Givaudan

ENGAGING
THE
SENSES

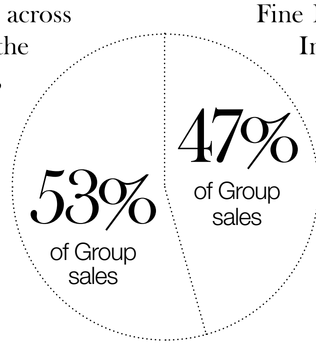
Half Year Report 2012

About Givaudan

As the leading company in the fragrance and flavour industry, Givaudan develops unique and innovative fragrance and flavour creations for its customers around the world. We have a market share of approximately 25%, and this industry leadership position is underpinned by a sales and marketing presence in all major markets. We create fragrances for personal and home care brands that range from prestige perfumes to laundry care, and in flavours our expertise spans beverages, savoury, snacks, sweet goods and dairy products.

Flavour Division

We work with food and beverage manufacturers to develop flavours and tastes for market-leading products across all continents. We are a trusted partner to the world's leading food and beverage companies, combining our global expertise in sensory understanding, analysis and consumer-led innovation in support of unique product applications and new market opportunities.



Fragrance Division

Our talents extend across three business areas – Fine Fragrances, Consumer Products and Fragrance Ingredients – through which we create scents for leading brands worldwide. In-depth consumer understanding, a high-performing research and development organisation and an efficient global operations network support our business. Our Perfumery team is the largest in the industry.

Contents

Financial Highlights

for the six months ended 30 June, in millions of Swiss francs, except for per share data	2012	2011
Group sales	**2,126**	**2,005**
Fragrance sales	994	927
Flavour sales	1,132	1,078
Gross profit	**895**	**862**
as % of sales	42.1%	43.0%
EBITDA at comparable basis [a, b]	**428**	**382**
as % of sales	20.1%	19.1%
EBITDA [a]	**428**	**368**
as % of sales	20.1%	18.4%
Operating income at comparable basis [b]	**295**	**231**
as % of sales	13.9%	11.5%
Operating income	**295**	**215**
as % of sales	13.9%	10.7%
Income attributable to equity holders of the parent	**201**	**120**
as % of sales	9.5%	6.0%
Earnings per share – basic (CHF)	**22.09**	**13.19**
Earnings per share – diluted (CHF)	**21.94**	**13.12**
Operating cash flow	**263**	**50**
as % of sales	12.4%	2.5%
Free cash flow	**122**	**(95)**
as % of sales	5.7%	(4.7%)

in millions of Swiss francs, except for employee data	30 June 2012	31 December 2011
Current assets	2,225	2,469
Non-current assets	4,246	4,247
Total Assets	**6,471**	**6,716**
Current liabilities	1,050	1,192
Non-current liabilities	1,902	2,029
Equity	3,519	3,495
Total liabilities and equity	**6,471**	**6,716**
Number of employees	**9,060**	**8,913**

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

b) EBITDA at comparable basis excludes acquisition related restructuring expenses. Operating income at comparable basis excludes acquisition related restructuring expenses and impairment of long-lived assets.

2,126m
Group sales (CHF)

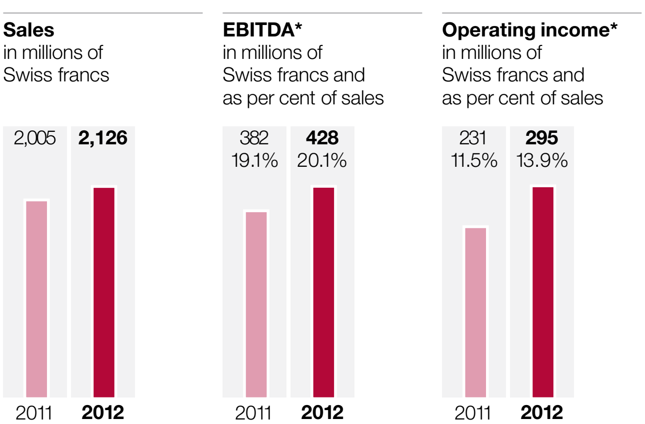
20.1%
EBITDA as % of sales
At comparable basis

201m
Net income (CHF)

122m
Free cash flow (CHF)

Review of Operations

Sales CHF 2.1 billion, up 6.9% in local currencies, in line with mid-term guidance
Full project pipeline and strong win rate across all regions and segments
Developing markets account now for 43% of sales and grew 14% in local currencies
Comparable EBITDA increased by 12% to CHF 428 million
Comparable EBITDA margin improved to 20.1%
Net income CHF 201 million, up 68% year on year
Strongly improved free cash flow to 5.7% of sales



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

* On a comparable basis.

