Givaudan

Givaudan SA

Vernier, Switzerland

0.625% Bonds 2016–2031 of CHF 200,000,000

(with reopening clause)

Issuer:	Givaudan SA, 5, chemin de la parfumerie, 1214 Vernier
Issue Price:	The Joint Lead Managers have purchased the Bonds at the price of 100.146% (before commissions)
Price for Placement:	According to demand
Interest Rate:	0.625%, payable annually in arrear on 5 December; the first interest payment will be on 5 December 2017
Payment Date:	7 December 2016
Redemption Date:	5 December 2031, at par
Duration:	14 years and 358 days
Reopening:	The Issuer reserves the right to reopen this issue at any time before maturity of the Bonds
Assurances:	Pari-Passu Clause, Negative-Pledge Clause (with exceptions), Cross-Default Clause (with threshold amount), Change of Control Clause
Form of Bonds:	The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations; investors do not have the right to request the delivery of individually certificated Bonds
Status:	The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer
Denominations:	CHF 5,000 and multiples thereof
Law and Jurisdiction:	Swiss law, exclusive place of jurisdiction is Zurich
Sales Restrictions:	U.S.A. and U.S. Persons, United Kingdom, European Economic Area
Trading:	First Trading Day at the SIX Swiss Exchange Ltd (**SIX Swiss Exchange**) on 5 December 2016, expected last trading day at the SIX Swiss Exchange on 3 December 2031
Listing:	Will be applied for at the SIX Swiss Exchange

Credit Suisse **UBS Investment Bank**

Zürcher Kantonalbank

Swiss Security Number: 34 336 678 ISIN: CH0343366784 Common Code: 151375685

Prospectus dated 5 December 2016

Selling Restrictions

United States of America and United States Persons

A) The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to or for the account or benefit of United States persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States or to or for the account or benefit of United States persons except in accordance with Rule 903 of Regulation S under the Securities Act.

Each Joint Lead Manager has represented and agreed that neither it, its affiliates or any persons acting on its or their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

B) Each Joint Lead Manager has represented, warranted and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

United Kingdom

Each Joint Lead Manager has represented and agreed that: (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and (ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area, which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the other Joint Lead Managers; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Bonds referred to in (i) to (iii) above shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **"offer of Bonds to the public"** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **"Prospectus Directive"** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

General

Neither the Issuer nor any of the Joint Lead Managers has represented that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

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General Information

In the following, **"Issuer"** and **"Givaudan"** means Givaudan SA and **"Group"** means hereinafter the Issuer, its direct and indirect subsidiaries, and entities under its significant influence. Other words and expressions used herein shall have the same meaning as given to them in the Section "Terms of the Bonds", except when defined otherwise herein.

No person is authorized to give any information or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

This Prospectus does not constitute an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to subscribe for or to purchase any of the Bonds.

Authorization

In accordance with internal authorizations of the Issuer and a Bond Purchase & Paying Agency Agreement dated 5 December 2016, among the Issuer and Credit Suisse AG together with UBS AG and Zürcher Kantonalbank (the **Joint Lead Managers**) the Joint Lead Managers have severally but not jointly agreed to purchase the Bonds at an issue price of 100.146% (minus commissions).

Net Proceeds

The net proceeds from the issue of the Bonds, amounting to CHF 199,547,000.00, will be applied by the Issuer for general corporate purposes.

SIX Swiss Exchange Fee, Swiss Federal Withholding Tax

The Issuer will bear the SIX Swiss Exchange Fee. The Issuer will deduct Swiss Federal Withholding Tax of currently 35% on interest payments and remit the tax to the Swiss Federal Tax Administration.

Representation

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange Credit Suisse AG has been appointed by the Issuer to lodge the listing application with SIX Exchange Regulation.

Reference to the Annexes

This Prospectus contains certain annexes, including certain excerpts from the Annual & Financial Report 2015 attached as Annexes A and B to this Prospectus and from the Half Year Report 2016 as Annex C to this Prospectus. Any references in Annexes A, B and C to other pages is a reference to pages included in the Issuer's Annual & Financial Report 2015 and the Half Year Report 2016, respectively.

Notice

The financial institutions involved in the issuance and offering of these Bonds are banks, which directly or indirectly have participated, or will participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Forward-Looking Statements

This Prospectus may contain forward looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore, actual results may differ significantly from those presented. Investors must not rely on this information for business decisions.

Court, arbitral and administrative proceedings

Givaudan Group companies are involved in various legal and regulatory proceedings of a nature considered typical of its business, including contractual disputes and employment litigation, which are not material in the context of the issue of the Bonds.

Recent Developments

Please refer to the Nine Month Sales 2016 media release dated 10 October 2016 enclosed herein as Annex D.

No material changes since the most recent annual financial statements

Save as disclosed herein, there has been no material adverse change, nor any event involving a prospective material adverse change, in the assets and liabilities, financial position and profits and losses of the Issuer since 31 December 2015.

Responsibility Statement

The Issuer confirms that this Prospectus contains all information regarding the Issuer and the Bonds which is (in the context of the issue of the Bonds) material; such information is true and accurate in all material respects and is not misleading; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and reasonable enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility accordingly.

Vernier, 5 December 2016

Givaudan SA

By: ________________________ By: ________________________

Terms of the Bonds

The following is the text of the terms and conditions of the Bonds (each a ***Condition****, and together the* ***Terms of the Bonds****) which will govern the rights and obligations of the Issuer and of each Holder. Capitalised terms not otherwise defined in the Terms of the Bonds shall have the meanings ascribed to them in the Definitions section below.*

The Terms of the Bonds issued by Givaudan SA (the **Issuer**) according to the Bond Purchase & Paying Agency Agreement dated 5 December 2016 (the **Agreement**) between the Issuer on the one hand and Credit Suisse AG (**Credit Suisse**) and USB AG and Zürcher Kantonalbank, acting together with Credit Suisse as joint lead managers, on the other hand are as follows:

1. Amount and Reopening, Form of the Bonds, Denomination, Custodianship and Transfer of the Bonds

(a) The initial aggregate nominal amount of the Bonds of Swiss francs (**CHF**) 200,000,000 (in words: two hundred million Swiss francs) (the **Aggregate Nominal Amount**) is divided into bonds (each a **Bond** and collectively the **Bonds**) with denominations of CHF 5,000 (five thousand Swiss francs) per Bond.

The Issuer reserves the right to reopen (the **Reopening**) and increase the Aggregate Nominal Amount at any time and without prior consultation of or permission of the Holders (as defined below) through the issuance of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

(b) The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations. Such uncertificated securities will be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS as recognized intermediary for such purposes by the SIX Swiss Exchange. The Bonds will remain in the book-entry system of the SIX SIS until their final redemption. So long as the Bonds are Intermediated Securities (*Bucheffekten*), the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

(c) The records of SIX SIS will determine the number of Bonds held through each participant in SIX SIS. In respect of Bonds held in the form of Intermediated Securities (*Bucheffekten*), the holders of such Bonds (the **Holders** and, individually, a **Holder**) will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.

(d) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global note (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global note (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

(e) Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of SIX SIS, the Bonds will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

2. Interest

The Bonds bear interest from (but excluding) 7 December 2016 (the **Payment Date**) to (and including) the Maturity Date (as defined below) at the rate of 0.625% of their Aggregate Nominal Amount per annum, payable annually in arrear on 5 December of each year (the **Interest Payment Date**), for the first time on 5 December 2017.

When interest is required to be calculated for a period of less than one year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each.

3. Redemption

(a) Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay all outstanding Bonds at par, without further notice on 5 December 2031 (the **Maturity Date**).

(b) Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Payment Date and prior to the Maturity Date, in whole, but not in part only, at par of their Aggregate Nominal Amount plus accrued interest, if any, on the date determined by the Issuer for early redemption, if eighty-five (85) percent or more of the Aggregate Nominal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) Purchases

The Issuer may, either directly or indirectly, at any time purchase Bonds at any price, for any purpose, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

If purchases are made by public tender, such tender must be available to all Holders alike.

(d) Cancellation

All Bonds which are redeemed or surrendered shall forthwith be cancelled. All Bonds so cancelled shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(e) Notice

Where the provisions of this Section 3. provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Section 12. Such notices shall be irrevocable.

4. Payments

The amounts required for payments with respect to the Bonds (amounts of interest payments after deduction of the Swiss Withholding Tax of currently 35%) will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders in CHF without collection costs. No payments with respect to the Bonds shall be made at any office of the Issuer.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as above provided shall release the Issuer of its payment obligations under the Bonds to the extent of such payments.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent or as Holders' Representative (as defined in Section 5. (b)) as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank chosen by the Issuer. In the event of such a replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement.

Notice of such a replacement shall be published in accordance with Section 12.

5. Status of the Bonds and Negative Pledge

(a) Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and, subject to Section 5. (b), unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and, subject as aforesaid, at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by statute, all limited by provisions of law that are both mandatory and of general application.

(b) Negative Pledge

So long as any of the Bonds remain outstanding the Issuer will not hereafter secure, by any mortgage, charge, pledge, lien or other encumbrance, on any of its present or future undertaking or assets (i) any Obligation of the Issuer or any other person or (ii) any guarantee or indemnity in respect of any Obligation of the Issuer or any other person without at the choice of the Issuer either at the same time securing the Bonds equally and rateably therewith to the satisfaction of Credit Suisse in its role as Holders' representative (the **Holders' Representative**) or providing other security therefor which the Holders' Representative in its absolute discretion shall deem satisfactory or as shall be approved by an extraordinary resolution of the Holders.

For the purpose of this Section 5., **Obligation** means any present or future indebtedness evidenced by bonds, debentures or other securities which are quoted or traded for the time being on any stock exchange or other organised market for securities which is denominated or contains a right or requirement for any payment in respect thereof to be made in any currency.

6. Sale, Dissolution, Merger and Reorganisation

In the event of

(a) a sale or assignment of all or substantially all of the assets of the Issuer; or

(b) a dissolution or merger involving the Issuer and as a result of which the Issuer is not the subsisting company, unless the successor company takes on all the Issuer's liabilities in respect of the Bonds; or

(c) a reorganisation of the Issuer which gives rise to a reduction of all or substantially all assets or in all or substantially all commercial activities of the Issuer,

and in so far as the relevant action has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, the Holders' Representative shall be entitled, but not obliged, to declare on behalf of the Holders that all outstanding Bonds, including accrued interest thereon, if any, shall reach maturity forthwith and shall be redeemable and payable at their par value, unless the Holders' Representative considers the situation of the Holders as being adequately protected based on securities created or other steps taken by the Issuer.

The Issuer shall inform the Holders' Representative in good time and in full of any proceedings which could bring about the events under (a) to (c), so that the Holders' Representative may thereupon make an assessment according to (i) and (ii) above.

Principal and interest accrued shall become due on receipt of a notice in writing sent by the Holders' Representative to the Issuer, unless the reason for giving such notice has previously ceased to exist.

7. Events of Default

The Holders' Representative may on behalf of the Holders give notice to the Issuer that the Bonds are, and they shall accordingly immediately become, due and repayable at their principal amount, including accrued interest thereon, if any of the following events (each event an **Event of Default**) occurs and is continuing:

(a) if default is made for a period of 14 days or more in the payment of any principal or interest on the Bonds or any of them; or

(b) if:

(i) an order is made for winding-up of the Issuer and is not set aside within 90 days of the date of such order or pursuant to an appeal lodged within 14 days of the date of such order; or

(ii) an effective resolution is passed for the winding-up of the Issuer, except a winding-up of the Issuer the substantive terms of which have previously been approved in writing by the Holders' Representative; or

(c) if the Issuer stops payment of its debts or ceases to carry on its business or a major part thereof unless the cessation is for the purpose of a reconstruction or amalgamation the substantive terms of which have previously been approved in writing by the Holders' Representative; or

(d) if:

(i) an encumbrancer takes possession of, or any administrative or other receiver or any manager is appointed for, the whole or substantially all of the undertaking or assets of the Issuer; or

(ii) a distress or execution is levied or enforced upon or sued out against all or substantially all of the chattels or property of the Issuer, which is not discharged within 90 days; or

(e) if the Issuer is declared in suspension of payments; or

(f) if:

(i) any indebtedness for Moneys Borrowed (as defined below) of the Issuer shall be or be declared due and payable prior to the date on which the same would otherwise become due and payable by reason of the occurrence of a default on the part of the Issuer in relation thereto; or

(ii) the Issuer defaults in the repayment of any indebtedness for Moneys Borrowed at the maturity thereof or at the expiration of any applicable grace period; or

(iii) any guarantee or any indebtedness for Moneys Borrowed given by the Issuer shall not be paid when due and called upon or at the expiry of any applicable grace period,

save (x) in any such case where there is a *bona fide* dispute as to whether payment or repayment is due or (y) where the amount of the indebtedness for Moneys Borrowed in respect of which default is made does not exceed CHF 40,000,000 or its then equivalent in other currencies; or

(g) if default is made by the Issuer in the performance or observance of any material obligation, condition or provision binding on it under the Bonds (other than any obligation for the payment of principal or interest) and, except where such default is not capable of remedy (in which case the Bonds will, if the

Holders' Representative has so certified as aforesaid, immediately become due and repayable), such default continues for 60 days after notice thereof by the Holders' Representative to the Issuer requiring the same to be remedied.

The Issuer undertakes to inform the Holders' Representative without delay if any event mentioned under para. (b) through (g) has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith.

Moneys Borrowed means (a) borrowed moneys and (b) liabilities under any bond, note, bill, debenture, loan stock or other security issued in respect of acceptance credit facilities or as consideration for assets or services but excluding such liabilities incurred in relation to the acquisition of goods or services in the ordinary course of trading.

8. Redemption at the option of Holders (Change of Control)

The Holders shall be entitled during the period beginning on 7 December 2016 and ending on the 180th day (including) prior to 5 December 2031 to require the redemption of the Bonds upon occurrence of a Change of Control Event (as defined below); whereas the Issuer undertakes to duly inquire the occurrence of a Change of Control Event.

If a Change of Control Event is deemed to have occurred, then each Holder is entitled to require the Issuer to redeem the Bonds at the Put Amount (as defined below) on the Put Date (as defined below); the Issuer may instead of redeeming the Bonds choose to purchase (or procure the purchase of) that Bond on the Put Date at the Put Amount.

Promptly upon the occurrence of a Change of Control Event, the Issuer shall give notice (a **Change of Control Notice**) to the Holders in accordance with Section 12. specifying the nature of the Change of Control Event and the procedure for exercising the option pursuant to this Section 8.

In this Section 8. the terms below shall have the following meaning:

A **Change of Control Event** shall be deemed to have occurred if according to publications based on stock exchange or similar requirements any person or any persons acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Person**) at any time directly or indirectly own(s) or acquire(s) more than 50% of the voting rights of the Issuer whether exercisable or not (thereafter the **Change of Control**) and if the Issuer, within the Change of Control Period (as defined below), either (i) obtains a debt rating which is below an Investment Grade Rating (as defined below) or (ii) does not obtain an Investment Grade Rating for the Bonds. A Change of Control Event shall be deemed to have occurred as soon as one of the rating actions mentioned under (i) or (ii) above has taken place.

Investment Grade Rating means a credit rating of at least Baa3 by Moody's Investors Services, a division of Moody's Corporation (or any successor entity) or of at least BBB– by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. (or any successor entity).

Change of Control Period means the period ending 90 days after the occurrence of a Change of Control Event;

Put Date means the 30th day after the end of the Put Exercise Period (as defined below).

Put Amount means the nominal amount of the Bonds registered for redemption with the Principal Paying Agent by or on behalf of the Holders multiplied by the Relevant Value (as defined below) of the Bonds, plus any interest (or, where purchased, an amount equal to such interest) accrued up to the Determination Date (as defined below).

Determination Date means 11:00 a.m. (CET) at the 5th Business Day prior to the Put Date.

Mid-Market Price means the arithmetic middle of the bid and offer price of the Reference Bond at the SIX Swiss Exchange on the Determination Date. If a Mid-Market Price is not available the Holders' Representative will determine the Mid-Market Price taking into consideration the last paid price of the Reference Bond at the SIX Swiss Exchange.

Reference Bond means the 3.50% Swiss Government Bond due 8 April 2033 (ISIN: CH0015803239), or if such Reference Bond is no longer in issue such other Swiss Government bond with a maturity date closest to the Maturity Date of the Bonds the Holders' Representative or, after prior consultation and with the consent of the Holders' Representative, a leading investment bank of international standing selected by the Issuer may reasonably determine to be appropriate as a substitute for the Reference Bond.

Relevant Yield means the yield of the Reference Bond based on the Mid-Market Price plus a spread of 0.25% on the Determination Date.

Relevant Value means the value of the Bonds calculated by the Holders' Representative on the Determination Date expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards) and based on (i) the Relevant Yield, (ii) the remaining life of the Bonds until the Maturity Date and (iii) the interest rate of the Bonds.

To exercise the option to require redemption of a Bond under this Section 8 the Principal Paying Agent must receive at its Specified Office a duly completed notice of exercise in a form and with a contents acceptable to it (**Put Notice**) by or on behalf of the Holder on any Business Day falling within the period starting at the Change of Control Event and ending on the 30th Day after the Change of Control Event (the **Put Exercise Period**). Any amounts shall be payable against presentation of a Put Notice and surrender of the relevant Bond by book entry in accordance with applicable law and applicable rule of the Clearing System and relevant instructions of the Principal Paying Agent. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Bond on the 30th day after the end of the Put Exercise Period.

A Put Notice, once given, shall be irrevocable.

If, at the end of the Put Exercise Period, Holders representing more than two thirds of the nominal amount of the Bonds have exercised their option under this Section 8 the Issuer has the right to redeem the remaining Bonds at the Put Amount within 30 days after the end of the Put Exercise Period provided that the applicable legal requirements are met.

9. Substitution

The Issuer may without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the **New Issuer**), provided that the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content reasonably satisfactory to the Holders' Representative.

Any substitution shall be published in accordance with Section 12.

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer.

10. Prescription

In accordance with Swiss law, claims for interest payments shall become timebarred after a period of five (5) years and claims for the repayment or redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

11. Listing

Application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange.

The Issuer will use reasonable endeavors to have the Bonds listed on the SIX Swiss Exchange and to maintain such listing during the whole duration of the Bonds.

12. Notices

All notices regarding the Bonds shall be published by Credit Suisse on behalf and at the expense of the Issuer (i) on the internet site of the SIX Swiss Exchange (where notices are currently published under the address http://www.six-swiss-exchange.com/news/official_notices/search_en.html) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange.

13. Governing Law and Jurisdiction

The Terms of the Bonds and the Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

Any dispute which might arise based on the Terms of the Bonds and the Bonds shall be settled in accordance with Swiss law and shall fall within the jurisdiction of the Ordinary Courts of the Canton of Zurich, Switzerland, venue being Zurich.

The above-mentioned jurisdiction is also exclusively competent for the declaration of cancellation of Bonds.

The Issuer shall be discharged by and to the extent of any payment made to a Holder recognised as creditor by an enforceable judgement of a Swiss court.

14. Role of Credit Suisse

Credit Suisse has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

The Holders' Representative may consult with the Holders by way of calling a Holders' meeting pursuant to the Swiss Code of Obligations prior to taking a decision pursuant to Section 6., Section 7. and Section 8.

It is expressly agreed that all actions taken and any agreements or waivers or authorisations made by Credit Suisse in any of its roles under this Section 14. shall be, subject to the Terms of Bonds, be definitive and irrevocable and bind all parties without any necessity to obtain any confirmation or registration whatsoever.

15. Amendment to the Terms of the Bonds

The Terms of the Bonds may be amended by agreement between the Issuer and the Holders' Representative on behalf of the Holders provided that such amendment is of a formal, minor or technical nature, is made to correct a manifest error and is not prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Section 12.

16. Severability

If at any time one or more of the provisions of the Terms of the Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

17. Definitions

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks are open the whole day for business in Zurich.

Listing Agent means Credit Suisse, appointed as recognized representative pursuant to art. 43 of the listing rules of the SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with the SIX Swiss Exchange.

Principal Paying Agent means Credit Suisse in its function as principal paying agent.

SIX SIS means SIX SIS Ltd, the Swiss clearing and settlement organisation, Baslerstrasse 100, 4600 Olten, or any successor organisation accepted by the SIX Swiss Exchange.

SIX Swiss Exchange means SIX Swiss Exchange Ltd, Selnaustrasse 30, 8001 Zurich (P.O. Box 1758, 8021 Zurich) or any successor regulatory body.

Specified Office means Credit Suisse AG, Dept. MOAA 66, Paradeplatz 8, 8001 Zurich (P.O. Box, 8070 Zurich).

Information on the Issuer

Name, registered office, head office

Givaudan SA (Givaudan AG, Givaudan Ltd) is a stock corporation with limited liability (*Aktiengesellschaft*), in accordance with art. 620 et seq. of the Swiss Code of Obligations. The Issuer is registered with the commercial register of the Canton of Geneva, Switzerland, under the number CH-660-0028929-4, its registered head office and administrative headquarters being at 5, chemin de la parfumerie, 1214 Vernier, Switzerland.

Legislation, Legal form

Stock corporation with limited liability (*Aktiengesellschaft*), in accordance with art. 620 et seq. CO. Swiss law.

Articles of Association

The articles of association of Givaudan SA. are dated March 2015. According to article 2 the object is as follows:

1. The purpose of the corporation is to hold interests in enterprises which:

   a. manufacture and trade in fragance and flavour natural and synthetic raw materials or mixtures thereof as well as any other related products;

   b. provide services in connection with the use of such products;

   c. conduct technical and scientific research and development in connection with such products, the manufacture and use thereof and to acquire or file applications for and to exploit any trademarks, patents, licences, manufacturing processes and formulae.

2. The corporation may on incidental basis also conduct such activities itself.

3. The corporation may open branches and subsidiaries in Switzerland and abroad, and may acquire participations in other companies, either in Switzerland or abroad.

4. The corporation may acquire, hold, exploit and sell real estate and intellectual property rights.

5. The corporation may also engage in and carry out any commercial, financial or other activities which are related to the purpose of the corporation.

Group Structure and Principal Activities

Givaudan SA is the parent company of the Givaudan Group.

Givaudan is in a strong position to capitalise on their distinct leading capabilities to continue to outperform the underlying market growth. This strength is underpinned by their long-standing relationships with the leading food, beverage, household, personal care and fine fragrance manufacturers around the world. Their global reach, the diversity and creativity of their teams coupled with their customer-servicing model ensures it have the right people in the local markets to further build, develop and sustain their privileged relationships with global, regional and local customers.

For more information and the structure of the Givaudan Group, please refer to Annex A – Corporate Governance.

Board of Directors

Apart from André Hoffmann and Peter Kappeler, who retired at the Annual General Meeting 2016, all other current members of the Board of Directors were re-elected for a term of one year.

In addition, Victor Balli was elected as new Board member also for the term of one year.

For further information on the Board of Directors please refer to Annex A – Corporate Governance, page 74 ff., and the Nine month sales 2016 media release attached hereto as Annex D.

Members of the Executive Committee

Effective 1 August 2016, Adrien Gonckel, Chief Information Officer, retired and Anne Tayac, former Head of Fragrance Operations, became a member of the Executive Committee with responsibility for designing, implementing and leading a global organisation for business services and solutions.

For further information on the Members of the Corporate Executive Committee please refer to Annex A – Corporate Governance, page 84 ff.

Business Address

The business address of the member of the board of directors and the executive committee is Givaudan SA, 5, chemin de la parfumerie, 1214 Vernier.

Independent auditors

Deloitte SA
Route de Pré-Bois 20
Case Postale 1808
CH-1215 Genève 15

The auditors are subject to re-election at the Annual General Meeting every year. Deloitte SA has been the Group's auditor since 2009.

Capital Structure

For information on the capital structure, please refer to Annex A – Corporate Governance, page 73f.

Significant Shareholders

For information on the capital structure, please refer to Annex A – Corporate Governance, page 73.

Taxation

The following discussion is a summary of certain material Swiss tax considerations. The discussion bases on legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Bonds. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Bonds in light of their particular circumstances.

Swiss Federal Withholding Tax

Each payment of interest on the Bonds as well as payments which qualify as interest for Swiss withholding tax purposes (such as a potential issue discount or repayment premium, but not the repayment of principal) will be subject to deduction of 35 per cent. Swiss federal withholding tax (*Verrechnungssteuer*) by the Issuer.

A holder of a Bond who resides in Switzerland and who at the time a taxable payment on the Bond is due is the beneficial owner of the taxable payment and, in the case of a holder who is an individual holding the Bond privately, duly reports the gross taxable payment in his or her tax return, and, in the case of a holder who is a legal entity, or who is an individual, holding the Bond as part of a business situated in Switzerland, for which he or she is required to keep accounting books, includes such payment as earnings in the income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, provided that certain other conditions are met.

A holder of a Bond who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland and at the time a taxable payment on the Bond is due is the beneficial owner of the taxable payment may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and the country of residence of the holder.

Swiss Federal Stamp Taxes

The issue and redemption of Bonds by the Issuer are not subject to Swiss federal stamp duty on the issue of securities.

Purchases or sales of Bonds where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.15 per cent. of the purchase price of the Bonds. Where both the seller and the purchaser of the Bonds are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

Income Taxation on Principal or Interest

(i) Bonds held by non-Swiss holders

Payments by the Issuer of interest and repayment of principal to, and gain realized on the sale or redemption of Bonds by, a holder of Bonds who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Bonds are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

(ii) Bonds held by Swiss holders as private assets

An individual who resides in Switzerland and privately holds a Bond is required to include all payments of interest received on such Bond as well as an original issue discount or a repayment premium in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Bond) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Bonds realize either a tax-free private capital gain or a non-tax-deductible capital loss.

(iii) Bonds held as Swiss business assets

Individuals who hold Bonds as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Bonds as part of a permanent establishment or fixed place of business in Switzerland are required to recognize the payments of interest and any capital gain or loss realized on the sale or other disposition of such Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged transactions in securities.

Taxes withheld by Switzerland for other countries

(i) Savings Tax based on the Agreement between the European Community and Switzerland – Paying Agents in Switzerland

In accordance with the agreement of 26 October 2004 between the European Community and Switzerland (the "Agreement"), which provides for measures equivalent to those laid down in Council Directive 2003/48EC on the taxation of savings income in the form of interest payments or similar income (the **EU Savings Directive**), interest payments in respect of the Bonds by paying agents in Switzerland are subject to EU savings tax at a rate of 35 per cent. (with the option of the individual to have the paying agent in Switzerland and the relevant Swiss authorities provide to the tax authorities of the EU Member State in which the individual resides, the details of the interest payments in lieu of the withholding). In accordance with the terms of the Bonds, holders of Bonds will not be entitled to receive any Additional Amounts to compensate them from any such withholding.

In the context of the repeal of the EU Savings Directive by the European Commission by Council Directive (EU) 2015/2060 of 10 November 2015 with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates), Switzerland and the European Community signed on 27 May 2015 an amendment protocol to the Agreement, which would introduce, if ratified, an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014, in lieu of the withholding system, and expand the range of payments covered. The amendment has been approved by the Swiss Parliament and is expected to enter into force on 1 January 2017. Subject to these conditions, the EU and Switzerland intend to collect account data from 2017 and exchange it from 2018 once the necessary Swiss implementing legislation enters into effect.

(ii) Foreign Final Withholding Tax

The Swiss Federal Council signed treaties with the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties entered into force on 1 January 2013.

According to the treaties, a Swiss paying agent may levy a final withholding tax on capital gains and on certain income items deriving, inter alia, from Bonds. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

Holders of Bonds who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

Corporate Governance

The contents of this Annex A represents an excerpt from pages 70 to 91 of the Issuer's Annual & Financial Report 2015; hence, any references to a page or pages not included in this Annex A will refer to respective page(s) in the Issuer's Annual & Financial Report 2015.

Corporate Governance

Givaudan's corporate governance system is aligned with international standards and practices to ensure proper checks and balances and to safeguard the effective functioning of the governing bodies of the Company.

In this section:

Corporate governance
Aligned with international standards

Givaudan's corporate governance system is aligned with international standards and practices to ensure proper checks and balances and to safeguard the effective functioning of the governing bodies of the Company.

The Governance chapter has been prepared in accordance with the Swiss Code of Obligations, the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the 'Swiss Code of Best Practice for Corporate Governance' issued by economiesuisse. Relevant international governance standards and practices are taken into consideration.

The basis of the internal corporate governance framework is included in Givaudan's Articles of Incorporation. The 'Board Regulations of Givaudan SA', the Company's organisational regulation further clarifies the duties, powers and regulations of the governing bodies of the Company.

Except when otherwise provided by law, the Articles of Incorporation and Givaudan's Board Regulations, all areas of management are fully delegated by the Board of Directors, with the power to sub-delegate to the Chief Executive Officer, the Executive Committee and its members. The Board Regulations of Givaudan also specify the duties and the functioning of its three Board Committees.

The Articles of Incorporation, Board Regulations of Givaudan and other documentation regarding Givaudan's principles of corporate governance can be found at: www.givaudan.com – our company – corporate governance – rules and policies.

1. Group structure and shareholders

1.1 Group structure

1.1.1 Description of the issuer's operational Group structure
Givaudan SA , 5 Chemin de la Parfumerie, 1214 Vernier, Switzerland, ('the Company') the parent company of the Givaudan Group (the 'Group'), is listed on the SIX Swiss Exchange under security number 1064593, ISIN CH0010645932.

The Company is the global leader in the fragrance and flavour industry, offering its products to global, regional and local food, beverage, consumer goods and fragrance companies. The Company operates around the world and has two principal divisions: Fragrance and Flavour. The Fragrance Division has three business units: Fine Fragrances, Consumer Products and Fragrance & Cosmetic Ingredients. The Flavour Division consists of four business units: Beverages, Dairy, Savoury and Sweet Goods.

Both divisions have a sales and marketing presence in all major countries and markets and operate separate Research and Development organisations. Whenever appropriate, the divisions share resources and knowledge in the areas of research, consumer understanding and purchasing. Corporate functions include finance, information technology, legal, compliance and communications, as well as human resources.

1.1.2 Listed companies within the scope of consolidation
The Company does not have any publicly listed subsidiaries.

1.1.3 Unlisted companies within the scope of consolidation
The list of principal consolidated companies, their domiciles and the shareholding is presented in appendix page 187 to the

consolidated financial statements of the Financial Report 2015, notes 1 and 5 to the consolidated financial statements as well as note 3 to the statutory financial statements offer more details regarding the structure of the Group. All unlisted subsidiaries are wholly-owned, unless otherwise indicated in notes 3 and 4 to the statutory financial statements mentioned above.

The Financial Report 2015 is printed in English as part of the Annual Report 2015 or can be downloaded on the Company website: www.givaudan.com - media - publications.

1.2 Significant shareholders

To our knowledge, the following were the only shareholders holding more than 3% of the share capital of Givaudan SA as at 31 December 2015 (or as at the date of their last notification under article 20 of the Stock Exchange Act): William H. Gates III (13.86%), BlackRock Inc. (5.02%), MFS Investment Management (3.01%), Nortrust Nominees Ltd (nominee; 15.5%), Chase Nominees Ltd (nominee; 6.1%) and the Messieurs Pictet & Cie (nominee: 3.79%).

The notifications can be viewed on the following site: www.six-swiss-exchange.com – market date – shares – givaudan – overview – significant shareholders.

The Company has not entered into any shareholder agreements with any of its key shareholders.

1.3 Cross-shareholdings

The Company does not have any cross-shareholdings with any other company.

2. Capital structure

2.1 Capital on the disclosure deadline

Ordinary share capital

As at 31 December 2015, the Company's ordinary share capital amounted to CHF 92,335,860 fully paid in and divided into 9,233,586 registered shares with a par value of CHF 10.00 each. The market capitalisation of the Company at 31 December 2015 was CHF 16,832,827,278. The Company has also conditional share capital as described in the next section.

2.2 Authorised and conditional capital in particular

Authorised share capital

The Company does not have any authorised share capital.

Conditional share capital

The Company's share capital can be increased:

– by issuing up to 161,820 shares through the exercise of option rights granted to employees and/or the members of the Board of Directors of the Group

– by issuing up to 463,215 shares through the exercise of option or conversion rights granted in connection with bond issues of Givaudan SA or a Group company.

  The Board of Directors is authorised to exclude the shareholders' preferential right to subscribe to such bonds if the purpose is to finance acquisitions or to issue convertible bonds or warrants on the international capital market. In that case, the bonds or warrants must be offered to the public at market conditions, the deadline for exercising option rights must be not more than six years and the deadline for exercising conversion rights must be not more than 15 years from the issue of the bond or warrants and the exercise or conversion price for new shares must be at a level corresponding at least to the market conditions at the time of issue

– by issuing up to 123,163 shares through the exercise of option rights granted to the shareholders of Givaudan SA.

For the conditional share capital, the subscription rights of the shareholders are excluded.

