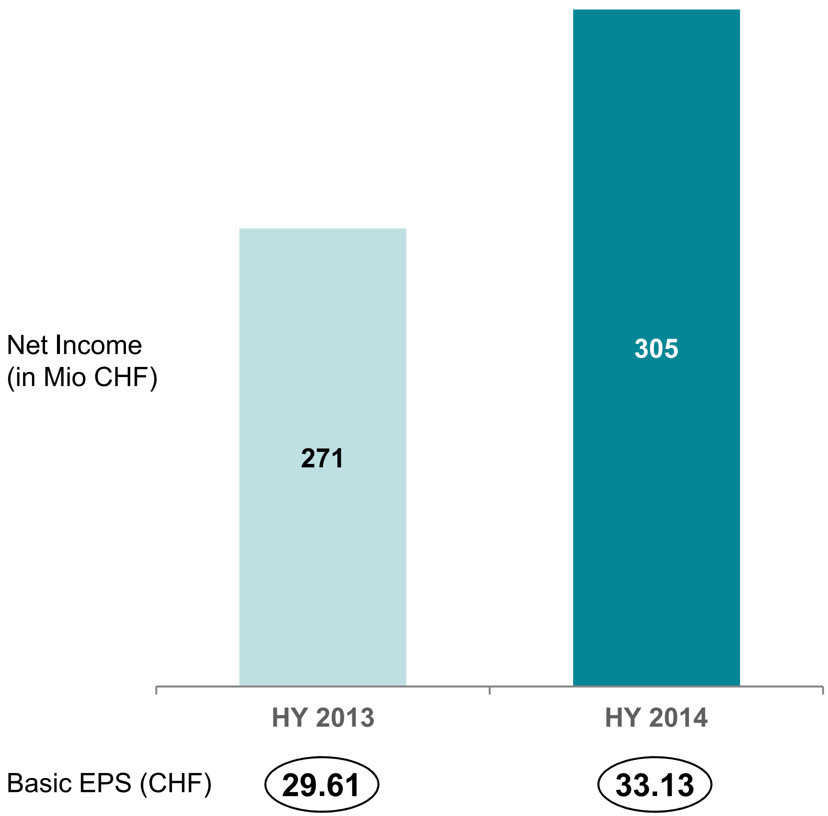
Net Income

Increasing by 12.6% as a result of the continued strong operating performance



- Income before tax of CHF 376 million, up from CHF 328 million in 2013, driven by:
  - Significantly improved EBITDA
  - Lower financial expenses
- Effective tax rate of 19%, versus 18% in 2013
- Net Income of CHF 305 million, or 13.9% of sales, up 12.6% year on year
- Basic EPS of CHF 33.13, versus CHF 29.61 in 2013

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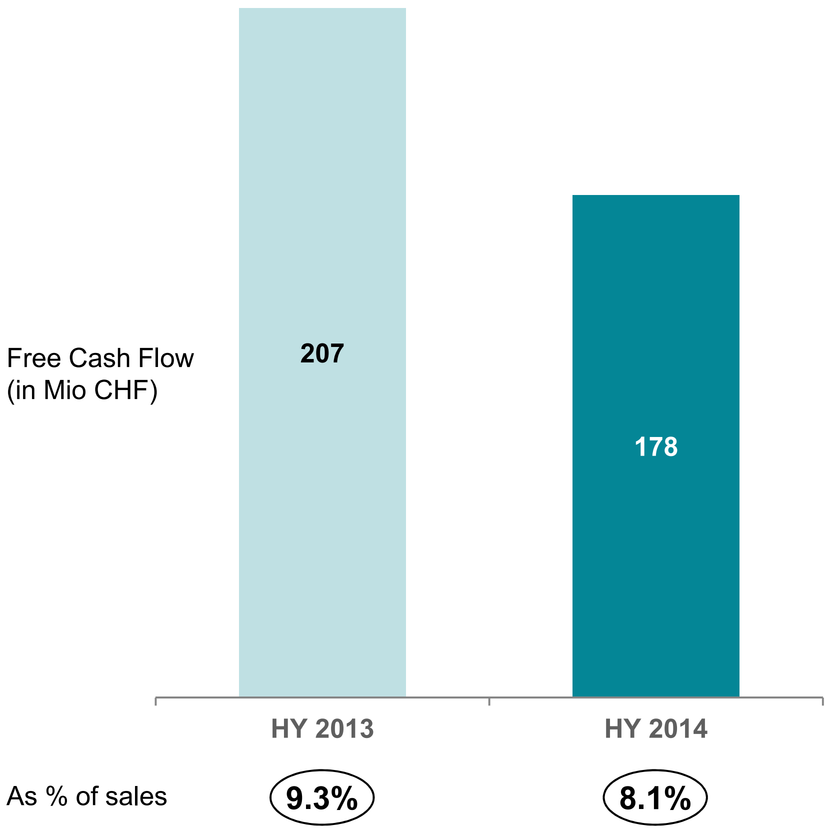
Free Cash Flow