Sales

Givaudan group sales for the first six months of the year totalled CHF 2,126 million, an increase of 6.9% in local currencies and 6.0% in Swiss francs.

Fragrance Division sales were CHF 994 million, an increase of 8.3% in local currencies and 7.2% in Swiss francs.

Flavour Division sales were CHF 1,132 million, an increase of 5.6% in local currencies and 5.0% in Swiss francs.

Gross Margin

The gross margin decreased to 42.1% from 43.0%. The company continued to use some raw materials which were purchased at the peak of the market in 2011. In addition and as previously announced, the company incurred additional pension costs as well as incremental costs associated with the start up of the Flavours manufacturing facility in Makó, Hungary.

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

The comparable EBITDA increased by 12.0% to CHF 428 million, from CHF 382 million in the first six months of 2011. The improvement in the EBITDA was hampered by higher pension costs and the start-up of the facility in Makó, Hungary. When measured in local currency terms, the EBITDA on a comparable basis increased by 12.3%. The EBITDA margin increased to 20.1% in 2012, the comparable EBITDA margin in 2011 was 19.1%.

Operating Income

The comparable operating income increased by 27.7% to CHF 295 million, from CHF 231 million for the same period in 2011. When measured in local currency terms, the operating income on a comparable basis increased by 27.3%. The operating margin on a comparable basis increased to 13.9% in 2012, the comparable operating margin in 2011 was 11.5%.

Financial Performance

Financing costs were CHF 35 million in the first half of 2012, down from CHF 39 million for the same period in 2011. Other financial expense, net of income was CHF 14 million in 2012, versus CHF 22 million in 2011, as the relatively stable currency environment reduced hedging costs.

The Group's income taxes as a percentage of income before taxes were 18% in 2012, versus 22% in 2011.

Net Income

The net income for the first six months of 2012 was CHF 201 million, versus CHF 120 million in 2011. This results in a net profit margin of 9.5%, versus 6.0% in 2011. Basic earnings per share were CHF 22.09 versus CHF 13.19 for the same period in 2011.

Cash Flow

Givaudan delivered an operating cash flow of CHF 263 million for the first six months of 2012, compared to CHF 50 million in 2011, mainly driven by a higher EBITDA and a decrease in inventories. As a percentage of sales, working capital increased slightly, mainly as a result of accounts receivable driven by strong sales growth.

Total investments in property, plant and equipment were CHF 63 million, down from CHF 68 million incurred in 2011, the main investment continued in the centralised flavours facility in Hungary. Intangible asset additions were CHF 37 million in 2012, a significant portion of this investment being in the company's ERP project, based on SAP. The company has recently completed the implementation of this project on a global basis.

Operating cash flow after investments was CHF 172 million, versus the CHF (51) million recorded in 2011. Free cash flow, defined as operating cash flow after investments and interest paid, was CHF 122 million in the first half of 2012, versus CHF (95) million for the comparable period in 2011. As a percentage of sales, free cash flow in the first six months of 2012 was 5.7%.

Financial Position

Givaudan's financial position remained solid at the end of June 2012. Net debt at June 2012 was CHF 1,553 million, up from CHF 1,453 million at December 2011. The main increase in the net debt was due to the CHF 200 million payment of the dividend in the first quarter of 2012. The leverage ratio was 31%, compared to 29% at the end of 2011.

Mid-term Guidance

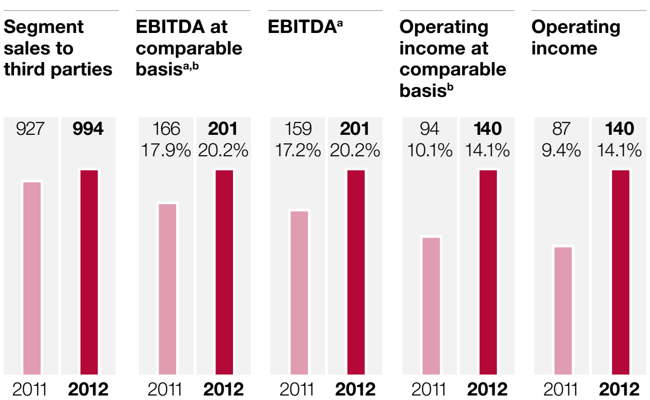
Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum, a market growth of 2-3%, and to continue on the path of market share gains over the next five years. By delivering on the company's five pillar growth strategy - developing markets, Health and Wellness, market share gains with targeted customers and segments, research and sustainable sourcing - Givaudan expects to outgrow the underlying market and to continue to achieve its industry-leading EBITDA margin while improving its annual free cash flow to between 14% and 16% of sales by 2015.