The acquisition of shares through the exercise of option or conversion rights and the transfer of such shares are subject to restrictions as described in the next section.

2.3 Changes in capital

The information regarding the year 2013 is available in notes 6 and 7 to the statutory financial statements of the 2013 Financial Report. Details of the changes in equity for the years 2014 and 2015 are given in notes 9 and 10 to the statutory financial statements of the 2015 Financial Report.

2.4 Shares and participation certificates

The Company has one class of shares only. All shares are registered shares with a par value of CHF 10.00 each. Subject to the limitations described below, all shares have the same rights in all respects. Every share gives the right to one vote and to an equal dividend.

2.5 Dividend-right certificates

Other than the registered shares, dividend-right certificates and participation certificates do not exist.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability for each share category; indication of statutory group clauses and rules for granting exceptions

At the Annual General Meeting of shareholders on 20 March 2014, the previously existing registration and voting rights restrictions were abolished. Today, the Company no longer has limitations on transferability.

2.6.2 Reasons for granting exceptions in the year under review

This is not applicable because there are no longer any limitations on transferability.

2.6.3 Permissibility of nominee registrations; indication of any percent clauses and registration conditions
Subject to the provisions mentioned in the next paragraph, registration with voting rights in the Company's share register is conditional on shareholders declaring that they have acquired the shares in their own name and for their own account.

Based on a regulation of the Board of Directors, nominee shareholders may be entered with voting rights in the share register of the Company for up to 2% of the share capital without further condition, and for more than 2% if they undertake to disclose to the Company the name, address, nationality and number of shares held by the beneficial owners.

2.6.4 Procedure and conditions for cancelling statutory privileges and limitations on transferability
The limitations on transferability and nominee registrations may be changed by a positive vote of the absolute majority of the share votes represented at a shareholders' meeting.

2.7 Convertible bonds and warrants/options
There are no bonds or warrants outstanding that are convertible into shares of Givaudan SA.

3. Board of Directors
According to the Articles of Incorporation of Givaudan, the Board of Directors may consist of between seven and nine members.

Givaudan's Board of Directors, currently nine members, has in-depth knowledge of finance, strategy and the fragrance and flavour industry, with long-standing experience in many areas of the Company's business, from research and innovation to marketing and regulatory affairs. The Board's knowledge, diversity and expertise make an important contribution in leading a company of Givaudan's size in a complex and fast-changing environment.

As of 31 December 2015, the following were members of the Board of Directors:

3.1 Members of the Board of Directors

Dr Jürg Witmer
Chairman

Attorney
Swiss national, born 1948
Non-executive
First elected 1999

In 1978, Jürg Witmer joined Hoffmann-La-Roche in Basel and subsequently held a number of positions including Legal Counsel, Assistant to the CEO, General Manager and China Project Manager of Roche Far East based in Hong Kong, Head of Corporate Communications and Public Affairs at Roche headquarters in Basel, Switzerland, and General Manager of Roche Austria. From 1999 to 2005 he acted as Chief Executive Officer of the Givaudan Group in Vernier/Geneva and since then as Chairman of the Board. From 2008 to 2012 he was also Chairman of the Board of Directors of Clariant AG, Basel.

Jürg Witmer holds the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Syngenta AG, Basel. He holds the following mandates in companies that are non-quoted: Chairman of Interpharma Investments Ltd, Hong Kong and non-executive Director of A. Menarini IFR, Florence, Italy.

Jürg Witmer has a Doctorate in law from the University of Zurich, as well as a degree in international studies from the Graduate Institute of the University of Geneva.

André Hoffmann
Vice-Chairman

Businessman
Swiss national, born 1958
Non-executive
First elected 2000

In 1983, André Hoffmann was the Head of Administration of la Tour du Valat, a research centre for the conservation of Mediterranean wetlands in France. In 1985, he relocated to London and worked several years for James Capel and Co. Corporate Finance Ltd, then for Nestlé UK in corporate finance and business development.

André Hoffmann holds the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Roche Holding Ltd. and member of the Board of Inovalon Inc.

He holds the following mandates in companies and other entities that are non-quoted: member of the Boards of Genentech Inc., INSEAD, Amazentis SA and Glyndebourne Productions Ltd, President of MAVA Foundation, Massellaz SA and the Tour du Valat Foundation, as well as Vice-President of WWF International.

André Hoffmann studied economics at the University of St. Gallen and holds a Master of Business Administration from INSEAD.

Peter Kappeler
Director

Businessman
Swiss national, born 1947
Non-executive
First elected 2005

Peter Kappeler has served in different industrial and banking companies. For 17 years, he was head of BEKB/BCBE (Berner Kantonalbank), from 1992 to 2003 as CEO and until 2008 as Chairman of the Board of Directors. Peter Kappeler acts as owner or co-owner of some small industrial and start-up companies and is also a member of various boards, including the Summer Academy Foundation at the Paul Klee Centre.

Peter Kappeler does not hold any mandates in companies that are quoted on an official stock exchange.

He holds the following mandates in companies that are non-quoted: member of the Boards of Cendres et Métaux SA, Schweizerische Mobiliar Holding AG and Schweizerische Mobiliar Genossenschaft.

Peter Kappeler has a Master of Business Administration from INSEAD as well as a degree in engineering from the ETH Zurich.

Thomas Rufer
Director

Certified Public Accountant
Swiss national, born 1952
Non-executive
First elected 2009

Thomas Rufer joined Arthur Andersen in 1976, where he held several positions in audit and business consulting (accounting, organisation, internal control and risk management). He was Country Managing Partner for Arthur Andersen Switzerland from 1993 to 2001. Since 2002, he has been an independent consultant in accounting, corporate governance, risk management and internal control.

Until May 2015, Thomas Rufer held the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of the Berner Kantonalbank.

He holds the following mandates in non-listed companies: Chairman of the Board of Directors of the Federal Audit Oversight Authority and member of the Swiss Takeover Board.

Thomas Rufer has a degree in business administration (économiste d'entreprise HES) and is a Swiss Certified Public Accountant.

Lilian Biner
Director

Businesswoman
Swedish national, born 1962
Non-executive
First elected 2011

Lilian Biner has senior management experience from retail and consumer goods companies. These posts have most recently included Chief Financial Officer and Executive Vice President with Axel Johnson AB in 2007 and Head of Strategic Pricing for Electrolux Major Appliances Europe, a company she joined in 2000 as head of HR and Organisational Development.

Lilian Biner holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of Oriflame Cosmetics SA, Thule Group AB, LE Lundbergföretagen and Nobia AB.

She holds the following mandates in companies that are non-quoted: member of the Board of a-connect (group) ag.

Lilian Biner is a graduate of the Stockholm School of Economics.

Prof. Dr-Ing. Werner Bauer
Director

Businessman
German and Swiss national, born in 1950
Non-executive
First elected 2014

Prof. Dr-Ing. Werner Bauer started his career as a university professor in chemical engineering at the Technical University in Hamburg, Germany. After serving as the Director of the Fraunhofer Institute for Food Technology & Packaging and as Professor in Food Processing Technology at the Technical University of Munich from 1985 to 1990, he joined Nestlé as Head of the Nestlé Research Centre in Lausanne in 1990. After heading commercially Nestlé South and East Africa he joined general management as Executive Vice-President in 2002, responsible for technical, production, environment and R&D. In 2007 he became Executive Vice- President and Head of Innovation, Technology, Research and Development, a post from which he retired in September 2013.

Prof. Bauer holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of Lonza Group AG and GEA Group AG.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of Trustees for the Bertelsmann Foundation and the Board of Nestlé Deutschland AG, and a member of the Board of Bertelsmann SE & Co. KGaA.

Prof. Dr-Ing. Werner Bauer received a Diploma and a PhD in Chemical Engineering from the University Erlangen- Nürnberg in Germany.

Calvin Grieder
Director

Engineer
Swiss national, born in 1955 in the USA
Non-executive
First elected in 2014

In 1980, Calvin Grieder started his career as Marketing Manager with Georg Fischer Ltd in Switzerland and continued in various executive positions at Swiss and German companies including Bürkert Controls Ltd., Mikron Machines Ltd, Swiss Industrial Company (SIG) Ltd and Swisscom Telecom Ltd, where he served as Head of the Mobile and Internet business and Member of the Executive Board. He has been CEO of the international engineering group Bühler since 2001.

Calvin Grieder holds the following mandate in companies that are quoted on an official stock exchange: Member of the Board of Implenia AG.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of the Bühler Group, member in the Advisory Board of Swissmem and member in the Advisory Board of the ETH, Department of Mechanical and Process Engineering.

Calvin Grieder holds a Master of Science from the ETH Zurich and has completed an Advanced Management Program (AMP) at Harvard University.

Michael Carlos
Director

Businessman
French national, born in 1950
Non-executive
First elected 2015

Michael Carlos started his career with Givaudan in 1984 as General Manager in Hong Kong. He became Head of the European Creative Centre in Argenteuil in 1992 where he was in charge of integrating the creative resources from Givaudan and Roure. In 1999 he was appointed Global Head of Consumer Products and then President of the Fragrance Division in 2004.

Michael Carlos holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Deinove SA. He also holds the following mandates: Chairman of the International Fragrance Association (IFRA) and Chairman of the Research Institute of Fragrance Materials.

Michael Carlos holds an MBA from the Indian Institute of Management and a degree in chemical engineering from the Indian Institute of Technology.

Ingrid Deltenre
Director

Businesswoman
Dutch and Swiss national, born in 1960
Non-executive
First elected 2015

Ingrid Deltenre has held several executive positions in the press and media including Director of Publisuisse from 1999 to 2004, and Director of the leading public TV broadcaster in German speaking Switzerland, Schweizer Fernsehen, from 2004 to 2009. In 2010, she became Director General of the Geneva-based European Broadcasting Union (EBU) a position she still holds.

She holds the following mandates in companies that are quoted on an official stock exchange: Member of the Board of Banque Cantonale Vaudoise.

Ingrid Deltenre holds a Bachelor of Arts in Journalism and Educational Sciences from the University of Zurich.

Board of Directors and its committees 2015

Board of Directors [1]

Dr Jürg Witmer
Chairman
Swiss, born 1948
Member since 1999

André Hoffmann
Vice-Chairman
Swiss, born 1958
Member since 2000

Peter Kappeler
Swiss, born 1947
Member since 2005

Thomas Rufer
Swiss, born 1952
Member since 2009

Lilian Biner
Swedish, born 1962
Member since 2011

Prof. Dr-Ing. Werner Bauer
German and Swiss, born 1950
Member since 2014

Calvin Grieder
Swiss, born 1955
Member since 2014

Michael Carlos
French, born 1950
Member since 2015

Ingrid Deltenre
Dutch and Swiss, born 1960
Member since 2015

Audit Committee

Thomas Rufer (Chairman), entire year
Calvin Grieder, entire year
Lilian Biner, entire year

- Assists the Board in its oversight responsibilities with respect to financial reporting
- Ensures effectiveness and efficiency of internal control, risk management and compliance systems
- Assesses and overviews the internal and external audit processes

Compensation Committee

André Hoffmann (Chairman), entire year
Peter Kappeler, entire year
Dr-Ing. Werner Bauer, entire year

- Reviews and recommends the compensation policies to the Board
- Approves the remuneration for the Executive Committee
- Prepares the Compensation Report

Nomination and Governance Committee [1]

Dr Jürg Witmer (Chairman), entire year
Michael Carlos, since March
Ingrid Deltenre, since March
Lilian Biner, until March

- Assists the Board in applying principles of good corporate governance
- Prepares appointments to the Board and the Executive Committee

1. Dr Nabil Y. Sakkab retired as Board member and as member of the Nomination and Governance Committee on 18 March 2015.

Meetings: attendance 2015

	Number of Board meetings attended		Number of Audit Committee meetings attended		Number of Compensation Committee meetings attended		Number of Nomination and Governance Committee meetings attended	
Board member	Jan – March	March – Dec	Jan – March	March – Dec	Jan – March	March – Dec	Jan – March	March – Dec
Dr Jürg Witmer	2	5						2
André Hoffmann	2	4			1	3		
Peter Kappeler	2	5			1	3		
Thomas Rufer	2	5	2	3				
Lilian Biner	2	5	2	3				
Calvin Grieder	2	5	2	3				
Prof. Dr-Ing. Werner Bauer	2	5			1	3		
Dr Nabil Y. Sakkab	2	0						
Michael Carlos	0	4						2
Ingrid Deltenre	0	3						2
Meetings held in period	**02**	**05**	**02**	**03**	**01**	**03**	**00**	**02**
Meetings held in the year	**07**		**05**		**04**		**02**	
Average length of meetings	**1.5 days**		**0.5 days**		**1.5 hours**		**1.5 hours**	

3.2 Other activities and vested interests

Please refer to the biographies of the Board members described in section 3.1 for their other activities and vested interests.

Except for those described in section 3.1, no Board member of Givaudan SA holds any material permanent management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts. The Board of Directors assesses the independence of its members.

As at 31 December 2015, all members of the Board of Directors were non-executive. None of the Board members has important business connections with Givaudan SA or any of its affiliates. Dr Jürg Witmer, non-executive Chairman, was the Chief Executive Officer of Givaudan until 27 April 2005 and Michael Carlos was President of the Fragrance Division of the Company until the end of 2014.

3.3 Rules in the Articles of Incorporation on the number of permitted activities pursuant to Art. 12 para. 1 point 1 of the Ordinance against Excessive Compensation (OaEC)

Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Board of Directors:

- Members of the Board of Directors may not hold more than four additional mandates in companies that are quoted on an official stock exchange and seven additional mandates in non-quoted companies

- The following mandates are not subject to these limitations:
  - mandates in companies which are controlled by the corporation
  - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates
  - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

3.4 Elections and terms of office

3.4.1 Principles of the election procedure, rules differing from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy

The Company amended its Articles of Incorporation at the Annual General Meeting 2014 to align with the new requirements of the OaEC. There are no differing rules from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy. All Board members, the Chairman, the members of the Compensation Committee and the independent proxy are elected annually and individually for one year, being the time between one Annual General Meeting and the next following one.

3.4.2 For each Board member: date of first election to Board and attendance of meetings

For the dates of first election to the Board and attendance of Board and committee meetings, please refer to the table on page 79.

3.5 Internal organisational structure

3.5.1 Allocation of tasks among the Board members

The Chairman is elected annually at the Annual General Meeting. He convenes, prepares and chairs the meetings of the Board of Directors, prepares and supervises the implementation of resolutions of the Board of Directors (to the extent not delegated to a committee), supervises the course of business and the activities of the Executive Committee, proposes succession candidates for appointment to the Board of Directors or to the Executive Committee, proposes the global remuneration of the Chief Executive Officer and other members of the Executive Committee to the Compensation Committee and coordinates the work of the Committees of the Board of Directors.

The Chairman receives all invitations and minutes of Committee meetings and is entitled to attend these meetings. The Chairman further decides in cases which fall under the tasks and powers of the Board of Directors, but in which a timely decision of the Board of Directors cannot be made because of urgency. In such cases, the Chairman informs the members of the Board of Directors as quickly as possible and the corresponding resolution is minuted at the next Board meeting.

If the Chairman is unable to act, the Vice-Chairman exercises his functions, assuming all his tasks and powers.

3.5.2 For each committee of the Board of Directors: list of members – tasks – areas of responsibility

The Board of Directors has established three Committees: an Audit Committee, a Nomination and Governance Committee and a Compensation Committee. Each committee is led by a Committee Chairman whose main responsibilities are to organise, lead and minute the meetings. For the participation of the Board members in the committees, please refer to the table on page 79.

Audit Committee
The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, the systems of internal controls and the audit process. It carries out certain preparatory work for the Board of Directors as a whole. The Audit Committee currently consists of three members of the Board.

The Audit Committee ensures that the Company's risk management systems are efficient and effective. It promotes effective communication among the Board, management, the internal audit function and external audit. It reviews and approves the compensation of the external auditors for the annual audit. The Chief Financial Officer attends the meetings of the Audit Committee on the invitation of its chairman.

The Audit Committee met five times in 2015, including one ordinary meeting by telephone. Each meeting lasted approximately half a day, except for the meeting by telephone, which lasted for about one hour. The Head of Internal Audit attended four meetings and the Corporate Compliance Officer attended three meetings. The Chief Financial Officer and the external auditors attended all meetings, apart from certain private sessions.

Compensation Committee
The Compensation Committee reviews and recommends the compensation policies to the Board of Directors. It approves the remuneration of the Chief Executive Officer and the other members of the Executive Committee as well as all performance-related remuneration instruments and pension fund policies. Since the OaEC came into force, the Committee prepares the Compensation Report to be established by the Board.

The Compensation Committee consists of three members of the Board. The Committee takes advice from external independent compensation specialists and consults with the Chairman and the Chief Executive Officer on specific matters where appropriate. Since the Annual General Meeting 2014, the members of the Compensation Committee are elected by the shareholders from the re-elected Board members.

In 2015, the Compensation Committee met four times. The average duration of each meeting was approximately one and a half hours. During these meetings and among other things, the Committee reviewed short and long term incentive plan parameters as well as the alignment of Executive Committee compensation with our principles and policy. For further information on the work of the Compensation Committee, please see page 94.

Nomination and Governance Committee
The Nomination and Governance Committee assists the Board in applying the principles of good corporate governance. It prepares appointments to the Board of Directors and the Executive Committee and advises on the succession planning process of the Company. It consists of three members of the Board.

The Nomination and Governance Committee met twice during 2015 to prepare changes in the composition of the Board and senior management succession. Each meeting lasted for approximately one and a half hours.

More information on the Board of Directors and the roles of the Committees are described in the following sections of Givaudan's website: www.givaudan.com – our company – management – board of directors and www.givaudan.com – our company – management – committees of the board.

3.5.3 Work methods of the Board and its Committees
Board meetings are held periodically and also when matters require a meeting or on the written request of one of the members of the Board. Ordinary Board meetings are held on average once a quarter plus one additional ordinary Board meeting to approve the Annual Report. The Chairman, after consultation with the Chief Executive Officer, determines the agenda for the Board meetings. Decisions may also be taken by circulation (including telefax and electronic data transmission) or by telecommunication (including telephone and video-conference), provided that none of the Board members requests a formal meeting.

Meetings of Board Committees are usually held directly before or directly following a Board meeting, with additional meetings scheduled as required. The Board of Directors receives regular reports from its Committees and the Chairman, as well as from the Executive Committee.

The minutes of all Committee meetings are circulated to all Board members.

In preparation for Board meetings, Board members receive pertinent information for pre-reading via a secure electronic document sharing system.

In 2015, the Givaudan Board of Directors held seven meetings, including one constitutive meeting directly following the general meeting of shareholders and one extraordinary meeting by telephone. Regular meetings in Switzerland usually last for one to one and a half days, Board meetings at Givaudan locations outside Switzerland last for two days, including visits to sites and strategic locations and discussion with the management of the visited region. Extraordinary meetings are usually shorter. In July 2015, the Board visited the Company's savoury flavours manufacturing facility in Hungary and in October 2015, the Board attended the official opening ceremony of the new Fragrances creation centre and compounding hub in Singapore.

Apart from the constitutive meeting directly following the general meeting of shareholders and the extraordinary meeting by telephone, the Company's operational and financial performance was presented by management and reviewed by the Board during each Board meeting. The Board was also informed about and discussed various aspects of the Company's future strategy, all major investment projects, management succession planning and compensation and other major business items as well as the findings of Internal Audit and risk management. Except for the constitutive meeting and certain closed sessions, the members of the Executive Committee were present at all regular meetings apart from the one by telephone, which only the Chief Financial Officer attended. Selected members of the management team were invited to address specific projects at regular Board meetings.

In 2015, the Board conducted one annual self-assessment and had continuous discussion of its own succession planning.

The attendance of Board members at Board and Committee meetings in 2015 as well as the average duration of the meetings can be seen in the table on page 79.

3.6 Definition of areas of responsibility

The Board of Directors is responsible for the ultimate direction, strategic supervision and control of the management of the Company, as well as other matters which, by law, are under its responsibility. This includes the establishment of medium- and long-term strategies and of directives defining Company policies and the giving of the necessary instructions in areas such as acquisitions, major investments and long-term financial commitments exceeding certain thresholds.

In accordance with Swiss law, the Articles of Incorporation and the Board Regulations of Givaudan, the duties of the Board of Directors include the following matters:

- the ultimate management of the Company and, in particular, the establishment of medium- and long-term strategies and of directives defining Company policies and the giving of the necessary instructions
- the establishment of the organisation
- the approval of the annual Group budget
- the structuring of the accounting system and of the financial controlling, as well as the financial planning
- the assessment of the Company's risk management
- the decision on investments in, or divestments of, fixed and tangible assets of a global amount exceeding the limit set by the corporate investment guidelines established by the Board of Directors
- the appointment and removal of the persons entrusted with the management and representation of the Company, in particular the Chief Executive Officer and the other members of the Executive Committee
- the ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and instructions given in any areas relevant to the Company, such as working conditions, environmental protection, trade practices, competition rules, insider dealing and ad hoc publicity
- the preparation of the annual business report, as well as the preparation of the Annual General Meeting of shareholders and the implementation of its resolutions
- the notification of the court in case of insolvency
- the decisions regarding the subsequent performance of contributions on shares not fully paid in
- the ascertainment of share capital increases to the extent that these fall under the powers of the Board of Directors and resulting confirmations and modifications to the Articles of Incorporation
- the verification of the special professional qualifications of the auditors.

Except as otherwise provided by Swiss law, the Articles of Incorporation and the Board Regulations, all other areas of management are fully delegated by the Board of Directors to the Chief Executive Officer, the Executive Committee and its members.

The Board Regulations can be found at: www.givaudan.com – our company – corporate governance – rules and policies.

3.7 Information and control instruments vis-à-vis senior management

The Board recognises that in order to be able to carry out its tasks of ultimate direction of the Company and supervision of the management, it needs to be fully informed about all matters that materially impact Givaudan. To ensure this, the Board has at its disposal an information and control system which comprises the following instruments:

Management information system

The Board ensures that it has sufficient information for appropriate decision-making through a management information system with wide-ranging information rights for the Board members:

- The Chairman of the Board receives invitations and minutes of Executive Committee meetings on a regular basis and the Chief Executive Officer and the Chief Financial Officer report regularly to the Chairman of the Board of Directors

- The Chief Executive Officer and the Chief Financial Officer are present and report at all regular Board meetings and answer all requests for information by the Board members about any matter concerning Givaudan that is transacted. Other members of the Executive Committee and selected senior managers are regularly invited to address specific projects at regular Board meetings. All members of the Executive Committee have a duty to provide information at meetings of the Board of Directors on request

- The Head of Internal Audit and the Corporate Compliance Officer report to the Board once annually. The Board also receives annual reports on Environment, Health and Safety, Sustainability and Risk Management

- The Head of Internal Audit is present and reports at each meeting of the Audit Committee. The Chief Financial Officer and the Corporate Compliance Officer are also present at all meetings of the Audit Committee, as are the external auditors. The Head of Human Resources, the Head of Compensation & Benefits and the Chief Executive Officer are present at each Compensation Committee meeting, except when questions of compensation for Executive Committee members are being deliberated. The Chairman also attends regularly the meetings of the Compensation Committee

- All Board members have access to all Committee meeting minutes

- The Board of Directors receives summarised monthly reports including performance against key performance indicators from the Executive Committee. All Board members are immediately informed on extraordinary events. They also have direct access to the Givaudan intranet where all internal information on key events, presentations and organisational changes are posted. In addition, the Board members receive relevant information, including press releases and information to investors and financial analysts

- In preparation for each Board meeting, the Board members receive information and reports from the Executive Committee and other members of senior management via a secure electronic document sharing system and other means of communication

- The Board of Directors visits at least one Givaudan country operation per year, where it meets members of senior local management. Additionally, Board members are encouraged to visit country operations when travelling and meet with local and regional senior management directly to allow Board members the opportunity of getting first- hand information on local and regional developments and interacting directly with management across the globe

- The Board has regular access to the Chief Executive Officer, Chief Financial Officer and the other members of the Executive Committee. Any Board member may request from the Chief Executive Officer and other members of the Executive Committee information concerning the course of the business.

Risk Management

Givaudan has established an internal risk management process that is based on the Givaudan Enterprise Risk Management Charter. It focuses on identifying and managing/exploiting risks.

The Board of Directors defines the strategic risk management framework. This process is under the responsibility of the Executive Committee. The risk management process follows a structured assessment, review and reporting cycle that is coordinated by the Corporate Compliance Officer to ensure a harmonised Group-wide approach.

For each identified strategic top-level Company risk a member of the Executive Committee is designated as the risk owner with the responsibility to manage the risk on a Group-wide basis. Once a year the Executive Committee reports to the Board on the risk management process, the strategic risks and the mitigation actions. Corporate Internal Audit provides assurance on the effectiveness of the risk management process.

For further information on risk management please refer to pages 64 – 66.

Internal Audit

The Corporate Internal Audit function is established as an independent and objective corporate function reporting directly to the Audit Committee.

Its role is to evaluate and contribute to the continuous improvement of the Company's risk management and control systems. This specifically includes the analysis and evaluation of the effectiveness of business processes and recommendations for adjustments where necessary.

Corporate Internal Audit uses a risk-based audit approach aimed at providing assurance on all relevant business processes across Givaudan entities. This approach follows a business process audit methodology that provides value to the local entities and to the Group's management.

Givaudan corporate strategy, risk management findings, past audit results, management input, changes in organisation and Corporate Internal Audit experience are the elements taken into account to build the annual internal audit plan. Effective communication and reporting ensure an efficient implementation of the audit recommendations. For specific audits of affiliates, the internal audit function is supported by dedicated staff from EY.

The internal audit activity is reported to the full Board of Directors once a year.

4. Executive Committee

The Executive Committee, under the leadership of the Chief Executive Officer, is responsible for all areas of operational management of the Company that are not specifically reserved to the Board of Directors.

The Chief Executive Officer is appointed by the Board of Directors upon recommendation of the Nomination Committee. Subject to the powers attributed to him, he has the task of achieving the strategic objectives of the Company and determining the operational priorities. In addition, he leads, supervises and coordinates the other members of the Executive Committee, including convening, preparing and chairing the meetings of the Executive Committee.

The members of the Executive Committee are appointed by the Board of Directors on recommendation of the Chief Executive Officer after evaluation by the Nomination Committee. The Executive Committee is responsible for developing the Company's strategic as well as long-term business and financial plans. Key areas of responsibility also include the management and supervision of all areas of the business development on an operational basis, and approving investment decisions.

The tasks and powers of the Executive Committee include the approval of investments, leasing agreements and divestments within the corporate investment guidelines. The Executive Committee approves important business projects, prepares the business plan of the Company and the budgets of the individual divisions and functions.

In addition, it plays a key role – together with the Human Resources organisation – in the periodic review of the talent management programme, including succession planning for key positions. Alliances and partnerships with outside institutions, such as universities, think tanks and other business partners, are also monitored by the Executive Committee. The members of the Executive Committee are individually responsible for the business areas assigned to them.

The Executive Committee meets generally on a monthly basis to discuss general Company business and strategy. In 2015, the Committee held 14 meetings at Company sites around the world, each meeting lasting between one and three days. These meetings are an opportunity to interact with local management and to visit Givaudan locations across the globe. Each major region is visited at least once a year to ensure a close interaction with all the different business areas.

4.1 Members of the Executive Committee

Gilles Andrier
Chief Executive Officer

French national
Born in 1961
Appointed in 2005

Gilles Andrier spent the first part of his career with Accenture in management consulting before joining Givaudan in 1993 as Fragrance Division Controller and Assistant to the Chief Executive Officer. He later held various positions including Head of Fragrance Operations in the USA and Head of Consumer Products in Europe. In 2001 he was appointed Head of Fine Fragrances, Europe before becoming Global Head of Fine Fragrances in 2003 and then CEO of Givaudan in 2005.

Other mandates held by Gilles Andrier are: Independent non-executive Director of Albea SA, member of the Board of the Swiss-American Chamber of Commerce, and Co-Chairman of the Board of the Natural Resources Stewardship Circle.

Gilles Andrier graduated with two Masters in Engineering from ENSEEIH Toulouse.

Mauricio Graber
President Flavour Division

Mexican national	
Born in 1963	
Appointed in 2006	

Mauricio Graber began his career with Givaudan in 1995 as Managing Director for Latin America with Tastemaker. When Tastemaker was acquired by Givaudan, Mauricio Graber became Managing Director for Mexico, Central America and the Caribbean before becoming Vice-President for Latin America in 2000. He was appointed President of the Givaudan Flavour Division in 2006.

Other mandates held by Mauricio Graber are: member of the Board of the International Organization of the Flavor Industry (IOFI) for a three-year period.

Mauricio Graber holds a BSc in Electronic Engineering from Universidad Autónoma Metropolitana and a Masters in Management from the JL Kellogg Graduate School of Management, Northwestern University, USA.

Maurizio Volpi
President Fragrance Division

Italian national	
Born in 1969	
Appointed in 2015	

Maurizio Volpi began his career in consumer goods with P&G and Reckitt Benckiser in Italy, working in various marketing roles. In 2000, he joined Givaudan Italy as Account Manager in Milan before moving to Argenteuil in 2003 as Head of Marketing Consumer Products Europe. Maurizio Volpi subsequently took on roles of increasing responsibility at the global level: Head of Global Marketing Consumer Products, Head of Global Marketing and Consumer Market Research for both Consumer Products and Fine Fragrances, and World Account Manager for Unilever. He was appointed Regional Head of Western and Eastern Europe (WEE) for the Consumer Products business in 2012 and in 2015 became President of the Givaudan Fragrance Division.

Maurizio Volpi holds a degree in Economics from the Bocconi University in Milan, Italy.

Matthias Währen
Chief Financial Officer

Swiss national
Born in 1953
Appointed in 2004

Matthias Währen started his career in Corporate Audit in 1983 with Roche, and became Finance Director in 1988 of Roche Korea and then Head of Finance and Information Technology in 1990 at Nippon Roche in Tokyo. In 1996 Matthias Währen was appointed Vice President Finance and Information Technology at Roche USA and then Head of Finance and Informatics of the Roche Vitamins Division in 2000. He was involved in the sale of this business to DSM in 2003 before joining Givaudan in 2004.

Other mandates held by Matthias Währen are: member of the Regulatory Board SIX Exchange Regulation, and a member of the Boards of scienceindustries Switzerland and SwissHoldings, and Chairman of the Board of the Givaudan Foundation.

Matthias Währen is a graduate of the University of Basel.

Joe Fabbri
Head of Global EHS and Sustainability

Canadian national
Born in 1958
Appointed in 2008

Joe Fabbri spent the first years of his career in various engineering roles before moving into operations management. Joe Fabbri joined Givaudan in 1989 as Operations Director responsible for commissioning the Canadian manufacturing facility. Moving to the USA in 1996, he was appointed Head of Operations at East Hanover, New Jersey. He later led various regional operations projects in Switzerland before becoming Head of Flavours Operations, EAME in 2001. In 2004 he was appointed Head of Global Flavours Operations, and then Head of Global Human Resources from 2008 to 2015. In addition to his Human Resources responsibilities in 2008, he became Head of Global Sustainability and in 2010 he was appointed Head of Global Environment, Health and Safety (EHS) alongside his Sustainability role.

Joe Fabbri graduated in mechanical engineering technology, and is a licensed Professional Engineer of Ontario, Canada.

Adrien Gonckel
Chief Information Officer

French national
Born 1952
Appointed in 1982

Adrien Gonckel began his career in 1973 with F. Hoffmann-La Roche Ltd. (Basel), in the IT department. He worked for Roche Belgium, Brussels, as Head of IT and with Citrique Belge in charge of systems integration from 1975 to 1978. Adrien Gonckel rejoined F. Hoffmann-La Roche Ltd., Basel, in 1978, taking European leadership of its IT coordination, then moving to the Roche subsidiary Roure-Bertrand-Dupont in Argenteuil, France, as Head of Group IT in 1982 before becoming Givaudan-Roure's Head of Group IT in 1992.

Adrien Gonckel holds a Masters in IT at the University of Belfort and Lyon, France.

Simon Halle-Smith
Head of Global Human Resources

British national
Born in 1966
Appointed in 2015

Simon Halle-Smith began his career in 1991 in the pharmaceutical industry with Eli Lilly & Company in the UK, working in Clinical Trial Project Management, Sales and Human Resources. In 2004 he joined Quest as HR Director for the UK, before being appointed European HR Director in 2005. In 2007, when Quest was acquired by Givaudan, he continued as European HR director before being appointed Head of Human Resources for the Fragrance Division in 2009. In 2015 he was appointed Head of Global Human Resources.

Simon Halle-Smith holds a bachelors' degree in Biology and Chemistry and a PhD in biochemistry from the University of East Anglia in the UK.

