Givaudan
ENGAGING THE SENSES

HALF YEAR RESULTS 2011
Good business momentum – currency and raw material headwinds

- Sales CHF 2 billion, up 4.3% in local currencies
- Comparable EBITDA decreased to CHF 382 million, due to raw material cost increases and 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%

Geneva, 4 August 2011 – "In the first half year 2011, we achieved a local currency growth of 4.3%, in line with our mid-term guidance. Raw material cost increases have affected our profitability. Givaudan has successfully implemented price increases in collaboration with its customers. These price increases started to become effective in the course of the second quarter. Givaudan's business momentum continues to be strong with a full project pipeline and a further increased win rate. We therefore are confident to achieve our ambitious mid-term targets," said Gilles Andrier, Chief Executive Officer.

Group sales for the first six months of the year totalled CHF 2,005 million, an increase of 4.3% in local currencies[3] and a decline of 8.8% in Swiss francs compared to the previous year.

Fragrance Division sales were CHF 927 million, an increase of 3.9% in local currencies and a decline of 8.8% in Swiss francs versus the same period in 2010.

Flavour Division sales were CHF 1,078 million, an increase of 4.7% in local currencies and a decline of 8.8% in Swiss francs compared to the previous year.

Gross Margin
The gross margin decreased to 43.0% from 46.8% as a result of the sharp and broad based increase in raw material costs. Givaudan has successfully implemented price increases in collaboration with its customers. These price increases started to become effective in the course of the second quarter.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)
EBITDA declined to CHF 368 million in 2011 from CHF 490 million in 2010. On a comparable basis the EBITDA declined to CHF 382 million from the CHF 529 million reported last year. The continued strengthening of the Swiss franc against all currencies, and in particular the USD, as well as the increase in raw material costs, significantly impacted absolute levels of EBITDA. When measured in local currency terms, the EBITDA on a comparable basis declined by 19.6%. The comparable EBITDA margin was 19.1% in 2011, significantly lower than the 24.1% reported in 2010, driven by a decline in the gross margin. The strengthening of the Swiss franc against all major currencies did not have any significant impact on the EBITDA margins.

Operating Income
The operating income declined to CHF 215 million from CHF 330 million last year. On a comparable

basis, excluding CHF 16 million of restructuring costs, the operating income declined to CHF 231 million in 2011 from CHF 377 million for the same period in 2010. When measured in local currency terms, the operating income on a comparable basis declined by 28.9%. The operating margin on a comparable basis declined to 11.5% in 2011 from 17.1% reported for the same period in 2010. The decline in operating income was greater than the decline in EBITDA as the amortisation of intangible assets was not impacted by currency movements.

Financial Performance

Financing costs were CHF 39 million in the first half of 2011, down from CHF 54 million for the same period in 2010. Other financial expense, net of income was CHF 22 million in 2011, versus CHF 13 million in 2010, mainly driven by continued currency volatility. The Group's income taxes as a percentage of income before taxes were 22% in 2011, versus 24% in 2010.

Net Income

The net income for the first six months of 2011 was CHF 120 million, versus CHF 200 million in 2010. This results in a net profit margin of 6.0%, versus 9.1% in 2010. Basic earnings per share were CHF 13.19 versus CHF 22.58 for the same period in 2010.

Cash Flow

Givaudan delivered an operating cash flow of CHF 50 million for the first six months of 2011, down from the CHF 229 million generated for the comparable period in 2010, driven by a lower EBITDA and an increase in inventories. As a percentage of sales, working capital increased slightly, mainly as a result of higher inventory levels.

Total investments in property, plant and equipment were CHF 68 million, up from CHF 33 million incurred in 2010, mainly driven by the investment in the centralised flavours facility in Hungary. Intangible asset additions were CHF 40 million in 2011, a significant portion of this investment being in the company's ERP project, based on SAP. The last region, Asia, is on track to be completed by June 2012.