Givaudan confirms its intention to return above 60% of the company's free cash flow to shareholders once the targeted leverage ratio, defined as net debt, divided by net debt plus equity, of 25% has been reached. For this ratio calculation, the Company has decided to exclude from equity any impact arising from the proposed changes of IAS 19 - Employee Benefits (revised) going forward.

Fragrance Division

Fragrance Division sales were CHF 994 million, an increase of 8.3% in local currencies and 7.2% in Swiss francs.

The growth was driven by a very strong performance in the Consumer Products business unit, particularly in the developing markets of Latin America and Asia Pacific, as well as a moderate growth in the Fine Fragrance business.



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b) EBITDA at comparable basis excludes acquisition related restructuring expenses. Operating income at comparable basis excludes acquisition related restructuring expenses and impairment of long-lived assets.

Total sales for Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 10.0% in local currencies. In Swiss francs, sales of compounds increased to CHF 869 million from CHF 799 million.

Fine Fragrance sales grew 2.4% in local currencies. The growth was mainly driven by new business in Latin America and Europe. Consumer Product sales increased by 12.2% in local currencies, driven by a strong performance in Asia Pacific and Latin America, particularly with the large international customers.

The comparable EBITDA increased by 21.1% to CHF 201 million, compared to CHF 166 million for the first six months of 2011. The EBITDA margin increased to 20.2% in 2012, the comparable EBITDA margin in 2011 was 17.9%.

The comparable operating income increased by 48.9% to CHF 140 million in 2012, versus CHF 94 million for the same period in 2011. The operating margin on a comparable basis increased to 14.1% in 2012, the comparable operating margin in 2011 was 10.1%.

Fine Fragrances

Fine Fragrance sales grew 2.4% in local currencies, driven by a strong inflow of new business, which more than offset business erosion.

Sales in Latin America saw strong double digit growth with new wins and the underlying volume growth of established business driving this performance. In Europe, sales growth was driven by new wins across key accounts. Sales in North America declined as new business was not sufficient to offset erosion.

At the industry awards ceremonies, Givaudan had another exceptional year capped off by the FiFi® Awards in New York where Givaudan created fragrances won 10 out of the 13 fragrance awards and the presentation of the "Technological Breakthrough of the Year Award" for iPerfumer2 at the World Perfumery Congress.

Consumer Products

Sales for the Consumer Products business increased by 12.2% in local currencies in the first six months of 2012 driven by important new wins, low erosion on existing business and price increases. After a strong first quarter sales performance, the second quarter also recorded a double digit sales growth with positive growth in all regions. The solid half year performance was achieved across all customer groups, in developing as well as in mature markets.

Sales in Asia Pacific and in Latin America posted strong double digit growth driven by International customers, as well as strong increases with Local and Regional customers.

In Europe, Africa and the Middle East, the moderate sales increase was driven by International, Regional and Local customers. Sales in North America showed a significant growth with a good performance with International customers.

On a product basis, sales grew across all segments, with a double-digit increase in Fabric Care as well as Oral Care. Personal Care delivered high single digit growth with positive gains in all regions except Europe, Africa and the Middle East.

Fragrance Ingredients

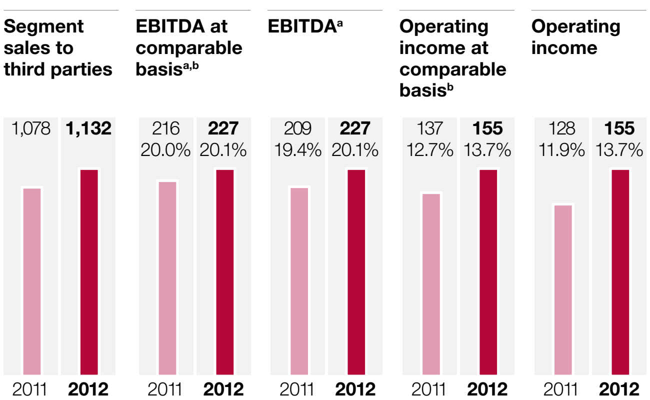
Sales of Fragrance Ingredients declined by 2.1% in local currencies, following a weak performance for sales of commodities. On the other hand, specialities grew double digit, particularly in Asia-Pacific and Latin America.

In order to maintain a competitive ingredient portfolio, several products have been transferred from Europe to the Pedro Escobedo site in Mexico.

Flavour Division

Flavour Division sales were CHF 1,132 million, an increase of 5.6% in local currencies and 5.0% in Swiss francs.

Sales expansion in the first half was driven by double digit growth in developing markets and good gains in the mature markets of North America and Asia Pacific.