Willem Mutsaerts
Head of Global Procurement

Dutch national

Born in 1962

Appointed in 2015

Willem Mutsaerts joined Givaudan in 1989, initially with responsibility for sales in Benelux, then moving on to become Regional Account Manager for the APAC region in Singapore before being appointed Head of Global Purchasing for Fragrances. In 2001, he took commercial responsibility for Fragrance consumer products in the EAME region. Willem has been based in Geneva since 2007 as Head of Global Operations Fragrances, and was appointed Head of Global Procurement in 2015.

Willem Mutsaerts has a degree in international marketing and is the holder of an MBA obtained at Golden Gate University in Singapore.

Chris Thoen
Head of Global Science and Technology

American and Belgian national

Born in 1960

Appointed in 2015

Chris Thoen began his career in enzymology and plant genetics with Plant Genetic Systems in Ghent before joining Procter & Gamble in Brussels in 1988. At P&G, he took on positions of increasing responsibility in the Fabric & Home Care and Personal Health Care division. In 2009, he became Managing Director of the Global Connect + Develop Office responsible for the Open Innovation with external partners at corporate level. Chris Thoen joined Givaudan as Head of Science and Technology for Flavours in 2011. He was appointed Head of Global Science and Technology in 2015.

Chris Thoen holds a Master's degree in Chemistry and a PhD in Biochemistry from the University of Antwerp, Belgium

4.2 Other activities and vested interests
Please refer to the biographies of the members of the Executive Committee described in section 4.1 for their other activities and vested interests.

Except for those described in section 4.1, no member of the Executive Committee of Givaudan SA holds any material permanent management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts.

4.3 Rules in the Articles of Incorporation on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC
Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Executive Committee:

- Members of the Executive Committee may, subject to approval by the Board of Directors, hold up to two mandates in quoted or non-quoted companies

- The following mandates are not subject to these limitations:

  - mandates in companies which are controlled by the corporation
  - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates
  - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

4.4 Key elements of all management contracts between the issuer and companies (or natural persons) not belonging to the Group
The Company has not entered into any management contracts with third parties that fall within the scope of Subsection 4.4 of the SIX Directive on Information Relating to Corporate Governance.

5. Compensation, shareholdings and loans
In accordance with the Swiss Code of Obligations and the SIX Directive on Corporate Governance, Givaudan publishes the details of the remuneration of its Board of Directors and its Executive Committee in the separate 'Compensation Report' in this Annual Report as well as in the 2015 Financial Report.

6. Shareholders' participation

6.1 Voting rights and representation restrictions
6.1.1 All voting rights restrictions; indication of any statutory group clauses and rules on granting exceptions, particularly in the case of institutional voting rights representatives
At the Annual General Meeting of shareholders on 20 March 2014, the previously existing registration and voting rights restrictions were removed. Today, the Company no longer has limitations on voting rights for ordinary shareholders.

For the restrictions on nominee shareholders, see point 2.6.3.

6.1.2 Reasons for granting exceptions in the year under review
Not applicable as there are no longer any voting rights restrictions.

6.1.3 Procedure and conditions for abolishing statutory voting rights restrictions
Any change in the above rules requires a positive vote of the absolute majority of the share votes represented at a shareholders' meeting, as prescribed by Swiss law.

6.1.4 Statutory rules on participation in the general meeting of shareholders if they differ from applicable legal provisions
There are no restrictions of the Swiss legal provisions.

Any shareholder who, on the day determined by the Board of Directors, is registered as a shareholder with voting rights has the right to attend and to vote at the shareholders' meeting. Each shareholder may be represented at the shareholders' meeting by another shareholder who is authorised by a written proxy, by a legal representative or by the independent voting rights representative ('independent proxy') elected by the Annual General Meeting of shareholders.

6.1.5 Information on any rules which might be laid down in the Articles of Incorporation on the issue of instructions to the independent proxy, and any rules in the Articles of Incorporation on the electronic participation in the general meeting of shareholders

Article 10 of the Articles of Incorporation of the Company states that the Board of Directors establishes the rules regarding participation and representation of the shareholders in the shareholders' meeting, including the rules regarding proxies and voting instructions (by electronic means or otherwise).

6.2 Statutory quorums

The Articles of Incorporation of Givaudan SA follow the majority rules prescribed by Swiss law for decisions of general meetings of shareholders.

6.3 Convocation of the general meeting of shareholders

Shareholders registered with voting rights are convened to general meetings by ordinary mail and by publication in the Swiss official trade journal (SHAB/FOSC) at least 20 days prior to the day of the meeting. Shareholders representing at least 10% of the share capital may demand in writing that a shareholder meeting be convened, setting forth the items to be included on the agenda and proposals.

6.4 Agenda

Shareholders representing shares for a nominal value of at least CHF 1 million may demand in writing at least 45 days before the meeting that an item be included in the agenda, setting forth the item and the proposals.

6.5 Inscriptions into the share register

Shareholders will be registered with a right to vote in the share register of Givaudan SA until the record date set by the Board of Directors. The specified date for the ordinary general meeting is specified in the invitation and is set approximately two weeks before the meeting. Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote.

Givaudan SA has not granted any exceptions from this rule.

7. Change of control and defence measures

7.1 Duty to make an offer

The Articles of Incorporation of Givaudan SA do not contain any rules on opting out or opting up under Swiss law. The Swiss legal provisions apply, by which anyone who acquires more than 33.3% of the voting rights of a listed company is required to make a public offer to acquire all listed securities of the Company that are listed for trading on the SIX Swiss Exchange.

7.2 Clauses on changes of control

In the event of a change of control, share options, restricted share units (RSU) and performance shares granted, as the case may be, by the Company to members of the Board of Directors and to a total of 347 senior management and employees may vest immediately. All other defence measures against change of control situations previously in effect were deleted by the Board of Directors in 2007.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

At the Annual General Meeting of shareholders on 26 March 2009, Deloitte SA was first appointed as Group and statutory auditor of Givaudan SA and its affiliates and has held the audit mandate since that time. At the Annual General Meeting of shareholders on 19 March 2015, Deloitte SA was reappointed for the business year 2015. Since March 2009, the responsible principal auditor for the Givaudan audit at Deloitte has been Thierry Aubertin, Partner.

8.2 Auditing fees

The fees of Deloitte for professional services related to the audit of the Group's annual accounts for the year 2015 were CHF 3.4 million. This amount includes fees for the audit of Givaudan SA, its subsidiaries, and of the consolidated financial statements.

8.3 Additional fees

In addition, for the year 2015, Deloitte rendered tax and compliance related services for a total of CHF 0.1 million.

8.4 Informational instruments pertaining to the external audit

The external auditor presents the outcome of the audit directly to the Audit Committee after the end of each reporting year. The Audit Committee is also responsible for evaluating the performance of Deloitte as external auditors pursuant to a set of defined criteria. In addition, the Committee reviews and approves the compensation and evaluates and approves other services provided by the external auditor. During 2015, Deloitte attended all five meetings of the Board's Audit Committee.

The scope of the audit is defined in an engagement letter signed by the Chairman of the Audit Committee and the Chief Financial Officer.

9. Information policy

Givaudan's Principles of Disclosure and Transparency are described in detail at: www.givaudan.com – our company – corporate governance – rules and policies.

Articles of Incorporation: www.givaudan.com – our company – corporate governance – rules and policies.

Hard copies of Company publications such as the Annual Report are available on request.

All Corporate publications such as the Annual Report, the Half Year Report and the Sustainability GRI Report can also be downloaded from Givaudan's website at: www.givaudan.com – media – publications.

Quarterly sales information and other media releases can be found at: www.givaudan.com – media – media releases.

All relevant information can also be found at: www.six-swiss-exchange.com – market data – shares – Givaudan - company details.

The complete calendar of events is available at: www.givaudan.com – investors – shareholder information – investor calendar.

For further information please contact:

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Financial Report 2015

The contents of this Annex B represents an excerpt from pages 106 to 178 of the Issuer's Annual & Financial Report 2015; hence, any references to a page or pages not included in this Annex B will refer to respective page(s) in the Issuer's Annual & Financial Report 2015.

Financial Report

In this section:

Detailed contents

Financial review

For the year ended 31 December, in millions of Swiss francs, except for cash dividend and earnings per share data	**2015**	2014
Group Sales	**4,396**	**4,404**
Fragrance sales	2,096	2,108
Flavour sales	2,300	2,296
Like-for-like sales growth	**2.7%**	**3.7%**
Gross profit	**2,030**	**2,027**
as % of sales	46.2%	46.0%
EBITDA [a]	**1,070**	**1,053**
as % of sales	24.3%	23.9%
Operating income	**794**	**760**
as % of sales	18.1%	17.3%
Income attributable to equity holders of the parent	**635**	**563**
as % of sales	14.4%	12.8%
Operating cash flow	**915**	**806**
as % of sales	20.8%	18.3%
Free cash flow	**720**	**604**
as % of sales	16.4%	13.7%
Net debt	**677**	**795**
Leverage ratio	**15%**	**17%**
Cash dividend	**54**	**50**
Earnings per share – basic (CHF)	**68.98**	**61.18**

a) EBITDA: Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation. This corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

in millions of Swiss francs, except for employee data	**31 December 2015**	31 December 2014
Current assets	2,279	2,357
Non-current assets	4,003	4,115
Total assets	**6,282**	**6,472**
Current liabilities	1,014	921
Non-current liabilities	1,853	2,138
Equity	3,415	3,413
Total liabilities and equity	**6,282**	**6,472**
Number of employees	**9,907**	**9,704**

Foreign Exchange Rates

Foreign currency to Swiss francs exchange rates	ISO code	Units	**31 Dec 2015**	**Average 2015**	31 Dec 2014	Average 2014	31 Dec 2013	Average 2013
Dollar	USD	1	1.00	0.96	0.99	0.92	0.89	0.93
Euro	EUR	1	1.09	1.07	1.20	1.21	1.23	1.23
Pound	GBP	1	1.48	1.47	1.55	1.51	1.48	1.45
Yen	JPY	100	0.83	0.80	0.83	0.86	0.85	0.95
Singapore dollar	SGD	1	0.71	0.70	0.75	0.72	0.71	0.74
Real	BRL	1	0.25	0.29	0.37	0.39	0.38	0.43
Renminbi	CNY	1	0.15	0.15	0.16	0.15	0.15	0.15
Mexican peso	MXN	100	5.83	6.09	6.74	6.88	6.80	7.21
Rupiah	IDR	10,000	0.73	0.72	0.80	0.77	0.73	0.89

Sales

Givaudan Group full year sales were CHF 4,396 million, an increase of 2.7% on a like-for-like basis and a decline of 0.2% in Swiss francs when compared to 2014. Fragrance Division sales were CHF 2,096 million, an increase of 1.9% on a like-for-like basis and a decline of 0.6% in Swiss francs. Flavour Division sales were CHF 2,300 million, an increase of 3.5% on a like-for-like basis and 0.2% in Swiss francs.

Operating performance

Gross margin

The gross margin increased to 46.2% from 46.0%. Savings from the transfer of products to the new flavours manufacturing facility in Makó, Hungary from Kemptthal, Switzerland more than offset general increases in operational expenses.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

The EBITDA increased to CHF 1,070 million in 2015 from CHF 1,053 million in 2014, an increase of 1.6% in Swiss francs and 8.0% in local currency. A continued focus on internal costs was the main enabler of the improvement. The EBITDA margin increased to 24.3% in 2015 from 23.9% in 2014. In 2015 the Group recognised a net one-off non-cash gain of CHF 20 million, mainly following a change in pension plans. As a reminder, in 2014 the Group recognised a one-off gain of CHF 42 million on the disposal of land at its Dübendorf location in Switzerland.

Operating income

The operating income increased by 4.5% to CHF 794 million from CHF 760 million for the same period in 2014. When measured in local currency terms, the operating income increased by 12.7%. The operating margin increased to 18.1% in 2015 from 17.3% in 2014.

Financial performance

Financing costs in 2015 were CHF 61 million, versus CHF 63 million for the same period in 2014. In 2015 the Group continued to refinance at lower interest rates. Other financial expense, net of income, was CHF 27 million in 2015, up versus the CHF 20 million reported in 2014, as a result of increased hedging costs and exchange losses in markets where currencies could not be hedged.
The income tax expense as a percentage of income before taxes was 10%, considerably lower than in 2014 following changes in Swiss Accounting Law and the Group's operating structure. Excluding these one-time items, the income tax expense as a percentage of income before taxes was 18%.

Net income

The net income increased to CHF 635 million in 2015 from CHF 563 million in 2014, an increase of 12.7%. This results in a net profit margin of 14.4%, versus 12.8% in 2014. Basic earnings per share increased to CHF 68.98 versus CHF 61.18 for the same period in 2014.

Cash flow

Givaudan delivered an operating cash flow of CHF 915 million in 2015, compared to CHF 806 million in 2014, driven by a slightly higher EBITDA and an improvement in working capital. As a percentage of sales, working capital decreased as a result of lower inventories at the end of the year.
Total net investments in property, plant and equipment were CHF 125 million, up from CHF 110 million incurred in 2014. During 2015 the Group continued its investments to support growth in developing markets, most notably a new flavours savoury facility in Nantong, China and a fragrance creative centre and compounding facility in Singapore. As a reminder, in 2014 the Group received cash of CHF 58 million as a result of the sale of land at its Dübendorf location in Switzerland.
Intangible asset additions were CHF 35 million in 2015 compared to CHF 46 million in 2014 as the Company continued to invest in its IT platform. Total net investments in tangible and intangible assets were 3.6% of sales in 2015 and 2014.
Operating cash flow after net investments was CHF 756 million in 2015, versus the CHF 650 million recorded in 2014. Free cash flow, defined as operating cash flow after investments and interest paid, was CHF 720 million in 2015, versus CHF 604 million for the comparable period in 2014, mainly driven by a higher EBITDA and lower working capital requirements, offset by higher net investments. As a percentage of sales, free cash flow in 2015 was 16.4%, compared to 13.7% in 2014.

Financial position

Givaudan's financial position remained solid at the end of the year. Net debt at December 2015 was CHF 677 million, down from CHF 795 million at December 2014. At the end of December 2015 the leverage ratio was 15%, compared to 17% at the end of 2014.

Dividend Proposal

At the Annual General Meeting on 17 March 2016, Givaudan's Board of Directors will propose a cash dividend of CHF 54.00 per share for the financial year 2015, an increase of 8.0% versus 2014. This is the fifteenth consecutive dividend increase following Givaudan's listing at the Swiss stock exchange in 2000. This distribution will be primarily made out of reserves for additional paid-in capital which Givaudan shows in equity as at the end of 2015, with the remainder being paid out of available earnings.

2020 Guidance – Responsible growth. Shared Success

The Company's 2020 ambition is to create further value through profitable, responsible growth. Capitalising on the success of the 2011-2015 strategy, Givaudan's 2020 ambition is built on the three strategic pillars of growing with its customers; delivering with excellence; and partnering for shared success.

Ambitious financial targets are a fundamental part of Givaudan's strategy. We aim to outpace the market with 4-5% sales growth and a free cash flow of 12-17% of sales, both measured as an average over the five-year period of our strategy cycle. It is Givaudan's intention to maintain its current dividend practice as part of this ambition.

Consolidated financial statements

Consolidated Income Statement

For the year ended 31 December

in millions of Swiss francs, except for earnings per share data	Note	**2015**	2014
Sales	6	4,396	4,404
Cost of sales		(2,366)	(2,377)
Gross profit		**2,030**	**2,027**
as % of sales		46.2%	46.0%
Selling, marketing and distribution expenses		(608)	(635)
Research and product development expenses		(366)	(405)
Administration expenses		(169)	(176)
Share of (loss) profit of jointly controlled entities	9	(2)	(1)
Other operating income	10	41	52
Other operating expense	11	(132)	(102)
Operating income		**794**	**760**
as % of sales		18.1%	17.3%
Financing costs	13	(61)	(63)
Other financial income (expense), net	14	(27)	(20)
Income before taxes		**706**	**677**
Income taxes	15	(71)	(114)
Income for the period		**635**	**563**
Attribution			
Income attributable to equity holders of the parent		635	563
as % of sales		14.4%	12.8%
Earnings per share – basic (CHF)	16	**68.98**	**61.18**
Earnings per share – diluted (CHF)	16	**68.14**	**60.35**

The notes on pages 117 to 168 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December

in millions of Swiss francs	Note	2015	2014
Income for the period		**635**	**563**
Items that may be reclassified to the income statement			
Available-for-sale financial assets			
Movement in fair value, net		2	4
(Gains) losses removed from equity and recognised in the consolidated income statement	14	(12)	(2)
Movement on income tax	15	–	–
Cash flow hedges			
Movement in fair value, net		(15)	(47)
(Gains) losses removed from equity and recognised in the consolidated income statement	14	11	12
Movement on income tax	15	1	2
Exchange differences arising on translation of foreign operations			
Change in currency translation		(206)	153
Movement on income tax	15	5	5
Items that will not be reclassified to the income statement			
Defined benefit pension plans			
Remeasurement (gains) losses	7	67	(358)
Movement on income tax	15	(24)	99
Other comprehensive income for the period		**(171)**	**(132)**
Total comprehensive income for the period		**464**	**431**
Attribution			
Total comprehensive income attributable to equity holders of the parent		464	431

The notes on pages 117 to 168 form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December

in millions of Swiss francs	Note	2015	2014
Cash and cash equivalents	17	478	412
Derivative financial instruments	4	17	21
Derivatives on own equity instruments	25	6	10
Available-for-sale financial assets	4, 18	2	64
Accounts receivable - trade	4, 19	901	911
Inventories	20	716	771
Current tax assets	15	16	22
Other current assets	4	143	146
Current assets		**2,279**	**2,357**
Property, plant and equipment	21	1,384	1,430
Intangible assets	22	2,197	2,293
Deferred tax assets	15	260	258
Post-employment benefit plan assets	7	15	7
Financial assets at fair value through income statement	4	35	35
Jointly controlled entities		27	17
Other long-term assets	18	85	75
Non-current assets		**4,003**	**4,115**
Total assets		**6,282**	**6,472**
Short-term debt	4, 23	208	57
Derivative financial instruments	4	18	19
Accounts payable - trade and others	4	400	423
Accrued payroll & payroll taxes		120	119
Current tax liabilities	15	70	82
Financial liability: own equity instruments	25	48	54
Provisions	24	12	12
Other current liabilities		138	155
Current liabilities		**1,014**	**921**
Derivative financial instruments	4	62	50
Long-term debt	4, 23	947	1,150
Provisions	24	51	36
Post-employment benefit plan liabilities	7	637	735
Deferred tax liabilities	15	92	88
Other non-current liabilities		64	79
Non-current liabilities		**1,853**	**2,138**
Total liabilities		**2,867**	**3,059**
Share capital	26	92	92
Retained earnings and reserves	26	5,361	5,187
Own equity instruments	26	(79)	(78)
Other components of equity	25, 26	(1,959)	(1,788)
Equity attributable to equity holders of the parent		**3,415**	**3,413**
Total equity		**3,415**	**3,413**
Total liabilities and equity		**6,282**	**6,472**

The notes on pages 117 to 168 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December

2015 in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Available-for-sale financial assets	Currency translation differences	Defined benefit pension plans remeasurement	Total equity
Note		26	26	25, 26					
Balance as at 1 January		**92**	**5,187**	**(78)**	**(67)**	**22**	**(1,195)**	**(548)**	**3,413**
Income for the period			635						635
Other comprehensive income for the period					(3)	(10)	(201)	43	(171)
Total comprehensive income for the period			**635**		**(3)**	**(10)**	**(201)**	**43**	**464**
Dividends paid	26		(461)						(461)
Movement on own equity instruments, net				(1)					(1)
Net change in other equity items			**(461)**	**(1)**					**(462)**
Balance as at 31 December		**92**	**5,361**	**(79)**	**(70)**	**12**	**(1,396)**	**(505)**	**3,415**

2014 in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Available-for-sale financial assets	Currency translation differences	Defined benefit pension plans remeasurement	Total equity
Note		26	26	25, 26					
Balance as at 1 January		**92**	**5,057**	**(70)**	**(34)**	**20**	**(1,353)**	**(289)**	**3,423**
Income for the period			563						563
Other comprehensive income for the period					(33)	2	158	(259)	(132)
Total comprehensive income for the period			**563**		**(33)**	**2**	**158**	**(259)**	**431**
Dividends paid	26		(433)						(433)
Movement on own equity instruments, net				(8)					(8)
Net change in other equity items			**(433)**	**(8)**					**(441)**
Balance as at 31 December		**92**	**5,187**	**(78)**	**(67)**	**22**	**(1,195)**	**(548)**	**3,413**

The notes on pages 117 to 168 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December

in millions of Swiss francs	Note	2015	2014
Income for the period		635	563
Income tax expense	15	71	114
Interest expense	13	47	52
Non-operating income and expense	13, 14	41	31
Operating income		**794**	**760**
Depreciation of property, plant and equipment	21	112	110
Amortisation of intangible assets	22	157	180
Impairment of long-lived assets	21, 22	7	3
Other non-cash items			
- share-based payments		40	31
- pension expense	7	1	40
- additional and unused provisions, net	24	30	15
- other non-cash items		43	20
Adjustments for non-cash items		**390**	**399**
(Increase) decrease in inventories		4	(47)
(Increase) decrease in accounts receivable		(76)	(40)
(Increase) decrease in other current assets		3	(14)
Increase (decrease) in accounts payable		(7)	(1)
Increase (decrease) in other current liabilities		(4)	(24)
(Increase) decrease in working capital		**(80)**	**(126)**
Income taxes paid		**(107)**	**(112)**
Pension contributions paid	7	(45)	(61)
Provisions used	24	(12)	(15)
Purchase and sale of own equity instruments, net		(43)	(37)
Impact of financial transactions on operating, net		18	(2)
Cash flows from (for) operating activities		**915**	**806**
Increase in long-term debt		200	450
(Decrease) in long-term debt		(202)	(201)
Increase in short-term debt		506	145
(Decrease) in short-term debt		(564)	(562)
Interest paid		(36)	(46)
Distribution to the shareholders paid	26	(461)	(433)
Purchase and sale of derivative financial instruments financing, net		(16)	(47)
Others, net		(5)	(3)
Cash flows from (for) financing activities		**(578)**	**(697)**
Acquisition of property, plant and equipment	21	(126)	(168)
Acquisition of intangible assets	22	(35)	(46)
Increase in share capital of jointly controlled entities	9	(14)	(17)
Acquisition of subsidiary, net of cash acquired	5	(91)	(37)
Proceeds from the disposal of property, plant and equipment	21	1	58
Interest received		1	3
Purchase and sale of available-for-sale financial assets, net		52	6
Purchase and sale of derivative financial instruments, net		–	–
Others, net		(13)	(8)
Cash flows from (for) investing activities		**(225)**	**(209)**
Net increase (decrease) in cash and cash equivalents		**112**	**(100)**
Net effect of currency translation on cash and cash equivalents		(46)	(1)
Cash and cash equivalents at the beginning of the period	17	412	513
Cash and cash equivalents at the end of the period		**478**	**412**

The notes on pages 117 to 168 form an integral part of these financial statements.

Notes to the consolidated financial statements

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 the consumer goods industry. It operates in over 100 countries and has subsidiaries and branches in more than 40 countries. Worldwide, it employs 9,907 people. A list of the principal Group companies is shown in Note 31 to the consolidated financial statements.

The Group is listed on the SIX Swiss Exchange (GIVN).

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and Swiss law. They are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, of financial assets and financial liabilities at fair value through the income statement, and of own equity instruments classified as derivatives.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Critical accounting estimates and judgments are disclosed in Note 3.

Givaudan SA's Board of Directors approved these consolidated financial statements on 29 January 2016.

2.1.1. Changes in Accounting Policies and Disclosures

Standards, amendments and interpretations effective in 2015

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in the 2014 consolidated financial statements, with the exception of the adoption as of 1 January 2015 of the standards and interpretations described below:

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions provide clarifications regarding the contributions from employees or third parties when accounting for defined benefit plans as defined by IAS 19 Employee Benefits. If the amount of the contributions is independent of the number of years of services, such contributions are recognised as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.
The Group assessed that the adoption of these amendments had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle (except for the amendment to IFRS 3 Business combinations) include amendments to a number of IFRSs (IFRS 2 Share-based Payment, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IAS 24 Related Party Disclosures) which do not affect the information currently disclosed by the Group.

Annual Improvements to IFRSs 2011-2013 Cycle include amendments to a number of IFRSs (IFRS 1 First-time Adoption of IFRSs, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property) which do not affect the information currently disclosed by the Group.

2.1.2. IFRSs and IFRICs issued but not yet effective

New and revised standards and interpretations, issued but not yet effective, have been reviewed to identify the nature of the future changes in accounting policy and to estimate the effect of any necessary changes in the consolidated financial statements and supporting notes upon their adoption.

a) Issued and effective for 2016

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment and introduce the rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The adoption of these amendments does not result in a change in the information currently disclosed because the long-lived assets are depreciated / amortised on a straight-line basis over the estimated economic useful life of the asset (see Notes 2.16 and 2.18).

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3. The adoption of these amendments has no impact on the joint arrangements currently held by the Group.

IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP. This standard does not affect the Group as it is not a first-time adopter of IFRS.

Amendments to IAS 27: Equity Method in Separate Financial Statements reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The adoption of these amendments has no impact because the Group does not prepare separate financial statements in accordance with IFRS.

Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants require bearer plants to be accounted for as property, plant and equipment. The produce growing on bearer plants remains in the scope of agriculture activities. The adoption of these amendments has no impact because the Group does not hold bearer plants.

Annual Improvements to IFRSs 2012-2014 Cycle include amendments to a number of IFRSs (IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures with consequential amendments to IFRS 1, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting) which do not affect the information currently disclosed by the Group.

Amendments to IAS 1: Disclosure Initiative are designed to address concerns expressed by constituents about existing presentation and disclosure requirements and to encourage entities to use judgement in the application of IAS 1 when considering the layout and content of their financial statements. The Group assessed that the adoption of these amendments does not result in a change in the information currently disclosed.

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The adoption of these amendments has no impact because the Group does not hold investment entities.

b) Issued and effective for 2017 and after

IFRS 9 Financial Instruments is to be applied for financial years commencing after 1 January 2018. The Group intends to early adopt IFRS 9 including the new rules in their entirety as issued in July 2014.

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The Group expects impacts mainly related to the new classification of the Group's financial assets.

The adoption of IFRS 9 helps to align the accounting of financial assets with the objectives to collect contractual cash flows as they come due and to sell financial assets.

Financial assets at fair value through the income statement
Financial assets that are used to fund the settlements of long-term incentive plans recognised in the liabilities fulfil the objectives of collecting contractual cash flows and selling financial assets. Investments accounted for as available-for-sale financial assets in accordance with IAS 39 change their measurement category to "at fair value through the income statement" which is more consistent, in the Group's opinion, with the Group's strategic investments objectives.
Derivative financial assets accounted for at fair value through the income statement in accordance with IAS 39 remain in the same measurement category unless they are designated as effective hedging instruments.

Financial assets at amortised cost
Trade receivables reach the objective of collecting contractual cash flows over their life. Trade receivables accounted for as "loans and receivables" financial assets in accordance with IAS 39 change their measurement category to "at amortised cost".

The new hedging rules align hedge accounting more closely with the Group's risk management practices. The Group does not expect to change its hedging strategy.

The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses than the incurred loss impairment model used in IAS 39. A simplified approach is applied for trade receivables for which the tracking of changes in credit risk is not required but instead the base lifetime expected credit loss at all times is applied. There is no expectation to change the current practice for measuring the trade receivables.

For financial liabilities, there is no change to their classification and measurement except for liabilities designated at fair value through the income statement for which the amount of change in fair value that is attributable to changes in own credit risk is presented in other comprehensive income. This has no impact on the current classification of the Group's financial liabilities at amortised cost.

IFRS 15 Revenue from Contracts with Customers: the Group has evaluated the impacts of this standard on its consolidated financial statements. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces existing revenue recognition guidance including IAS 18 Revenues, IAS 11 Construction Contracts and IFRIC 13 Customers Loyalty Programme.

The Group has assessed that the adoption of IFRS 15 does not impact significantly its consolidated financial statements. Contracts with customers relate primarily to the delivery of manufactured products and molecules of fragrance and flavour to the agreed upon specifications and may contain additional performance obligations for certain clients such as the assignment of specific application technologies, joint market research and particular stock conditions. Most of these additional performance obligations are not distinct because they are highly dependent on the delivery of manufactured products and molecules of fragrance and flavour. Generally, the transaction price includes estimating variable consideration such as rebates granted to customers.

Amendments to IFRS 10 and IAS 28: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The adoption of these amendments would not have an impact on the joint arrangements currently hold by the Group.

2.2 Consolidation

The subsidiaries that are consolidated are those companies controlled, directly or indirectly, by Givaudan SA. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if there are indications of a change in facts and circumstances.

Companies acquired during the year are consolidated from the date on which operating control is transferred to the Group, and subsidiaries to be divested are included up to the date on which control passes to the acquirer.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets acquired, shares issued and liabilities undertaken or assumed at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the Group's share of net assets of the subsidiary acquired is recognised as goodwill.

Where necessary, changes are made to the accounting policies of subsidiaries to bring and ensure consistency with the policies adopted by the Group.

Assets and liabilities, equity, income, expenses and cash flows resulting from inter-company transactions are eliminated in full on consolidation.

2.3 Interest in a Joint Venture

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists when the strategic, financial and operating decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting until the date on which the Group ceases to have joint control over the joint venture. Under the equity method, an investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the income statement and the other comprehensive income of the joint venture. Adjustments are made where necessary to bring the accounting policies in line with those adopted by the Group. Unrealised gains and losses on transactions between the Group and a jointly controlled entity are eliminated to the extent of the Group's interest in the joint venture.

2.4 Foreign Currency Valuation

2.4.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the functional currency of that entity. The functional currency is normally the one in which the entity primarily generates and expends cash. The consolidated financial statements are presented in millions of Swiss francs (CHF), the Swiss franc being the Group's presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions, or using a rate that approximates the exchange rates on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in other financial income (expense), net, except for:

- Exchange differences deferred in equity as qualifying cash flow hedges on certain foreign currency risks and qualifying net investment hedges.

- Exchange differences on monetary items to a foreign operation for which settlement is neither planned nor likely to occur, therefore forming part of the net investment in the foreign operation, which are recognised initially in other comprehensive income and reclassified from equity to the income statement on disposal of the net investment or on partial disposal when there is a loss of control of subsidiary or a loss of joint control over a jointly controlled entity.

– Exchange differences on foreign currency borrowings relating to assets under construction which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated. Translation differences on non-monetary financial assets carried at fair value such as equity securities classified as available-for-sale are included in the available-for-sale reserve in equity, and reclassified upon settlement in the income statement as part of the fair value gain or loss.

2.4.3 Translation of the financial statements of foreign subsidiaries

For the purpose of presenting consolidated financial statements, the assets and liabilities of Group companies reporting in currencies other than Swiss francs (foreign operations) are translated into Swiss francs using exchange rates prevailing at the end of the reporting period. Cash flows, income and expenses items of Group companies are translated each month independently at the average exchange rates for the period when it is considered a reasonable approximation of the underlying transaction rate. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity.

2.5 Segment Reporting

The operating segments are identified on the basis of internal reports that are regularly reviewed by the Executive Committee, the members of the Executive Committee being the chief operating decision makers, in order to allocate resources to the segments and to assess their performance. The internal financial reporting is consistently prepared along the lines of the two operating Divisions: Fragrances and Flavours.

The business units of each Division, respectively Fine Fragrances, Consumer Products and Fragrance and Active Cosmetic Ingredients for the Fragrance Division and Beverages, Dairy, Savoury and Sweet Goods for the Flavour Division, are not considered as separately reportable operating segments as decision making about the allocation of resources and the assessment of performance are not made at this level.

Inter-segment transfers or transactions are set on an arm's length basis.

Information about geographical areas are determined based on the Group's operations; Switzerland, Europe, Africa and Middle-East; North America; Latin America and Asia Pacific. Revenues from external customers are shown by destination. Non-current assets consist of property, plant and equipment, intangible assets and investments in jointly controlled entities.

2.6 Sales of Goods

Revenue from sales of goods is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities. Sales of goods are reduced for estimated volume discounts, rebates, and sales taxes. The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and when significant risks and rewards of ownership of the goods are transferred to the buyer.

2.7 Research and Product Development Costs

The Group is active in research and in formulas, technologies and product developments. In addition to its internal scientific efforts, the Group collaborates with outside partners.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Internal developments or developments obtained through agreements on formulas, technologies and products costs are capitalised as intangible assets and amortised over their estimated useful lives, only when there is an identifiable asset that will generate probable economic benefits and when the cost can be measured reliably. When the conditions for recognition of an intangible asset are not met, development expenditure is recognised in the income statement in the period in which it is incurred.

2.8 Employee Benefit Costs

Wages, salaries, social security contributions, annual leave and paid sick leave, bonuses and non-monetary benefits are expensed in the year in which the associated services are rendered by the Group's employees.

