Givaudan

HALF YEAR REPORT & FINANCIAL REPORT 2008

GIVAUDAN IN BRIEF

As the leading company in the Flavours and Fragrances industry,

Givaudan creates and manufactures unique and innovative taste and smell solutions.

They are developed for global, regional and local food and beverage manufactures as well as household, personal care and fine fragrance companies. Givaudan's tailor-made flavour and fragrance compounds are a differentiating key element for its customers' successful consumer products.

Givaudan, headquartered in Vernier, Switzerland holds a 25% market share in an industry which is overall valued at around CHF 17 billion. The company has been listed on the SWX Swiss stock exchange since its spin-off in June 2000. It is one of Switzerland's 30 biggest listed companies in terms of market capitalisation.

The company has a leading presence in all major markets and operates through a network of more than 40 subsidiaries in the mature and developing markets of Europe, Africa and the Middle East, North America, Latin America as well as Asia Pacific. This global presence as an industry leader is an important contributor to its success. Givaudan has the critical size and the supply chain to serve its customers seamlessly with innovative products in all regions of the world.

Givaudan attracts some of the best talent in the industry, a key factor for delivering the cutting-edge creative and innovative products which end consumers demand. Givaudan's business strategy has been consistent since its spin-off in 2000. It is focused on delivering long-term sustainable growth through innovation, speed of product development and relentless focus on its customers. Each year, the company re-invests around 10% of its sales into its research and development programme.

The company operates a sustainable business model, considered a key factor to achieve long-term value generation. This enables the company to proactively address possible business opportunities which emerge from different economic, environmental and social developments.

Givaudan has been a consistent first mover and driver of the industry's ongoing consolidation. The company itself is the result of 25 successful mergers and acquisitions over the last 212 years with its first origins dating back to 1796.

What sets Givaudan apart from other companies in the industry is its focus and passion for building successful partnerships with its customers, helped by a deep understanding of their brands and their consumers. Givaudan is known for its ability to consistently deliver new tastes and scents that generate high levels of consumer acceptance and brand loyalty in diverse product categories.

Givaudan's vision is to be the essential source of sensory innovation for our customers, driven by our mutual passion for excellence.

KEY FIGURES

Six months ended 30 June in millions of Swiss francs, except for per share data	Actual 2008	Actual 2007 [c]	Pro forma 2007 [a, c]
Sales	2,095	2,005	2,239
Gross profit	974	952	1,065
as % of sales	*46.5%*	*47.5%*	*47.6%*
EBITDA at comparable basis [d]	472	433	478
as % of sales	*22.5%*	*21.6%*	*21.3%*
EBITDA [b]	444	338	471
as % of sales	*21.2%*	*16.9%*	*21.0%*
Operating profit at comparable basis [d]	273	288	283
as % of sales	*13.0%*	*14.4%*	*12.6%*
Operating profit	238	186	276
as % of sales	*11.4%*	*9.3%*	*12.3%*
Income attributable to equity holders of the parent	94	83	141
as % of sales	*4.5%*	*4.1%*	*6.3%*
Earnings per share – basic (CHF)	13.22	11.72	19.77
Earnings per share – diluted (CHF)	13.11	11.67	19.70
Operating cash flow	93	157	
as % of sales	*4.4%*	*7.8%*	

a) On 2 March 2007 Givaudan acquired 100% control of UK-based Imperial Chemical Industries PLC fragrances and flavours business. The 2007 income statement key figures shown in the table above are pro forma information derived from the Consolidated Income Statement as if the acquisition had occurred on 1 January 2007.

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

c) The final valuation of the Quest related intangible assets occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4 of this interim financial report).

d) Comparable EBITDA and operating profit for 2007 and 2008 exclude acquisition related expenses and non acquisition related expenses (2007 only).

in millions of Swiss francs, except for employee data	30 June 2008	31 December 2007 [a]
Total assets	7,424	7,897
Total liabilities	5,009	5,215
Total equity	2,415	2,682
Number of employees	8,760	8,776

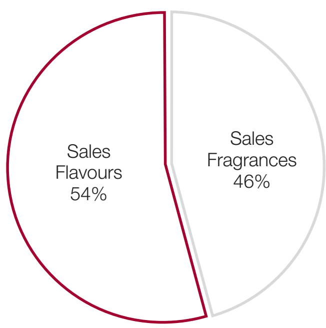
a) The final valuation of the Quest related intangible assets occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 financial results (see Note 4 of this interim financial report).

HIGHLIGHTS

- Sales up 13.5% in local currencies and 4.5% in Swiss francs to CHF 2,095 million
- Sales up 3.0% in local currencies on a comparable pro forma basis
- Comparable pro forma EBITDA margin improved by 1.2 percentage points to 22.5%
- Net profit increased by 13.3% to CHF 94 million
- Integration on track: CHF 50 million of incremental synergies, CHF 35 million cost

INTEGRATION ON TRACK–

SALES BY DIVISION

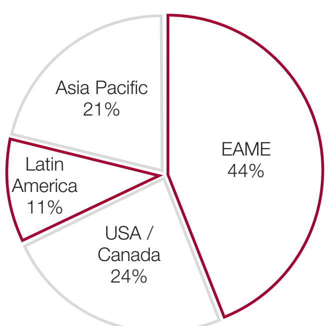


Sales Flavours 54%
CHF 1,133 million

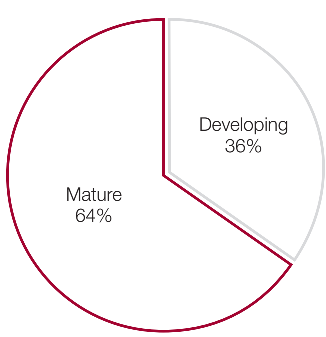
Sales Fragrances 46%
CHF 962 million

Total Sales
CHF 2,095 million

SALES BY REGION



SALES BY MARKET



In the first half year 2008, the business of Givaudan has proven resilient with above market growth in a difficult economic environment.

