

Givaudan[®]
Leading Sensory Innovation



Half Year Conference 2006

Zurich, 24 August 2006

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Gilles Andrier
CEO

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Matthias Waehren
CFO

Half Year Results 2006

Business Highlights

- Sales growth overall is above market
 - Double digit growth in Fine Fragrances and specialty ingredients
 - Significant above market growth in Consumer Products
 - Strong growth in Fragrances in Asia Pacific and Latin America
 - Good growth in flavour strategic areas: emerging markets and beverages
 - Rebound of flavours in North America and Western Europe
 - Slight decline in flavours in Asia Pacific due to Japan
- Further improved operating performance
- Increased net profit
- 3rd share buy back on-going

Income Statement

In Mio CHF	HY 2006		HY 2005		Change
		in % of sales		in % of sales	
Sales	1,474	100.0	1,368	100.0	8%
Operating profit	313	21.2	282	20.6	11%
Financial income (expenses), net	12	0.8	(13)	(0.9)	-192%
Result before taxes	325	22.0	269	19.7	21%
Income taxes	(59)	(4.0)	(61)	(4.5)	-3%
Result after taxes	266	18.0	208	15.2	28%
Minority interest	-	-	-	-	na
Net income	266	18.0	208	15.2	28%
Earnings per share - basic (CHF)	37.37		28.76		30%

Operating Cash Flow after Investments and Taxes

In Mio CHF

	HY 2006	HY 2005
EBITDA	367	339
Changes in working capital	(96)	(152)
Income taxes paid	(43)	(38)
Other operating cash flows, net	(36)	19
Operating Cash Flow after Taxes	192	168
Net additions to PPE and Intangibles	(46)	(50)
Operating Cash Flow after Investments and Taxes	146	118
OCFAT (in % of sales)	10%	9%

Financial Cash Flow

In Mio CHF

	HY 2006	HY 2005
Operating Cash Flow after Investments and Taxes	146	118
Net increase (decrease) in bank loans	38	178
Sales (Purchase) of marketable securities, net	27	158
Sales (Purchase) of financial instruments, net	3	(5)
Acquisition of own equity instruments, net	(188)	(135)
Dividend paid (net)	(126)	(117)
Interest paid	(26)	(23)
Others, net	1	(16)
Net effect of currency translation on cash	(1)	11
Cash Movement	(126)	169

Financial Summary

- Sales growth above market
- Strong operating performance with 11% EBIT growth
- Non-operating performance positively impacted by:
 - Gains on marketable securities & derivatives
 - Lower interest charges
- Net profit increased by 28% and EPS by 30%
- Increased operating cash flow to CHF 192 million
- CHF 216 million returned to shareholders in form of share buy backs and dividends
- Net debt at CHF 767 million
- Strong balance sheet with 55% of equity

For 2006, Givaudan is confident to grow above market and to sustain its solid 2005 year end margins

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Profitable Growth

Future Business Opportunities

- Focus on:
 - Growth from emerging markets
 - High value adding segments
 - Innovation
- Execute strategic initiatives to close gaps
- Acquisitions remain an additional opportunity

Profitable Growth

Fine Fragrances

- Keep actual growth momentum in Fine Fragrances
- Expand customer base: new core lists, small clients
- Invest in naturals
- Capitalise on captive molecules
- Further innovate in end consumer understanding
- Continue to develop creative talents

Profitable Growth

Consumer Products

- Build on the past five years strong performance
- Broaden customer base:
 - New core list opportunities
 - Regional and local customers
- Focus on higher margin categories, like hair and air care
- Maintain momentum in soaps and detergents
- Apply research findings into novel products (delivery systems, malodour control)
- Invest in development facilities in China, Brazil and US

Profitable Growth

Fragrance Ingredients

- Further grow specialities
- Increased research efforts to expand molecule pipeline
- Continue streamlining commodity ingredients
- Consider low cost solutions for production of non-specialities

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Mauricio Graber
Head Flavour Division

Market Share Growth

Selected gaps and opportunities for accelerated growth



- Developing Markets
- Top 100 Food & Beverage
- Food Service

- Product Superiority
- Customer Intimacy

Developing Markets

We will be the #1 flavour company in all key developing markets



- Partner with key local players
- Continue to effectively service multinationals
- Expand local capabilities in flavour creation, application and consumer understanding
- Leverage global competencies

Top 100 Food & Beverage Market share growth



- The top 100 food and beverage companies represent a third of the flavour market.
- Givaudan has a significant market share with the top 10 F&B companies which represent 20% of the market.
- Substantial market share growth opportunities exist with the remaining top 90.