Pension obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, principally dependent on an employee's years of service and remuneration at retirement. Plans are usually funded by payments from the Group and employees to financially independent trusts. The liability recognised in the statement of financial position is the aggregate of the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. Where a plan is unfunded, only a liability representing the present value of the defined benefit obligation is recognised in the statement of financial position. The present value of the defined benefit obligation is calculated by independent actuaries using the projected unit credit method twice a year, at interim and annual publication. This reflects the discounted expected future payment required to settle the obligation resulting from employee service in the current and prior periods. The future cash outflows incorporate actuarial assumptions primarily regarding the projected rates of remuneration growth, and long-term indexation rates. Discount rates, used to determine the present value of the defined benefit obligation, are based on the market yields of high quality corporate bonds in the country concerned. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement. Pension assets and liabilities in different defined benefit schemes are not offset unless the Group has a legally enforceable right to use the surplus in one plan to settle obligations in the other plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into publicly or privately administrated funds. The Group has no further payment obligations once the contributions have been made. The contributions are charged to the income statement in the year to which they relate.

Other post-retirement obligations

Some Group companies provide certain post-retirement healthcare and life insurance benefits to their retirees, the entitlement to which is usually based on the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the periods in which employees render service to the Group.

2.9 Share-Based Payments

The Group has established share option plans and a performance share plan to align the long-term interests of key executives and members of the Board of Directors with the interests of the shareholders. Key executives are awarded a portion of their performance-related compensation either in equity-settled or cash-settled share-based payment transactions. The costs are recorded in each relevant functions part of the employees' remuneration as personnel expenses with a corresponding entry in equity in own equity instruments for equity-settled share-based payment transactions and in the statement of financial position as accrued payroll and payroll taxes for the cash-settled share-based payment transactions. The different share-based payments are described in the table below:

Share-based payment transactions		Equity-settled	Cash-settled
Share options plans	Call options	A	C
	Restricted shares	B	D
Performance share plan	Shares	E	-

2.9.1 Share Options Plans

The equity-settled share-based payment transactions are established with call options, which have Givaudan registered shares as underlying securities, or with restricted shares. At the time of grant, key executives can select the portion, with no influence on the total economic value granted, of call options or restricted shares of the plan to be received.

A. Call options are set generally with a vesting period of two years, during which the options cannot be exercised or transferred. The Group has at its disposal either treasury shares or conditional share capital when the options are exercised. The cost of these equity-settled instruments to be expensed, together with a corresponding increase in equity, over the vesting period, is determined by reference to the market value of the options granted at the date of the grant. Service conditions are included in the assumptions about the number of options that are expected to become exercisable. No performance condition is included. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation.

B. Restricted shares are set generally with a vesting period of three years, during which the restricted shares cannot be settled or transferred. The Group has at its disposal treasury shares for the delivery of the restricted shares. The cost of these equity-settled instruments to be expensed, together with a corresponding increase in equity, over the vesting period, is determined by reference to the fair value of the restricted shares granted at the date of the grant. The fair value is determined as the market price at grant date reduced by the present value of dividends expected or any other expected distribution to the shareholders to be paid during the vesting period, as participants are not entitled to receive dividends or any other distribution to the shareholders during the vesting period. Service conditions are included in the assumptions about the number of restricted shares that are expected to become deliverable. No performance conditions are included. At each statement of financial position date, the Group revises its estimates of the number of restricted shares that are expected to be delivered. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation.

The cash-settled share-based payment transactions are established with options right units which provide a right to an executive to participate in the value development of Givaudan call options or in the value development of Givaudan shares. At the time of grant, key executives can select the portion, with no influence on the total economic value granted, of call options or restricted shares of the plan to be received in equivalent of cash.

C. Options right units related to call options, which can only be settled in cash, are set generally with a vesting period of two years, during which the right cannot be exercised or transferred. The liability of the cash-settled instruments, together with a corresponding expense adjustment is measured during the vesting period using market values. The market value is based on market prices of similar observable instruments available on the financial market, as a rule the market price of the equity-settled instruments with identical terms and conditions upon which those equity instruments were granted.

D. Options right units related to restricted shares, which can only be settled in cash, are set generally with a vesting period of three years, during which the right cannot be exercised or transferred. The liability of the cash-settled instruments, together with a corresponding adjustment in expenses is measured during the vesting period using market values. The market value is the closing share price as quoted on the market the last day of the period.

2.9.2 Performance share plan

Key executives are awarded a portion of their performance-related compensation in equity-settled share-based payment transactions.

E. The performance share plan is established with Givaudan registered shares and a vesting period of three years. The Group has at its disposal either treasury shares or conditional share capital. The cost of equity-settled instruments is expensed over the vesting period, together with a corresponding increase in equity, and is determined by reference to the fair value of the shares expected to be delivered at the date of vesting. Performance conditions are included in the assumptions in which the number of shares varies. No market conditions are involved. The fair value is determined as the market price at grant date reduced by the present value of dividends expected or any other expected distribution to the shareholders to be paid during the vesting period, as participants are not entitled to receive dividends or any other distribution to the shareholders during the vesting period. At each statement of financial position date, the Group revises its estimates of the number of shares that are expected to be delivered. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation.

2.10 Taxation

Income taxes include all taxes based upon the taxable profits of the Group, including withholding taxes payable on the distribution of retained earnings within the Group. Other taxes not based on income, such as property and capital taxes, are included either in operating expenses or in financial expenses according to their nature. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are provided based on the full liability method, under which deferred tax consequences are recognised for temporary differences between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those items can be utilised. Management considers that these tax benefits are probable on the basis of business projections on the relevant entities.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable income.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and interests in jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Current tax assets and liabilities are offset and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items that are recognised outside the income statement, in which case the tax is also recognised outside the income statement.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks and similar institutions. Cash equivalents are held for the purpose of meeting short-term cash commitments (maturity of three months or less from the date of acquisition) and are subject to an insignificant risk of changes in value.

2.12 Financial Assets

Financial assets are classified either as financial assets at fair value through the income statement, loans and receivables, or available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at inception. All regular way purchases and sales of financial assets are recognised at the settlement date i.e. the date that the asset is delivered to or by the Group. Financial assets are classified as current assets, unless they are expected to be realised beyond twelve months of the statement of financial position date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Dividend income from investments is recognised in the line "other financial income (expense), net" when the right to receive payment has been established. Interest income is accrued on a time basis and included in the line "other financial income (expense), net".

2.12.1 Financial assets at fair value through the income statement

Financial assets at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if acquired for the purpose of selling in the near term or when the classification provides more relevant information. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. They are initially measured at fair value whereas directly attributable transaction costs are expensed in the income statement. At the end of each period, the book value is adjusted to the fair value with a corresponding entry in the income statement until the investment is derecognised. Gains or losses are recognised in the income statement.

2.12.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest method. Gains or losses on loans and receivables are recognised in the income statement when derecognised, impaired, or through the amortisation process. Loans and receivables are classified as other current assets and accounts receivable – trade (see Note 2.14) in the statement of financial position.

2.12.3 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as such or not classified in any of the other categories. They are initially measured at fair value, including directly attributable transaction costs. At the end of each period, the book value is adjusted to the fair value with a corresponding entry in a separate component of equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income statement. When denominated in a foreign currency, any monetary item is adjusted for the effect of any change in exchange rates with the unrealised gain or loss recognised in the income statement.

For quoted equity instruments, the fair value is the market value, being calculated by reference to share exchange quoted selling prices at close of business on the statement of financial position date. Non-quoted financial assets are valued at fair value based on observable market transactions or if not available based on prices given by reputable financial institutions or on the price of the latest transaction.

In management's opinion an available-for-sale instrument is impaired when there is objective evidence that the estimated future recoverable amount is less than the carrying amount or when its market value is 20% and more below its original cost for a six month period. When an impairment loss has previously been recognised, further declines in value are recognised as an impairment loss in the income statement. The charge is recognised in other financial income (expense), net. Impairment losses recognised on equity instruments are not reversed in the income statement. Impairment losses recognised on debt instruments are reversed through the income statement if the increase of the fair value of available-for-sale debt instrument objectively relates to an event occurring after the impairment charge.

2.13 Derivative Financial Instruments and Hedging Activities

Most derivative instruments are entered into to provide economic hedges. They are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges for the interest risk associated with highly probable forecast transactions.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in shareholders' equity are shown in the statement of changes in equity. These derivatives are presented as current or non-current on the basis of their settlement dates.

2.13.1 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity, while the gain or loss relating to the ineffective portion is immediately recognised in financing costs in the income statement.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects income, such as when hedged financial income (expense), net is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

When the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the ultimate forecast transaction occurs. If the forecast transaction is no longer expected to occur, any cumulative gain or loss existing in equity is immediately taken to the income statement.

2.13.2 Derivatives at fair value through the income statement
Certain derivative instruments do not qualify for hedge accounting and are accounted for at fair value through the income statement. At each statement of financial position date, these derivative instruments are valued at fair value based on quoted market prices, with the unrealised gain or loss recognised in the income statement. They are derecognised when the Group has lost control of the contractual rights of the derivatives, at which time a realised gain or loss is recognised in the income statement.

2.14 Accounts Receivable - Trade
Trade receivables are carried at amortised cost less provisions for impairment. A provision for impairment is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Any charges for impairment are recognised within selling, marketing and distribution expenses of the income statement. Accounts receivable - trade are deemed as impaired when there is an indication of significant financial difficulties of the debtor (delinquency in or default on payments occurs, probability of bankruptcy or need for financial reorganisation).

2.15 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average cost formula. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads but exclude borrowing costs. Cost of sales includes the corresponding direct production costs of goods manufactured and services rendered as well as related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.16 Property, Plant and Equipment
Property, plant and equipment are initially recognised at cost of purchase or construction and subsequently less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes expenditure that is attributable to the purchase or construction. It includes, for qualifying assets, borrowing costs in accordance with the Group's accounting policy (see Note 2.20), and cost of its dismantlement, removal or restoration, related to the obligation for which an entity incurs as a consequence of installing the asset.

The assets are depreciated on a straight-line basis, except for land, which is not depreciated. Estimated useful lives of major classes of depreciable assets are as follows:

– Buildings and land improvements	40 years
– Machinery and equipment	5 – 15 years
– Office equipment	3 years
– Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

The carrying values of plant and equipment are written down to their recoverable amount when the carrying value is greater than their estimated recoverable amount (see Note 2.19).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount with gains being recognised within other operating income and losses being recognised within other operating expense within the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs such as repairs and maintenance are recognised as expenses as incurred.

2.17 Leases

Leases of assets are classified as operating leases when substantially all the risks and rewards of ownership of the assets are retained by the lessor. Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease. The Group holds only operating leases.

2.18 Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions is recognised in the statement of financial position as an intangible asset. Goodwill is tested annually for impairment or more frequently when there are indications of impairment, and carried at cost less accumulated impairment losses. Any goodwill or fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are recognised in the local currency at the effective date of the transaction and translated at year-end exchange rates. For the purpose of impairment testing, goodwill is allocated to the cash-generating units being the Group's reportable operating segments: Fragrance Division and Flavour Division.

Internally generated intangible assets that are directly associated with the development of identifiable software products and systems controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include system licences, external consultancies, and employee costs incurred as a result of developing software as well as overhead expenditure directly attributable to preparing the asset for use. Such intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is on a straight-line basis over the estimated economic useful life of the asset. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the income statement in the period in which it is incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

Internally generated intangible assets, other than those related to software products and systems, are not capitalised.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. They are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is on a straight-line basis over the estimated economic useful life of the asset.

Estimated useful lives of major classes of amortisable assets are as follows:

– Name and product brands	3 – 7 years
– Software/ERP system	3 – 7 years
– Intellectual property rights	5 – 20 years
– Process-oriented technology	5 – 15 years
– Client relationships	15 – 21 years

An impairment charge against intangible assets is recognised when the current carrying amount is higher than its recoverable amount, being the higher of the value in use and fair value less costs to sell. An impairment charge against intangible assets is reversed when the current carrying amount is lower than its recoverable amount. Impairment charges on goodwill are not reversed. Gains or losses arising on the disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount with gains being recognised within other operating income and losses being recognised in other operating expense within the income statement.

2.19 Impairment of Long-Lived Assets

Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the recoverable amount of a non-financial asset, being the higher of its fair value less cost to sell and its value in use, is less than its carrying amount, then the carrying amount is reduced to the asset's recoverable value. This reduction is recognised as an impairment loss within other operating expense within the income statement. Value in use is determined by using pre-tax-cash flow projections over a five-year period and a terminal value. These are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is reversed if there has been a change in the circumstances used to determine the recoverable amount. A previously recognised impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

2.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

2.21 Accounts Payable – Trade and Others

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are carried at amortised cost.

2.22 Debt

The proceeds of straight bonds, of private placements and of debt issued are recognised as the proceeds received, net of transaction costs incurred. Any discount arising from the coupon rate, represented by the difference between the net proceeds and the redemption value, is amortised using the effective interest rate method and charged to interest expense over the life of the bonds or the private placements. Debt is derecognised at redemption date.

Debt is classified within current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and for which a reliable estimate of the amount of the obligation can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Restructuring provisions comprise lease termination penalties, employee termination payments and 'make good' provisions. They are recognised in the period in which the Group becomes legally or constructively committed to payment.

2.24 Own Equity Instruments

Own equity instruments are own shares and derivatives on own shares. Purchases and sales are accounted for at the settlement date.

Purchases of own shares are recognised at acquisition cost including transaction costs as a deduction from equity. The original cost of acquisition, results from resale and other movements are recognised as changes in equity, net. Treasury shares bought back for the purpose of cancellation are deducted from equity until the shares are cancelled. Treasury shares acquired by the execution of own equity derivatives are recognised at the execution date market price.

The settlement and the contract for derivatives on own shares determine the categorisation of each instrument. When the contract assumes the settlement is made by exchanging a fixed amount of cash for a fixed number of treasury shares, the contract is recognised in equity except for a forward contract to buy and write puts which is recognised as a financial liability. When the contract assumes the settlement either net in cash or net in treasury shares or in the case of option of settlement, the contract is recognised as a derivative. Instruments recognised in equity are recognised at acquisition cost including transaction costs. Instruments recognised as financial liabilities are recognised at the net present value of the strike price of the derivative on own shares with the interest charge recognised over the life of the derivative in the line "financing costs" of the income statement. They are derecognised when the Group has lost control of the contractual rights of the derivative, with the realised gain or loss recognised in equity. At each statement of financial position date, instruments recognised as derivatives used to hedge the cash-settled share option plans are valued at fair value based on quoted market prices, with any unrealised gain or loss recognised in each relevant line of the operating expenses. They are derecognised when the Group has lost control of the contractual rights of the derivatives, with any realised gain or loss recognised in each relevant line of the operating expenses. Similar treatment is applied to instruments recognised as derivatives that are not used to hedge the cash-settled share option plans apart from the unrealised and realised gain or loss which are recognised in the line "other financial income (expense), net" in the income statement.

2.25 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.26 Distribution to the Shareholders

Dividend distributions or distributions out of reserves for additional paid-in capital are recognised in the period in which they are approved by the Group's shareholders.

3. Critical Accounting Estimates and Judgments

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3.1 Critical Accounting Estimates and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are for the most part related to:

1) The impairment of goodwill requiring estimations of the value in use of the cash-generating units to which goodwill is allocated (see Note 22)

2) The impairment of long-lived assets requiring estimations to measure the recoverable amount of an asset or group of assets (see Note 21)

3) The calculation of the present value of defined benefit obligations requiring financial and demographic assumptions (see Note 7)

4) The determination and provision for income taxes requiring estimated calculations for which the ultimate tax determination is uncertain (see Note 15)

5) The provisions requiring assumptions to determine reliable best estimates (see Note 24)

6) The contingent liabilities assessment (see Note 28)

If, in the future, estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

3.2 Critical Judgments in Applying the Entity's Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- Computer software and Enterprise Resource Planning: Computer software is internally developed programmes or modifications that result in new or in substantial improvements of existing IT systems and applications. Enterprise Resource Planning relates to the implementation of an ERP system that is changing the way the business is done in the areas of Finance, Supply Chain and Compliance. The Group has determined that the development phase of internally developed software and the ERP business transformations will provide future economic benefits to the Group and meet the criterion of intangible assets (see Note 22).

- Internal developments on formulas, technologies and products: The outcome of these developments depends on their final assemblage and application, which varies to meet customer needs, and consequently the future economic benefits of these developments are not certain. Thus the criteria for the recognition as an asset of the internal developments on formulas, technologies and products are generally not met. The expenditures on these activities are recognised as expense in the period in which they are incurred.

- Available-for-sale financial assets: In addition to the duration and extent (see accounting policy in Note 2.12) to which the fair value of an investment is less than its cost, the Group evaluates the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance. This judgment may result in impairment charges (see note 2.12).

4. Financial Risk Management

4.1 Capital Management

The objective of the Group when managing capital is to maintain the ability to continue as a going concern whilst maximising shareholder value through an optimal balance of debt and equity.

In order to maintain or adjust the capital structure, management may increase or decrease leverage by issuing or reimbursing debt, and may propose to adjust the amounts distributed to the shareholders, return capital to shareholders, issue new shares and cancel shares through share buyback programmes.

The Group monitors its capital structure on the basis of a leverage ratio, defined as net debt divided by the equity plus net debt. Net debt is calculated as the total of the consolidated short-term and long-term debt, less cash and cash equivalents. Equity is calculated as the total equity attributable to equity holders of the parent excluding the defined benefit pension plans remeasurement elements.

The Group has entered into several private placements which contain various covenants with externally imposed capital requirements. The Group was in compliance with these requirements as at 31 December 2015 and 2014.

The leverage ratio as at 31 December was as follows:

in millions of Swiss francs	Note	**2015**	2014
Short-term debt	23	208	57
Long-term debt	23	947	1,150
Less: cash and cash equivalents	17	(478)	(412)
Net Debt		**677**	**795**
Total equity attributable to equity holders of the parent		3,415	3,413
Total defined benefit pension plans remeasurement		505	548
Equity		**3,920**	**3,961**
Net Debt and Equity		**4,597**	**4,756**
Leverage ratio		**15%**	**17%**

The Group intends to maintain its medium term leverage ratio below 25%.

4.2 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group generally enters into financial derivative transactions to hedge underlying business related exposures.

Risk management is carried out by a team within the central treasury department (hereafter "Group Treasury") under the risk management policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Group Treasury monitors and manages financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risk. To manage the interest rate and currency risk arising from the Group's operations and its sources of finance, the Group enters into derivative transactions, primarily interest rate swaps, forward currency contracts and options. Compliance with policies and exposure limits is reviewed by the treasury controlling on a continuous basis. Group Treasury reports monthly to the Chief Financial Officer and quarterly to the Audit Committee.

Categories of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

2015 in millions of Swiss francs	Note	Loans and receivables	At fair value through the income statement	Derivatives used for hedge accounting	Available-for-sale	Other financial liabilities	Total
Current assets							
Cash and cash equivalents	17	478					478
Derivative financial instruments	4.3		17				17
Available-for-sale financial assets	18				2		2
Accounts receivable – trade	19	901					901
Other current assets [a]		143					143
Non-current assets							
Available-for-sale financial assets	18				41		41
Financial assets at fair value through income statement			35				35
Total assets as at 31 December		**1,522**	**52**		**43**		**1,617**
Current liabilities							
Short-term debt	23					208	208
Derivative financial instruments	4.3		18				18
Accounts payable						400	400
Non-current liabilities							
Derivative financial instruments [b]	4.3		6	56			62
Long-term debt	23					947	947
Total liabilities as at 31 December			**24**	**56**		**1,555**	**1,635**

a) Other current assets consist of other receivables non trade.
b) Derivatives qualified as hedge accounting on non-current transactions are classified and presented as non-current liabilities (see Note 2.13).

2014 in millions of Swiss francs	Note	Loans and receivables	At fair value through the income statement	Derivatives used for hedge accounting	Available-for-sale	Other financial liabilities	Total
Current assets							
Cash and cash equivalents	17	412					412
Derivative financial instruments	4.3		21				21
Available-for-sale financial assets	18				64		64
Accounts receivable – trade	19	911					911
Other current assets [a]		146					146
Non-current assets							
Available-for-sale financial assets	18				41		41
Financial assets at fair value through income statement			35				35
Total assets as at 31 December		**1,469**	**56**		**105**		**1,630**
Current liabilities							
Short-term debt	23					57	57
Derivative financial instruments	4.3		19				19
Accounts payable						423	423
Non-current liabilities							
Derivative financial instruments [b]	4.3		9	41			50
Long-term debt	23					1,150	1,150
Total liabilities as at 31 December			**28**	**41**		**1,630**	**1,699**

a) Other current assets consist of other receivables non trade.
b) Derivatives qualified as hedge accounting on non-current transactions are classified and presented as non-current liabilities (see Note 2.13).

The carrying amount of each class of financial assets and liabilities disclosed in the previous tables approximates the fair value. The fair value of each class of financial assets and liabilities, except loans and receivables, is determined by reference to published price quotations and is estimated based on valuation techniques using the quoted market prices. Given the nature of the Group's accounts receivable trade items, the carrying value is considered as equivalent to the fair value.

4.2.1 Market Risk

The Group's activities primarily expose it to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The Group enters into a number of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- Currency derivatives, mainly forward foreign exchange contracts and options, to hedge the exchange rate risk arising from recorded transactions.
- Interest rate swaps and other instruments to mitigate the risk of interest rate increases and/or to optimally manage interest rate costs depending on the prevailing interest rate environment.

Market risk exposures are measured using sensitivity analysis. There has been no change during the year in the structure of the Group's exposure to market risks or the manner in which these risks are managed.

4.2.1.1 Foreign Exchange Risk

The Group operates across the world and is exposed to movements in foreign currencies affecting its net income and financial position. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

It is the Group's policy to enter into derivative transactions to hedge current, forecasted foreign currency transactions, and translation risk arising from certain investments in foreign operations with a functional currency different from the Group's presentation currency.

While these are hedges related to underlying business transactions, the Group generally does not apply hedge accounting on transactions related to the management of its foreign exchange risk.

Group Treasury centrally manages foreign exchange risk management activities against the functional currency of each subsidiary, and is required to hedge, whenever cost-effective, their largest exposures.

The measurement of the foreign currency risk expresses the total exposure by currency, which is in the opinion of Group Treasury a representative manner to monitor the risk. It measures the cumulative foreign exchange risk of all subsidiaries of recognised assets and liabilities that are denominated in a currency (e.g. USD) that is not the subsidiary's functional currency (e.g. other than USD).

The following table summarises the significant exposures to the foreign currency risk at the date of the consolidated statement of financial position:

Currency exposure 2015 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Currency exposure without hedge [a]	23	(25)	(11)	(147)	117
Hedged amount	(64)	26	(4)	146	(121)
Currency exposure including hedge	(41)[b]	1	(15)	(1)	(4)

a) + long position; - short position.
b) Mainly due to unhedged positions in countries where hedging is not cost-effective.

Currency exposure 2014 in millions of Swiss francs	USD	EUR	CHF	GBP
Currency exposure without hedge [a]	(62)	7	83	(144)
Hedged amount	(14)	(5)	(83)	141
Currency exposure including hedge	(76)[b]	2	–	(3)

a) + long position; - short position.
b) Mainly due to unhedged positions in countries where hedging is not cost-effective.

In the exposure calculations, the intra Group positions, except those related to net investments in foreign operations, are included.

The following table summarises the sensitivity to transactional currency exposures of the main currencies at 31 December. The sensitivity analysis is disclosed for each currency representing significant exposure:

Currency risks 2015 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Reasonable shift	24%	9%	9%	11%	11%
Impact on income statement if the currency strengthens against all other currencies	(13)	–	(1)	–	–
Impact on income statement if the currency weakens against all other currencies	13	–	1	–	–

Currency risks 2014 in millions of Swiss francs	USD	EUR	CHF	GBP
Reasonable shift	4%	1%	3%	6%
Impact on income statement if the currency strengthens against all other currencies	(2)	–	–	–
Impact on income statement if the currency weakens against all other currencies	2	–	–	–

The sensitivity is based on the exposure at the date of the consolidated statement of financial position and based on assumptions deemed reasonable by management, showing the impact on income before tax. The management uses historical volatilities of the significant currencies contributing to the exposure to determine the reasonable change.

4.2.1.2 Interest Rate Risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates, and invests in debt financial instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially counterbalanced by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Group Treasury manages interest rate risk centrally by simulating various scenarios on liabilities taking into consideration refinancing, renewal of existing positions and hedging. Hedging strategies are applied by either positioning the liabilities or protecting interest expense through different interest cycles. Hedging activities are regularly evaluated to align interest rate views and defined risk limits. Group Treasury manages interest rate risk mainly by the use of interest rate swap contracts and forward interest rate contracts.

The following table shows the sensitivity to interest rate changes:

As at 31 December 2015 in millions of Swiss francs	150 basis points increase	25 basis points decrease
Impact on income statement	2	
Impact on equity	59	(12)

As at 31 December 2014 in millions of Swiss francs	150 basis points increase	25 basis points decrease
Impact on income statement	3	
Impact on equity	44	(5)

The sensitivity is based on exposure on liabilities at the date of the consolidated statement of financial position using assumptions which have been deemed reasonable by management showing the impact on the income before tax.

Cash flow hedges

Inception date	Hedged items	Hedge instruments	Objectives	Comments
2009	Highly probable future debt issuances in 2011.	Several forward starting interest rate swaps commencing in 2011, totalling CHF 200 million with an average rate of 2.69% and a 5 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	In June 2011, the Group issued a 2.5% 7 year public bond (maturity 15 June 2018) with a nominal value of CHF 300 million. Correspondingly, hedge positions assigned to this bond issuance of CHF 200 million have been closed. The amortisation of the realised loss of CHF 14 million is recognised in Financing costs over the next 5 years.
2009	Highly probable future debt issuances in 2012.	Several forward starting interest rate swaps commencing in 2012, totalling CHF 250 million with an average rate of 2.70% and a 5 year maturity and CHF 50 million with an average rate of 2.45% and a 3 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	In December 2011, the Group issued a dual tranche public bond, totalling CHF 300 million, respectively of CHF 150 million at a rate of 1.250% for 5 years and CHF 150 million at the rate of 2.125% for 10 years. Correspondingly, hedge positions assigned to this bond issuance have been closed. The amortisation of the realised loss of CHF 28 million and CHF 4 million is recognised in Financing costs over 5 years and 3 years respectively.
2011/ 2012	Highly probable future debt issuances in 2014.	Several forward starting interest rate swaps commencing in 2014, totalling CHF 250 million with an average rate of 1.54% and a 5 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	In March 2014, the Group issued a 1.00% 6.5 year public bond with a nominal value of CHF 100 million; and a 1.75% 10 year public bond with a nominal value of CHF 150 million. Correspondingly, hedge positions assigned to this bond issuance have been closed. The cash flow hedges were effective until February 2014. In March 2014 the IRSs were closed. The amortisation of the realised loss of CHF 15 million is recognised in Financing costs over 5 years.
2012	Highly probable future debt issuances in 2016.	Several forward starting interest rate swaps commencing in 2016, totalling CHF 75 million with an average rate of 1.63% and a 5 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	The cash flow hedges were effective during the year.
2012	Highly probable future private placements issuance in the USA in 2013.	Several derivatives instruments fixing the interest rate at 1.80% on average for a total amount of USD 100 million.	Protection against short-term increases in USD interest rates and to fix the interest rates.	The cash flow hedges were effective during the period. The amount of USD 1 million (equivalent to CHF 1 million) deferred in hedging reserve in other comprehensive income is recycled over the next 10 years as Financing cost from 6 February 2013, the date when the proceeds were received.
2012/ 2014	Highly probable future debt issuances in 2018.	Several forward starting interest rate swaps commencing in 2018, totalling CHF 150 million with an average rate of 1.90% and a 5 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	The cash flow hedges were effective during the year.
2014/ 2015	Highly probable future debt issuances in 2020.	Several forward starting interest rate swaps commencing in 2020, totalling CHF 75 million with an average rate of 2.12% and a 10 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	The cash flow hedges were effective during the year.
2014/ 2015	Highly probable future debt issuances in 2021.	Several forward starting interest rate swaps commencing in 2021, totalling CHF 125 million with an average rate of 2.05% and a 10 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	The cash flow hedges were effective during the year.
2014/ 2015	Highly probable future debt issuances in 2024.	Several forward starting interest rate swaps commencing in 2024, totalling CHF 100 million with an average rate of 2.35% and a 10 year maturity.	Protection against future increases in CHF interest rates and to fix the interest rates.	The cash flow hedges were effective during the year.

4.2.1.3 Price Risk

The Group is exposed to equity price risk arising from equity investments held either classified as available-for-sale or at fair value through income statement. The Group manages its price risk through a diversification of portfolios within the limits approved by the Board of Directors.

The Group holds its own shares to meet future expected obligations under the various share-based payment schemes.

Sensitivity analysis

In 2015, the Group's equity portfolio is composed exclusively of US shares. The benchmark for the reasonable change is an average of historical volatility of US indexes (15% for the last three years).

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period and based on the shifts in the respective market:

2015 – reasonable shifts: 15%US in millions of Swiss francs	Equity price increase	Equity price decrease
Impact on income statement	3	(3)
Impact on equity	3	(3)

2014 – reasonable shifts: 16%CH, 16%EU, 16%US in millions of Swiss francs	Equity price increase	Equity price decrease
Impact on income statement	4	(4)
Impact on equity	9	(9)

4.2.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Commercial Credit risk is managed by the Group's subsidiaries and monitored on a Group basis whilst counterparty risk related to financial institutions is centrally managed within the Group Treasury function.

Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit limits, ongoing credit evaluation and account monitoring procedures. Generally, there is no significant concentration of trade receivables or commercial counterparty credit risk, due to the large number of customers that the Group deals with and their wide geographical spread with the exception of one single external customer that generates revenues, mainly attributable to the Fragrance Division, of approximately CHF 545 million (2014: CHF 531 million). Countries, credit limits and exposures are continuously monitored.

The credit risk on liquid funds, derivatives and other monetary financial assets is limited because the counterparties are financial institutions with investment grade ratings.

The following table presents the credit risk exposure to individual financial institutions:

	2015			2014		
	Total in Mio CHF	Max. with any individual bank in Mio CHF	Number of banks	Total in Mio CHF	Max. with any individual bank in Mio CHF	Number of banks
AAA – range	79	79	1			
AA – range	145	140	2	85	85	2
A – range	99	48	4	315	77	9
BBB – range	157	68	7			

From one year to another, the exposure of cash in banks which are BBB level increased significantly because several large international banks have been downgraded from single-A to triple-B by the ratings agencies.

The carrying amount of financial assets recognised in the consolidated financial statements which is net of impairment losses, represents the Group's maximum exposure to credit risk.

4.2.3 Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash, marketable securities, availability of funds through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding by maintaining availability under committed and uncommitted credit lines.

Group Treasury monitors and manages cash at the Group level and defines the maximum cash level at subsidiary level. Cash surpluses held by subsidiaries over and above amounts required for working capital management are transferred to the central treasury centre. The surplus of cash is generally invested in interest bearing current accounts, time deposits, money market deposits and funds. When necessary, intercompany loans are granted by the Group to subsidiaries to meet their non-recurrent payment obligations.

The following table analyses the Group's remaining contractual maturity for financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay. The table includes both interest and principal cash flows:

2015 in millions of Swiss francs	Up to 6 months	6 – 12 months	1 – 5 years	Over 5 years	Total
Short-term debt (excluding bank overdraft)	(58)	(152)			(210)
Accounts payable	(400)				(400)
Net settled derivative financial instruments	(3)	(3)	(14)	(43)	(63)
Gross settled derivative financial instruments – outflows	(1,267)	(147)			(1,414)
Gross settled derivative financial instruments – inflows	1,268	146			1,414
Long-term debt	(17)	(3)	(515)	(549)	(1,084)
Balance as at 31 December	**(477)**	**(159)**	**(529)**	**(592)**	**(1,757)**

2014 in millions of Swiss francs	Up to 6 months	6 – 12 months	1 – 5 years	Over 5 years	Total
Short-term debt (excluding bank overdraft)	(52)				(52)
Accounts payable	(423)				(423)
Net settled derivative financial instruments	(2)	(2)	(12)	(37)	(53)
Gross settled derivative financial instruments – outflows	(933)	(254)			(1,187)
Gross settled derivative financial instruments – inflows	935	253			1,188
Long-term debt	(22)	(5)	(594)	(669)	(1,290)
Balance as at 31 December	**(497)**	**(8)**	**(606)**	**(706)**	**(1,817)**

4.3 Fair Value Measurements

The following tables present the Group's assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is measured:

- **Level 1** inputs to measure fair value are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** inputs to measure fair value are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** inputs to measure fair value are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2015 in millions of Swiss francs	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through income statement					
Forward foreign exchange contracts			17		17
Corporate owned life insurance			35		35
Available-for-sale financial assets					
Equity securities	18	1	21		22
Debt securities	18	1	20		21
Total assets		**2**	**93**		**95**
Financial liabilities at fair value through income statement					
Forward foreign exchange contracts			18		18
Swaps (hedge accounting)			56		56
Swaps (no hedge accounting)			6		6
Total liabilities			**80**		**80**

2014 in millions of Swiss francs	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through income statement					
Forward foreign exchange contracts			21		21
Corporate owned life insurance			35		35
Available-for-sale financial assets					
Equity securities	18	50	20		70
Debt securities	18	14	21		35
Total assets		**64**	**97**		**161**
Financial liabilities at fair value through income statement					
Forward foreign exchange contracts			19		19
Swaps (hedge accounting)			41		41
Swaps (no hedge accounting)			9		9
Total liabilities			**69**		**69**

Financial assets and liabilities at fair value through income statement are measured with Level 2 inputs. They consist of forward foreign exchange contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts, of interest swaps that are measured using quoted interest rates and yield curves derived from quoted interest rates matching maturities of the contracts, and of corporate owned life insurance (COLI) that are measured on quoted instruments with similar credit ratings and terms in a mix of money market, fixed income and equity funds managed by unrelated fund managers.