Sales totalled CHF 2,095 million, representing a growth of 13.5% in local currencies and 4.5% in Swiss francs.

On a pro forma basis – which reflects the combined activity of Givaudan and Quest over the period ending 30 June 2008 and assumes that the acquisition had taken place on 1 January 2007 – sales increased by 3.0% in local currencies and excluding the ongoing portfolio streamlining. Including this effect, sales on a pro forma basis increased 1.7% in local currencies and declined by 6.5% in Swiss francs.

This good performance again reflects the strong complementarities of the combined businesses as well as the effective integration process which created practically no disruption.

The EBITDA and operating profit margins in comparable pro forma terms improved by 1.2 and 0.4 percentage points respectively, despite rising raw material, energy and transportation costs.

Net profit increased by 13.3% to CHF 94 million. Earnings per share were CHF 13.22.

Sales

Fragrance Division sales reached CHF 962 million, growing 14.7% in local currencies and 5.7% in Swiss francs. On a pro forma basis and excluding the impact of discontinued ingredients, sales showed a growth of 1.1% in local currencies and a decrease of 7.0% in Swiss francs. The moderate local currency growth was driven by the solid performance of the Consumer Products business and a double-digit sales growth in specialty ingredients. Sales in Fine Fragrances declined compared to prior year particularly due to heavy de-stocking in the earlier part of the year. Growth in the second quarter, driven by new launches, compensated substantially for this decline.

Flavour Division sales totalled CHF 1,133 million, representing a growth of 12.6% in local currencies and 3.4% in Swiss francs. On a pro forma basis and excluding the discontinuation of commodity ingredients and the St. Louis divestment, sales increased 4.6% in local currencies and declined by 3.9% in Swiss francs.

Asia Pacific reported a single-digit growth rate in the first six months versus good 2007 comparables. Accelerating growth in the second quarter driven by the existing business and new wins in all major segments fuelled sales performance in the European and North American regions. Despite uncertainty about the macro-economic environment in the USA, the region continued to deliver strong incremental revenue from new wins. Latin America delivered strong growth in the second quarter, offsetting a weak performance in the first quarter.

PROFITABILITY FURTHER IMPROVED

Gross Profit

The gross profit margin on a pro forma basis declined from 47.6% to 46.5%. As a result of increasing raw material, energy and transportation costs, Givaudan will continue to pursue price increases, whilst maintaining tight cost control and pursuing further efficiency gains.

Earnings before Interest, Tax, Depreciation and Amortisation

EBITDA increased to CHF 444 million from CHF 338 million, an increase of 31.4%. The EBITDA margin, on a comparable basis, increased to 22.5% from 21.3% in pro forma terms mainly as a result of integration savings. On a comparable basis, the EBITDA was CHF 472 million, slightly below the CHF 478 million in pro forma terms reported last year, mainly as a result of exchange rate developments. When measured in local currency terms, the EBITDA on a comparable pro forma basis increased by 6.3%.

Operating Profit

Operating profit rose to CHF 238 million from CHF 186 million last year, an increase of 28.0%.

The operating margin, on a comparable basis, increased to 13.0% from 12.6% in pro forma terms reported last year, mainly as a result of integration savings. On a comparable basis, the operating profit was CHF 273 million, below the CHF 283 million in pro forma terms reported last year, mainly as a result of exchange rate developments. When measured in local currency terms, the operating profit on a comparable pro forma basis increased by 8.4%.

Cash Flow

Operating cash flow amounted to CHF 93 million compared to CHF 157 million in 2007, including a step change in the working capital requirements to bring the acquired business to the high Givaudan service level standard, as well as a temporary effect caused by the integration and the SAP implementation projects. Capital expenditures increased to CHF 130 million compared to CHF 110 million last year, mainly driven by integration related investments.

Net Profit

Net profit increased by 13.3% to CHF 94 million, resulting in a margin of 4.5%. Basic earnings per share increased to CHF 13.22.

Integration Progress

The first major phase of the integration has been successfully completed after more than a year, with the complete integration of the commercial and administrative areas. Further progress is being made on the initiatives related to purchasing, supply chain and IT systems.

Incremental savings of CHF 50 million were achieved during the first six months of 2008. The company is well on track to achieve the targeted CHF 130 million savings at the end of 2008. Integration related costs amounted to CHF 35 million in the first six months of the year, in line with the overall plan.

The global business transformation project Outlook – to implement a SAP-based system supporting the supply chain, regulatory and finance processes – is on time and on budget. In early May, the system went successfully live in France, giving full confidence for the further roll out phases. In 2008 and 2009, all facilities in Europe will be migrated, followed by North America in 2009, Latin America in 2010 and Asia Pacific in 2011.

Outlook

For the full year 2008, Givaudan is confident to grow its sales in line with the market, excluding the ongoing product streamlining and the divestiture of the St. Louis facility in the USA.

The company applies its successful profitability improvement strategy to the new, combined portfolio by streamlining lower value adding products. In 2008, these streamlining activities and the divestiture of St. Louis are expected to amount to CHF 68 million.

Givaudan is confident to achieve the savings target of CHF 200 million by 2010 with total projected integration costs of CHF 440 million. The integration achievements have reinforced Givaudan's confidence that the combined capabilities and talents offer a unique platform for accelerated growth and performance improvement.