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b) EBITDA at comparable basis excludes acquisition related restructuring expenses. Operating income at comparable basis excludes acquisition related restructuring expenses and impairment of long-lived assets.

All segments expanded globally with strong performance in Beverage, Sweet Goods and Snacks. Health and Wellness sales continues to evolve strongly with double digit gains as our sweetness, salt and masking capabilities delivered improved taste solutions for our customers.

Construction of the CHF 170 million plant at Makó in Hungary is completed. Commercial production is expected to start during the second half of the year. This will be a best-in-class savoury manufacturing facility and an integral part of the improved supply chain to support our growth strategy in the developing markets of Eastern Europe.

The comparable EBITDA increased by 5.1% to CHF 227 million, from CHF 216 million for the first six months of 2011. The EBITDA margin was 20.1% in 2012, the comparable EBITDA margin in 2011 was 20.0%.

The comparable operating income increased by 13.1% to CHF 155 million in 2012, from CHF 137 million for the same period in 2011. The operating margin on a comparable basis increased to 13.7% in 2012, the comparable operating margin in 2011 was 12.7%.

Asia Pacific

Sales in Asia Pacific rose 6.1% in local currencies. Both the developing and mature markets contributed to the good result with increased sales volume of existing products and new wins.

The developing markets double digit growth was driven by strong performances in India, Indonesia and Thailand supported by continued strength in the mature markets of Japan and Korea.

All segments had positive gains with Beverage, Dairy and Snacks each delivering strong growth as a result of existing business increases.

Europe, Africa and Middle East

Sales grew by 4.4% in local currencies with double digit growth in the developing markets particularly in Africa and in Eastern Europe and low single digit growth in Western Europe, with a strong performance in UK. The financial uncertainties in the Euro zone continue to hamper the overall consumption of consumer goods.

Performance was driven by sales growth of existing business in the developing markets and volume gains. The Beverage, Snacks and Savoury segments delivered good year over year performance.