During 2015 the Group liquidated a substantial part of the available-for-sale marketable securities in order to reduce the market risk exposure related to those securities.

There was no transfer between Level 1 and 2 in the period. The Group did not carry out any transactions on level 3 type assets during 2015 and 2014, nor did it have any assets in this category at 31 December 2015 and 2014.

5. Acquisitions

On 27 August 2015, Givaudan acquired 100% of the share capital of Induchem Holding AG and its affiliates for a purchase price of CHF 93 million. Induchem's portfolio of products is based on a wide range of innovative and highly functional active ingredients with proven efficacy results, as well as research expertise in fields such as biocatalysis, metagenomics and biochemical synthesis. Induchem primarily operates from Volketswil, Switzerland, Toulouse, France and New York, USA, and employs 65 people.
From 27 August 2015, the acquisition contributed CHF 9 million of sales and CHF 1 million of EBITDA to the Group's consolidated results.

The goodwill of CHF 62 million on the acquisition relates mainly to the value of the qualified workforce and expected synergies that do not meet the criteria for recognition as separable intangible assets. None of the goodwill arising from the acquisition is expected to be tax deductible.

The Group incurred transaction related costs of CHF 1 million (2014: CHF 1 million) related to external legal fees and due diligence. These expenses are reported within other operating expense in the consolidated income statement.

The identifiable assets and liabilities of Induchem Holding AG acquired are recorded at fair value at the date of acquisition. Total net assets acquired of CHF 31 million consist of cash (CHF 2 million), working capital (CHF 5 million), fixed assets (CHF 2 million), intangible assets which are made up of process knowledge, research expertise, client relationships, name and product brands (CHF 38 million), deferred tax liabilities (CHF 9 million) and other liabilities (CHF 7 million). The total purchase price of CHF 93 million was settled in cash, resulting in goodwill of CHF 62 million.

In compliance with IFRS 3, these values determined are provisional and the Group has twelve months from the date of acquisition to finalise the allocation of the acquisition price.

6. Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to allocate resources to the segments and to assess their performance. The Executive Committee considers the business from a divisional perspective:

Fragrances Manufacture and sale of fragrances into three global business units: Fine Fragrances, Consumer Products and, Fragrance and Active Cosmetic Ingredients; and

Flavours Manufacture and sale of flavours into four business units: Beverages, Dairy, Savoury and Sweet Goods. The information of these business units are reviewed by the Executive Committee primarily by region.

The performance of the operating segments is based on EBITDA as a percentage of sales.

Business segments

		Fragrances		Flavours		Group	
in millions of Swiss francs	Note	**2015**	2014	**2015**	2014	**2015**	2014
Segment sales		2,096	2,108	2,311	2,308	4,407	4,416
Less inter segment sales [a]		–	–	(11)	(12)	(11)	(12)
Segment sales to third parties		**2,096**	**2,108**	**2,300**	**2,296**	**4,396**	**4,404**
EBITDA		**498**	**505**	**572**	**548**	**1,070**	**1,053**
as % of sales		23.7%	23.9%	24.9%	23.9%	24.3%	23.9%
Depreciation	21	(50)	(53)	(62)	(57)	(112)	(110)
Amortisation	22	(73)	(82)	(84)	(98)	(157)	(180)
Impairment of long-lived assets	21	(1)	–	(6)	(3)	(7)	(3)
Acquisition of Property, plant and equipment	21	66	75	77	93	143	168
Acquisition of Intangible assets	22	18	22	20	24	38	46
Total Gross Investments		**84**	**97**	**97**	**117**	**181**	**214**

a) Transfer prices for inter-divisional sales are set on an arm's length basis.

The amounts by division provided to the Executive Committee are measured in a consistent manner in terms of accounting policies with the consolidated financial statements.

Reconciliation table to Group's operating income

	Fragrances		Flavours		Group	
in millions of Swiss francs	**2015**	2014	**2015**	2014	**2015**	2014
EBITDA	**498**	**505**	**572**	**548**	**1,070**	**1,053**
Depreciation	(50)	(53)	(62)	(57)	(112)	(110)
Amortisation	(73)	(82)	(84)	(98)	(157)	(180)
Impairment of long-lived assets	(1)	–	(6)	(3)	(7)	(3)
Operating income	**374**	**370**	**420**	**390**	**794**	**760**
as % of sales	17.8%	17.5%	18.3%	17.0%	18.1%	17.3%
Financing costs					(61)	(63)
Other financial income (expense), net					(27)	(20)
Income before taxes					**706**	**677**
as % of sales					16.1%	15.4%

Entity-wide disclosures

The breakdown of revenues from the major group of similar products is as follows:

in millions of Swiss francs	**2015**	2014
Fragrance Division		
Fragrance Compounds	1,823	1,843
Fragrance and Active Cosmetic Ingredients	273	265
Flavour Division		
Flavour Compounds	2,300	2,296
Total revenues	**4,396**	**4,404**

The Group operates in five geographical areas: Switzerland (country of domicile); Europe, Africa and Middle-East; North America; Latin America; and Asia Pacific.

	Segment sales [a]		Non-current assets [b]	
in millions of Swiss francs	**2015**	2014	**2015**	2014
Switzerland	42	49	1,356	695
Europe	1,176	1,289	638	1,407
Africa and Middle-East	349	348	63	73
North America	1,020	951	954	955
Latin America	571	579	120	145
Asia Pacific	1,238	1,188	477	465
Total geographical segments	**4,396**	**4,404**	**3,608**	**3,740**

a) Segment sales are revenues from external customers and are shown by destination.

b) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets. They consist of property, plant and equipment, intangible assets and investments in jointly controlled entities.

Revenues of approximately CHF 545 million (2014: CHF 531 million) are derived from a single external customer. These revenues are mainly attributable to the Fragrance Division.

7. Employee Benefits

The following amounts related to employee remuneration and benefits are included in determining operating income:

in millions of Swiss francs	2015	2014
Wages and salaries	722	715
Social security costs	104	108
Post-employment benefits: defined benefit plans	1	40
Post-employment benefits: defined contribution plans	18	13
Equity-settled instruments	35	31
Cash-settled instruments	2	18
Change in fair value on own equity instruments	–	(8)
Other employee benefits	99	86
Total employees' remuneration	**981**	**1,003**

Defined Benefit Plans

The Group operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries. The most significant plans are held in Switzerland, United States of America and United Kingdom (further information by country is disclosed at the end of this note).

The defined benefit plan held in the Netherlands has been transferred in the first six months of 2015 to a multi-employer plan which by its nature is a defined contribution plan. The transfer resulted in a one-off non-cash gain of CHF 32 million, net of compensation, recognised in the line "other operating income" in the consolidated income statement. The related contribution expensed in the income statement was CHF 5 million.

Non-pension plans consist primarily of post-retirement healthcare and life insurance schemes, principally in the United States of America.

The amounts recognised in the consolidated income statement are as follows:

			2015			2014
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Current service cost	42	2	44	38	2	40
Gain arising from settlement	(43)		(43)			
Total included in employees' remuneration	**(1)**	**2**	**1**	**38**	**2**	**40**
Net interest cost included in financing costs	13	3	16	9	3	12
Total components of defined benefit cost	**12**	**5**	**17**	**47**	**5**	**52**
Of which arising from:						
Funded obligations	7	5	12	43	5	48
Unfunded obligations	5	–	5	4		4

The amounts recognised in other comprehensive income are as follows:

in millions of Swiss francs	2015 Pension Plans	2015 Non-pension Plans	2015 Total	2014 Pension Plans	2014 Non-pension Plans	2014 Total
(Gains) losses from change in demographic assumptions	(28)	–	(28)	27	4	31
(Gains) losses from change in financial assumptions	(50)	(1)	(51)	433	7	440
Experience (gains) losses	3	(4)	(1)	(12)	(6)	(18)
Return on plan assets less interest on plan assets	13	–	13	(95)		(95)
Remeasurement (gains) losses on defined benefit pension plans	**(62)**	**(5)**	**(67)**	**353**	**5**	**358**
Of which arising from:						
Funded obligations	(54)	(5)	(59)	339	5	344
Unfunded obligations	(8)	–	(8)	14	–	14

The amounts recognised in the statement of financial position are as follows:

in millions of Swiss francs	2015 Pension Plans	2015 Non-pension Plans	2015 Total	2014 Pension Plans	2014 Non-pension Plans	2014 Total
Funded obligations						
Present value of funded obligations	(1,961)	(72)	(2,033)	(2,420)	(76)	(2,496)
Fair value of plan assets	1,491	1	1,492	1,848	1	1,849
Recognised asset (liability) for funded obligations, net	**(470)**	**(71)**	**(541)**	**(572)**	**(75)**	**(647)**
Unfunded obligations						
Present value of unfunded obligations	(77)	(12)	(89)	(75)	(12)	(87)
Recognised asset (liability) for unfunded obligations	**(77)**	**(12)**	**(89)**	**(75)**	**(12)**	**(87)**
Total defined benefit asset (liability)	**(547)**	**(83)**	**(630)**	**(647)**	**(87)**	**(734)**
Deficit recognised as liabilities for post-employment benefits	(562)	(83)	(645)	(654)	(87)	(741)
Surplus recognised as part of the other long-term assets	15		15	7		7
Total net asset (liability) recognised	**(547)**	**(83)**	**(630)**	**(647)**	**(87)**	**(734)**

Amounts recognised in the statement of financial position for post-employment defined benefit plans are predominantly non-current. The non-current portion is reported as non-current assets and non-current liabilities. The current portion is reported as current liabilities within other current liabilities.

Changes in the present value of the defined benefit obligation are as follows:

			2015			2014
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Balance as at 1 January	**2,495**	**88**	**2,583**	**1,945**	**73**	**2,018**
Amounts recognised in the income statement						
Current service cost	42	2	44	38	2	40
Interest cost	49	3	52	65	3	68
Amounts recognised in the other comprehensive income						
(Gains) losses from change in demographic assumptions	(28)	–	(28)	27	4	31
(Gains) losses from change in financial assumptions	(50)	(1)	(51)	433	7	440
Experience (gains) losses	3	(4)	(1)	(12)	(6)	(18)
Employee contributions	10	1	11	11	1	12
Benefit payments	(74)	(4)	(78)	(73)	(3)	(76)
Settlement [a]	(355)		(355)			
Currency translation effects	(54)	(1)	(55)	61	7	68
Balance as at 31 December	**2,038**	**84**	**2,122**	**2,495**	**88**	**2,583**

a) Settlement related to the transfer of the pension plan in the Netherlands.

Changes in the fair value of the plan assets are as follows:

			2015			2014
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Balance as at 1 January	**1,848**	**1**	**1,849**	**1,655**	**1**	**1,656**
Amounts recognised in the income statement						
Interest income	36	–	36	56		56
Amounts recognised in the other comprehensive income						
Return on plan assets less interest on plan assets	(13)	–	(13)	95		95
Employer contributions	43	2	45	59	2	61
Employee contributions	10	1	11	11	1	12
Benefit payments	(74)	(4)	(78)	(73)	(3)	(76)
Settlement [a]	(312)		(312)			
Currency translation effects	(47)	1	(46)	45		45
Balance as at 31 December	**1,491**	**1**	**1,492**	**1,848**	**1**	**1,849**

a) Settlement related to the transfer of the pension plan in the Netherlands.

Plan assets are comprised as follows:

in millions of Swiss francs		**2015**		2014
Debt	476	32%	788	42%
Equity	533	36%	643	35%
Property	199	13%	197	11%
Insurances policies and other	284	19%	221	12%
Total	**1,492**	**100%**	**1,849**	**100%**

The investment strategies are diversified within the respective statutory requirements of each country providing long-term returns with an acceptable level of risk. The plan assets are primarily quoted in an active market with exception of the property and insurance policies.

The plan assets do not include Givaudan registered shares. They do not include any property occupied by, or other assets used by, the Group.

The Group operates defined benefit plans in many countries for which the actuarial assumptions vary based on local economic and social conditions. The assumptions used in the actuarial valuations of the most significant defined benefit plans, in countries with stable currencies and interest rates, were as follows:

Weighted percentage	2015	2014
Discount rates	2.5%	2.4%
Projected rates of remuneration growth	2.6%	2.7%
Future pension increases	0.8%	1.0%
Healthcare cost trend rate	5.0%	5.0%

The overall discount rate and the overall projected rates of remuneration growth are calculated by weighting the individual rates in accordance with the defined benefit obligation of the plans.

Sensitivity analysis

The defined benefit obligations are calculated on the basis of various financial and demographic assumptions. The below information quantifies the consequences of a change in some key assumptions.
The effects ((gain)/loss) of the change in assumptions are as follows:

in millions of Swiss francs	Change in assumption	Effects of the change	Increase in assumption	Decrease in assumption
Discount rate	0.5%	on the current service cost	(5)	5
		on the defined benefit obligation	(160)	176
Salary increases	0.5%	on the current service cost	1	(1)
		on the defined benefit obligation	18	(17)
Pension increases	0.5%	on the current service cost	2	–
		on the defined benefit obligation	102	(32)
Medical cost trend	1.0%	on the current service cost		–
		on the defined benefit obligation	4	(4)
Life expectancy	1 year	on the current service cost	1	(1)
		on the defined benefit obligation	63	(64)

Information by country

Switzerland

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the pension plan is managed by an independent, legally autonomous entity which has the legal structure of a foundation.

The Board of Trustees of the foundation is composed of equal numbers of employee and employer representatives. Each year the Board of Trustees decides the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy. It is also responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk. The foundation provides benefits on a defined contribution basis.

The majority of the employees are participants to the plan and are insured against the financial consequences of old age, disability and death. The employer and employees pay contributions to the pension plan at rates set out in the foundation rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

Under IAS19 employee benefits, the pension plan is classified as defined benefit plan due to the promises and underlying benefits guarantees. Consequently the pension obligation is calculated by using the projected unit credit method.

The Group expects to contribute CHF 18 million to these plans during 2016 (2015: CHF 17 million).

United States of America
The main US pension plan is qualified under and is managed in accordance with the requirements of US federal law. In accordance with federal law the assets of the plan are legally separate from the employer and are held in a pension trust.

The law requires minimum and maximum amounts that can be contributed to the trust, together with limitations on the amount of benefits that may be provided under the plan. There are named fiduciaries that are responsible for ensuring the plan is managed in accordance with the law. The fiduciaries are responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk. The employees do not contribute to the plan and the employer contributes to the plan amounts which are at least equal to the minimum required by the law and not more than the maximum that would limit the tax deductibility of the contributions. The plan provides benefits on a defined benefit basis, and is closed to new employees.

The closed group of participants to the defined benefit plan continue to accrue benefits which are payable at retirement and on death in service. With exceptions for optional lump sum amounts for certain sections of the plan, the benefits are paid out as annuities.

Under IAS19 employee benefits, the pension obligations are calculated by using the projected unit credit method.

The Group expects to contribute CHF 16 million to this plan in 2016 (2015: CHF 26 million).

United Kingdom
The two occupational pension schemes (Quest UK Pension Scheme and Givaudan UK Pension Plan) are arranged under the applicable UK Pension Schemes and Pensions Acts and managed as legally autonomous pension trusts by the Boards of Trustees.

The Boards of Trustees are composed of two employee representatives and four employer representatives, for the Quest UK Pension Scheme, and three employee representatives, three employer representatives plus two pensioner representatives for the Givaudan UK Pension Plan. The Boards of Trustees are responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk. In their respective sections, both trusts provide benefits on a defined benefit basis. These defined benefit sections are closed to new members.

The closed groups of participants to the defined benefit sections of both the Quest UK Pension Scheme or the Givaudan UK Pension Plan continue to accrue benefits for the events of retirement and death in service. The employer and the members pay contributions to the trusts at rates set out in the trust rules and the contribution schedule. The regular contributions are based on a percentage of pensionable salary. With exceptions for trivial amounts, transfer values, lump sum death benefits and tax free lump sums, the benefits are paid out as annuities.

Under IAS19 employee benefits, the pension obligations in the defined benefit sections of both the Quest UK Pension Scheme and the Givaudan UK Pension Plan are calculated by using the projected unit credit method.

The Group expects to contribute CHF 13 million to this plan in 2016 (2015: CHF 14 million).

Rest of the world
The Group operates other retirement plans classified either as defined benefit or defined contribution plans in some other countries. No individual plan other than those described above is considered material to the Group.

The Group expects to contribute CHF 3 million to these plans in 2016 (2015: CHF 3 million).

The funding position of the funded defined benefit plans are as follows:

As at 31 December 2015 in millions of Swiss francs	Switzerland	United States of America	United Kingdom	Other countries	Total
Present value of defined benefit obligation	1,089	458	339	75	1,961
Fair value of plan asset	779	362	307	43	1,491
Deficit / (surplus)	**310**	**96**	**32**	**32**	**470**
In percentage	71.5%	79.0%	90.6%	57.3%	76.0%

As at 31 December 2014 in millions of Swiss francs	Switzerland	United States of America	United Kingdom	Netherlands	Other countries	Total
Present value of defined benefit obligation	1,057	476	395	408	84	2,420
Fair value of plan asset	789	369	314	329	47	1,848
Deficit / (surplus)	**268**	**107**	**81**	**79**	**37**	**572**
In percentage	74.6%	77.5%	79.5%	80.6%	56.0%	76.4%

Key assumptions

2015 in percentage	Switzerland	United States of America	United Kingdom
Discount rate	1.00	4.60	3.70
Future salary increases	2.00	3.50	3.75
Future pension increases	0.00	n/a	3.10
Future average life expectancy for a pensioner retiring at age 65	22.8	22.2	23.1

2014 in percentage	Switzerland	United States of America	United Kingdom
Discount rate	1.10	4.16	3.40
Future salary increases	2.00	3.50	3.75
Future pension increases	0.00	n/a	3.10
Future average life expectancy for a pensioner retiring at age 65	22.7	22.7	24.6

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions for the most important countries are based on the following tables:

(i) Switzerland: BVG2010
(ii) United States of America: RP2014
(iii) United Kingdom: S2PA

Allowance for future improvements in mortality have been allowed for as appropriate in each country. In Switzerland the generational rates have been used. In the United States of America the published rates have been adjusted and projected in accordance with the MP2015 scale. In the United Kingdom the rates reflect the latest (2015) CMI projections with a 1.25% long term rate of improvement.

8. Share-Based Payments

Performance share plan

Performance share plans are granted on a yearly basis. The performance shares are converted into tradable and transferable shares of Givaudan SA after the vesting period, subject to performance conditions. The performance metric is a combination of the average sales growth of selected peer companies and the cumulative free cash flow margin. There is no market vesting condition involved and participation in this plan is mandatory.

Year of grant	Commencing date	Vesting date	Number of shares expected to be delivered at vesting date	Weighted average fair value (CHF)
2013	29 Mar 2013	29 Mar 2016	44,008	1,041.4
2014	31 Mar 2014	31 Mar 2017	32,212	1,214.4
2015	31 Mar 2015	31 Mar 2018	22,660	1,595.9

The cost of the equity-settled instruments of CHF 33 million (2014: CHF 27 million) has been expensed in the consolidated income statement. A marginal portion of the number of shares expected to be delivered can be settled in cash in the jurisdictions where a physical delivery is not admitted.

Equity-settled instruments related to share options

Share options shown in the table below have been granted on a yearly basis. These options are tradable and transferable after the vesting period. Participation in these plans is mandatory.

Share options outstanding at the end of the year have the following terms:

Year of grant	Maturity date	Vesting date	Strike price (CHF)	Ratio (option: share)	Option value at grant date (CHF)	**Number of options 2015**	Number of options 2014
2010	3 Mar 2015	3 Mar 2012	925.0	9.5:1	15.16		2,250
2011	25 Feb 2016	25 Feb 2013	975.0	8.5:1	15.57	4,900	16,500
2012	1 Mar 2017	1 Mar 2014	915.0	7.0:1	15.41	28,878	55,700

An immaterial cost of these equity-settled instruments has been expensed in the consolidated income statement.

Movements in the number of share options outstanding, expressed in equivalent shares, are as follows:

Number of options expressed in equivalent shares	**2015**	Weighted average exercised price (CHF)	2014	Weighted average exercised price (CHF)
As at 1 January	**10,135**	**928.6**	**57,801**	**927.3**
Sold	(5,433)	932.7	(47,666)	927.1
As at 31 December	**4,702**	**923.7**	**10,135**	**928.6**

All of the 4,702 outstanding options expressed in equivalent shares (2014: 10,135) are exercisable. For these plans, the Group has at its disposal either treasury shares or conditional share capital up to an amount of CHF 1,618,200 representing 161,820 registered shares with a par value of CHF 10 per share. When held or sold, an option does not give right to receive a dividend or to vote.

Equity-settled instruments related to restricted shares

Restricted shares shown in the table below have been granted on a yearly basis. These shares are tradable and transferable after the vesting period. Participation in these plans is mandatory.

Restricted shares outstanding at the end of the year have the following terms:

Year of grant	Maturity date	Vesting date	Restricted share at grant date (CHF)	**Number of restricted share 2015**	Number of restricted share 2014
2012	1 Mar 2017	1 Mar 2015	810.3		10,359
2013	1 Mar 2018	1 Mar 2016	970.4	1,125	1,125
2014	31 Mar 2019	31 Mar 2017	1,214.4	1,190	1,190
2015	31 Mar 2020	31 Mar 2018	1,595.9	1,092	

Of the 3,407 outstanding restricted shares (2014: 12,674), no share (2014: none) was deliverable. The cost of these equity-settled instruments of CHF 2 million (2014: CHF 4 million) has been expensed in the consolidated income statement.

Movements in the number of restricted shares outstanding are as follows:

Number of restricted shares	**2015**	2014
As at 1 January	**12,674**	**21,441**
Granted	1,092	1,190
Sold	(10,359)	(9,907)
Lapsed/cancelled		(50)
As at 31 December	**3,407**	**12,674**

For these plans, the Group has at its disposal treasury shares.

Cash-settled instruments related to share options

Option rights shown in the table below have been granted on a yearly basis. These rights are not tradable and transferable after the vesting period. Participation in these plans is mandatory.

Year of grant	Maturity date	Vesting date	Strike price (CHF)	Ratio (option: share)	Option value at grant date (CHF)	**Number of options 2015**	Number of options 2014
2010	3 Mar 2015	3 Mar 2012	925.0	9.5:1	15.16		18,750
2011	25 Feb 2016	25 Feb 2013	975.0	8.5:1	15.57	13,750	30,035
2012	1 Mar 2017	1 Mar 2014	915.0	7.0:1	15.41	33,425	62,225

The change of the fair value and the execution of these cash-settled instruments resulted in a credit of CHF 2 million (2014: charge of CHF 10 million) in the consolidated income statement. The liability element of the cash-settled instruments of CHF 7 million (2014: CHF 14 million) has been recognised in the statement of financial position.

Movements in the number of options rights outstanding, expressed in equivalent shares, are as follows:

Number of options expressed in equivalent shares	**2015**	Weighted average exercised price (CHF)	2014	Weighted average exercised price (CHF)
As at 1 January	**14,397**	**932.9**	**47,069**	**920.6**
Exercised	(7,767)	933.5	(32,672)	915.2
Lapsed/cancelled	(237)	925.0		
As at 31 December	**6,393**	**932.5**	**14,397**	**932.9**

All of the 6,393 outstanding options expressed in equivalent shares (2014: 14,397) are exercisable. The Group has at its disposal treasury shares to finance these plans. When held or sold, an option right does not give rights to receive a dividend nor to vote.

Cash-settled instruments related to restricted shares

Option rights shown in the table below have been granted on a yearly basis. These rights are not tradable and transferable after the vesting period. Participation in these plans is mandatory.

Year of grant	Maturity date	Vesting date	Option value at grant date (CHF)	**Number of options 2015**	Number of options 2014
2012	1 Mar 2017	1 Mar 2015	810.3		4,783
2013	1 Mar 2018	1 Mar 2016	970.4	125	125
2014	31 Mar 2019	31 Mar 2017	1,214.4	119	119

The liability element of these cash-settled instruments recognised in the statement of financial position is not material (2014: CHF 8 million). An immaterial cost of these cash-settled instruments has been recorded in the consolidated income statement (2014: charge of CHF 5 million).

Movements in the number of restricted shares outstanding are as follows:

Number of restricted shares	**2015**	2014
As at 1 January	**5,027**	**9,443**
Granted		147
Exercised	(4,783)	(4,563)
As at 31 December	**244**	**5,027**

The Group has at its disposal treasury shares to finance these plans. When held or sold, an option right does not give rights to receive a dividend nor to vote.

9. Jointly Controlled Entities

Name of Joint ventures	Principal activity	Country of incorporation	Ownership interest
Jiangsu Xinrui Aromatics Ltd	Production of fragrance ingredients	China	49%
BGN Tech LLC	Innovative natural ingredients	USA	49%
Natural Extracts International Ltd	Natural ingredient derivatives production	Mauritius	49%

The above entities have been incorporated in 2014. Summarised financial information in respect of the Group's joint ventures is set out below. The following net assets represent 100% of the jointly controlled entities:

As at 31 December in millions of Swiss francs	**2015**	2014
Current assets	42	16
Non-current assets	34	20
Current liabilities	(14)	(3)
Non-current liabilities	(6)	–
Total net assets of joint ventures	**56**	**33**

As at 31 December in millions of Swiss francs	**2015**	2014
Income	5	–
Expenses	(10)	(3)

10. Other Operating Income

in millions of Swiss francs	**2015**	2014
Gains on disposal of fixed assets	–	42
Other income	41	10
Total other operating income	**41**	**52**

For the year ended 31 December 2015, the Group recognised a one-off non-cash gain of CHF 32 million following a change in the pension plans. For the year ended 31 December 2014, the Group recognised a one-off gain of CHF 42 million on the disposal of land at its Dübendorf location in Switzerland.

11. Other Operating Expense

in millions of Swiss francs	**2015**	2014
Amortisation of intangible assets	79	76
Impairment of long-lived assets	7	3
Losses on disposal of fixed assets	3	3
Acquisition related costs	1	1
Other expenses	42	19
Total other operating expense	**132**	**102**

12. Expenses by Nature

in millions of Swiss francs	Note	**2015**	2014
Raw materials and consumables used		1,642	1,638
Total employee remuneration	7	981	1,003
Depreciation, amortisation and impairment charges	21, 22	276	293
Transportation expenses		37	53
Freight expenses		86	93
Consulting and service expenses		109	125
Other expenses		471	439
Total operating expenses by nature		**3,602**	**3,644**

13. Financing Costs

in millions of Swiss francs	**2015**	2014
Interest expense	47	52
Net interest related to defined benefit pension plans	16	12
Derivative interest (gains) losses	(3)	(2)
Amortisation of debt discounts	1	1
Total financing costs	**61**	**63**

14. Other Financial (Income) Expense, Net

in millions of Swiss francs	**2015**	2014
Fair value and realised (gains) losses from derivatives instruments, net (at fair value through income statement)	(41)	(2)
Exchange (gains) losses, net	71	18
(Gains) Losses from available-for-sale financial assets	(2)	(3)
Realised (gains) from available-for-sale financial assets removed from equity	(12)	(2)
Unrealised (gains) losses from fair value through income statement financial instruments	–	(2)
Interest (income) expense	(2)	(3)
Capital taxes and other non business taxes	9	9
Other (income) expense, net	4	5
Total other financial (income) expense, net	**27**	**20**

15. Income Taxes

Amounts charged to (credited in) the consolidated statement of comprehensive income are as follows:

				2015				2014
in millions of Swiss francs	Income statement	Other comprehensive income	Own equity instruments	Total	Income statement	Other comprehensive income	Own equity instruments	Total
Current taxes								
- in respect of current year	115	(5)		110	117	(3)	–	114
- in respect of prior years	(1)			(1)	(6)			(6)
Deferred taxes								
- in respect of current year	(39)	20	(3)	(22)	2	(100)	(1)	(99)
- attributable to changes in tax rates	2			2	1			1
- reclassified from equity to income statement	–	–		–	–	–		–
- in respect of prior years	(6)	3		(3)		(3)		(3)
Total income tax expense	**71**	**18**	**(3)**	**86**	**114**	**(106)**	**(1)**	**7**

Since the Group operates globally, it is subject to income taxes in many different tax jurisdictions. As such, in determining the provision for income taxes, judgment is required as there are transactions for which the ultimate tax determination is uncertain at the time of preparing the financial statements. As a result, any differences between the final tax outcome and the amounts that were initially recorded impact the current and deferred taxes in the period in which such final determinations are made.

The Group calculates on the basis of the income statement its average applicable tax rate as a weighted average of the tax rates in the tax jurisdictions in which the Group operates, including research tax credits and withholding tax on dividends, interest and royalties.

The Group's effective tax rate differs from the Group's average expected tax rate as follows:

	2015	2014
Group's average applicable tax rate	**19%**	**18%**
Tax effect of		
Income not taxable	(2%)	(2%)
Expenses not deductible	1%	1%
Tax losses on changes in the valuation of subsidiaries	(11%)	
Tax on unremitted earnings not recognised in previous periods	3%	
Other adjustments of income taxes of prior years	(1%)	(1%)
Other differences	1%	1%
Group's effective tax rate	**10%**	**17%**

The variation in the Group's average applicable tax rate arises due to changes in the composition of the Group's profitability within the Group's subsidiaries, in accordance with the Group's business profile in terms of geographical presence, product mix and customer portfolio, as well as external factors related to changes in local statutory tax rates.

The tax losses relating to adjustments in the value of the parent company's interests in subsidiaries arise from changes in Swiss Accounting Law and from changes in the Group's legal entity structure.

Income tax assets and liabilities

Amounts recognised in the statement of financial position related to income taxes are as follows:

As at 31 December in millions of Swiss francs	**2015**	2014
Current income tax assets	16	22
Current income tax liabilities	(70)	(82)
Total net current income tax asset (liability)	**(54)**	**(60)**

2015 in millions of Swiss francs	Property, plant & equipment	Intangible assets	Pension plans	Tax loss carry forward	Other differences	Total
Net deferred tax asset (liability) as at 1 January	**(94)**	**(52)**	**202**	**9**	**105**	**170**
Acquisition		(8)			(1)	(9)
(Credited) debited to consolidated income statement	2	(2)		51	(8)	43
(Credited) debited to other comprehensive income			(24)		1	(23)
(Credited) debited to own equity instruments					3	3
Currency translation effects	3	(2)	(5)	(1)	(11)	(16)
Net deferred tax asset (liability) as at 31 December	**(89)**	**(64)**	**173**	**59**	**89**	**168**
Deferred tax assets						260
Deferred tax liabilities						(92)
Net deferred tax asset (liability) as at 31 December						**168**

2014 in millions of Swiss francs	Property, plant & equipment	Intangible assets	Pension plans	Tax loss carry forward	Other differences	Total
Net deferred tax asset (liability) as at 1 January	**(88)**	**(45)**	**98**	**10**	**106**	**81**
Acquisition		(13)				(13)
(Credited) debited to consolidated income statement	(2)	9	(1)	(1)	(8)	(3)
(Credited) debited to other comprehensive income			99		4	103
(Credited) debited to own equity instruments					1	1
Currency translation effects	(4)	(3)	6	–	2	1
Net deferred tax asset (liability) as at 31 December	**(94)**	**(52)**	**202**	**9**	**105**	**170**
Deferred tax assets						258
Deferred tax liabilities						(88)
Net deferred tax asset (liability) as at 31 December						**170**

Amounts recognised in the statement of financial position for deferred taxes are reported as non-current assets and non-current liabilities, the current portion will be charged or credited to the consolidated income statement during 2016.

Deferred tax assets on loss carry forwards of CHF 59 million (2014: CHF 9 million) and on tax credits of CHF 53 million (2014: CHF 56 million) have been recognised. Deferred tax asset on unused tax losses of CHF 5 million (2014: not material) has not been recognised.