Multinationals will continue to expand their brands and product offerings throughout the mature and developing markets

Global Foodservice Revenue

Consolidating our food service position globally

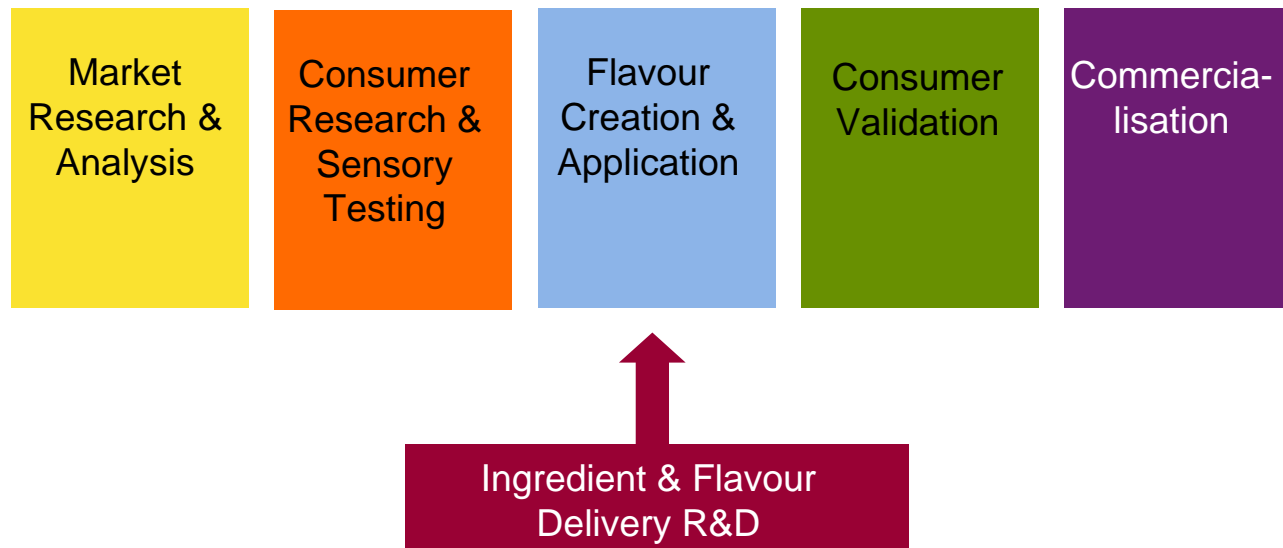


- **Account penetration:** working with the top 10 processors and Quick Serve Restaurant chains
- **Product portfolio:** expand product offering for food service applications
- **Service positioning:** leading culinary position, Chef'sCouncil™, and TasteTrek™ discoveries

Product Superiority

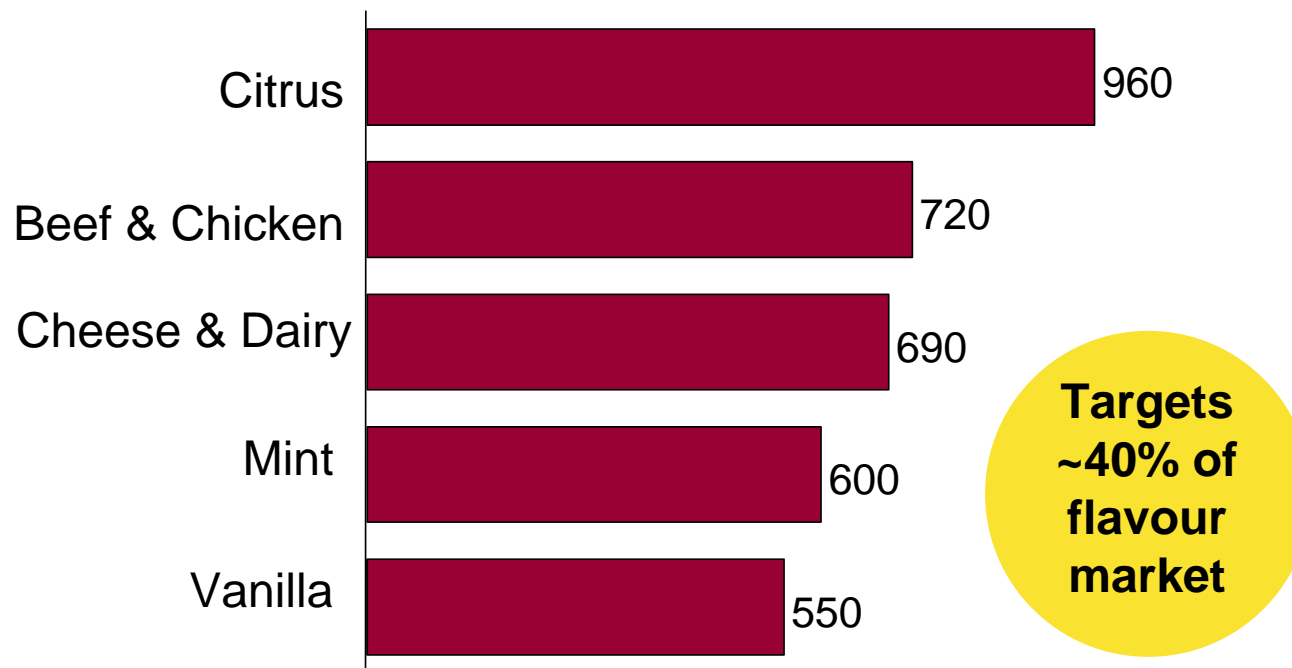
Developing superior flavours for successful consumer products