The company is well positioned to grow again above market beginning in 2009 and to reach pre-acquisition margin levels by 2010.

FRAGRANCE DIVISION

Six months ended 30 June in millions of Swiss francs	2008	2007 [a, c]
Sales to third parties	962	1,038
EBITDA at comparable basis [d]	214	208
as % of sales	*22.3%*	*20.0%*
EBITDA [b]	203	206
as % of sales	*21.1%*	*19.8%*
Operating profit at comparable basis [d]	116	116
as % of sales	*12.1%*	*11.2%*
Operating profit	98	114
as % of sales	*10.2%*	*11.0%*

a) On 2 March 2007 Givaudan acquired 100% control of UK-based Imperial Chemical Industries PLC fragrances and flavours business. The 2007 income statement key figures shown in the table above are pro forma information derived from the Consolidated Income Statement as if the acquisition had occurred on 1 January 2007.

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

c) The final valuation of the Quest related intangible assets occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4 of this interim financial report).

d) Comparable EBITDA and operating profit for 2007 and 2008 exclude acquisition related expenses and non acquisition related expenses (2007 only).

Fragrance Division sales reached CHF 962 million, growing 14.7% in local currencies and 5.7% in Swiss francs. On a pro forma basis and excluding the impact of discontinued ingredients, sales showed a growth of 1.1% in local currencies and a decrease of 7.0% in Swiss francs. The moderate local currency growth was driven by the solid performance of the Consumer Products business and a double-digit sales growth in specialty ingredients. Sales in Fine Fragrances declined compared to prior year particularly due to heavy de-stocking in the earlier part of the year. Growth in the second quarter, driven by new launches, compensated substantially for this decline.

EBITDA increased to CHF 203 million from CHF 122 million last year.

The EBITDA margin, on a comparable basis, increased to 22.3% from 20.0% in pro forma terms mainly as a result of integration savings. On a comparable basis, the EBITDA was CHF 214 million, slightly above CHF 208 million in pro forma terms reported last year, hampered by exchange rate developments and an increase in raw material prices. When measured in local currency terms, the EBITDA on a comparable pro forma basis increased by 10.6%.

Operating profit increased to CHF 98 million from CHF 50 million last year.

The operating margin, on a comparable basis, increased by 0.9% to 12.1% this year versus 11.2% in pro forma terms last year. On a comparable basis, the operating profit remained flat at CHF 116 million versus pro forma operating profit last year, mainly as a result of exchange rate developments and raw material price increases. When measured in local currency terms, the operating profit on a comparable pro forma basis increased by 12.4%.

Fine Fragrances

Fine Fragrance sales came in slightly below prior year in a difficult market environment. The good growth in the second quarter in both Europe and North America reflected the significantly improved momentum over the first quarter, thanks to the launch of new perfumes and the continued strength of the classics. Sales in Latin America grew modestly against strong comparables last year and thanks to a strong presence with key local clients.

Fine Fragrances won three honours at the 36th annual Fragrance of the Year FiFi® awards in the USA: Prada “Infusion d’Iris” won the best “Women’s Nouveau Niche” fragrance; Avon’s Derek Jeter fragrance was the best “Men’s Private Label/Direct Sell fragrance”; and “Interior Scent of the Year” went to Gump’s San Francisco Home Collection.

Consumer Products

The Consumer Products business grew against strong prior year comparables, driven by a solid pipeline of wins. The half year sales growth was balanced across international and regional customers.

Sales in Europe delivered good growth thanks to a strong performance in the developing markets of Eastern Europe. Asia Pacific reported good sales growth across all customers groups driven both by new wins and growth of the existing business. Sales growth was especially strong in India and Indonesia. In Latin America, the weakness of sales in Brazil and Argentina was fully offset by a strong development in Mexico. North American sales were maintained against the strong comparables of last year and despite a difficult market environment.

On a worldwide basis, the Fabric Care segment recorded the strongest performance, followed by the Personal Care segment.

Fragrance Ingredients

Sales of Fragrance Ingredients were at the level of last year. Excluding the CHF 6 million impact of discontinued products, sales showed a good growth driven by the strong double-digit sales growth of specialties, with products such as the recently launched Spirogalabanone 10, and other key specialties such as Ambrofix, Lemonile and Nectaryl.

The CHF 6 million streamlining impact was less than the original plan. A change in market conditions allowed Givaudan to increase prices for some of the ingredients which were earmarked for streamlining this year. Givaudan has decided to take full advantage of this situation as long as these products retain a profitable margin and production capacity is available.

The streamlining impact for the full year is now estimated to be at around CHF 14 million compared to the previously announced CHF 42 million.

Fragrance Research

The Global Fragrance Research and Technology team is now fully established around seven core innovation platforms: chemistry, biosciences, delivery systems, malodour management, sensory, perfume performance and analytical excellence.

Fragrance innovation contributed to winning fragrances in the consumer products and fine fragrance businesses. New fragrances, utilising the Neutraq™ and Neutrozone™ ingredients designed to neutralise malodour, were successfully incorporated into air care applications. Unique patented sensory tools and know-how have helped to create fragrances that enhance mood and deliver stronger emotional consumer acceptance.

Givaudan has further developed unique tools to support perfumers in their effort to optimise perfume performance. This will give a strong competitive advantage in creating winning fragrances, for both Consumer Products and Fine Fragrances.

The first half of 2008 saw the successful roll-out of a new encapsulation technology into laundry products. This delivery system protects the fragrance during the washing and drying cycle with the aim to release the fragrance at the key moments for consumers and hence substantially improving the fragrance and product experience.