Operating cash flow after investments was CHF (51) million, versus the CHF 163 million recorded in 2010. Free cash flow, defined as operating cash flow after investments and interest paid, was CHF (95) million in the first half of 2011, versus CHF 82 million for the comparable period in 2010.

Financial Position

Givaudan's financial position remained solid at the end of June 2011. Net debt at June 2011 was CHF 1,577 million, up from CHF 1,353 million at December 2010. The main increase in the net debt was due to the CHF 196 million payment of the dividend in the second quarter. The leverage ratio was 33%, compared to 28% at the end of 2010.

Short-term Outlook

Givaudan expects that input costs will increase by an average of 15% in 2011 compared to 2010. The company continues to pass prices through to customers, and forecasts that half of the impact will be mitigated in 2011.

Mid-term Guidance

Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum, a market growth of 2-3%, and to continue on the path of market share gains over the next five years. By delivering on the company's five-pillar growth strategy – emerging markets, Health and Wellness as well as market share gains with targeted customers and segments - Givaudan expects to outgrow the underlying market and to continue to achieve its industry-leading EBITDA margin while improving its annual free cash flow to between 14% and 16% of sales by 2015. Givaudan confirms its intention to return above 60% of the company's free cash flow to shareholders once the targeted leverage ratio, defined as net debt, divided by net debt plus equity, of 25% has been reached.

Key Figures

in million CHF except per share data	HY 2011	HY 2010
Group sales	2,005	2,199
Fragrance sales	927	1,017
Flavour sales	1,078	1,182
Gross profit	862	1,029
as % of sales	*43.0%*	*46.8%*
EBITDA at comparable basis [1, 2]	382	529
as % of sales	*19.1%*	*24.1%*
EBITDA [1]	368	490
as % of sales	*18.4%*	*22.3%*
Operating income at comparable basis [2]	231	377
as % of sales	*11.5%*	*17.1%*
Operating income	215	330
as % of sales	*10.7%*	*15.0%*
Net income	120	200
as % of sales	*6.0%*	*9.1%*
Basic Earnings per share	13.19	22.58

in million CHF	30 June 2011	31 December 2010
Current assets	*2,712*	*2,609*
Non-current assets	*4,086*	*4,314*
Total Assets	**6,798**	**6,923**
Current liabilities	*2,150*	*1,107*
Non-current liabilities	*1,444*	*2,370*
Equity	*3,204*	*3,446*
Total liabilities and equity	**6,798**	**6,923**

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

[2] *EBITDA at comparable basis excludes acquisition related restructuring expenses. Operating income at comparable basis excludes acquisition related restructuring expenses and impairment of long-lived assets.*

[3] *The Group invoices to customers in currencies which may be different from the reporting currency of the legal entity recording these sales. In the past, and in an environment of relatively stable currencies, this practice did not have a significant impact on the Group's sales movements in local currencies. However, the significant strengthening of the Swiss franc against all major currencies*

has a significant impact on the Group's prior definition of "local currency". With the implementation of SAP, the Group is able to provide greater transparency on the underlying transactions which reflect the true performance of the business, and as such, now defines "local currency" to be based on the currency of the individual transactions. If the Group had used this definition for Q1 2011, the sales growth in local currency would have been 5.1% versus Q1 2010 (Fragrances: 4.1% and Flavours: 6.0%). Under the revised definition, discrete Q2 sales growth in local currency was 3.6% (Fragrances: 3.7% and Flavours: 3.4%). The above change has no impact on the consolidated financial statements of the Group.

Fragrance Division

Fragrance Division sales were CHF 927 million during the first six months of 2011, an increase of 3.9% in local currencies but a decline of 8.8% in Swiss francs over the same period in 2010. The growth was driven by a strong performance in the Consumer Products business unit, particularly in the developing markets of Latin America and Asia Pacific, as well as in Fragrance Ingredients. The continued rise in raw material prices had a significant impact on profitability but the division is working together with its customers to compensate this effect through higher prices.