- Continue expanding creation and application capabilities
- Expand market and consumer understanding services



Product Superiority: The Flavour Targets

Market Potential, CHF million



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Project Outlook

Overview

- Launch strategic project to implement SAP
- Project scope includes supply chain, regulatory and finance
- Global business transformation project will allow us to:
 - Establish Integrated Enterprise Architecture
 - Further develop best in class processes
 - Achieve operational efficiencies

Project Outlook Rationale

Collaboration

- Integration capabilities with business partners
- Better foundation for a changing business environment

Enabling new capabilities

- Further supply chain efficiencies
- Additional global visibility and transparency

Process efficiency

- Business process harmonisation and automation
- Best practices

Data harmonisation

- Master data standardisation
- Elimination of redundancies

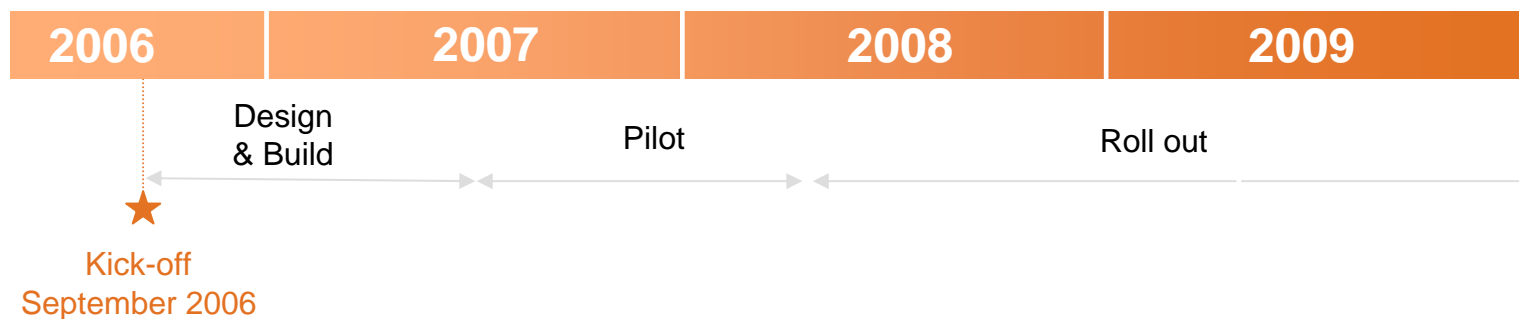
Systems obsolescence

- Proactively replace present applications

Project Outlook

Organisation and Time Line

- Dedicated team representing all functions and regions
- Project team located in Geneva
- Centralised global design with local roll-out split in 3 main phases



Project Outlook

Financials

- Estimated project cost CHF 60-70 mio., spread over 4 years (approx. 60% capitalised, 40% expensed)

- 3 levels of benefit:
 - Strategic, intangible
 - Operational, intangible
 - Operational, tangible

- Business case, only based on tangible benefits, shows a full payback by 2012.

Exciting Future

- For 2006, Givaudan is confident to grow above market and to sustain its solid 2005 year end margins

- Going forward:
 - Build on identified growth opportunities for fragrances and flavours
 - Execute defined growth initiatives
 - Continue to invest in innovation and talent
 - Sustain profitability

Givaudan is well on track to further develop its leading position
in the fragrance and flavour industry!

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