During this time period, a number of new molecules and natural products were added to our perfumery palette. These included Calypsone™, a molecule with a linear watery melon note with citrus, marine and floral muguet nuances and Cristalon™, a floral fruity note with rosy, plum and apple nuances. Our Innovative Naturals™ programme delivered new starting materials that will enable the exploitation of our biochemistry capability in enriching the ingredients palette for our perfumers.

The TecnoScent joint venture between Givaudan and ChemCom has delivered first promising results in receptor research.

External collaborations are a core part of our programme such as the student fellowship fund which was established with the Swiss Federal Institute of Technology (ETH) based in Zurich in May.

Innovation developments resulted in nine new patent filings in the first half of the year.

FLAVOUR DIVISION

Six months ended 30 June in millions of Swiss francs	2008	2007[a, c]
Sales to third parties	1,133	1,201
EBITDA at comparable basis[d]	258	270
as % of sales	*22.8%*	*22.5%*
EBITDA[b]	241	265
as % of sales	*21.3%*	*22.1%*
Operating profit at comparable basis[d]	157	167
as % of sales	*13.9%*	*13.9%*
Operating profit	140	162
as % of sales	*12.4%*	*13.5%*

a) On 2 March 2007 Givaudan acquired 100% control of UK-based Imperial Chemical Industries PLC fragrances and flavours business. The 2007 income statement key figures shown in the table above are pro forma information derived from the Consolidated Income Statement as if the acquisition had occurred on 1 January 2007.

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

c) The final valuation of the Quest related intangible assets occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4 of this interim financial report).

d) Comparable EBITDA and operating profit for 2007 and 2008 exclude acquisition related expenses and non acquisition related expenses (2007 only).

Flavour Division sales totalled CHF 1,133 million, representing a growth of 12.6% in local currencies and 3.4% in Swiss francs. On a pro forma basis and excluding the discontinuation of commodity ingredients and the St. Louis divestment, sales increased 4.6% in local currencies and showed a decline of 3.9% in Swiss francs.

Asia Pacific reported a single-digit growth rate in the first six months versus good 2007 comparables. Accelerating growth in the second quarter driven by growth of the existing business and new wins in all major segments fuelled sales performance in the European and North American regions. Despite uncertainty about the macro-economic environment in the USA, the region continued to deliver strong incremental revenue from new wins. Latin America delivered strong growth in the second quarter, offsetting a weak performance in the first quarter.

EBITDA increased to CHF 241 million from CHF 216 million last year, an increase of 11.6%.

The EBITDA margin, on a comparable basis, increased to 22.8% from last year 22.5% in pro forma terms mainly as a result of integration savings. On a comparable basis, the EBITDA was CHF 258 million, slightly below CHF 270 million in pro forma terms reported last year, mainly as a result of exchange rate developments and an increase in raw material prices. When measured in local currency terms, the EBITDA on a comparable pro forma basis increased by 3.0%.

Operating profit rose to CHF 140 million from CHF 136 million last year.

The operating margin, on a comparable basis, was flat versus last year in pro forma terms at 13.9%. On a comparable basis, the operating profit was CHF 157 million, below the CHF 167 million in pro forma terms reported last year, mainly as a result of exchange rate developments. When measured in local currency terms, the operating profit on a comparable pro forma basis increased by 5.4%.

The CHF 24 million streamlining impact was lower than the original plan due to changing market conditions. The streamlining impact for the full year is now estimated to be around CHF 54 million compared to the previously announced CHF 73 million.

Asia Pacific

Sales in Asia Pacific grew during the first six months against a good prior year comparable. All key countries in the region reported a good performance with the exception of Japan, which was impacted by weak beverage consumption. Recent new wins in Japan should have a favourable impact during the second half of this year. Developing markets continued to be positive and posted strong double-digit growth rates in India and Indonesia. From a business segment perspective, new wins in Savoury drove double-digit gains while both Sweet Goods and Snacks achieved mid single-digit growth.

Europe, Africa, Middle East (EAME)

European sales continued to build on the strong momentum from the first quarter, resulting in a strong mid single-digit growth rate for the first six months. Business in the developing markets of Eastern Europe, Africa and Middle East delivered strong double-digit growth, particularly in the segments of Savoury and Snacks. Western European markets continued their solid performance from the first quarter. All segments reported positive growth with Snacks, Savoury and Beverage leading the way as a result of new wins and good growth of the existing business.

North America

First half sales in North America posted a mid single-digit growth rate as a result of solid Snack, Savoury and Dairy growth coupled with significant wins in the Foodservice segment. Despite the economic slow down in the USA, the North American business continued to build momentum and delivered strong incremental revenue from new wins, especially in the Snack and Dairy segments.

Latin America

Latin American sales grew slightly in the first half of 2008. The strong second quarter sales growth across all markets in the region could offset a negative first quarter performance. Strong gains in the main markets of Argentina, Brazil and Mexico were realised due to new wins, especially with key regional accounts.

Flavour Research

The Global Flavour Science and Technology organisation has completed the harmonisation of the research platforms and projects. The team is focused on leveraging the combined strengths of the new organisation in five key areas: ingredients, analytical, delivery, and flavour science and process research.

Health- and Wellness-related flavouring programmes continued to be the major focus for the Research and Development organisation. Biogenerated building blocks which capitalise on Givaudan's expertise in fermentation, together with a number of unique, proprietary molecules have been developed to amplify saltiness. Those new ingredients enable the creative teams to deliver taste solutions to our customers which allow them to remove almost half of sodium chloride in their products. More importantly, these sodium-reduced products perform well in consumer preference tests.