Total sales for Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 3.5% in local currencies but declined in Swiss francs to CHF 799 million from CHF 884 million.

Fine Fragrance sales decreased 0.4% in local currencies. The slight fall in revenue is to be compared to the strong comparables of last year as the strong performance in Latin America could not offset the decrease in sales in North America. Consumer Product sales increased by 4.7% in local currencies, driven by a strong performance in Asia Pacific and Latin America, particularly with the large international customers.

The EBITDA decreased by 18.9% to CHF 159 million from CHF 196 million. The EBITDA on a comparable basis was CHF 166 million, below the CHF 226 million reported last year. When measured in local currency terms, the EBITDA on a comparable basis decreased by 19.9%.The EBITDA margin on a comparable basis decreased to 17.9% from 22.2% versus last year.

The operating income decreased by 25% to CHF 87 million from CHF 116 million last year. The operating margin on a comparable basis reduced from 15.0% to 10.1%, as higher raw material prices made their impact felt. The operating income on a comparable basis was CHF 94 million, compared to the CHF 153 million reported last year.

Fine Fragrances
Fine Fragrances sales decreased by 0.4% in local currencies The slight fall in revenue was due to strong comparables in the first half of the previous year, when sales rose double-digit.

Driven by new wins and growth of the established business, the strong performance in Latin America could not offset the decrease in sales in North America. Overall, sales in mature markets, finished below last year as new wins failed to completely offset the erosion of the existing business.

The industry awards ceremonies, both in Europe and the US, were exceptionally successful for Givaudan which received more awards than ever before. This recognition for achievements by the industry at large has been particularly gratifying.

At the FiFi Awards in the UK, Gucci Guilty by Gucci won the Best New Prestige Fragrance as well as the Perfume Shop People's Choice Award, whilst Tom Ford's Private Blend Azure Lime won the Best New Fragrance in Limited Distribution. The accolades for Gucci Guilty continued in the US where it captured the Best Women's Scent Prestige at the CEW Beauty Awards and the Luxe Women's award at the FiFis in New York and concluded at the German FiFi's, the DUFTSTAR awards where it was named Best New Women's Prestige Fragrance. Further honours at the US FiFis included capturing seven of the remaining 12 fragrance awards including the Consumer's Choice Award with Victoria's Secrets Bombshell, and The Perfume Extraordinaire of the Year for Untitled: Maison Martin Margiela. The awards season came to a close at the DUFTSTAR ceremony in Germany, with Givaudan winning the majority of the fragrance awards including the People's Choice Award for Men with Boss Bottled Night.

Consumer Products
Sales for the Consumer Products business increased by 4.7% in local currencies against strong comparables for the same period last year, driven by a strong performance in Asia Pacific and Latin America, particularly among our large international customers.

This performance was also supported by greater sales in the fabric care segment, led by fabric conditioning products where new encapsulation systems developed by the Research and Technology team generated a range of valuable wins. The deodorant segment also posted a strong performance.

The Asia Pacific region showed the strongest growth, buoyed by a sales increase across all customer segments, from international customers to regional and local customers. In Latin America, sales advanced despite the strong comparables, especially driven by growth in Mexico.

In Europe, Africa and the Middle East, sales increased based on very solid growth in Central Africa and the Middle East as well as good growth in the mature European markets.

Sales in North America increased on top of last year's strong comparables, primarily due to continued new business wins with all customer groups in this region. Globally, the fabric care segment accounted for the greatest growth.

Fragrance Ingredients
Sales of Fragrance Ingredients grew by 6.8% in local currencies, as both the specialty and commodity ingredients sectors showed a good performance.
A key highlight for the business in the last six months was the launch of another novel ingredient, Paradisamide™. It will be promoted throughout the year and the scent of this long-lasting, fresh tropical fruit note, has already been well-received by customers.