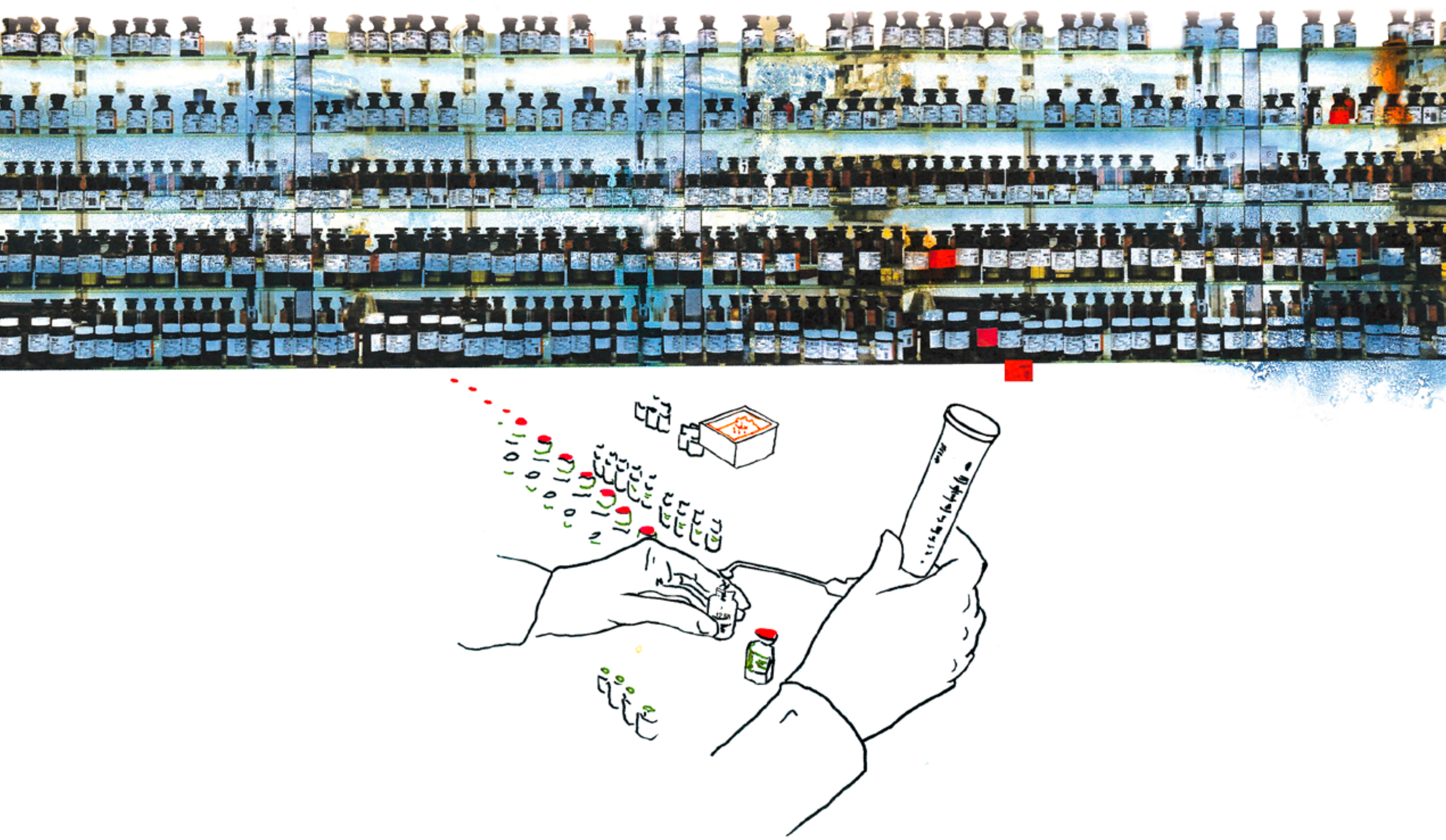
North America

Sales increased 3.9% in local currencies, driven by growth in Beverage and Snacks segments. Volume growth and new wins contributed strongly to each segments increase versus prior year.

Latin America

Growth across the region was 12.8% in local currencies with increases coming from all the major markets with the strongest performances in Argentina and Mexico leading the way. New wins and volume growth contributed to the upturn in Beverage, Savoury and Sweet Goods segments.

Half Year Financial Report 2012



Condensed consolidated income statement

For the six months ended 30 June

in millions of Swiss francs, except for per share data	Note	2012	2011
Sales		2,126	2,005
Cost of sales		(1,231)	(1,143)
Gross profit		**895**	**862**
as % of sales		42.1%	43.0%
Marketing and distribution expenses		(285)	(285)
Research and product development expenses		(162)	(156)
Administration expenses		(71)	(69)
Amortisation of intangible assets		(79)	(99)
Share of loss of jointly controlled entities		-	(1)
Other operating income	6	13	3
Other operating expense	7	(16)	(40)
Operating income		**295**	**215**
as % of sales		13.9%	10.7%
Financing costs	8	(35)	(39)
Other financial income (expense), net	9	(14)	(22)
Income before taxes		**246**	**154**
Income taxes		(45)	(34)
Income for the period		**201**	**120**
Attribution			
Income attributable to equity holders of the parent		201	120
as % of sales		9.5%	6.0%
Earnings per share – basic (CHF)	10	**22.09**	**13.19**
Earnings per share – diluted (CHF)	10	**21.94**	**13.12**

The notes on pages 16 to 21 form an integral part of these interim condensed consolidated financial statements (unaudited).

Condensed consolidated statement of comprehensive income

For the six months ended 30 June

in millions of Swiss francs	Note	2012	2011
Income for the period		**201**	**120**
Available-for-sale financial assets			
Movement on fair value for available-for-sale financial assets, net		3	1
Movement on deferred taxes on fair value adjustments		-	-
(Gain) loss on available-for-sale financial assets removed from equity and recognised in the consolidated income statement		-	(1)
Cash flow hedges			
Fair value adjustments in year		(11)	-
Removed from equity			
- and recognised in the consolidated income statement		6	-
Exchange differences arising on translation of foreign operations			
Change in currency translation		10	(196)
Other comprehensive income for the period		**8**	**(196)**
Total comprehensive income for the period		**209**	**(76)**
Attribution			
Total comprehensive income attributable to equity holders of the parent		209	(76)

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Condensed consolidated statement of financial position