The knowledge gained has enabled Givaudan to make systematic improvements in product quality with natural ingredients that meet or exceed customer expectations. Sales of Givaudan taste solutions increased by 30% in the first half of the year as compared to the same period last year.

A Natural Products programme has led to several interesting discoveries which will influence the creation of authentic vanilla flavouring compositions. A series of newly identified volatile molecules and two taste components provide an expanded vanilla palette for the flavourists. These materials have received regulatory approval and will facilitate the creation of superior signature vanilla flavours.

This year, the Natural Products team visited several remote areas in southern China to collect botanical samples, focusing the analysis on the discovery of natural sweetness enhancers. These efforts have led to some interesting lead compounds. In addition, investigation of high quality green tea, undertaken in conjunction with the Tea Institute of China, resulted in unique building blocks for flavour creation.

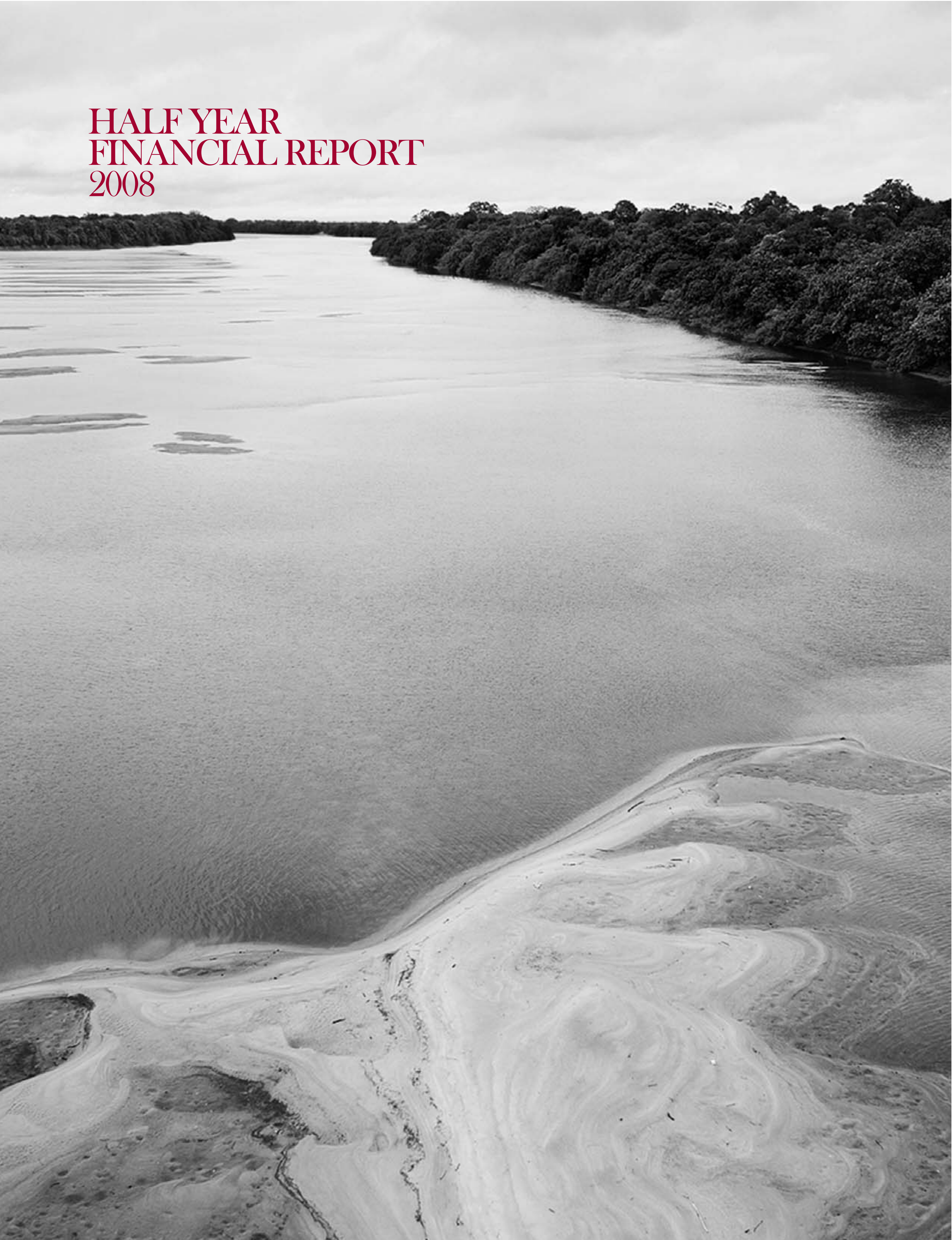
Givaudan is currently engaged in over 25 active collaborations with academic and industrial partners. These span a broad spectrum of investigative arenas including food chemistry, taste transduction and genetics, ingredient development and instrumental analysis.

Givaudan continues to expand its network of external partners dedicated to the discovery of molecules and basic knowledge which can influence control of taste perception. Development of a number of patented receptor probes has given Givaudan a leading edge to understand which structural elements are necessary to trigger the receptor responses desired.

A joint collaboration with the US National Institutes of Health has been established to investigate the correlation between sweet taste sensitivity and genetic differences found in the taste receptors within different human populations. This could have a profound effect on human dietary preferences and associated health consequences.

The Redpoint Bio collaboration has generated considerable knowledge on modulation of sweet and bitter taste perception through the TRPM5 channel. Early results indicate that this will be a useful approach for discovery of molecules which influence taste perception.