All underlying elements continue to remain strong



- EBITDA increased by 10.5%, strong operational performance
- Working capital as a % of sales down versus to 26.7% of sales, compared to 27.1% of sales at June 2013
- CAPEX and Intangible investments of CHF 67 million (3.1% of sales) compared to CHF 58 million (2.6% of sales) in 2013
- One-off cash inflow of CHF 56 million on sale of land in Switzerland

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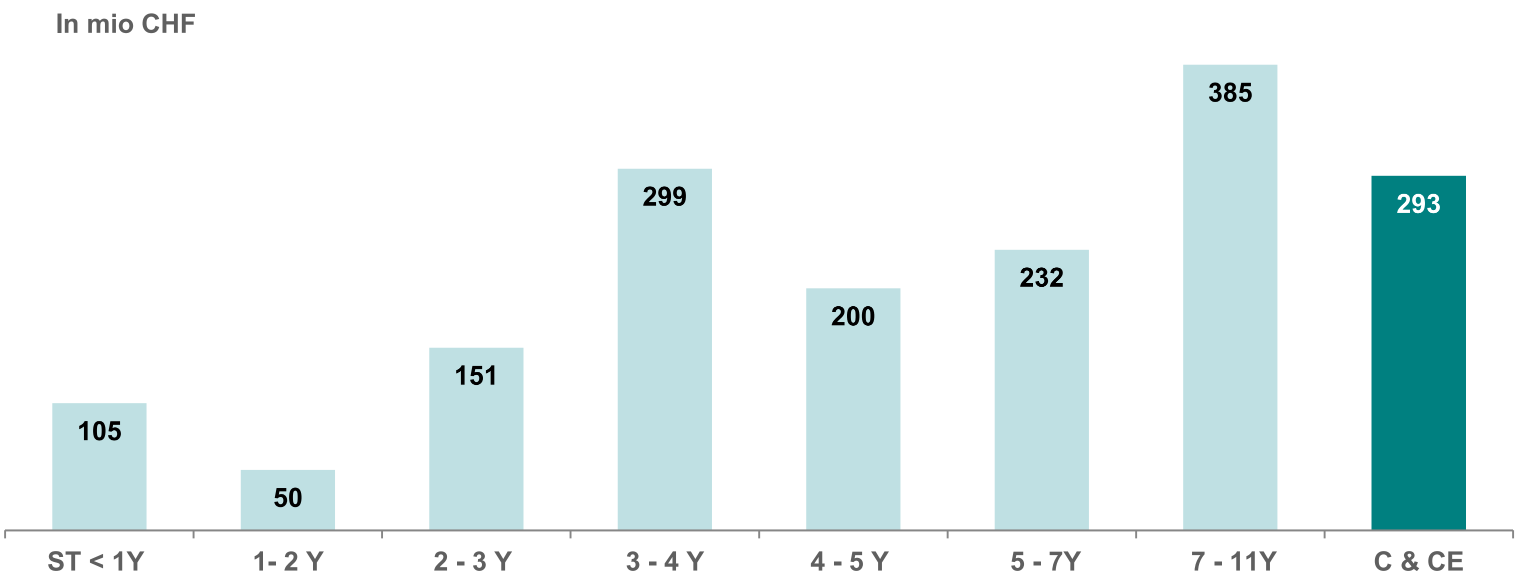
Conservative debt profile

Continuing to re-finance, benefiting from attractive rates

- March 2014: Entered into CHF 100 million 1.00% 6.5 year public bond and a CHF 150 million 1.75% 10 year public bond
- April 2014: Reimbursement of $75 million private placement in the USA
- May 2014: Entered into a CHF 50 million 0.51% short term loan and reimbursed a CHF 50 million private placement