At period ended

in millions of Swiss francs	Note	30 June 2012	31 December 2011
Cash and cash equivalents		240	545
Derivative financial instruments		9	53
Derivatives on own equity instruments		7	10
Available-for-sale financial assets		55	54
Accounts receivable – trade		906	795
Inventories		825	839
Current income tax assets		17	36
Assets held for sale			7
Other current assets		166	130
Current assets		**2,225**	**2,469**
Property, plant and equipment		1,372	1,366
Intangible assets		2,533	2,563
Deferred income tax assets		116	98
Assets for post-employment benefits		131	129
Financial assets at fair value through income statement		25	24
Jointly controlled entities			2
Other long-term assets		69	65
Non-current assets		**4,246**	**4,247**
Total assets		**6,471**	**6,716**
Short-term debt	11	333	437
Derivative financial instruments		20	61
Accounts payable – trade and others		340	351
Accrued payroll & payroll taxes		82	88
Current income tax liabilities		89	69
Financial liability: own equity instruments		4	4
Provisions		32	33
Other current liabilities		150	149
Current liabilities		**1,050**	**1,192**
Derivative financial instruments		43	59
Long-term debt	11	1,460	1,561
Provisions		57	59
Liabilities for post-employment benefits		108	104
Deferred income tax liabilities		182	193
Other non-current liabilities		52	53
Non-current liabilities		**1,902**	**2,029**
Total liabilities		**2,952**	**3,221**
Share capital	12	92	92
Retained earnings and reserves	12	4,689	4,688
Hedging reserve		(64)	(59)
Own equity instruments	13	(57)	(72)
Fair value reserve for available-for-sale financial assets		7	4
Cumulative translation differences		(1,148)	(1,158)
Equity attributable to equity holders of the parent		**3,519**	**3,495**
Total equity		**3,519**	**3,495**
Total liabilities and equity		**6,471**	**6,716**

The notes on pages 16 to 21 form an integral part of these interim condensed consolidated financial statements (unaudited).

Condensed consolidated statement of changes in equity

For the six months ended 30 June

2012

in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Hedging reserve	Fair value reserve for available-for-sale financial assets	Currency translation differences	Equity attributable to equity holders of the parent	Total equity
Balance as at 1 January		**92**	**4,688**	**(72)**	**(59)**	**4**	**(1,158)**	**3,495**	**3,495**
Income for the period			201					201	201
Available-for-sale financial assets						3		3	3
Cash flow hedges					(5)			(5)	(5)
Exchange differences arising on translation of foreign operations							10	10	10
Total comprehensive income for the period			**201**		**(5)**	**3**	**10**	**209**	**209**
Dividends paid	12		(200)					(200)	(200)
Movement on own equity instruments, net	13			15				15	15
Net change in other equity items			(200)	**15**				**(185)**	**(185)**
Balance as at 30 June		**92**	**4,689**	**(57)**	**(64)**	**7**	**(1,148)**	**3,519**	**3,519**

2011

in millions of Swiss francs	Note	Share Capital	Retained earnings and reserves	Own equity instruments	Hedging reserve	Fair value reserve for available-for-sale financial assets	Currency translation differences	Equity attributable to equity holders of the parent	Total equity
Balance as at 1 January		**92**	**4,632**	**(112)**	**(47)**	**9**	**(1,128)**	**3,446**	**3,446**
Income for the period			120					120	120
Available-for-sale financial assets									
Cash flow hedges									
Exchange differences arising on translation of foreign operations							(196)	(196)	(196)
Total comprehensive income for the period			**120**				**(196)**	**(76)**	**(76)**
Dividends paid	12		(196)					(196)	(196)
Movement on own equity instruments, net	13			30				30	30
Net change in other equity items			**(196)**	**30**				**(166)**	**(166)**
Balance as at 30 June		**92**	**4,556**	**(82)**	**(47)**	**9**	**(1,324)**	**3,204**	**3,204**

The notes on pages 16 to 21 form an integral part of these interim condensed consolidated financial statements (unaudited).

Condensed consolidated cash flow statement

For the six months ended 30 June

in millions of Swiss francs	Note	2012	2011
Income for the period		201	120
Income tax expense		45	34
Interest expense		42	37
Non-operating income and expense		7	24
Operating income		**295**	**215**
Depreciation of property, plant and equipment		54	52
Amortisation of intangible assets		79	99
Impairment of long lived assets			2
Other non-cash items			
- share-based payments		5	6
- additional and unused provisions, net		41	66
- other non-cash items		6	6
Adjustments for non-cash items		**185**	**231**
(Increase) decrease in inventories		11	(116)
(Increase) decrease in accounts receivable		(113)	(114)
(Increase) decrease in other current assets		(35)	(41)
Increase (decrease) in accounts payable		(3)	4
Increase (decrease) in other current liabilities		(6)	(38)
(Increase) decrease in working capital		**(146)**	**(305)**
Income taxes paid		**(30)**	**(33)**
Other operating cash flows, net [a]		**(41)**	**(58)**
Cash flows from (for) operating activities		**263**	**50**
Increase in long-term debt			296
(Decrease) in long-term debt			
Increase in short-term debt	11	262	-
(Decrease) in short-term debt	11	(470)	(26)
Interest paid		(50)	(44)
Dividends paid	12	(200)	(196)
Purchase and sale of own equity instruments, net			3
Others, net		-	(11)
Cash flows from (for) financing activities		**(458)**	**22**
Acquisition of property, plant and equipment		(63)	(68)
Acquisition of intangible assets		(37)	(40)
Proceeds from the disposal of property, plant and equipment		9	7
Sale of jointly controlled entity		10	
Interest received		1	1
Purchase and sale of available-for-sale financial assets, net		2	1
Purchase and sale of financial assets at fair value through income statement, net		(1)	-
Purchase and sale of derivative financial instruments, net		(9)	77
Others, net		(18)	(10)
Cash flows from (for) investing activities		**(106)**	**(32)**
Net increase (decrease) in cash and cash equivalents		**(301)**	**40**
Net effect of currency translation on cash and cash equivalents		(4)	(22)
Cash and cash equivalents at the beginning of the period		545	805
Cash and cash equivalents at the end of the period		**240**	**823**