A deferred tax liability of CHF 24 million has been recognised in 2015 (2014: none) for certain foreign subsidiaries which have undistributed earnings subject to withholding tax when paid out as dividend as the parent entity is now in a better position to forecast the timing of distributions expected in the foreseeable future. No deferred tax liabilities have been established for temporary differences of CHF 300 million (2014: CHF 378 million).

16. Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding:

	2015	2014
Income attributable to equity holder of the parent (millions of Swiss francs)	**635**	**563**
Weighted average number of shares outstanding		
Ordinary shares	9,233,586	9,233,586
Treasury shares	(27,964)	(31,110)
Net weighted average number of shares outstanding	**9,205,622**	**9,202,476**
Basic earnings per share (CHF)	**68.98**	**61.18**

Diluted earnings per share

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares:

	2015	2014
Income attributable to equity holder of the parent (millions of Swiss francs)	**635**	**563**
Weighted average number of shares outstanding for diluted earnings per share of 114,050 (2014: 126,290)	**9,319,672**	**9,328,766**
Diluted earnings per share (CHF)	**68.14**	**60.35**

17. Cash and Cash Equivalents

in millions of Swiss francs	2015	2014
Cash on hand and balances with banks	302	318
Short-term investments	176	94
Balance as at 31 December	**478**	**412**

18. Available-for-Sale Financial Assets

in millions of Swiss francs	2015	2014
Equity securities [a]	22	70
Bonds and debentures	21	35
Balance as at 31 December	**43**	**105**
Current assets	2	64
Non-current assets [b]	41	41
Balance as at 31 December	**43**	**105**

a) In 2015 and 2014 no equity securities were restricted for sale.
b) Available-for-sale financial assets are included in Other long-term assets in the Statement of Financial Position.

19. Accounts Receivable – Trade

in millions of Swiss francs	2015	2014
Accounts receivable	911	920
Notes receivable	1	–
Less: provision for impairment	(11)	(9)
Balance as at 31 December	**901**	**911**

Ageing list:

in millions of Swiss francs	2015	2014
Neither past due nor impaired	847	845
Less than 30 days	46	54
30 – 60 days	11	13
60 – 90 days	3	–
Above 90 days	5	8
Less: provision for impairment	(11)	(9)
Balance as at 31 December	**901**	**911**

Movement in the provision for impairment of accounts receivable – trade:

in millions of Swiss francs	2015	2014
Balance as at 1 January	**(9)**	**(8)**
Increase in provision for impairment recognised in consolidated income statement	(5)	(2)
Amounts written off as uncollectible	1	1
Reversal of provision for impairment	1	–
Currency translation effects	1	–
Balance as at 31 December	**(11)**	**(9)**

No significant impairment charge has been recognised in the consolidated income statement in 2015 or in 2014. Past due and impaired receivables are still considered recoverable. The carrying amount of accounts receivable – trade is considered to correspond to the fair value.

20. Inventories

in millions of Swiss francs	2015	2014
Raw materials and supplies	267	297
Work in process	22	27
Intermediate and finished goods	459	477
Less: allowance for slow moving and obsolete inventories	(32)	(30)
Balance as at 31 December	**716**	**771**

In 2015 the amount of write-down of inventories was CHF 31 million (2014: CHF 35 million). At 31 December 2015 and 2014 no significant inventory was valued at net realisable value.

21. Property, Plant and Equipment

2015 in millions of Swiss francs	Land	Buildings and land improve-ments	Machinery, equipment and vehicles	Construction in progress	Total
Net book value					
Balance as at 1 January	**97**	**650**	**540**	**143**	**1,430**
Additions	–	1	5	137	143
Acquisition			2		2
Disposals	–	(1)	(3)		(4)
Transfers		118	97	(215)	
Impairment		–	(3)		(3)
Depreciation		(32)	(80)		(112)
Currency translation effects	(6)	(28)	(28)	(10)	(72)
Balance as at 31 December	**91**	**708**	**530**	**55**	**1,384**
Cost	91	1,147	1,642	55	2,935
Accumulated depreciation		(424)	(1,105)		(1,529)
Accumulated impairment		(15)	(7)		(22)
Balance as at 31 December	**91**	**708**	**530**	**55**	**1,384**

2014 in millions of Swiss francs	Land	Buildings and land improve-ments	Machinery, equipment and vehicles	Construction in progress	Total
Net book value					
Balance as at 1 January	**98**	**648**	**526**	**71**	**1,343**
Additions		1	5	162	168
Acquisition		2	6		8
Disposals	(4)	(6)	(4)		(14)
Transfers		15	82	(97)	
Impairment		(3)			(3)
Depreciation		(27)	(83)		(110)
Currency translation effects	3	20	8	7	38
Balance as at 31 December	**97**	**650**	**540**	**143**	**1,430**
Cost	97	1,076	1,675	143	2,991
Accumulated depreciation		(408)	(1,130)		(1,538)
Accumulated impairment		(18)	(5)		(23)
Balance as at 31 December	**97**	**650**	**540**	**143**	**1,430**

Qualifying assets related to the investments in China and Singapore for which borrowing costs directly attributable to its acquisition or construction were recognised. At 31 December 2015 the capitalised borrowing costs amounted to CHF 1.3 million (2014: CHF 0.6 million).

22. Intangible Assets

2015 in millions of Swiss francs	Goodwill	Intellectual property rights	Process-oriented technology and other	Client relationships	Name and product brands	Software/ERP system	Total
Net book value							
Balance as at 1 January	**1,718**	**152**	**35**	**153**		**235**	**2,293**
Additions						38	38
Acquisition	62		23	12	3		100
Impairment			(4)				(4)
Amortisation		(23)	(10)	(22)	–	(102)	(157)
Currency translation effects	(73)			–		–	(73)
Balance as at 31 December	**1,707**	**129**	**44**	**143**	**3**	**171**	**2,197**
Cost	1,707	370	409	331	3	588	3,408
Accumulated amortisation		(241)	(361)	(188)	–	(417)	(1,207)
Accumulated impairment			(4)				(4)
Balance as at 31 December	**1,707**	**129**	**44**	**143**	**3**	**171**	**2,197**

2014 in millions of Swiss francs	Goodwill	Intellectual property rights	Process-oriented technology and other	Client relationships	Software/ERP system	Total
Net book value						
Balance as at 1 January	**1,616**	**141**	**73**	**175**	**279**	**2,284**
Additions					46	46
Acquisition	6	32	7			45
Amortisation		(21)	(45)	(22)	(92)	(180)
Currency translation effects	96				2	98
Balance as at 31 December	**1,718**	**152**	**35**	**153**	**235**	**2,293**
Cost	1,718	371	386	321	551	3,347
Accumulated amortisation		(219)	(351)	(168)	(316)	(1,054)
Balance as at 31 December	**1,718**	**152**	**35**	**153**	**235**	**2,293**

Classification of amortisation expenses is as follows:

			2015			2014
in millions of Swiss francs	Fragrances	Flavours	Total	Fragrances	Flavours	Total
Cost of sales	8	2	10	5	2	7
Selling, marketing and distribution expenses	16	17	33	15	17	32
Research and product development expenses	9	24	33	24	41	65
Administration expenses	1	1	2	–	–	–
Other operating expenses	39	40	79	38	38	76
Total	**73**	**84**	**157**	**82**	**98**	**180**

Impairment test for goodwill
Goodwill is allocated to the Group's cash-generating units (CGUs), which are defined as the Fragrance Division and the Flavour Division. Goodwill allocated to these two CGUs was CHF 632 million (2014: CHF 607 million) to the Fragrance Division and CHF 1,075 million (2014: CHF 1,111 million) to the Flavour Division.

The recoverable amount of each CGU has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial business plans and budgets approved by management covering a five year period, as well as a terminal value. The basis of the key assumptions is market growth adjusted for estimated market share gains. The discount rate used to discount the estimated future cash flows has a number of components which are derived from capital market information where the cost of equity corresponds to the return expected by the shareholders by benchmarking with comparable companies in the fragrance and flavour industry, and where the cost of debt is based on the conditions on which companies with similar credit rating can obtain financing.

A discount rate of 9.6% (2014: 9.5%) was applied to cash flow projections of the Fragrance Division and to cash flow projections of the Flavour Division. Cash flows of both divisions beyond the five year period have not been extrapolated using a growth rate per annum. These discount rates are pre-tax.

No impairment loss in either division resulted from the impairment tests for goodwill. The outcome of the impairment test was not sensitive to reasonable changes in the cash flows and in the discount rate in the periods presented.

Intellectual property rights
As part of the acquisition of Food Ingredients Specialties (FIS) and Soliance, the Group acquired intellectual property rights, predominantly consisting of know-how being inseparable processes, formulas and recipes, as well as high added-value in active cosmetic ingredients.

Process-oriented technology and other
This consists mainly of process-oriented technology, formulas, molecules, delivery systems as well as process knowledge and research expertise in innovative cosmetic solutions, acquired when the Group purchased IBF, Quest International, Soliance and Induchem.

Client relationships
As part of the acquisition of Quest International and Induchem, the Group acquired client relationships in the Flavour and Fragrance Divisions, mainly consisting of client relationships with key customers.

Name and product brands
In connection with the acquisition of Induchem, the Group acquired name and product brands in active cosmetic ingredients business, which is part of Fragrance Division.

Software/ERP system
This consists of Group ERP system development costs and computer software costs.

The residual useful lives of the acquired intangible assets carried at cost, being their fair value at acquisition date, are determined in accordance with the principles set out in Note 2.18.

Remaining useful lives of major classes of amortisable intangible assets are as follows:

– Software/ERP system	2.0 years
– Name and product brands	4.9 years
– Process-oriented technology	7.1 years
– Client relationships	7.4 years
– Intellectual property rights	5.8 years

23. Debt

2015 in millions of Swiss francs	Within 1 to 3 years	Within 3 to 5 years	Thereafter	Total long-term	Short-term within 1 year	Total
Floating rate debt						
Bank facility	–			–		–
Bank overdrafts					3	3
Total floating rate debt	**–**			**–**	**3**	**3**
Fixed rate debt						
Bank borrowings						
Straight bonds	299	100	298	697	150	847
Private placements		40	210	250	55	305
Total fixed rate debt	**299**	**140**	**508**	**947**	**205**	**1,152**
Balance as at 31 December	**299**	**140**	**508**	**947**	**208**	**1,155**

2014 in millions of Swiss francs	Within 1 to 3 years	Within 3 to 5 years	Thereafter	Total long-term	Short-term within 1 year	Total
Floating rate debt						
Bank overdrafts					3	3
Total floating rate debt					**3**	**3**
Fixed rate debt						
Bank borrowings	2	1		3	4	7
Straight bonds	149	298	398	845		845
Private placements	55		247	302	50	352
Total fixed rate debt	**206**	**299**	**645**	**1,150**	**54**	**1,204**
Balance as at 31 December	**206**	**299**	**645**	**1,150**	**57**	**1,207**

On 28 May 2003, the Group entered into a private placement for a total amount of USD 220 million. The private placement was made by Givaudan United States, Inc. It was redeemable at various times beginning on May 2008 through May 2015 with annual interest rates ranging from 3.65% to 5.00%. There were various covenants contained in the transaction covering conditions on net worth, indebtedness and disposition of assets of Givaudan United States, Inc. Givaudan United States, Inc was in full compliance with these covenants. In May 2015, Givaudan reimbursed the final USD 50 million (CHF 47 million) instalment of this private placement.

On 16 April 2004, the Group entered into a private placement for a total amount of USD 200 million. The private placement was made by Givaudan United States, Inc. It matures at various times in instalments beginning May 2009 through April 2016 with annual interest rates ranging from 4.16% to 5.49%. There are various covenants contained in the transaction covering conditions on net worth, indebtedness and disposition of assets of Givaudan United States, Inc. Until now, Givaudan United States, Inc has been in full compliance with the covenants set. In April 2014, Givaudan United States, Inc. reimbursed USD 75 million (CHF 66 million) of this placement, the total outstanding at 31 December 2015 is USD 55 million (equivalent to CHF 55 million).

On 23 May 2007, the Group entered into a seven year private placement for a total amount of CHF 50 million with an annual interest rate of 3.125%. The private placement was made by Givaudan SA. In May 2014, the CHF 50 million has been reimbursed.

On 19 March 2009, the Group issued a 4.25% five year public bond with a nominal value of CHF 300 million. The bond was issued by Givaudan SA. The bond was redeemed in March 2014.

On 15 June 2011, the Group issued a 2.5% seven year public bond with a nominal value of CHF 300 million. The bond was issued by Givaudan SA.

On 7 December 2011, the Group issued a dual tranche public bond transaction of CHF 150 million each, totalling CHF 300 million, respectively of 1.250% for five years and of 2.125% for ten years. The bond was issued by Givaudan SA.

In November 2012, Givaudan United States, Inc entered into three private placements for a total amount of USD 250 million (CHF 250 million) respectively USD 40 million redeemable in February 2020 with an annual interest rate of 2.74%, USD 150 million redeemable in February 2023 with an annual interest rate of 3.30% and USD 60 million redeemable in February 2025 with an annual interest rate of 3.45%. The proceeds of these transactions have been received on 6 February 2013. There are various covenants contained in these transactions covering conditions on net worth, indebtedness and EBITDA ratio to net interest expense of Givaudan United States, Inc. The company is and has been in full compliance with the covenants set.

On 19 March 2014, the Group issued a 1.00% six and a half year public bond with a nominal value of CHF 100 million and a 1.75% ten year public bond with a nominal value of CHF 150 million. These bonds were issued by Givaudan SA. The proceeds of CHF 250 million were mainly used to repay the 4.25% five year public bond with a nominal value of CHF 300 million which was redeemed in March 2014.

In March 2015, the Group issued a tranche of CHF 200 million of the multilateral facility (maturity July 2018), of which CHF 75 million was reimbursed in April 2015, CHF 50 million in June 2015 and CHF 75 million in July 2015. This multilateral facility was issued by Givaudan SA.

The carrying amounts of the Group's debt are denominated in the following currencies:

in millions of Swiss francs	**2015**	2014
Swiss Franc	847	848
US Dollar	305	352
Other currencies	3	7
Total debt as at 31 December	**1,155**	**1,207**

The weighted average effective interest rates at the statement of financial position date were as follows:

	2015	2014
Private placements	3.7%	3.9%
Straight bond	1.9%	1.9%
Weighted average effective interest rates on gross debt	**2.4%**	**2.5%**

24. Provisions

2015 in millions of Swiss francs	Restructuring	Claims and litigation	Environmental	Others	Total
Balance as at 1 January	**6**	**8**	**11**	**23**	**48**
Additional provisions	1	6	15	10	32
Unused amounts reversed	(1)	–	–	(1)	(2)
Utilised during the year	(3)	(3)	(4)	(4)	(14)
Currency translation effects	–	–	1	(2)	(1)
Balance as at 31 December	**3**	**11**	**23**	**26**	**63**
Current liabilities	2	4	4	2	12
Non-current liabilities	1	7	19	24	51
Balance as at 31 December	**3**	**11**	**23**	**26**	**63**

2014 in millions of Swiss francs	Restructuring	Claims and litigation	Environmental	Others	Total
Balance as at 1 January	**12**	**2**	**12**	**22**	**48**
Additional provisions	3	8	8	4	23
Unused amounts reversed	(2)	(1)	(4)	(1)	(8)
Utilised during the year	(7)	(1)	(5)	(2)	(15)
Currency translation effects	–	–	–	–	–
Balance as at 31 December	**6**	**8**	**11**	**23**	**48**
Current liabilities	4	–	5	3	12
Non-current liabilities	2	8	6	20	36
Balance as at 31 December	**6**	**8**	**11**	**23**	**48**

Significant judgment is required in determining the various provisions. A range of possible outcomes is determined to make reliable estimates of the obligation that is sufficient for the recognition of a provision. Differences between the final obligations and the amounts that were initially recognised impact the income statement in the period in which such determination is made.

Restructuring provisions

Restructuring provisions arise from re-organisations of the Group's operations and management structure.

Claims and litigation

These provisions are made in respect of legal claims brought against the Group and potential litigations. Related estimated legal fees are also included in these provisions.

Environmental

Givaudan's affiliate, Givaudan Fragrances Corporation, is one of more than 100 companies identified by the US Environmental Protection Agency ("EPA") as "Potentially Responsible Parties" for alleged contamination within the lower 17 mile stretch of the Passaic River. EPA released a Focused Feasibility Study ("FFS") covering only the lower 8 miles of the river in 2014, which contains several potential options for future remediation of that portion of the river. The Cooperating Parties Group, of which Givaudan is a member, has issued a draft Remedial Investigation/Feasibility Study which proposes a Sustainable Remedy for the entire lower 17 miles of the river. To date, the EPA has not selected the remedy for the river. At this time, there are many uncertainties associated with the final remediation plan and the Company's share of the costs, if any. However, in accordance with accounting guidance, the Company has recorded a reserve which it believes can reasonably be expected to cover the Company's obligation, if any, given the information currently available.

The other material components of the environmental provisions consist of costs to sufficiently clean and refurbish contaminated sites and to treat where necessary.

Other provisions

These consist largely of provisions related to long-term deferred compensation plan and 'make good' on leased facilities.

25. Own Equity Instruments

Details of own equity instruments are as follows:

As at 31 December 2015	Settlement	Category	Maturity	Strike price (CHF)	in equivalent shares	Fair value in millions of Swiss francs
Registered shares		Equity			39,706	72
Purchased calls	Net cash	Derivative	2016 - 2017	915.0 - 975.0	6,392	6
Purchased calls	Gross shares	Equity	2016	1,200.0 - 1,756.7	39,000	20
Written puts	Gross shares	Financial liability	2016	1,108.0 - 1,756.7	39,000	–

As at 31 December 2014	Settlement	Category	Maturity	Strike price (CHF)	in equivalent shares	Fair value in millions of Swiss francs
Registered shares		Equity			47,872	86
Written calls	Gross shares	Equity	2015 - 2017	915.0 - 975.0	61,166	53
Purchased calls	Net cash	Derivative	2016 - 2017	915.0 - 975.0	12,091	10
Purchased calls	Gross shares	Equity	2015 - 2016	1,197.6 - 1,443.5	46,000	25
Written puts	Gross shares	Financial liability	2015 - 2016	1,108 - 1,443.5	46,000	–

26. Equity

Share capital

As at 31 December 2015, the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares, with a nominal value of CHF 10.00 each. Every share gives the right to one vote.

The Board of Directors has at its disposal conditional capital of a maximum aggregate amount of CHF 7,481,980 that may be issued through a maximum of 748,198 registered shares, of which a maximum of CHF 1,618,200 can be used for executive share option plans.

At the Annual General Meeting held on 19 March 2015 a distribution to the shareholders of CHF 50.00 per share (2014: CHF 47.00 per share) was approved. The payment has been made out of general legal reserve – additional paid-in capital, in accordance with the Swiss tax legislation.

Movements in own equity instruments are as follows:

2015	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	**47,872**				**78**
Purchases at cost	32,000	1,789.2	1,575.8	1,191.6	50
Sales and transfers	(40,166)	1,233.0	1,233.0	1,233.0	(49)
(Gains) losses, net recognised in equity					9
Movement on registered shares, net					**10**
Movement on derivatives on own shares, net					**(6)**
Income taxes					**(3)**
Balance as 31 December	**39,706**				**79**

2014	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	**45,020**				**70**
Purchases at cost	33,000	1,385.5	1,338.3	1,200.0	44
Sales and transfers	(30,148)	999.3	999.3	999.3	(30)
(Gains) losses, net recognised in equity					2
Movement on registered shares, net					**16**
Movement on derivatives on own shares, net					**(7)**
Income taxes					**(1)**
Balance as 31 December	**47,872**				**78**

27. Commitments

At 31 December, the Group had operating lease commitments mainly related to buildings. Future minimum payments under non-cancellable operating leases are as follows:

in millions of Swiss francs	**2015**	2014
Within one year	22	26
Within two to five years	55	53
Thereafter	45	39
Total minimum payments	**122**	**118**

The 2015 charge in the consolidated income statement for all operating leases was CHF 35 million (2014: CHF 33 million).

The Group has capital commitments for the purchase or construction of property, plant and equipment totalling CHF 17 million (2014: CHF 44 million).

28. Contingent Liabilities

From time to time and in varying degrees, Group operations and earnings continue to be affected by political, legislative, fiscal and regulatory developments, including those relating to environmental protection, in the countries in which it operates.

The activities in which the Group is engaged are also subject to physical risks of various kinds. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on the future operations and earnings are not predictable.

Givaudan Group companies are involved in various legal and regulatory proceedings of a nature considered typical of its business, including contractual disputes and employment litigation.
One of the Group's US affiliates, Givaudan Flavors Corporation was named as a defendant in several lawsuits brought against it

and other flavour and raw chemical supply companies. The plaintiffs alleged that they sustained pulmonary injuries due to diacetyl-containing butter flavours manufactured by one or more of the flavour and raw chemical supply company defendants. The majority of the cases filed against Givaudan Flavors Corporation have been settled. The Group has already recovered or will recover amounts it is entitled to under the terms of its insurance policies.

29. Related Parties

Transactions between Givaudan SA and its subsidiaries, which are related parties of Givaudan SA, have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel

The compensation of the Board of Directors and the Executive Committee during the year was as follows:

in millions of Swiss francs	**2015**	2014
Salaries and other short-term benefits	10	10
Post-employment benefits	2	1
Share-based payments	11	11
Total compensation	**23**	**22**

No other related party transactions have taken place during 2015 (2014: nil) between the Group and the key management personnel.

Reconciliation table to the Swiss code of obligations

	IFRS		Adjustments [a]		Swiss CO (Art. 663b^{bis})	
in millions of Swiss francs	**2015**	2014	**2015**	2014	**2015**	2014
Salaries and other short-term benefits	10	10	(2)	(2)	8	8
Post-employment benefits	2	1	–	–	2	1
Share-based payments	11	11	–	–	11	11
Total compensation	**23**	**22**	**(2)**	**(2)**	**21**	**20**

a) IFRS information is adjusted mainly to the recognition of the share-based payments, IFRS 2 versus economic value at grant date. IFRS information also includes security costs.

There are no other significant related party transactions including in the jointly controlled entities.

30. Board of Directors and Executive Committee Compensation

Compensation of members of the Board of Directors

Compensation of Board members consists of Director fees, Committee fees and restricted share units (RSUs). Fees are paid at the end of each year in office completed. RSUs give participants the right to receive Givaudan shares (or a cash equivalent in countries where securities laws prevent the offering of Givaudan securities) at the end of a three-year vesting period.

With the exception of the Chairman and outgoing Board members, each Board member receives an amount of CHF 10,000 to cover out-of-pocket expenses. This amount is paid for the coming year in office. The equity awards are also granted for the same period. The compensation paid out to the Board members for the reporting period is shown in the table below:

2015 in Swiss francs	Jürg Witmer Chairman	André Hoffmann	Lilian Biner	Peter Kappeler	Thomas Rufer	Werner Bauer	Calvin Grieder	Michael Carlos [e]	Ingrid Deltenre [e]	Nabil Sakkab [f]	Total 2015 [a]
Director fees [b]	400,000	100,000	100,000	100,000	100,000	100,000	100,000	75,000	75,000	25,000	1,175,000
Committee fees [b]	40,000	40,000	31,250	25,000	55,000	25,000	25,000	18,750	18,750	6,250	285,000
Total fixed (cash)	440,000	140,000	131,250	125,000	155,000	125,000	125,000	93,750	93,750	31,250	1,460,000
Number of RSUs granted [c]	364	91	91	91	91	91	91	91	91		1,092
Value at grant [d]	580,908	145,227	145,227	145,227	145,227	145,227	145,227	145,227	145,227		1,742,724
Total compensation	**1,020,908**	**285,227**	**276,477**	**270,227**	**300,227**	**270,227**	**270,227**	**238,977**	**238,977**	**31,250**	**3,202,724**

a) Represents total compensation for the Board of Directors paid in respect of the reporting year, reported in accordance with the accrual principle.
b) Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.
c) RSUs vest on 31 March 2018.
d) Economic value at grant according to IFRS methodology, with no discount applied for the vesting period.
e) Elected at the Annual General Meeting in March 2015.
f) Retired at the Annual General Meeting in March 2015.

Social security charges estimated based on 2015 compensation amounted to CHF 232,000 (2014: CHF 188,000).
In addition to the above, payments to Board members for out-of-pocket expenses amounted to CHF 80,000.

2014 in Swiss francs	Jürg Witmer Chairman	André Hoffmann	Lilian Biner	Peter Kappeler	Thomas Rufer	Werner Bauer	Calvin Grieder	Nabil Sakkab	Total 2014 [a]
Director fees [b]	400,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,100,000
Committee fees [b]	40,000	40,000	50,000	25,000	55,000	25,000	25,000	25,000	285,000
Total fixed (cash)	440,000	140,000	150,000	125,000	155,000	125,000	125,000	125,000	1,385,000
Number of RSUs granted [c]	476	119	119	119	119	119	119	119	1,309
Value at grant [d]	578,054	144,514	144,514	144,514	144,514	144,514	144,514	144,514	1,589,652
Total compensation	**1,018,054**	**284,514**	**294,514**	**269,514**	**299,514**	**269,514**	**269,514**	**269,514**	**2,974,652**

a) Represents total compensation for the Board of Directors paid in respect of the year in office, reported in accordance with the accrual principle.
b) Represents Director and Committee fees to be paid in March 2015 in respect of the prior year in office, in accordance with the accrual principle.
c) RSUs vest on 31 March 2017.
d) Economic value at grant according to IFRS methodology, with no discount applied for the vesting period.

Other compensation, fees and loans to members or former members of the Board

No additional compensation or fees were paid to any member of the Board.
No Board member or related parties had any loan outstanding as at 31 December 2015.

Special compensation of members of the Board who left the company during the reporting period

No such compensation was incurred during the reporting period.

Compensation of members of the Executive Committee

The compensation of the Executive Committee during the year was as follows:

in Swiss francs	Gilles Andrier CEO 2015	Gilles Andrier CEO 2014	Executive Committee members (excluding CEO) [a] 2015	Executive Committee members (excluding CEO) [a] 2014	Total 2015	Total 2014
Base salary	1,027,689	1,024,188	2,662,741	2,520,817	3,690,430	3,545,005
Pension benefits [b]	459,199	129,544	1,119,563	1,157,806	1,578,762	1,287,350
Other benefits [c]	100,616	110,051	591,992	784,044	692,608	894,095
Total fixed compensation	1,587,504	1,263,783	4,374,296	4,462,667	5,961,800	5,726,450
Annual incentive [d]	854,544	825,496	1,538,172	1,441,345	2,392,716	2,266,841
Number of performance shares granted [e]	1,446	1,900	4,396	5,920	5,842	7,820
Value at grant [f]	2,307,671	2,307,360	7,015,576	7,189,248	9,323,247	9,496,608
Total variable compensation	3,162,215	3,132,856	8,553,748	8,630,593	11,715,963	11,763,449
Total compensation	**4,749,719**	**4,396,639**	**12,928,044**	**13,093,260**	**17,677,763**	**17,489,899**
Employer social security [g]	382,000	349,000	1,064,000	1,058,000	1,446,000	1,407,000

a) Represents full year compensation of five Executive Committee members, and for 2015, partial year compensation of the three new Executive Committee members.
b) Company contributions to broad-based pension and retirement savings plans and annualised expenses accrued for supplementary executive retirement benefit.
c) Represents annual value of health and welfare plans, international assignment benefits and other benefits in kind.
d) Annual incentive accrued in reporting period based on 2015 performance.
e) 2015 Performance shares vest on 31 March 2018, 2014 Performance shares vest on 31 March 2017.
f) Value at grant calculated according to IFRS methodology and based on 100% achievement of performance targets.
g) 2015 estimated social security charges based on 2015 compensation; 2014 estimated social security charges based on 2014.

Other compensation, fees and loans to members or former members of the Executive Committee

No other compensation or fees were accrued for or paid to any member or former member of the Executive Committee during the reporting period. No member or former member of the Executive Committee or related parties had any loan outstanding as at 31 December 2015.

Special compensation of Executive Committee members who left the company during the reporting period

No members of the Executive Committee left the Company in 2015. Michael Carlos retired from his role as Head of Fragrances on 31 December 2014. He did not receive any special compensation as a result of his retirement.

Ownership of shares and unvested share rights

Details on the Givaudan share based payment plans are described in Note 8.

As per 31 December 2015, the Chairman and other Board members including persons closely connected to them held 93,901 Givaudan shares in total. For further details, please refer to the following table on the next page showing:

– The shares held individually by each Board member as per 31 December 2015.
– The RSUs that were granted in 2013-2015 and were still owned by members of the Board as per 31 December 2015.

2015 in numbers	Shares	RSUs
Jürg Witmer, Chairman	2,914	1,340
André Hoffmann [a]	88,629	335
Lilian Biner	252	335
Peter Kappeler	171	335
Thomas Rufer	465	335
Werner Bauer	970	210
Calvin Grieder		210
Michael Carlos [b]	400	91
Ingrid Deltenre		91
Nabil Sakkab	100	244
Total 2015	**93,901**	**3,526**
Total 2014	92,134	3,568

a) The following Givaudan derivatives were also held by Mr Hoffmann as per 31 December 2015: 30,000 call warrants UBS – Givaudan 15 August 2016 (ISIN value no. CH 022 483 99 82). No other member of the Board held any share options or option rights.

b) Mr Carlos also held 3,600 unvested performance shares as per 31 December 2015 granted to him during his tenure as an Executive Committee member.

The company is not aware of any ownership of shares, share options or RSU's as at 31 December 2015 by persons closely connected to the Board.

The Chief Executive Officer and other members of the Executive Committee, including persons closely connected to them, held 3,575 Givaudan shares. For further details, please refer to the table below showing:

– The shares held individually by each member of the Executive Committee as per 31 December 2015.

– The unvested performance shares that were granted in 2013-2015 and were still owned by members of the Executive Committee as per 31 December 2015.

2015 in numbers	Shares	Unvested performance shares
Gilles Andrier, CEO	1,500	5,346
Matthias Waehren	1,004	3,525
Mauricio Graber	550	3,337
Maurizio Volpi	80	1,250
Joe Fabbri	350	2,535
Adrien Gonckel	33	2,593
Simon Halle-Smith		690
Chris Thoen	58	1,225
Willem Mutsaerts		1,344
Total 2015	**3,575**	**21,845**
Total 2014	4,839	19,070

No member of the Executive Committee held any share options or option rights as at 31 December 2015 (31 December 2014: No member of the Executive Committee held any share options or option rights).

One person closely connected to a member of the Executive Committee owned 258 unvested performance shares as at 31 December 2015.

The company is not aware of any other ownership of shares, share options/option rights, RSUs or performance shares as at 31 December 2015 by persons closely connected to members of the Executive Committee.

31. List of Principal Group Companies

The following are the principal companies fully owned by the Group. Share capital is shown in thousands of currency units:

Switzerland	Givaudan SA	CHF	92,336
	Givaudan Suisse SA	CHF	4,000
	Givaudan Finance SA	CHF	100,000
	Givaudan International SA	CHF	100
	Induchem Holding AG	CHF	500
	Induchem AG	CHF	500
	Fondation Givaudan	-	-
Argentina	Givaudan Argentina SA	ARS	9,000
	Givaudan Argentina Servicios SA	ARS	5,000
Australia	Givaudan Australia Pty Ltd	AUD	35,812
Austria	Givaudan Austria GmbH	EUR	40
Bermuda	FF Holdings (Bermuda) Ltd	USD	12
	Givaudan International Ltd	USD	12
	FF Insurance Ltd	CHF	170
Brazil	Givaudan do Brasil Ltda	BRL	133,512
Canada	Givaudan Canada Co	CAD	12,901
Chile	Givaudan Chile Ltda	CLP	5,000
China	Givaudan Fragrances (Shanghai) Ltd	USD	7,750
	Givaudan Flavors (Shanghai) Ltd	USD	10,783
	Givaudan Specialty Products (Shanghai) Ltd	USD	12,000
	Givaudan Hong Kong Ltd	HKD	7,374
	Givaudan Flavors (Nantong) Ltd	USD	25,000
Colombia	Givaudan Colombia SA	COP	6,965,925
Czech Republic	Givaudan CR, s.r.o.	CZK	200
Egypt	Givaudan Egypt SAE	USD	2,000
	Givaudan Egypt Fragrances LLC	EGP	50
France	Givaudan France SAS	EUR	4,696
	Soliance SA	EUR	1,203
	Libragen SA	EUR	345
Germany	Givaudan Deutschland GmbH	EUR	4,100
Hungary	Givaudan Hungary Kft	EUR	15
	Givaudan Finance Services Kft	EUR	2
India	Givaudan (India) Private Ltd	INR	87,330
Indonesia	P.T. Givaudan Indonesia	IDR	2,608,000
Italy	Givaudan Italia SpA	EUR	520
Japan	Givaudan Japan K.K.	JPY	1,000,000
Korea	Givaudan Korea Ltd	KRW	550,020
Malaysia	Givaudan Malaysia Sdn.Bhd	MYR	200
Mexico	Givaudan de Mexico SA de CV	MXN	53,611
Netherlands	Givaudan Nederland B.V.	EUR	402
	Givaudan Treasury International B.V.	EUR	18
New Zealand	Givaudan NZ Ltd	NZD	71
Nigeria	Givaudan (Nigeria) Ltd	NGN	10,000
Peru	Givaudan Peru SAC	PEN	25
Poland	Givaudan Polska Sp. Z.o.o.	PLN	50
Russia	Givaudan Rus LLC	RUB	9,000
Singapore	Givaudan Singapore Pte Ltd	SGD	24,000
South Africa	Givaudan South Africa (Pty) Ltd	ZAR	360,002
Spain	Givaudan Iberica, SA	EUR	8,020
Sweden	Givaudan North Europe AB	SEK	120
Thailand	Givaudan (Thailand) Ltd	THB	100,000
Turkey	Givaudan Aroma Ve Esans Sanayi Ve Ticaret Limited Sirketi	TRY	34
United Kingdom	Givaudan UK Ltd	GBP	70
	Givaudan Holdings UK Ltd	GBP	317,348
United States of America	Givaudan United States, Inc.	USD	0.05
	Givaudan Flavors Corporation	USD	0.1
	Givaudan Fragrances Corporation	USD	0.1
	Givaudan Flavors and Fragrances, Inc.	USD	0.1
Venezuela	Givaudan Venezuela SA	VEF	4.5

32. Disclosure of the Process of Risk Assessment

Risk management in Givaudan is an integral part of the business. It is a structured and continuous process of identifying, assessing and deciding on responses to risks. The reporting of the opportunities and threats that these risks create and how they might hinder the business in achieving its objectives is also part of managing risks.