HALF YEAR FINANCIAL REPORT 2008



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Consolidated Income Statement for the Six Months Ended 30 June

in millions of Swiss francs, except for per share data	Note	2008	2007 [a]
Sales	5	2,095	2,005
Cost of sales		(1,121)	(1,053)
▶ Gross profit		974	952
as % of sales		*46.5%*	*47.5%*
Marketing, development and distribution expenses	6	(488)	(492)
Administration expenses		(66)	(69)
Amortisation of intangible assets		(132)	(92)
Share of loss of jointly controlled entity		-	
Other operating income (expenses), net	7	(50)	(113)
▶ Operating profit	5	238	186
as % of sales		*11.4%*	*9.3%*
Financing costs	3, 8	(67)	(66)
Other finance income (expenses), net		(41)	18
▶ Income before taxes		130	138
Income taxes		(35)	(54)
▶ Income for the period		95	84
▶ Attribution:			
Income attributable to minority interest		1	1
Income attributable to equity holders of the parent		94	83
as % of sales		*4.5%*	*4.1%*
▶ Earnings per share – basic (CHF)		13.22	11.72
▶ Earnings per share – diluted (CHF)		13.11	11.67

The notes on pages 16 to 19 form an integral part of this condensed interim financial information.

a) *The final valuation of the Quest International purchase price allocation occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4).*

Consolidated Balance Sheet

in millions of Swiss francs	Note	30 June 2008	31 December 2007[a]
Cash and cash equivalents		266	359
Available-for-sale financial assets		166	159
Accounts receivable – trade		783	748
Inventories		792	780
Current income tax assets		14	19
Derivative financial instruments		40	25
Derivatives on own equity instruments		25	39
Other current assets		121	113
▶ Current assets		2,207	2,242
Property, plant and equipment		1,521	1,588
Intangible assets		3,315	3,675
Deferred income tax assets		146	157
Assets for post-employment benefits		25	21
Jointly controlled entity		9	9
Other long-term assets		201	205
▶ Non-current assets		5,217	5,655
▶ Total assets		7,424	7,897
Short-term debt	9	407	228
Provisions		33	41
Accounts payable – trade and others		303	381
Current income tax liabilities		37	57
Derivative financial instruments		34	4
Financial liability: own equity instruments		34	15
Accrued payroll & payroll taxes		104	135
Accrued and other current liabilities		158	152
▶ Current liabilities		1,110	1,013
Long-term debt	3	3,301	3,491
Provisions		76	91
Liabilities for post-employment benefits		159	227
Deferred income tax liabilities		294	316
Other non-current liabilities		69	77
▶ Non-current liabilities		3,899	4,202
▶ Total liabilities		5,009	5,215
Share capital		73	73
Retained earnings and reserves	10	3,136	3,181
Hedging reserve		28	9
Own equity instruments	3, 11	(168)	(178)
Fair value reserve for available-for-sale financial assets		8	18
Cumulative translation differences		(668)	(428)
Total equity attributable to equity holders of the parent		2,409	2,675
Minority interest		6	7
▶ Equity		2,415	2,682
▶ Total liabilities and equity		7,424	7,897

The notes on pages 16 to 19 form an integral part of this condensed interim financial information.

a) The final valuation of the Quest International purchase price allocation occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 financial results (see Note 4).

Consolidated Statement of Changes in Equity for the Six Months Ended 30 June

in millions of Swiss francs – 2008	Note	Share Capital	Restricted retained earnings and reserves	Unrestricted retained earnings and reserves	Own equity instruments	Hedging reserve	Fair value reserve for available-for-sale financial assets	Currency translation differences	Equity attributable to equity holders of the parent	Minority interest	Total
▶ Balance at 1 January 2008		73	325	2,856	(178)	9	18	(428)	2,675	7	2,682
Available-for-sale financial assets											
- Movement on fair value, net							(11)		(11)		(11)
- Movement on deferred taxes on fair value adjustments							1		1		1
- Removed from equity and recognised in the income statement							-		-		-
Cash flow hedges											
- Fair value adjustments in year						21			21		21
- Removed from equity to the income statement (financing costs)						(2)			(2)		(2)
Change in currency translation								(240)	(240)	(2)	(242)
▶ Net gains (losses) not recognised in the income statement						19	(10)	(240)	(231)	(2)	(233)
Net income				94					94	1	95
▶ Total recognised income and expenses for the year				94		19	(10)	(240)	(137)	(1)	(138)
Capital increase from conditional capital											
Dividends paid	10			(139)					(139)		(139)
Transfer from restricted reserve			(14)	14							
Movement on own equity instruments, net	11				10				10		10
▶ Net changes in other equity items			(14)	(125)	10				(129)		(129)
▶ Balance at 30 June 2008		73	311	2,825	(168)	28	8	(668)	2,409	6	2,415

The notes on pages 16 to 19 form an integral part of this condensed interim financial information.

a) The final valuation of the Quest International purchase price allocation occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4).