a) Other operating cash flows, net mainly consist of the utilisation of provisions.

The notes on pages 16 to 21 form an integral part of these interim condensed consolidated 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 consumer goods industries. It operates in over 100 countries and has subsidiaries and branches in more than 40 countries. Worldwide, it employs 9,060 people.

2. Basis of preparation 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 month period ended 30 June 2012 (hereafter "the interim period"). They have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

The interim financial statements include the operations of Givaudan SA and its controlled subsidiaries where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

These interim financial statements should be read in conjunction with the 2011 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 2011 statement of financial position has been derived from the audited 2011 consolidated financial statements. Givaudan SA's Board of Directors approved these interim financial statements on 2 August 2012.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in the 2011 consolidated financial statements for the year ended 31 December 2011, with the exception of the adoption as of 1 January 2012 of the standards and interpretations described below.

Amendments to IFRS 7 Disclosures: Transfers of Financial Assets require disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. The Group will apply prospectively these amendments for any transfers of Financial Assets.

Amendments to IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters provide relief from having to reconstruct transactions that occurred before the date of transition to IFRSs. As the Group is not a first-time adopter of IFRS, these amendments are not relevant.

Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. As the Group has no investment property transactions, these amendments are not relevant.

4. Financial risk management

In March 2012, the Group entered into several forward starting interest rate swaps with the aim of protecting against future increases of the current CHF interest rates and to fix the interest rates of highly probable debt issuance commencing respectively in 2014 for CHF 250 million with an average rate of 1.54%, in 2016 for CHF 75 million with an average rate of 1.63%, and in 2018 for CHF 100 million with an average rate of 1.88%.

5. Segment information

Business segments

for the six months ended 30 June, in millions of Swiss francs	Fragrances 2012	Fragrances 2011	Flavours 2012	Flavours 2011	Group 2012	Group 2011
Segment sales	994	927	1,135	1,080	2,129	2,007
Less inter segment sales [a]	-		(3)	(2)	(3)	(2)
Segment sales to third parties	**994**	**927**	**1,132**	**1,078**	**2,126**	**2,005**
Operating income at comparable basis	**140**	**94**	**155**	**137**	**295**	**231**
as % of sales	14.1%	10.1%	13.7%	12.7%	13.9%	11.5%
Depreciation	(25)	(25)	(29)	(27)	(54)	(52)
Amortisation	(36)	(47)	(43)	(52)	(79)	(99)
Impairment of long-lived assets				(2)		(2)
Acquisition of property, plant and equipment	20	23	43	45	63	68
Acquisition of intangible	17	18	20	22	37	40
Capital expenditures	**37**	**41**	**63**	**67**	**100**	**108**

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 2012	Fragrances 2011	Flavours 2012	Flavours 2011	Group 2012	Group 2011
Operating income at comparable basis	**140**	**94**	**155**	**137**	**295**	**231**
Integration and restructuring costs		(7)		(7)		(14)
Impairment of long-lived assets				(2)		(2)
Operating income	**140**	**87**	**155**	**128**	**295**	**215**
as % of sales	14.1%	9.4%	13.7%	11.9%	13.9%	10.7%
Financing costs					(35)	(39)
Other financial income (expense),net					(14)	(22)
Income before taxes					**246**	**154**
as % of sales					11.6%	7.7%

6. Other operating income

for the six months ended 30 June, in millions of Swiss francs	2012	2011
Gains on sale of jointly controlled entity	9	
Gains on fixed assets disposal	1	1
Interest on accounts receivable-trade		-
Other income	3	2
Total other operating income	**13**	**3**

For the six months ended 30 June 2012, a one time income of CHF 9 million was recognised as a result of a gain on sale of the joint venture Pacific Aid.

7. Other operating expense

for the six months ended 30 June, in millions of Swiss francs	2012	2011
Impairment of long-lived assets		2
Losses on fixed assets disposals	1	1
Business related information management project costs	3	2
Integration related expenses and restructuring related expenses		14
Other business taxes	5	6
Other expenses	7	15
Total other operating expense	**16**	**40**

In June 2012, the Group decided jointly with ChemCom to liquidate the joint venture TecnoScent. A provision related to the liquidation has been provided for an amount of CHF 2 million and was reported in other expenses.