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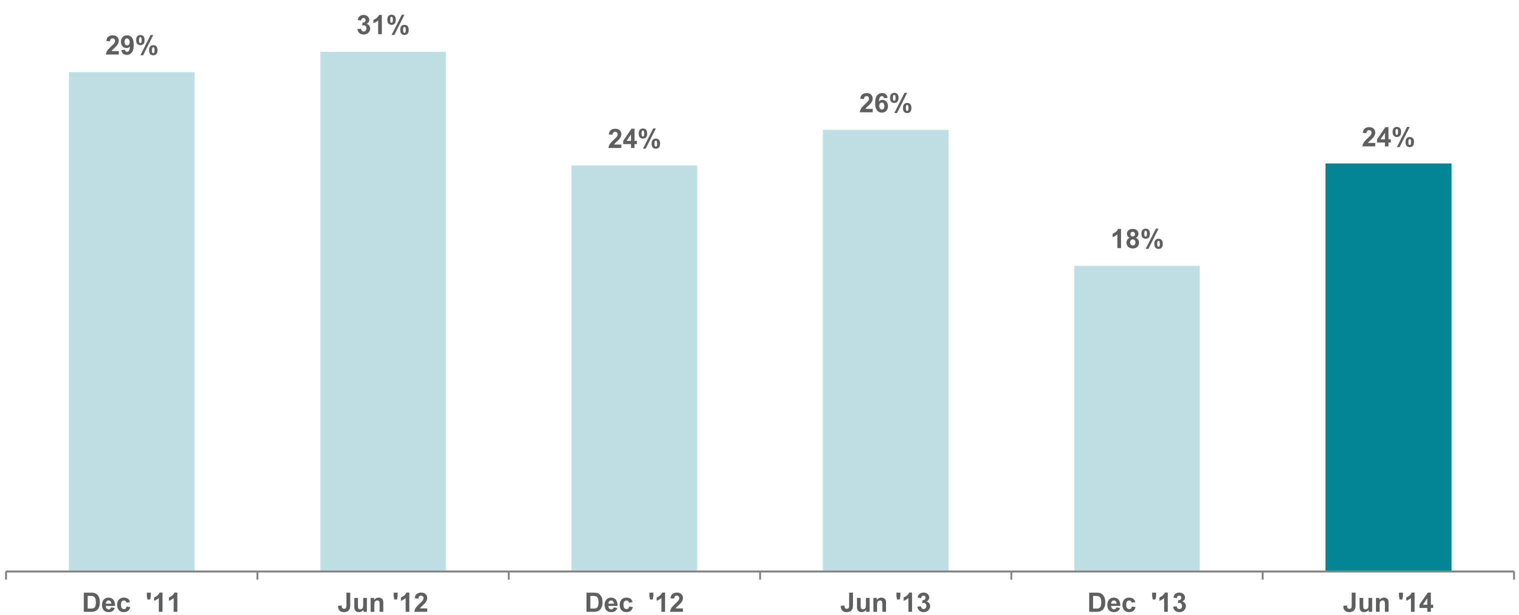
Leverage ratio

Increased over December 2013, driven by 2013 dividend payment

- Leverage ratio of 24% as at June 2014, up from 18% at December 2013, driven by CHF 433 million dividend payment
- Intention to maintain a medium term leverage ratio target below 25%



Financial summary

Strong results, strong financial position and cash flow

- Sales of CHF 2,2 billion, an increase of 4.5% on a like-for-like basis, briefs pipeline and win rate remain strong
- Operating leverage and strong cost focus driving improved EBITDA margin
- Net income of CHF 305 million, up 12.6% versus 2013
- Cash flow continues to be strong, driven by strong EBITDA and lower net investments
- Net debt CHF 1,129 million, leverage ratio 24%

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CEO

Mid term guidance

Driven by five pillar strategy

4.5 – 5.5% organic sales growth p.a.

Best-in-class EBITDA

14 – 16% FCF* as % of sales by 2015

Above 60% FCF* return to shareholders

Driven by five pillar strategy

Developing Markets	Health and Wellness	Targeted customers and segments	Sustainable sourcing of raw materials	R & D

*** FCF (Free Cash Flow)**
Sales growth assumes a market growth of 2-3%
Above 60% return to shareholders whilst maintaining a leverage ratio of no more than 25%

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