in millions of Swiss francs – 2007	Note	Share Capital	Restricted retained earnings and reserves	Unrestricted retained earnings and reserves	Own equity instruments	Hedging reserve	Fair value reserve for available-for-sale financial assets	Currency translation differences	Equity attributable to equity holders of the parent	Minority interest	Total
▶ **Balance at 1 January 2007**		72	280	2,900	(136)	52	19	(394)	2,793	3	2,796
Available-for-sale financial assets											
- Movement on fair value, net							9		9		9
- Movement on deferred taxes on fair value adjustments							2		2		2
- Removed from equity and recognised in the income statement							(2)		(2)		(2)
Cash flow hedges											
- Fair value adjustments in year						(25)			(25)		(25)
- Removed from equity to the income statement (financing costs)											
Change in currency translation								67	67		67
▶ **Net gains (losses) not recognised in the income statement**						(25)	9	67	51		51
Net income				83					83	1	84
▶ **Total recognised income and expenses for the year**				83		(25)	9	67	134	1	135
Capital increase from conditional capital		1	42		(43)						
Dividends paid	10			(134)					(134)		(134)
Transfer from restricted reserve			2		(2)						
Minority arising from Business Combination										3	3
Movement on own equity instruments, net	11				6				6		6
▶ **Net changes in other equity items**		1	44	(134)	(39)				(128)	3	(125)
▶ **Balance at 30 June 2007**		73	324	2,849	(175)	27	28	(327)	2,799	7	2,806

The notes on pages 16 to 19 form an integral part of this condensed interim financial information.

a) The final valuation of the Quest International purchase price allocation occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4).

Consolidated Cash Flow Statement for the Six Months Ended 30 June

in millions of Swiss francs	Note	2008	2007
Result attributable to equity holder of the parent		94	83
Non-operating income and expenses		144	103
▶ Operating profit		238	186
Depreciation of property, plant and equipment		67	55
Amortisation of intangible assets		132	92
Impairment of long lived assets		7	5
Other non-cash income and expenses		(3)	64
▶ Adjustments for non-cash items		203	216
(Increase) decrease in inventories		(85)	(37)
(Increase) decrease in accounts receivable		(94)	(94)
(Increase) decrease in other current assets		(12)	(17)
Increase (decrease) in accounts payable		(46)	173
Increase (decrease) in other current liabilities		(7)	(189)
▶ (Increase) decrease in working capital		(244)	(164)
Income taxes paid		(60)	(65)
Other operating cash flows, net		(44)	(16)
▶ Cash flows from (for) operating activities		93	157
Increase (decrease) in long-term debt, net		(143)	2,343
Increase (decrease) in short-term debt, net		194	366
Interest paid		(67)	(49)
Dividends paid	10	(139)	(134)
Purchase and sale of own equity instruments, net	11	23	4
Others, net		(12)	(6)
▶ Cash flows from (for) financing activities		(144)	2,524
Purchase of property, plant and equipment and intangible assets		(130)	(110)
Acquisition of subsidiary, net of cash acquired	4	53	(2,754)
Disposal of subsidiary, net of cash disposed	7	16	
Proceeds from the disposal of property, plant and equipment and intangible assets		2	(1)
Interest received		5	5
Dividends received		-	1
Purchase and sale of available-for-sale financial assets, net		(27)	105
Purchase and sale of derivative financial instruments, net		86	(47)
Others, net		(35)	(33)
▶ Cash flows from (for) investing activities		(30)	(2,834)
▶ Net increase (decrease) in cash and cash equivalents		(81)	(153)
Net effect of currency translation on cash and cash equivalents		(12)	5
▶ Increase (decrease) in cash and cash equivalents		(93)	(148)
Cash and cash equivalents at the beginning of the period		359	424
▶ Cash and cash equivalents at the end of the period		266	276

The notes on pages 16 to 19 form an integral part of this condensed interim financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Group organisation

Givaudan SA and its subsidiaries (hereafter 'the Group'), operate under the name Givaudan. Givaudan SA is a limited liability company incorporated and domiciled in Switzerland. The Group is headquartered in Vernier, near Geneva, Switzerland.

Givaudan is a leading supplier of creative fragrance and flavour products to consumer goods industries. It operates in over 100 countries and has subsidiaries and branches in more than 40 countries. World-wide, it employs over 8,700 people.

On 2 March 2007 Givaudan acquired 100% control of the UK-based Imperial Chemical Industries PLC fragrance and flavour business, Quest International, for CHF 2.8 billion. The Group is listed on the SWX Swiss Exchange [GIVN].

2. Basis of preparation of financial statements

These financial statements are the interim condensed consolidated financial statements (hereafter 'the interim financial statements') of the Group for the six month period ended 30 June 2008 (hereafter 'the interim period'). They are prepared in accordance with, and comply with, the International Accounting Standard 34 "Interim Financial Reporting".

The interim financial statements include the operations of Givaudan SA and its controlled subsidiaries where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. These interim financial statements should be read in conjunction with the 2007 consolidated financial statements as they provide an update of the most recent financial information available.

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

The Group operates in markets where no significant seasonal or cyclical variations in sales are experienced during the financial year.

These interim financial statements are not audited. Givaudan SA's Board of Directors approved these interim financial statements on 31 July 2008.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in the annual financial statements for the year ended 31 December 2007, with the exception of IFRIC 11 "IFRS 2 Group and Treasury Share Transaction", IFRIC 12 "Service Concession arrangements" and IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". These interpretations have been adopted by the Group and have no effect on the interim financial statements.

As a result of a change in the underlying transactions of a foreign subsidiary, the Group has changed the functional currency designation of this subsidiary from Euro to Swiss francs.

At 1 January 2008, this subsidiary held in total CHF 849 million of goodwill and process-oriented technology intangible assets from the Quest acquisition. The change is effective prospectively as from 1 January 2008.

For the year ended 2007, the Group voluntarily reviewed the accounting policy regarding the Mandatory Convertible Securities (hereafter MCS) and has adjusted accordingly the comparative information of the interim financial statements to more precisely represent the substance of the transaction (to consider a component of the MCS as a liability instead of as equity).