Risk management is the responsibility of the Board of Directors, which empowers the Executive Committee to manage the overall company risk management process. The Group actively promotes the continuous monitoring and management of risks at the operational management level.

The Givaudan Enterprise Risk Management Charter describes the principles, framework and process of the Givaudan Enterprise Risk Management, which ensure that material risks are identified, managed and reported. It defines the associated roles and responsibilities which are reflected in the delegated authorities. Enterprise Risk Management encompasses both the Fragrance and Flavour businesses, as well as Givaudan Group functions. It includes all types of risks in terms of their nature, their source or their consequences.

The process aims to be comprehensive, organised and documented in order to improve compliance with corporate governance regulations, guidelines and good practices; better understand the risk profile of the business; and provide additional risk-based management information for decision making.

The objectives of the Risk Management process are to continuously ensure and improve compliance with good corporate governance guidelines and practices as well as laws and regulations, where applicable; facilitate disclosure to key stakeholders of potential risks and the company's philosophy for dealing with them. At the same time, the process creates the awareness of all key executives of the magnitude of risks; provides risk-based management information for effective decision-making; and safeguard the values of the company and its assets, and protect the interests of shareholders.

Givaudan's management, at all levels, is accountable for ensuring the appropriateness, timeliness and adequacy of the risk analysis. Mitigation decisions are taken at individual and combined levels. This management is also responsible for implementing, tracking and reporting the risk mitigation directives of the Executive Committee, including periodic reporting to the Board.

The assessment is performed in collaboration between the Executive Committee, divisional and functional management teams and the Corporate Compliance Officer.

The Board of Directors' Audit Committee also promotes the effective communication between the Board, Givaudan's Executive Committee, other senior corporate functions and Corporate Internal Audit in order to foster openness and accountability.

Givaudan has carried out its annual review of internal controls over accounting and financial reporting. A risk assessment is performed throughout the Internal Control System for those identified risks which may arise from the accounting and financial reporting. Then, relevant financial reporting controls are defined for each risk.

Report of the statutory auditor
On the consolidated financial statements

Deloitte.

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Report of the Statutory Auditor
To the General Meeting of
Givaudan SA, Vernier

Report of the Statutory Auditor on the Consolidated Financial Statements
As statutory auditor, we have audited the accompanying consolidated financial statements of Givaudan SA, presented on pages 112 to 168, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year ended December 31, 2015.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on Other Legal Requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte SA

Thierry Aubertin Licensed Audit Expert Auditor in Charge	Joëlle Herbette Licensed Audit Expert

Geneva, January 29, 2016

Statutory financial statements of Givaudan SA (Group Holding Company)

Income Statement

For the year ended 31 December

in millions of Swiss francs	Note	2015	2014 [a]
Income from investments in Group companies	3	166	179
Royalties from Group companies		878	875
Other operating income		–	1
Total Operating income		**1,044**	**1,055**
Research and development expenses to Group companies		(256)	(269)
Other operating expenses		(34)	(29)
Amortisation and impairment of intangible assets		(125)	(119)
Share of (loss) profit of jointly controlled entities	4	(2)	(2)
Total Operating expenses		**(417)**	**(419)**
Operating income		**627**	**636**
Financial expenses		(129)	(134)
Financial income		123	66
Non-operating expenses		(221)	(86)
Extraordinary, non-recurring expenses	12	(1,240)	
Income before taxes		**(840)**	**482**
Income taxes		–	(26)
Net (loss) income		**(840)**	**456**

a) Previous year figures have been reclassified in accordance with the new requirements of the Swiss Code of Obligations, effective 1 January 2015.

Statement of Financial Position

in millions of Swiss francs	Note	31 December 2015	1 January 2015 [a]	31 December 2014
Cash and cash equivalents		6	1	1
Marketable securities	9, 10			57
Accounts receivable from Group companies		178	116	116
Other current assets		23	10	10
Current assets		**207**	**127**	**184**
Loans to Group companies		150	150	150
Other long-term assets		4	29	29
Investments in Group companies	3	2,572	4,029	4,029
Jointly controlled entities	4	27	16	16
Other financial assets	5	10		
Intangible assets		283	370	370
Non-current assets		**3,046**	**4,594**	**4,594**
Total assets		**3,253**	**4,721**	**4,778**
Short-term debt	6, 7	240	213	213
Accounts payable to Group companies		78	65	65
Other current liabilities		44	62	63
Deferred income and accrued expenses		1	1	
Current liabilities		**363**	**341**	**341**
Long-term debt	7	697	845	845
Other non-current liabilities		61	99	99
Non-current liabilities		**758**	**944**	**944**
Total liabilities		**1,121**	**1,285**	**1,285**
Share capital	9	92	92	92
General legal reserve				
- first attribution	9	18	18	18
- additional paid-in capital	9	402	863	863
Reserve for own equity instruments	9, 10			85
Free reserve	9	2,042	1,642	1,557
Own shares	10	(60)	(57)	
Retained earnings				
Balance brought forward from previous year		478	422	422
Net income for the year		(840)	456	456
Equity		**2,132**	**3,436**	**3,493**
Total liabilities and equity		**3,253**	**4,721**	**4,778**

a) Previous year figures have been reclassified in accordance with the new requirements of the Swiss Code of Obligations, effective 1 January 2015.

Notes to the statutory financial statements

1. General Information

1.1. Structure and description of the activity

Givaudan SA is a holding company based in Vernier, near Geneva, whose main goal is to manage its investments in subsidiaries.

More specifically Givaudan SA invests in companies whose aim is to manufacture and commercialise natural and synthetic aromatic or fragrance raw materials as well as other related products. In addition, Givaudan SA invests in research and development and supplies services for the use of these products. Givaudan SA develops, registers and makes use of all trademarks, patents, licenses, manufacturing processes and formulas.

1.2. Employees

The average number of employees during the year was less than ten (2014: less than ten).

2. Summary of accounting principles adopted

The financial statements at 31 December 2015 are prepared in accordance with the new requirements of the Swiss Code of Obligations that Givaudan SA adopted on 1 January 2015.

The company is classified as a large entity as it meets the criteria to present group accounts under the definition of art. 961d al. 1 of the Swiss Code of Obligations. As Givaudan prepares and reports comprehensive consolidated financial statements including a cash flow, accompanying footnotes and a management report, Givaudan SA is exempt from preparing this information.

2.1. Presentation of Financial Statements

Prior year figures have been reclassified in accordance with the new requirements of the Swiss Code of Obligations, effective 1 January 2015.

2.2. Valuation Methods and Translation of Foreign Currencies

Investments in, and loans to, Group companies are stated at cost less appropriate write-downs. Marketable securities are shown at the lower of cost and market value. Derivatives are recorded at fair value.

Givaudan SA has performed the individual valuation of its investments, as required by art. 960 al. 1 of the Swiss Code of Obligations, during 2015.

The currency in which Givaudan SA operates is Swiss francs (CHF) and the accounts are presented in Swiss francs. In the statement of financial position, foreign currency assets and liabilities are remeasured at year-end exchange rates with the exception of investments in Group companies which are valued at historical exchange rates. In the income statement, expenses and income in foreign currencies are converted in Swiss francs using the daily exchange rate of the transaction date. Foreign currency gains and losses are recognised in the income statement as they occur.

3. List of Direct Subsidiaries

The following are the direct subsidiaries of the company, which are wholly-owned unless otherwise indicated (percentage of voting rights):

Switzerland	Givaudan Suisse SA
	Givaudan Finance SA
	Prodiga AG
	Givaudan International SA
	Induchem Holding AG
Argentina	Givaudan Argentina SA
	Givaudan Argentina Servicios SA
Australia	Givaudan Australia Pty Ltd
Austria	Givaudan Austria GmbH
Bermuda	Givaudan Capital Transactions Ltd
Brazil	Givaudan do Brasil Ltda
Canada	Givaudan Canada Co
Chile	Givaudan Chile Ltda
China	Givaudan Fragrances (Shanghai) Ltd
	Givaudan Flavors (Shanghai) Ltd
	Givaudan Specialty Products (Shanghai) Ltd
	Givaudan Hong Kong Ltd
	Givaudan Flavors (Nantong) Ltd
	Givaudan Management Consulting (Shanghai) Ltd
Colombia	Givaudan Colombia SA
Czech Republic	Givaudan CR, s.r.o.
Egypt	Givaudan Egypt SAE
	Givaudan Egypt Fragrances LLC
France	Givaudan France SAS
	Soliance SA
Germany	Givaudan Deutschland GmbH
Hungary	Givaudan Hungary Kft
	Givaudan Finance Services Kft
India	Givaudan (India) Private Ltd
Indonesia	P.T. Givaudan Indonesia
	P.T. Givaudan Flavours and Fragrances Indonesia
Italy	Givaudan Italia SpA
Japan	Givaudan Japan K.K.
Korea	Givaudan Korea Ltd
Malaysia	Givaudan Malaysia Sdn.Bhd
Mexico	Givaudan de Mexico SA de CV
	Grupo Givaudan SA de CV
Netherlands	Givaudan Nederland B.V.
	Givaudan Treasury International B.V.
Nigeria	Givaudan (Nigeria) Ltd
Peru	Givaudan Peru SAC
Poland	Givaudan Polska Sp. Z.o.o.
Russia	Givaudan Rus LLC
Singapore	Givaudan Singapore Pte Ltd
South Africa	Givaudan South Africa (Pty) Ltd
Spain	Givaudan Iberica, SA
Sweden	Givaudan North Europe AB
Thailand	Givaudan (Thailand) Ltd
Turkey	Givaudan Aroma Ve Esans Sanayi Ve Ticaret Limited Sirketi
United Kingdom	Givaudan Holdings UK Ltd
United States of America	Givaudan United States, Inc.
Venezuela	Givaudan Venezuela SA

In 2015 Givaudan SA increased its investments in Givaudan Argentina SA and Givaudan Australia Pty Ltd and acquired Induchem Holding AG. The Group implemented for the first time the individual valuation of its investments. As a result of this Givaudan SA has recorded an impairment of CHF 124 million. In addition, the company carried out a legal restructuring which impacted its affiliates in the Netherlands and the United Kingdom (refer to Note 12. Exceptional Events).

4. Jointly Controlled Entities

Name of joint ventures	Principal activity	Country of incorporation	Ownership interest
Jiangsu Xinrui Aromatics Ltd	Production of fragrance ingredients	China	49%
BGN Tech LLC	Innovative natural ingredients	USA	49%
Natural Extracts International Ltd	Natural ingredient derivatives production	Mauritius	49%

5. Other Financial Assets

During 2015 Givaudan SA acquired a minor ownership in a bio-manufacturing company in the United States of America.

6. Short-Term Debt

Short-term debt includes an amount of CHF 90 million (2014: CHF 213 million) related to the cash pooling agreements with a Group company.

7. Debt

On 15 June 2011, Givaudan SA issued a 2.5% seven year public bond with a nominal value of CHF 300 million.

On 7 December 2011, Givaudan SA issued a dual tranche public bond transaction of CHF 150 million each, totalling CHF 300 million, respectively of 1.250% for five years and of 2.125% for ten years.

On 19 March 2014, Givaudan SA issued a 1.00% six and a half year public bond with a nominal value of CHF 100 million and a 1.75% ten year public bond with a nominal value of CHF 150 million. The proceeds of CHF 250 million were mainly used to repay the 4.25% five year public bond with a nominal value of CHF 300 million which was redeemed in March 2014.

In March 2015, Givaudan SA issued a tranche of CHF 200 million of the multilateral facility (maturity July 2018), of which CHF 75 million was reimbursed in April 2015, CHF 50 million in June 2015 and CHF 75 million in July 2015.

8. Indirect Taxes

The company is part of a Group for VAT purposes with two other affiliates of the Group in Switzerland. The company is jointly and severally liable towards the tax authorities for current and future VAT payables of the VAT Group to which it belongs.

9. Equity

As at 31 December 2015, the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares, with a nominal value of CHF 10.00 each. Every share gives the right to one vote.

The Board of Directors has at its disposal conditional capital of a maximum aggregate amount of CHF 7,481,980 that may be issued through a maximum of 748,198 registered shares, of which a maximum of CHF 1,618,200 can be used for executive share option plans.

At the Annual General Meeting held on 19 March 2015, a distribution to the shareholders of CHF 50.00 per share (2014 CHF 47.00 per share) was approved. The payment has been made out of general legal reserve – additional paid-in capital, according to the Swiss Code of Obligations.

The movements in equity are as follows:

2015 in millions of Swiss francs	Share Capital	General legal reserve First attribution	 Additional paid-in capital	Reserve for own equity instruments	Free reserve	Retained earnings	Own shares	Total
Balance as at 1 January published	**92**	**18**	**863**	**85**	**1,557**	**878**		**3,493**
Balance as at 1 January reclassified [a]	**92**	**18**	**863**		**1,642**	**878**	**(57)**	**3,436**
Registered shares								
Issuance of shares								
Movement of shares							(3)	(3)
Appropriation of available earnings								
Transfer to the free reserve					400	(400)		
Transfer to the general legal reserve								
Distribution to the shareholders paid relating to 2014			(461)					(461)
Net profit for the year						**(840)**		**(840)**
Balance as at 31 December	**92**	**18**	**402**		**2,042**	**(362)**	**(60)**	**2,132**

2014 in millions of Swiss francs	Share Capital	General legal reserve First attribution	 Additional paid-in capital	Reserve for own equity instruments	Free reserve	Retained earnings	Total
Balance as at 1 January	**92**	**18**	**1,296**	**66**	**1,176**	**822**	**3,470**
Registered shares							
Issuance of shares							
Appropriation of available earnings							
Transfer to the free reserve					400	(400)	
Transfer to the general legal reserve							
Distribution to the shareholders paid relating to 2013			(433)				(433)
Transfer to/from the reserve for own equity instruments				19	(19)		
Net profit for the year						456	456
Balance as at 31 December	**92**	**18**	**863**	**85**	**1,557**	**878**	**3,493**

a) Previous year figures have been reclassified in accordance with the new requirements of the Swiss Code of Obligations, effective 1 January 2015.

Reserves from additional paid-in capital are presented separately in equity. Any payments made out of these reserves are not subject to Swiss withholding tax, nor subject to income tax on individual shareholders who are resident in Switzerland. All distributions of reserves are subject to the requirements of the Swiss Code of Obligations.

In accordance with the new Swiss Code of Obligations, the reserve for own shares has been reclassified to free reserve and a new column has been added to report the value of own shares transferred from an asset to a negative item in equity.

10. Own Shares

The movements in own shares are as follows:

2015	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	**47,872**				**57**
Purchases at cost	32,000	1,789.2	1,575.8	1,191.6	50
Sales and transfers at cost	(40,166)	1,179.6	1,179.6	1,179.6	(47)
Balance as at 31 December	**39,706**				**60**

2014	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	**45,020**				**38**
Purchases at cost	33,000	1,385.5	1,338.3	1,200.0	44
Sales and transfers at cost	(30,148)	827.4	827.4	827.4	(25)
Balance as at 31 December	**47,872**				**57**

In accordance with the new Swiss Code of Obligations, the reserve for own shares has been reclassified to retained earnings and the value of the own shares is presented as a negative item in equity (previously shown as an asset).

As at 31 December 2015, there were no other companies controlled by Givaudan SA that held Givaudan SA shares.

As at 31 December 2015, William H. Gates III (13.86%), BlackRock Inc. (5.02%), MFS Investment Management (3.01%), Nortrust Nominees Ltd (nominee; 15.50%), Chase Nominees Ltd (nominee; 6.10%) and Messieurs Pictet & Cie (nominee; 3.79%) were the only shareholders holding more than 3% of total voting rights.

11. Board of Directors and Executive Committee Compensation

Information required by Swiss law, as per art. 663b bis CO, on the Board of Directors and Executive Committee compensation are disclosed in the Givaudan consolidated financial statements, Note 30.

12. Exceptional Events

As a result of an internal restructuring, a subsidiary of Givaudan SA was liquidated during 2015 which generated a loss of CHF 1,240 million. This item had no effect on the consolidated financial statements of the Group, aside the tax impact. Net losses can be carried forward over seven years.

Appropriation of available earnings and distribution from the general legal reserve – additional paid-in capital of Givaudan SA

Proposal of the Board of Directors to the General Meeting of Shareholders

Available earnings

in Swiss francs	**2015**	2014
Net (loss) profit for the year	(839,571,189)	455,705,932
Balance brought forward from previous year	477,535,823	421,829,891
Total available earnings	**(362,035,366)**	**877,535,823**
Transfer (from) to free reserve	(500,000,000)	400,000,000
2015 distribution proposal of CHF 10.50 gross per share [a]	96,952,653	
Total appropriation of available earnings	**(403,047,347)**	**400,000,000**
Amount to be carried forward	**41,011,981**	**477,535,823**

General legal reserve – additional paid-in capital

in Swiss francs	**2015**	2014
Balance brought forward from previous year	402,348,672	862,942,672
General legal reserve – additional paid-in capital	**402,348,672**	**862,942,672**
2014 distribution of CHF 50.00 gross per share [a]		461,679,300
Total appropriation of general legal reserve – additional paid-in capital		**461,679,300**
2015 distribution proposal of CHF 43.50 gross per share [a]	401,660,991	
Total appropriation of general legal reserve – additional paid-in capital	**401,660,991**	
Distribution not paid on Treasury shares held by the Group		**1,085,300**
Amount to be carried forward	**687,681**	**402,348,672**

a) The 2015 distribution proposal will be distributed firstly from the general legal reserve - additional paid-in capital and the remaining amount from available earnings. All distributions of reserves are subject to the requirements of the Swiss Code of Obligations.

Report of the statutory auditor
On the statutory financial statements

Deloitte.

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Report of the statutory auditor
To the General Meeting of
Givaudan SA, Vernier

Report of the Statutory Auditor on the Financial Statements
As statutory auditor, we have audited the accompanying financial statements of Givaudan SA, presented on pages 170 to 176, which comprise the income statement, the statement of financial position and the notes for the year ended December 31, 2015.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended December 31, 2015 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and distribution from the general legal reserve – additional paid-in capital complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA

Thierry Aubertin
Licensed Audit Expert
Auditor in Charge

Joëlle Herbette
Licensed Audit Expert

Geneva, January 29, 2016

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Half Year Report 2016

2016 Half Year Report
Strong sales growth

Givaudan engage your senses

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Our profile

Givaudan captures the essence of the moment, bringing you memorable fragrances and flavours to be enjoyed throughout the day.

We are proud to be the industry leader, with approximately 25% of market share of the fragrance and flavour industry. To stay in front, we challenge ourselves daily, inspire our partnerships across the globe, and serve our customers with heart and soul.

Together with our customers in the food, beverage, consumer goods and fragrance and cosmetics industries, we create products that delight consumers the world over. With a passion to understand consumer preferences and a relentless drive to innovate, we are at the forefront of creating scents and tastes that touch consumers' emotions.

Table of contents:

Key figures
First half of 2016

- Sales of CHF 2.3 billion, up 6.2% on a like-for-like basis*
- Project pipeline and win rates sustained at a high level
- EBITDA of CHF 638 million in 2016
- EBITDA margin improved to 27.3% from 25.9% in 2015
- Net income of CHF 368 million, up 7.6% year-on-year
- Free cash flow of 7.4% of sales, compared to 11.4% in 2015

CHF 2.3 billion
Group sales

27.3%
EBITDA margin

For the six months ended 30 June, in millions of Swiss francs, except for earnings per share data	2016	2015 [b]
Group Sales	**2,334**	**2,184**
Fragrance sales	1,132	1,023
Flavour sales	1,202	1,161
Like-for-like sales growth	**6.2%**	**1.3%**
Gross profit	**1,093**	**1,016**
as % of sales	46.8%	46.5%
EBITDA [a]	**638**	**566**
as % of sales	27.3%	25.9%
Operating income	**500**	**428**
as % of sales	21.4%	19.6%
Income attributable to equity holders of the parent	**368**	**342**
as % of sales	15.7%	15.6%
Operating cash flow	**237**	**341**
as % of sales	10.2%	15.6%
Free cash flow	**174**	**248**
as % of sales	7.4%	11.4%
Earnings per share – basic (CHF)	**40.00**	**37.15**

a) EBITDA: Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation. This corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.
b) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3)

in millions of Swiss francs, except for employee data	30 June 2016	31 December 2015
Current assets	2,278	2,279
Non-current assets	3,881	4,003
Total assets	**6,159**	**6,282**
Current liabilities	1,164	1,014
Non-current liabilities	2,061	1,853
Equity	2,934	3,415
Total liabilities and equity	**6,159**	**6,282**
Number of employees	**10,032**	**9,907**

* Like-for-like excludes the impact of currency, acquisitions and disposals.

At a glance
Key financial indicators

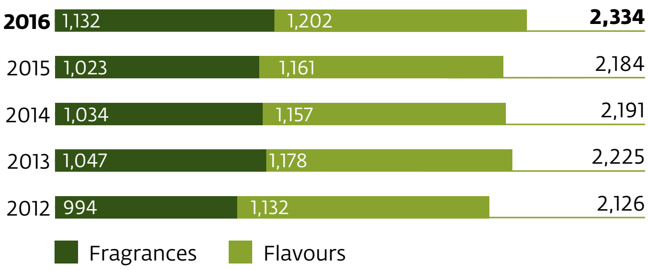
6.2%
Organic sales growth

CHF 368 million
Net Income

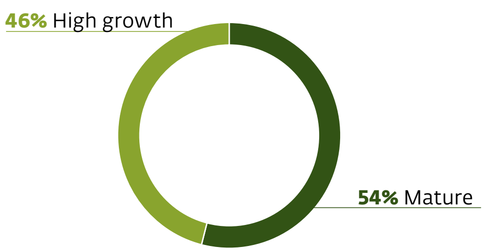
CHF 174 million
Free cash flow

7.4%
Free cash flow as % of sales

Half year group sales
in millions of Swiss francs



Sales in high growth and mature markets



97
Locations worldwide

35
Production sites

25%
Market share

10,032
Employees

Business performance
Sustained high level of profitability

Group sales
Givaudan Group sales for the first six months of the year were CHF 2,334 million, an increase of 6.2% on a like-for-like basis and 6.9% in Swiss francs.

Fragrance Division sales were CHF 1,132 million, an increase of 9.7% on a like-for-like basis and 10.7% in Swiss francs.

Flavour Division sales were CHF 1,202 million, an increase of 3.0% on a like-for-like basis and 3.5% in Swiss francs.

Gross margin
The gross margin increased to 46.8% in 2016 from 46.5% in 2015 as a result of strong volume growth and a tight control on production costs.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)
The EBITDA increased by 12.8% to CHF 638 million from CHF 566 million for the same period in 2015. Strong volume growth and a continued focus on internal costs was the main enabler of the improvement. In the first six months of 2016 the Group recognised a one-off non-cash gain of CHF 55 million, following a change in pension plans. As a reminder, in the first six months of 2015 the Group recognised a net one-off non-cash gain of CHF 20 million. When measured in local currency terms, the EBITDA increased by 10.7%. The EBITDA margin increased to 27.3% in 2016 from 25.9% in 2015.

Operating income
The operating income increased by 16.8% to CHF 500 million from CHF 428 million for the same period in 2015. When measured in local currency terms, the operating income increased by 13.9%. The operating margin increased to 21.4% in 2016 from 19.6% in 2015.

Financial performance
Financing costs were CHF 27 million in the first half of 2016, versus CHF 31 million for the same period in 2015. The decrease was as a result of the lower net debt in the Group. Other financial expense, net of income, was CHF 18 million in 2016 versus CHF 13 million in 2015.

The interim period income tax expense as a percentage of income before taxes was 19% in 2016. As a reminder, the rate in 2015, at 11%, was considerably lower following changes in Swiss Accounting Law and the Group's operating structure. Excluding these items in 2015, the income tax expense as a percentage of income before taxes was 19%.

Net income
The net income for the first six months of 2016 was CHF 368 million compared to CHF 342 million in 2015, an increase of 7.6%. This results in a net profit margin of 15.7% versus 15.6% in 2015. Basic earnings per share were CHF 40.00 versus CHF 37.15 for the same period in 2015.

Cash flow
Givaudan delivered an operating cash flow of CHF 237 million for the first six months of 2016 compared to CHF 341 million in 2015, driven by a temporary increase in working capital, which increased to 26.9% of sales, compared to 26.3% in 2015.

Total investments in property, plant and equipment were CHF 33 million, compared to CHF 57 million incurred in 2015. Intangible asset additions were CHF 12 million in 2016, compared to CHF 17 million in 2015. Total net investments in tangible and intangible assets were 1.9% of sales, compared to 3.4% in 2015.

Operating cash flow after net investments was CHF 192 million, versus the CHF 267 million recorded in 2015. Free cash flow, defined as operating cash flow after investments and interest paid, was CHF 174 million in the first half of 2016, versus CHF 248 million for the comparable period in 2015. As a percentage of sales, free cash flow in the first six months of 2016 was 7.4%, compared to 11.4% in 2015.

Financial position

Givaudan's financial position remained strong at the end of June 2016. Net debt at June 2016 was CHF 986 million, up from CHF 677 million at December 2015. The leverage ratio was 21% compared to 15% at the end of 2015. The main reason for the increase in the leverage ratio was the payment of the CHF 495 million dividend in the first quarter of 2016.

> With these strong sales results we sustain a high level of profitability.

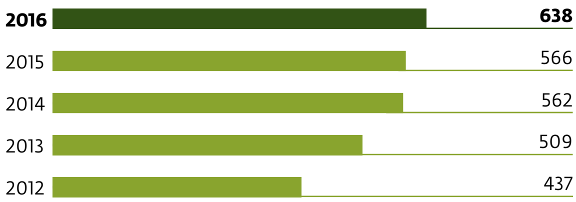
2020 guidance: Responsible growth. Shared success

The Company's 2020 ambition is to create further value through profitable, responsible growth. Capitalising on the success of the 2011-2015 strategy, Givaudan's 2020 ambition is built on the three strategic pillars of 'growing with our customers', 'delivering with excellence', and 'partnering for shared success'.

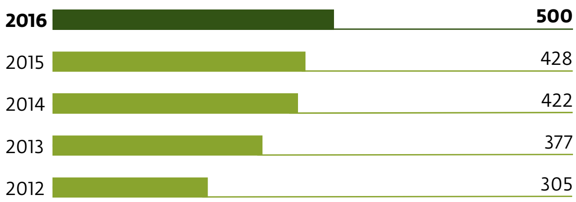
Ambitious financial targets are a fundamental part of Givaudan's strategy. We aim to outpace the market with 4-5% sales growth and a free cash flow of 12-17% of sales, both measured as an average over the five-year period of our strategy cycle. It is Givaudan's intention to maintain its current dividend practice as part of this ambition.

Sales: for the Group
in millions of Swiss francs

EBITDA: for the Group
in millions of Swiss francs



Operating income: for the Group[a]
in millions of Swiss francs



a) Previous year figures have been restated as a result of changes to accounting policies and presentation (see note 3 of the Financial Report).

Fragrance Division

Fragrance sales

Fragrance Division sales were CHF 1,132 million, an increase of 9.7% on a like-for-like basis and an increase of 10.7% in Swiss francs. Including Induchem, the growth was 11.0% in local currency. The sales of Induchem, which was acquired on 31 August 2015, amounted to CHF 13 million for the first half of 2016.

Total sales for Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 10.4% on a like-for-like basis. In Swiss francs, sales of compounds increased to CHF 977 million from CHF 892 million.

Fine Fragrance sales grew 11.1% on a like-for-like basis driven by strong new business and low erosion.

Sales for the Consumer Products business increased by 10.2% on a like-for-like basis as a result of a strong performance in high growth markets and a solid increase in mature markets.

Sales of Fragrance Ingredients and Active Beauty increased by 5.2% on a like-for-like basis. The sales of Induchem, which was acquired on 31 August 2015, amounted to CHF 13 million for the first half of 2016. Including Induchem, the growth of Fragrance Ingredients and Active Beauty was 14.8% in local currency.

The EBITDA increased to CHF 351 million in 2016 compared to CHF 244 million for the first six months of 2015. In the first six months of 2016 the division recognised one-off non-cash gain of CHF 55 million following a change in pension plans. As a reminder, the division incurred one-off non-cash charges of CHF 12 million in the first six months of 2015. The EBITDA margin increased to 31.0% in 2016 from 23.8% in 2015.

The operating income increased by 59% to CHF 287 million in 2016, versus CHF 181 million for the same period in 2015. The operating margin increased to 25.4% in 2016 from 17.7% in 2015.

Fine Fragrances

Fine Fragrance sales grew 11.1% on a like for like basis. New business, which was well above last year's level, and low erosion contributed to the strong half year performance.

On a regional basis, North America recorded double-digit growth led by new launches as well as continued strong performance of existing products. In Latin America the business recorded solid growth with new business and volume gains at a number of accounts driving solid results. The gains in North and Latin America were partly offset by lower sales in EAME and Asia where an improving performance in the second quarter could not compensate for the slow start to the year.

At the major award ceremonies in the USA and Europe a number of Givaudan fragrances were recognised including: Tom Ford Noir Pour Femme, Tom Ford Venetian Bergamot, Valentino Donna, Narciso Rodriguez L'Absolu, James Bond 007 for Women, Bottega Veneta Pour Homme Extreme, Armani Privè Ambre Eccentrico, La Collection 34 and Prada Infusion d'Oeuillet.

Consumer products

The Consumer Products business unit sales grew by 10.2% on a like-for-like basis with double-digit growth in high growth markets and a solid increase in mature markets. All customer groups and product segments contributed to this performance.

Latin America delivered double-digit growth with all customer groups and all product segments, whilst Asia recorded a double-digit growth supported by all sub-regions, spread across all product segments and all customer groups. In Europe, Africa and the Middle East, sales growth was driven by good performance with local and regional as well as global customers. The Africa and Middle East business delivered double-digit growth supported by all product segments and sub-regions. Sales in North America continued to increase compared to prior year, mainly driven by local and regional customers. Sales were very strong in the home care segment.

On a product segment basis, sales increased among all product segments. The sales growth was led by a double-digit increase in the fabric care segment, followed by home care. Oral care and personal care segments contributed as well to the growth.

Fragrance Ingredients and Active Beauty

Sales of Fragrance Ingredients and Active Beauty increased by 5.2% on a like-for-like basis. The sales of Induchem, which was acquired on 31 August 2015, amounted to CHF 13 million for the first half of 2016. Sales of Fragrances ingredients saw strong sales growth in the European and Asian markets, whilst sales were below last year in Latin America. Including Induchem, the growth of Fragrance Ingredients and Active Beauty was 14.8% in local currency.

Sales: Fragrance Division
in millions of Swiss francs

Flavour Division

Flavour sales

Flavour Division sales were 1,202 million during the first six months of 2016, an increase of 3.0% on a like-for-like basis and 3.5% in Swiss francs.

The increased sales were positively impacted by new wins and existing business expansion in the high growth markets of Argentina and Brazil in Latin America as well as India, Indonesia, Thailand and Vietnam in Asia Pacific. The mature markets of Japan, Korea and Australia delivered good results. Europe and Africa rebounded in the second quarter despite challenging economic conditions in Western Europe and Sub-Saharan Africa. North America results were solid against a strong prior year comparable. Dairy, Savoury and Snacks contributed to the overall growth.