Flavour Division

Sales for the Flavour Division were CHF 1,078 million, representing a 4.7% growth in local currencies and an 8.8% decline when measured in Swiss francs. Continued cost increases for key natural ingredients, such as citrus and oil derivatives, impacted the profitability of the flavour business during the first six months of 2011. The division continues to work with customers to compensate this negative impact through price increases and productivity gains. The positive effect of the price increases is expected to materialise in the second half of this year.

Sales growth in the first half was driven both by growth of the existing business and new business in Asia Pacific combined with good growth in North America and the developing markets in Europe, Africa, and the Middle East thanks to additional wins. All segments expanded globally led by the strong performance in Beverages and Snacks.

The operational highlights for the period included an expansion of the TasteSolutions™ Health and Wellness programme which has seen an increase in investment and resources to address market opportunities for sweetness enhancement, salt replacement, and bitter masking. Consumers across both mature and developing markets are demanding products which are healthier but do not compromise on taste. The division's research teams are helping customers meet these consumer expectations.

Construction of the CHF 170 million plant at Makó in Hungary is on target for completion by December 2011, with testing and trials beginning in Q1 2012. This will be a best-in-class savoury manufacturing facility and an integral part of the improved supply chain to support our growth strategy in the developing markets of Eastern Europe and Russia.

The EBITDA decreased by 28.9% to CHF 209 million from CHF 294 million. The EBITDA on a comparable basis decreased by 28.7% to CHF 216 million from CHF 303 million. In local currency terms, EBITDA decreased by 19.4%. The EBITDA margin reduced during the first half, from 25.6% in the corresponding period last year to 20.0%.

Operating income was CHF 137 million on a comparable basis, against the CHF 224 million reported last year, which represents a decline of 38.8%. In local currencies, operating income declined by 28.1%. The operating margin on a comparable basis fell from 19.0% to 12.7%.

Asia Pacific
Sales in Asia Pacific rose 9.6% in local currencies. Growth in the developing and mature markets contributed to this good result with an increased sales volume of existing products and new wins. The key markets of China, India, and Indonesia achieved the strongest sales performance in the

developing markets, whilst Australia and Japan delivered solid growth in the mature markets despite the challenges of natural disasters.
All segments had a positive performance, especially Beverages, Dairy and Snacks, which showed double digit increases due to significant new wins.

Europe, Africa and Middle East
Sales grew by 4.2% in local currencies across the region despite the economic and political challenges in Northern Africa, the Middle East, and the slow economy in Western Europe. Sales performance was driven by new business wins and volume gains in the developing markets of the Middle East and Eastern Europe, with Russia and Turkey delivering the strongest growth in Eastern Europe. The division continued the expansion of the flavour business into central Asia.
During the first half of 2011, Europe, Africa, and Middle East delivered continued good performance in the Savoury, Dairy and Snacks segments.

North America
Sales increased by 3.1% in local currencies, buoyed by good growth in the Savoury, Snacks and Beverages segments. The strategic food service pillar contributed strongly to the regional growth with new business wins in the beverage category.

Latin America
Sales in Latin America were flat in local currencies against very high comparables in the first half of 2010. Argentina continued to deliver strong results as new wins and volume gains helping to offset weaker market performances in Mexico and Colombia. New wins and growth in existing products generated a particularly good performance in the Snacks, Dairy, and Sweet Goods segments in the region.

On 4 August 2011 at 15.00 CET a conference call between the company and analysts and investors will be broadcasted on Givaudan's web site http://www.givaudan.com.

Available documents as downloadable files:

Half Year Report 2011
Half Year Results 2011 presentation

For further information please contact:

Peter Wullschleger, Givaudan Media and Investor Relations
Chemin de la Parfumerie 5
1214 Vernier
Switzerland
T +41 22 780 90 93
F +41 22 780 90 90
E peter_b.wullschleger@givaudan.com