This change in accounting policy resulted in the following changes to the 2007 interim financial statements:

Increase in equity	CHF 55 million
Decrease in long term debt	CHF 49 million
Increase in financing costs	CHF 6 million
Decrease in deferred income tax liability	CHF 2 million
Decrease in income tax	CHF 2 million
Decrease in earnings per share – basic	CHF 0.57
Decrease in earnings per share – diluted	CHF 0.57

4. Quest acquisition

Information on Quest and Givaudan profit or loss, after 2 March 2007, taken separately, cannot be provided due to the rapid integration of both organisations. The integration of Givaudan and Quest involved all aspects of the business activities such as commercial development, manufacturing, commercial, finance and IT; which rendered the separate disclosure of the activities impracticable.

Details of net assets acquired and goodwill are as follows:

in millions of Swiss francs	2007	2008 adjustments	Total
Cash paid	2,801		2,801
Acquisition related direct costs	20		20
▶ Total cash paid	2,821		2,821
Purchase price adjustment	58	(53)	5
▶ Total cash consideration	2,879	(53)	2,826
Assumed debt	(255)		(255)
▶ Total purchase cost	2,624	(53)	2,571
Cash in subsidiaries acquired	64		64
Fair value of net identifiable assets acquired	1,209	-	1,209
▶ Net assets acquired	1,273	-	1,273
▶ Goodwill	1,351	(53)	1,298

Adjustments to the 2007 published half year figures:

Fair value of net identifiable assets acquired

The finalisation of the fair value of the intangible assets resulted in a decrease of CHF 43 million in the total intangible assets and a decrease in the amortisation of CHF 1 million in the income statement as of 30 June 2007. These changes resulted in an increase of the basic earnings per share of CHF 0.14 and an increase of the diluted earnings per share of CHF 0.14.

2008 adjustments:

Purchase price adjustment

ICI PLC contributes to pension adjustments as per the agreement between Givaudan and ICI PLC to acquire Quest International and these adjustments change the total cash consideration. Such adjustments were not incorporated in the initial purchase price allocation as they could not be measured reliably. The total adjustment to the cost of combination amounted to CHF 53 million as of 30 June 2008.

Fair value of net identifiable assets acquired

The final allocation of the Quest related intangible assets amongst subsidiaries with different fiscal jurisdictions occurred after the year end 2007 and within the 12 months of the date of acquisition. This resulted in a decrease of CHF 28 million in deferred taxes liability.

The finalisation of the fair value of certain pension plans resulted in an increase of CHF 40 million of the pension liability and a decrease of CHF 12 million in the deferred tax liability.

Goodwill

in millions of Swiss francs	Preliminary value	Purchase price adjustments	Intangible assets adjustments	Pension adjustments	Final
Total purchase cost	2,624	(53)			2,571
Fair value of net identifiable assets acquired	1,273		(28)	28	1,273
Goodwill	1,351	(53)	28	(28)	1,298

5. Segment information

Six months ended 30 June 2008, in millions of Swiss francs	Fragrances	Flavours	Group
Sales to third parties	962	1,133	2,095
EBITDA [a]	203	241	444
as % of sales	*21.1%*	*21.3%*	*21.2%*
Operating profit	98	140	238
as % of sales	*10.2%*	*12.4%*	*11.4%*

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

Six months ended 30 June 2007, in millions of Swiss francs	Fragrances [b]	Flavours [b]	Group [b]
Sales to third parties	909	1,096	2,005
EBITDA [a]	122	216	338
as % of sales	*13.4%*	*19.7%*	*16.9%*
Operating profit	50	136	186
as % of sales	*5.5%*	*12.4%*	*9.3%*

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

b) The final valuation of the Quest related intangible assets occurred within the 12 months of the date of acquisition resulting in adjustments to the 2007 interim financial results (see Note 4).

6. Marketing, development and distribution expenses

In the six months ended 30 June 2008, the expenses for product development and research activities amounted to CHF 169 million (2007: CHF 180 million) and are included in the income statement under marketing, development and distribution expenses.

7. Other operating income (expenses), net

On 14 February 2008, Givaudan announced that it has sold its St. Louis (USA) based food ingredient business and manufacturing facility to Performance Chemicals & Ingredients Company (PCI). The facility produces flavour bases and fruit preparations used by dairy companies in the production of ice cream. The divestiture does not include the vanilla extract and flavour business which will continue to be a part of the Givaudan product portfolio.

In the six months ended 30 June 2008, the Group incurred significant expenses in connection with the combination with Quest International. Integration related charges of CHF 28 million (2007: CHF 95 million) and asset impairments of CHF 7 million (2007: CHF 5 million) have been recognised in the line other operating income (expenses), net.

8. Financial income and financing costs

In the six months ended 30 June 2008, the Group incurred interest expenses of CHF 64 million (2007: CHF 55 million) mainly as a result of increased debt following the acquisition of Quest International.

9. Debt

A USD 30 million instalment of the private placement made by Givaudan United States was redeemed in May 2008.

10. Dividend distribution

At the Annual General Meeting held on 26 March 2008, the distribution of an ordinary dividend of CHF 19.50 gross per share (2007: ordinary dividend of CHF 18.80 gross per share) was approved. The ordinary dividend was paid on 31 March 2008.

11. Own equity instruments

The Group holds own equity instruments and derivatives on own shares mainly to cover the anticipated obligations related to the executive share option plans. On 30 June 2008, the Group held 158,196 (2007: 171,031) own shares, as well as derivatives on own shares equating to a net short position of 272,492 shares (2007: net short position of 151,260 shares).

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