For the six months ended 30 June 2011, the Group continued the restructurings and reorganisations announced in 2010, incurring restructuring expenses of CHF 14 million. In addition, the Group achieved a settlement of nearly all the outstanding claims of the plaintiffs involved in the US butter flavour litigation. The net charge recorded at the end of June 2011 income statement was CHF 9 million and recognised in other expenses (see Note 14).

8. Financing costs

for the six months ended 30 June, in millions of Swiss francs	2012	2011
Interest expense	42	37
Derivative interest (gains) losses	(8)	1
Amortisation of debt discounts	1	1
Total financing costs	**35**	**39**

9. Other financial (income) expense, net

for the six months ended 30 June, in millions of Swiss francs	2012	2011
Fair value and realised (gains) losses from derivatives instruments, net (at fair value through income statement)	(2)	(35)
Exchange (gains) losses, net	13	52
Gains from available-for-sale financial assets	-	
Realised gains from available-for-sale financial assets removed from equity	-	(1)
Unrealised (gains) from fair value through income statement financial instruments	(1)	(1)
Unrealised losses from fair value through income statement financial instruments	1	2
Interest income	(1)	(1)
Capital taxes and other non business taxes	4	5
Other (income) expense, net	-	1
Total other financial (income) expense, net	**14**	**22**

10. Earnings per share

Basic earnings per share

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

	2012	2011
Income attributable to equity holders of the parent (CHF million)	**201**	**120**
Weighted average number of shares outstanding		
Ordinary shares	9,233,586	9,233,586
Treasury shares	(132,526)	(139,136)
Net weighted average number of shares outstanding	**9,101,060**	**9,094,450**
Basic earnings per share (CHF)	**22.09**	**13.19**

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:

	2012	2011
Income attributable to equity holders of the parent (CHF million)	**201**	**120**
Weighted average number of shares outstanding for diluted earnings per share of 59,494 (2011: 48,810)	**9,160,554**	**9,143,260**
Diluted earnings per share (CHF)	**21.94**	**13.12**

11. Debt

2012 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		249		249		249
Bank overdrafts					21	21
Bank borrowings					208	208
Total floating rate debt		**249**		**249**	**229**	**478**
Fixed rate debt						
Straight bonds	299	148	444	891		891
Private placements	268	52		320	104	424
Total fixed rate debt	**567**	**200**	**444**	**1,211**	**104**	**1,315**
Balance as at 30 June	**567**	**449**	**444**	**1,460**	**333**	**1,793**

2011 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		249		249		249
Bank overdrafts					17	17
Total floating rate debt		**249**		**249**	**17**	**266**
Fixed rate debt						
Bank borrowings					120	120
Straight bonds	299	148	443	890	300	1,190
Private placements	323	99		422		422
Total fixed rate debt	**622**	**247**	**443**	**1,312**	**420**	**1,732**
Balance as at 31 December	**622**	**496**	**443**	**1,561**	**437**	**1,998**

In April 2012, the Group reimbursed CHF 120 million of bank borrowings. During May 2012, the Group drew down an additional CHF 200 million of bank borrowings to reimburse a CHF 300 million straight bond maturing on 1 June 2012.

12. Equity

At the Annual General Meeting held on 22 March 2012 the distribution of an ordinary dividend of CHF 22.00 per share (2011: ordinary dividend of CHF 21.50 per share) was approved. The dividend payment has been made out of the additional paid in capital reserve, according to the new Swiss tax legislation.

At 30 June 2012, 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.

13. Own equity instruments

The Group holds own equity instruments and derivatives on own shares mainly to cover the anticipated obligations related to the executive share option plans. At 30 June 2012, the Group held 128,363 own shares (2011: 139,136), as well as derivatives on own shares equating to a net short position of 262,105 shares (2011: 280,130).

14. Contingent liabilities

One of our 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 is pursuing the recovery of amounts it is entitled to under the terms of its insurance policies.

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Investor Calendar

Half Year Results 2012: Friday 3 August 2012

Half Year Investor Conference: Thursday 30 August 2012

9 months sales 2012: Tuesday 9 October 2012

Investor Day Dubai: Tuesday 16 October 2012

Year Results 2012: Tuesday 5 February 2013

Annual General Meeting: Thursday 21 March 2013

www.givaudan.com/Investors/Investor+Calendar

The Givaudan Half Year Report 2012 is published in English, German and French.
The Givaudan Half Year Financial Report is published in English.