The EBITDA decreased to CHF 287 million in 2016 from CHF 322 million for the first six months of 2015. The EBITDA margin was 23.9% in 2016, down from 27.8% in 2015. As a reminder, in the first six months of 2015 the division recognised a one-off non-cash gain of CHF 32 million.

The operating income decreased to CHF 213 million in 2016 from CHF 247 million for the same period in 2015. The operating margin decreased to 17.7% in 2016 compared to 21.3% in 2015.

On 23 May 2016, as part of its 2020 strategy to strengthen capabilities in integrated savoury solutions, Givaudan announced that it is acquiring ConAgra Foods' Spicetec Flavors & Seasonings business. As closing has not been completed, the proposed acquisition has no impact on the financial results to June 2016.

Asia Pacific

Sales in Asia Pacific increased 4.8% on a like-for-like basis driven by expansion in the high growth markets of India, Indonesia, Thailand and Vietnam. The mature markets of Japan, Korea and Australia delivered good results. Snacks and Sweet Goods achieved double-digit growth from expansion of the existing business portfolio while new wins fuelled increases in Dairy and Savoury.

Europe, Africa and Middle East

Sales decreased 0.7% on a like-for-like basis. The region delivered growth of 2.0% in the second quarter despite a challenging economic environment. The high growth markets of Africa were impacted by lower sales in Sub-Saharan Africa while any gains realised in Eastern Europe were offset by Russia. The mature markets of Western Europe were impacted by lower sales in France, Germany and Great Britain. Snacks and Sweet Goods grew as a result of new wins.

Latin America

Sales increased 16.7% in Latin America on a like-for-like basis with strong growth in Argentina, Brazil and Colombia. New wins and existing business growth was realised across all segments with strong performance coming from Beverages and Snacks.

North America

Sales across North America increased 0.4% on a like-for-like basis. New wins and growth of existing business in Dairy, Savoury and Sweet Goods were offset by lower sales in the Beverage segment, which had seen strong growth in the prior year.

Sales: Flavour Division
in millions of Swiss francs

2016 Half Year
Financial Report

Table of contents:

Interim condensed consolidated financial statements (unaudited)

Condensed consolidated income statement

For the six months ended 30 June

in millions of Swiss francs, except for earnings per share data	Note	**2016**	2015[a]
Sales		2,334	2,184
Cost of sales		(1,241)	(1,168)
Gross profit		**1,093**	**1,016**
as % of sales		46.8%	46.5%
Selling, marketing and distribution expenses		(311)	(294)
Research and product development expenses		(197)	(183)
Administration expenses		(89)	(79)
Share of (loss) profit of jointly controlled entities		–	(1)
Other operating income	6	60	36
Other operating expense	7	(56)	(67)
Operating income		**500**	**428**
as % of sales		21.4%	19.6%
Financing costs	8	(27)	(31)
Other financial income (expense), net	9	(18)	(13)
Income before taxes		**455**	**384**
Income taxes	10	(87)	(42)
Income for the period		**368**	**342**
Attribution			
Income attributable to equity holders of the parent		368	342
as % of sales		15.7%	15.6%
Earnings per share – basic (CHF)	**11**	**40.00**	**37.15**
Earnings per share – diluted (CHF)	**11**	**39.62**	**36.69**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

The notes on pages 14 to 22 form an integral part of these interim condensed financial statements (unaudited).

Condensed consolidated statement of comprehensive income

For the six months ended 30 June

in millions of Swiss francs	Note	2016	2015 [a]
Income for the period		**368**	**342**
Items that may be reclassified to the income statement			
Cash flow hedges			
Movement in fair value, net		(42)	(4)
Gains (losses) removed from equity and recognised in the consolidated income statement		6	6
Movement on income tax	10	2	–
Exchange differences arising on translation of foreign operations			
Change in currency translation		(112)	(283)
Movement on income tax	10	(1)	4
Items that will not be reclassified to the income statement			
Defined benefit pension plans			
Remeasurement of post employment benefit obligations		(233)	49
Movement on income tax	10	61	(17)
Other comprehensive income for the period		**(319)**	**(245)**
Total comprehensive income for the period		**49**	**97**
Attribution			
Total comprehensive income attributable to equity holders of the parent		49	97

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

The notes on pages 14 to 22 form an integral part of these interim condensed financial statements (unaudited).

Condensed consolidated statement of financial position

At period ended

in millions of Swiss francs	Note	**30 June 2016**	31 December 2015 [a]	1 January 2015 [a]
Cash and cash equivalents		260	478	412
Derivative financial instruments		9	17	21
Derivatives on own equity instruments		3	6	10
Financial assets at fair value through income statement		1	2	64
Accounts receivable - trade		1,028	901	911
Inventories		761	716	771
Current tax assets		25	16	22
Other current assets		191	143	146
Current assets		**2,278**	**2,279**	**2,357**
Property, plant and equipment		1,357	1,384	1,430
Intangible assets		2,071	2,197	2,293
Deferred tax assets		289	260	258
Post-employment benefit plan assets		13	15	7
Financial assets at fair value through income statement		75	76	76
Jointly controlled entities		26	27	17
Other long-term assets		50	44	34
Non-current assets		**3,881**	**4,003**	**4,115**
Total assets		**6,159**	**6,282**	**6,472**
Short-term debt	12	305	208	57
Derivative financial instruments		38	18	19
Accounts payable - trade and others		427	400	423
Accrued payroll & payroll taxes		107	120	119
Current tax liabilities		71	70	82
Financial liability: own equity instruments		71	48	54
Provisions		7	12	12
Other current liabilities		138	138	155
Current liabilities		**1,164**	**1,014**	**921**
Derivative financial instruments		101	62	50
Long-term debt	12	941	947	1,150
Provisions		54	51	36
Post-employment benefit plan liabilities		807	637	735
Deferred tax liabilities		89	92	88
Other non-current liabilities		69	64	79
Non-current liabilities		**2,061**	**1,853**	**2,138**
Total liabilities		**3,225**	**2,867**	**3,059**
Share capital	13	92	92	92
Retained earnings and reserves	13	5,246	5,373	5,209
Own equity instruments	14	(114)	(79)	(78)
Other components of equity		(2,290)	(1,971)	(1,810)
Equity attributable to equity holders of the parent		**2,934**	**3,415**	**3,413**
Total equity		**2,934**	**3,415**	**3,413**
Total liabilities and equity		**6,159**	**6,282**	**6,472**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

The notes on pages 14 to 22 form an integral part of these interim condensed financial statements (unaudited).

Condensed consolidated statement of changes in equity

For the six months ended 30 June

2016 in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Available-for-sale financial assets	Currency translation differences	Defined benefit pension plans remeasure-ment	Total equity
Balance as at 1 January published		**92**	**5,361**	**(79)**	**(70)**	**12**	**(1,396)**	**(505)**	**3,415**
Balance as at 1 January restated		**92**	**5,373**	**(79)**	**(70)**		**(1,396)**	**(505)**	**3,415**
Income for the period			368						368
Other comprehensive income for the period					(34)		(113)	(172)	(319)
Total comprehensive income for the period			**368**		**(34)**		**(113)**	**(172)**	**49**
Dividends paid	13		(495)						(495)
Movement on own equity instruments, net	14			(35)					(35)
Net change in other equity items			**(495)**	**(35)**					**(530)**
Balance as at 30 June		**92**	**5,246**	**(114)**	**(104)**		**(1,509)**	**(677)**	**2,934**

2015 [a] in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Available-for-sale financial assets	Currency translation differences	Defined benefit pension plans remeasure-ment	Total equity
Balance as at 1 January published		**92**	**5,187**	**(78)**	**(67)**	**22**	**(1,195)**	**(548)**	**3,413**
Balance as at 1 January restated		**92**	**5,209**	**(78)**	**(67)**		**(1,195)**	**(548)**	**3,413**
Income for the period			342						342
Other comprehensive income for the period					2		(279)	32	(245)
Total comprehensive income for the period			**342**		**2**		**(279)**	**32**	**97**
Dividends paid	13		(461)						(461)
Movement on own equity instruments, net	14			(26)					(26)
Net change in other equity items			**(461)**	**(26)**					**(487)**
Balance as at 30 June restated		**92**	**5,090**	**(104)**	**(65)**		**(1,474)**	**(516)**	**3,023**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

The notes on pages 14 to 22 form an integral part of these interim condensed financial statements (unaudited).

Consolidated statement of cash flows

For the six months ended 30 June

in millions of Swiss francs	Note	2016	2015 [a]
Income for the period		368	342
Income tax expense		87	42
Interest expense		22	23
Non-operating income and expense		23	21
Operating income		**500**	**428**
Depreciation of property, plant and equipment		57	54
Amortisation of intangible assets		81	80
Impairment of long-lived assets		–	4
Other non-cash items			
- share-based payments		18	16
- pension expense		(35)	(10)
- additional and unused provisions, net		3	16
- other non-cash items		(18)	22
Adjustments for non-cash items		**106**	**182**
(Increase) decrease in inventories		(52)	(20)
(Increase) decrease in accounts receivable		(131)	(87)
(Increase) decrease in other current assets		(51)	(36)
Increase (decrease) in accounts payable		9	6
Increase (decrease) in other current liabilities		(17)	(41)
(Increase) decrease in working capital		**(242)**	**(178)**
Income taxes paid		**(65)**	**(51)**
Pension contributions paid		(22)	(27)
Provisions used		(5)	(6)
Purchase and sale of own equity instruments, net		(24)	(12)
Impact of financial transactions on operating, net		(11)	5
Cash flows from (for) operating activities		**237**	**341**
Increase in long-term debt	12	–	200
(Decrease) in long-term debt	12		(127)
Increase in short-term debt	12	214	306
(Decrease) in short-term debt	12	(116)	(300)
Interest paid		(18)	(19)
Distribution to the shareholders paid	13	(495)	(461)
Purchase and sale of derivative financial instruments financing, net		6	(6)
Others, net		2	(3)
Cash flows from (for) financing activities		**(407)**	**(410)**
Acquisition of property, plant and equipment		(33)	(57)
Acquisition of intangible assets		(12)	(17)
Increase in share capital of jointly controlled entities			(3)
Proceeds from the disposal of property, plant and equipment		–	–
Interest received		1	1
Purchase and sale of financial assets at fair value through income statement, net		1	(5)
Others, net		(5)	4
Cash flows from (for) investing activities		**(48)**	**(77)**
Net increase (decrease) in cash and cash equivalents		**(218)**	**(146)**
Net effect of currency translation on cash and cash equivalents		–	(50)
Cash and cash equivalents at the beginning of the period		478	412
Cash and cash equivalents at the end of the period		**260**	**216**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

The notes on pages 14 to 22 form an integral part of these interim condensed financial statements (unaudited).

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 the consumer goods industry. It operates in over 100 countries and has subsidiaries and branches in more than 40 countries. Worldwide, it employs 10,032 people.

The Group is listed on the SIX Swiss Exchange (GIVN).

2. Basis of financial statements

These financial statements are the unaudited interim condensed consolidated financial statements (hereafter ''the interim financial statements'') of the Group for the six months period ended 30 June 2016 (hereafter 'the interim period'). They have been prepared in accordance with 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 2015 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. The 31 December 2015 statement of financial position has been derived from the audited 2015 consolidated financial statements. Givaudan SA's Board of Directors approved these interim financial statements on 15 July 2016.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in the 2015 consolidated financial statements for the year ended 31 December 2015, with the exception of the adoption as of 1 January 2016 of the standards and interpretations described below:

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Amendments to IAS 16 and IAS 41: Agriculture : Bearer Plants
- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IAS 1: Disclosure Initiative
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exceptions
- IFRS 9 Financial Instruments

The Group assessed that the adoption of the above standards does not affect the information already disclosed by the Group, except for IFRS 9 as described below.

As at 1 January 2016 the Group has early adopted IFRS 9 as issued in July 2014.

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. As a result of the adoption of IFRS 9, the Group classifies all financial assets as financial assets at fair value through the income statement except for trade receivables which are classified at amortised cost.

The adoption of IFRS 9 helps to align the accounting of financial assets with the objectives to collect contractual cash flows as they become due and to sell financial assets.

Financial assets at fair value through the income statement
Financial assets that are used to fund the settlements of long-term incentive plans recognised as liabilities meet the objective of collecting contractual cash flows and selling financial assets. Investments accounted for as available-for-sale financial assets in accordance with IAS 39 change their measurement category to "at fair value through the income statement" which is more consistent, in the Group's opinion, with the Group's strategic investment objectives.

Derivative financial assets accounted for at fair value through the income statement in accordance with IAS 39 remain in the same measurement category unless they are designated as effective hedging instruments.

Financial assets at amortised cost
Trade receivables meet the objective of collecting contractual cash flows over their life. Trade receivables accounted for as "loans and receivables" financial assets in accordance with IAS 39 change their measurement category to "at amortised cost".

The new hedging rules align hedge accounting more closely with the Group's risk management practices. The hedging strategy of the Group is not changed.

The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses than the incurred loss impairment model used in IAS 39. A simplified approach is applied for trade receivables for which the tracking of changes in credit risk is not required but instead the base lifetime expected credit loss at all times is applied. The current practice for measuring trade receivables does not change.

For financial liabilities, there is no change in their classification and measurement except for liabilities designated at fair value through the income statement for which the amount of change in the fair value that is attributable to changes in own credit risk is presented in other comprehensive income. The Group has currently only financial liabilities at amortised cost and therefore there is no impact on their classification.

The following tables summarise the impact of the above changes on the Group's financial position, on the statement of comprehensive income, and on earnings per share.

Financial position as at 1 January 2015

in millions of Swiss francs	Reported	Adjustments	Restated
Available-for-sale financial assets	64	(64)	
Financial assets at fair value through income statement		64	64
Current assets			
Financial assets at fair value through income statement	35	41	76
Other long-term assets	75 [a]	(41)	34
Non-current assets			
Retained earnings and reserves	5,187	22	5,209
Other components of equity	(1,788) [a]	(22)	(1,810)
Equity			

a) Including available-for-sale financial assets.

Comprehensive income for six months ended 30 June 2015

in millions of Swiss francs	Reported	Adjustments	Restated
Income statement			
Total other financial income (expense), net	(16)	3	(13)
Other comprehensive income			
Available-for-sale financial assets			
Movements in fair value, net	2	(2)	
(Gains) losses removed from equity and recognised in the consolidated income statement	–	–	
Exchange differences arising on translation of foreign operations			
Change in currency translation	**(282)**	**(1)**	**(283)**

Earnings per share

in Swiss francs	Reported	Restated
Basic earnings per share	36.82	37.15
Diluted earnings per share	**36.37**	**36.69**

Financial position as at 31 December 2015

in millions of Swiss francs	Reported	Adjustments	Restated
Available-for-sale financial assets	2	(2)	
Financial assets at fair value through income statement		2	2
Current assets			
Financial assets at fair value through income statement	35	41	76
Other long-term assets	85 [a]	(41)	44
Non-current assets			
Retained earnings and reserves	5,361	12	5,373
Other components of equity	(1,959) [a]	(12)	(1,971)
Equity			

a) Including available-for-sale financial assets.

4. Fair value measurements recognised in the statement of financial position

Financial assets consisting of equity and debt securities of CHF 1 million (31 December 2015: CHF 2 million) were measured with Level 1 inputs whereas CHF 39 million (31 December 2015: CHF 41 million) were measured with Level 2 inputs. Corporate owned life insurance of CHF 36 million (31 December 2015: CHF 35 million) were measured with Level 2 inputs.

Derivative assets of CHF 9 million (31 December 2015: CHF 17 million) and derivative liabilities of CHF 139 million (31 December 2015: CHF 80 million) were measured with Level 2 inputs. Derivative assets and liabilities consist of forward foreign exchange contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts, and of interest swaps that are measured using quoted interest rates and yield curves derived from quoted interest rates matching maturities of the contracts.

There was no transfer between Level 1 and Level 2 categories in the period. The Group did not carry out any transactions on Level 3 inputs during and at the period presented in these interim financial statements.

5. Segment information

Business segments

	Fragrances		Flavours		Group	
For the six months ended 30 June, in millions of Swiss francs	**2016**	2015	**2016**	2015	**2016**	2015
Segment sales	1,132	1,023	1,210	1,167	2,342	2,190
Less inter segment sales[a]	–	–	(8)	(6)	(8)	(6)
Segment sales to third parties	**1,132**	**1,023**	**1,202**	**1,161**	**2,334**	**2,184**
EBITDA	**351**	**244**	**287**	**322**	**638**	**566**
as % of sales	31.0%	23.8%	23.9%	27.8%	27.3%	25.9%
Depreciation	(26)	(25)	(31)	(29)	(57)	(54)
Amortisation	(38)	(37)	(43)	(43)	(81)	(80)
Impairment of long-lived assets		(1)	–	(3)	–	(4)
Acquisition of Property, plant and equipment	16	32	29	25	45	57
Acquisition of Intangible assets	14	8	13	9	27	17
Total Gross Investments	**30**	**40**	**42**	**34**	**72**	**74**

a) Transfer prices for inter-divisional sales are set on an arm's length basis.

Reconciliation table to Group's operating income

For the six months ended 30 June, in millions of Swiss francs	Fragrances 2016	Fragrances 2015	Flavours 2016	Flavours 2015	Group 2016	Group 2015 [a]
EBITDA	**351**	**244**	**287**	**322**	**638**	**566**
Depreciation	(26)	(25)	(31)	(29)	(57)	(54)
Amortisation	(38)	(37)	(43)	(43)	(81)	(80)
Impairment of long-lived assets		(1)	–	(3)	–	(4)
Operating income	**287**	**181**	**213**	**247**	**500**	**428**
as % of sales	25.4%	17.7%	17.7%	21.3%	21.4%	19.6%
Financing costs					(27)	(31)
Other financial income (expense), net					(18)	(13)
Income before taxes					**455**	**384**
as % of sales					19.5%	17.6%

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

Classification of amortisation expenses is as follows:

For the six months ended 30 June, in millions of Swiss francs	Fragrances 2016	Fragrances 2015	Flavours 2016	Flavours 2015	Group 2016	Group 2015
Cost of sales	5	4	2	1	7	5
Selling, marketing and distribution expenses	9	8	9	8	18	16
Research and product development expenses	4	6	10	14	14	20
Administration expenses	1	–	1	–	2	–
Other operating expenses	19	19	21	20	40	39
Total	**38**	**37**	**43**	**43**	**81**	**80**

6. Other operating income

For the six months ended 30 June, in millions of Swiss francs	2016	2015
Gains on disposal of fixed assets	–	–
Other income	60	36
Total other operating income	**60**	**36**

In the first six months of 2016 the Group recognised a one-off non-cash gain of CHF 55 million (2015: CHF 32 million) following a change in the pension plans.

7. Other operating expense

For the six months ended 30 June, in millions of Swiss francs	2016	2015
Amortisation of intangible assets	40	39
Impairment of long-lived assets	–	4
Losses on disposal of fixed assets	1	1
Acquisition related costs	–	–
Other expenses	15	23
Total other operating expense	**56**	**67**

8. Financing costs

For the six months ended 30 June, in millions of Swiss francs	2016	2015
Interest expense	22	23
Net interest related to defined benefit pension plans	7	8
Derivative interest (gains) losses	(3)	(1)
Amortisation of debt discounts	1	1
Total financing costs	**27**	**31**

9. Other financial (income) expense, net

For the six months ended 30 June, in millions of Swiss francs	2016	2015 [a]
Fair value and realised (gains) losses from derivatives instruments, net (at fair value through income statement)	44	(53)
Exchange (gains) losses, net	(29)	64
Realised (gains) losses from financial instruments measured at fair value through income statement	–	–
Unrealised (gains) losses from financial instruments measured at fair value through income statement	(1)	(3)
Interest (income) expense	(1)	(1)
Capital taxes and other non business taxes	5	5
Other (income) expense, net	–	1
Total other financial (income) expense, net	**18**	**13**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

10. Income taxes

The interim period income tax expense as a percentage of income before taxes was 19% (2015: was 11% following changes in Swiss Accounting Law and the Group's legal structure. Excluding these items, the income tax expense as a percentage of income before taxes in June 2015 was 19%).

11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding:

	2016	2015 [a]
Income attributable to equity holder of the parent (in millions of Swiss francs)	**368**	**342**
Weighted average number of shares outstanding		
Ordinary shares	9,233,586	9,233,586
Treasury shares	(33,052)	(26,986)
Net weighted average number of shares outstanding	**9,200,534**	**9,206,600**
Basic earnings per share (CHF)	**40.00**	**37.15**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

Diluted earnings per share

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares:

	2016	2015 [a]
Income attributable to equity holder of the parent (in millions of Swiss francs)	**368**	**342**
Weighted average number of shares outstanding for diluted earnings per share of 87,154 (2015: 114,548)	**9,287,688**	**9,321,148**
Diluted earnings per share (CHF)	**39.62**	**36.69**

a) Previous year figures have been restated in early adoption of IFRS 9 (see Note 3).

12. Debt

2016 in millions of Swiss francs	Within 1 to 3 years	Within 3 to 5 years	Thereafter	Total long-term	Short-term within 1 year	Total
Floating rate debt						
Bank facility						
Bank overdrafts					2	2
Total floating rate debt					**2**	**2**
Fixed rate debt						
Bank borrowings					153	153
Straight bonds	299	100	298	697	150	847
Private placements		39	205	244		244
Total fixed rate debt	**299**	**139**	**503**	**941**	**303**	**1,244**
Balance as at 30 June	**299**	**139**	**503**	**941**	**305**	**1,246**

2015 in millions of Swiss francs	Within 1 to 3 years	Within 3 to 5 years	Thereafter	Total long-term	Short-term within 1 year	Total
Floating rate debt						
Bank facility	–			–		
Bank overdrafts					3	3
Total floating rate debt	**–**			**–**	**3**	**3**
Fixed rate debt						
Bank borrowings						
Straight bonds	299	100	298	697	150	847
Private placements		40	210	250	55	305
Total fixed rate debt	**299**	**140**	**508**	**947**	**205**	**1,152**
Balance as at 31 December	**299**	**140**	**508**	**947**	**208**	**1,155**

13. Equity

At the Annual General Meeting held on 17 March 2016 the distribution of an ordinary dividend of CHF 54.00 per share (2015: ordinary dividend of CHF 50.00 per share) was approved. The dividend payment has been primarily made out of additional paid-in capital reserve which Givaudan showed in total equity as at the end of 2015, with the remainder paid out of available retained earnings.

At 30 June 2016 the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares with a nominal value of CHF 10.00 each. Each share gives the right to one vote.

14. 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 and share option plans. At 30 June 2016, the Group held 14,887 own shares (2015: 21,706), as well as derivatives on own shares equating to a long position of 45,296 (2015: 65,288).

15. Contingent liabilities

From time to time and in varying degrees, Group operations and earnings continue to be affected by political, fiscal and regulatory developments, including those relating to environmental protection, in the countries in which it operates.

The activities in which the Group is engaged are also subject to physical risks of various kind. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on the future operations and earnings are not predictable.

Givaudan Group companies are involved in various legal and regulatory proceedings of a nature considered typical of its business, including contractual disputes and employment litigation.

One of the Group's US affiliates, Givaudan Flavors Corporation was named as a defendant in several lawsuits brought against it and other flavour companies and raw diacetyl suppliers. The plaintiffs alleged that they sustained pulmonary injuries due to diacetyl containing butter flavours manufactured by one or more of the flavour company defendants. The majority of the cases filed against Givaudan Flavors Corporation have been settled. The Group has already recovered or will recover amounts it is entitled to under the terms of its insurance policies.

16. Other information

On 23 May 2016, as part of its 2020 strategy to strengthen capabilities in integrated savoury solutions, Givaudan announced that it is acquiring ConAgra Foods' Spicetec Flavors & Seasonings business. As closing has not been completed, the proposed acquisition has no impact on the financial results to June 2016.

Givaudan SA

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Investor Calendar
Half year conference, Zurich: 25 August 2016
Nine month sales results: 11 October 2016
Full year results: 31 January 2017
Annual General Meeting: 23 March 2017

Dates may be subject to change, please consult the calendar on the Givaudan website: www.givaudan.com/investors/shareholder-information/investor-calendar

Translations: CLS, www.cls-communication.com

This Half Year Report and Financial statements may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore actual results may differ significantly from those presented in such forward looking statements. Investors must not rely on this information for investment decisions.

Nine month sales 2016

Media release dated 10 October 2016

Givaudan

Media Release

Geneva, 10 October 2016

2016 Nine month sales
Maintaining business momentum, changes in Company leadership

- Chairman Dr Jürg Witmer announces his intention to retire in March 2017; Calvin Grieder proposed for election as new Chairman
- Matthias Währen to retire as Chief Financial Officer at the end of 2016; Tom Hallam appointed CFO effective 1 January 2017

Business performance

In the first nine months of 2016 Givaudan recorded sales of CHF 3,518 million, an increase of 5.1% on a like-for-like basis and 6.7% in Swiss francs compared to the previous year.

The Company's 2020 ambition is to create further value through profitable, responsible growth. Capitalising on the success of the 2011-2015 strategy, Givaudan's 2020 ambition is built on the three strategic pillars of growing with its customers, delivering with excellence, and partnering for shared success.

Ambitious financial targets are a fundamental part of Givaudan's strategy. We aim to outpace the market with 4-5% sales growth and a free cash flow of 12-17% of sales, both measured as an average over the five-year period of our strategy cycle. It is Givaudan's intention to maintain its current dividend practice as part of this ambition.

Sales January to September 2016			Change %	
In million CHF	**2016**	**2015**	**in CHF**	**LFL***
Group sales	**3,518**	**3,296**	**6.7**	**5.1**
- Fragrance sales	1,699	1,563	8.7	7.5
- Flavour sales	1,819	1,733	5.0	3.0
Mature markets	**1,928**	**1,791**	**7.5**	**2.1**
Developing markets	**1,590**	**1,505**	**5.7**	**8.8**

Sales July to September 2016			Change %	
In million CHF	**2016**	**2015**	**in CHF**	**LFL***
Group sales	**1,184**	**1,112**	**6.4**	**3.1**
- Fragrance sales	567	540	4.8	3.4
- Flavour sales	617	572	7.9	2.9

* LFL: like-for-like

Givaudan

Geneva, 10 October 2016

Fragrance Division

Fragrance Division sales were CHF 1,699 million for the first nine months of 2016, an increase of 7.5% on a like-for-like basis and an increase of 8.7% in Swiss francs. Including Induchem, the growth was 8.6% in local currency. The sales of Induchem, which was acquired on 31 August 2015, amounted to CHF 19 million for the first nine months of 2016.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 8.2% on a like-for-like basis. In Swiss francs, sales of compounds increased by 7.9% to CHF 1,472 million from CHF 1,364 million in 2015.

Fine Fragrance sales grew 9.0% on a like-for-like basis with strong growth in North America, Latin America and the Middle East, which more than compensated for the lower sales in Asia and Western Europe. These gains resulted from a combination of new business and relatively low erosion of the existing business.

The Consumer Products business increased by 8.0% on a like-for-like basis with strong growth in high growth markets and good growth in mature markets. This performance was driven by a double-digit growth with local and regional customers and supported by a solid increase with international customers. On a regional basis, Latin America delivered a double-digit growth across all customer groups and all product segments, whilst Asia recorded a significant increase across all sub-regions. The growth in Asia was across all product segments, with local and regional customers growing double-digit. In Europe, Africa and the Middle East, sales growth was positively impacted by good performance across all customer groups. The African and Middle East sub-regions posted the strongest growth rates. Sales in North America increased further compared to last year thanks to all customer groups and a strong performance in the home care segment.

On a product segment basis the growth was led by a double-digit increase in the Fabric Care and Home Care segments, whilst Personal Care and Oral Care segments also contributed to the growth.

Sales of Fragrance Ingredients and Active Beauty increased by 2.9% on a like-for-like basis. The sales of Induchem, which was acquired on 31 August 2015, amounted to CHF 19 million for the first nine months of 2016. Including Induchem, the growth of Fragrance Ingredients and Active Beauty was 10.9% in local currency.

Givaudan

Geneva, 10 October 2016

Flavour Division

Flavour Division sales were CHF 1,819 million during the first nine months of 2016, an increase of 3.0% on a like-for-like basis and 5.0% in Swiss francs. Including Spicetec, the growth was 4.7% in local currency. Spicetec Flavors & Seasonings contributed CHF 29 million following the acquisition on 25 July 2016.

The sales performance was driven by new wins and strong existing business expansion in Latin America and Asia Pacific. The key high growth markets of Argentina, Brazil, India, Indonesia and Thailand continued to deliver good results whilst the mature markets of Japan, Oceania and South Korea also provided solid growth driven by new wins. Growth in Europe, Africa and the Middle East improved despite the challenging market conditions in Western Europe and the Middle East. Sweet Goods, Dairy and Snacks contributed to the overall growth driven by a good momentum of the existing business combined with new wins.

Asia Pacific
Sales in Asia Pacific increased 4.9% on a like-for-like basis with strong double-digit growth in India and Indonesia coupled with good growth in the Indochina area. The mature markets of Japan, Oceania and South Korea delivered good growth as a result of new wins and the expansion of the existing business. Double-digit growth in Sweet Goods and Snacks contributed to the performance in the region.

Europe, Africa and Middle East
Sales in EAME decreased 0.3% on a like-for-like basis. An improved performance in Sub-Saharan Africa, Russia and South Eastern Europe was offset by deteriorating market conditions in the Middle-East and Maghreb. The mature markets of Western Europe were positively impacted by strong results in Italy and Scandinavia, offset by lower sales in France and Germany. Snacks and Sweet Goods contributed as a result of strong new wins and existing business growth.

North America
Sales in North America decreased 0.9% on a like-for-like basis with a good performance in Dairy and Sweet Goods being offset by lower sales in Beverages.

Latin America
Sales increased 17.9% in Latin America on a like-for-like basis. Double-digit growth in Argentina, Brazil and Central America was driven by existing business growth and strong new wins. Mexico registered a solid performance. All segments contributed with strength coming from the Savoury and Dairy segments.

Note: like-for-like excludes the impact of currency, acquisitions and disposals

Givaudan

Geneva, 10 October 2016

Changes in Company leadership

Chairman Dr Jürg Witmer to retire at 2017 AGM

In line with Givaudan's long-term succession planning, Chairman Dr Jürg Witmer has informed the Board of Directors of his intention to retire as Chairman and member of the Board at the Annual General Meeting on 23 March 2017. The Board will propose at the AGM to elect the current Vice-Chairman Calvin Grieder as its new Chairman and intends to appoint Prof. Dr-Ing Werner Bauer as new Vice-Chairman.

Calvin Grieder is a Swiss national born in 1955 in the USA. He has had a successful career, holding various executive positons at Swiss and German companies including the international engineering group Bühler, where he was appointed CEO in 2001 before becoming Chairman in 2014. Calvin Grieder joined Givaudan's Board of Directors in 2014 and was nominated Vice-Chairman in 2016.

Dr Jürg Witmer has overseen significant milestones in the growth of Givaudan since he joined the Company as CEO and Board member in May 1999. He successfully orchestrated the spin-off from Roche and the IPO of Givaudan in June 2000, and was elected Chairman of the Board in March 2005 with Gilles Andrier as new CEO. His exemplary guidance and oversight has created an environment for continued Company growth and significant value creation for shareholders. The share price has increased five-fold since the Company's listing on the stock exchange. During the same period, the Company has returned CHF 2.6 billion of cash flow to shareholders in the form of dividends.

Givaudan

Geneva, 10 October 2016

Changes to the Executive Committee

Givaudan announces the appointment of Tom Hallam, currently Head of Group Controlling & Business Development, as Chief Financial Officer (CFO) effective January 2017. He succeeds Matthias Währen, who will retire as CFO on 31 December 2016. To ensure a smooth transition, Matthias Währen will remain at Givaudan until July 2017 to provide management advice and support on some strategic projects.

Tom Hallam is a British and Swiss national, born in 1966. He joined Givaudan as Head of Group Controlling in 2008 following a successful career at Serono. Tom graduated from the University of Manchester, UK with a BA (Hons) in Accounting and Finance and subsequently qualified as a member of the Chartered Institute of Management Accountants. He will become Chief Financial Officer and a member of the Givaudan Executive Committee effective January 2017.

Matthias Währen will retire following a distinguished 33-year career in finance, culminating in his 12-year tenure as Chief Financial Officer at Givaudan. He began his career in Corporate Audit with Roche and subsequently held senior financial positions at Roche in Korea, Japan, USA and the group's headquarters in Switzerland. Matthias Währen joined Givaudan in 2004 as CFO and was instrumental in steering Givaudan to achieve its ambitious financial targets while bringing a new level of excellence to the finance function. He leaves a legacy of financial success and expertise as well as a strong and efficient global finance organisation, enabling Givaudan to pursue its strategy and deliver value in the long-term.

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