Givaudan

MEDIA RELEASE

First quarter sales 2013

Solid start against strong comparables

Geneva, 16 April 2013 – In the first three months of 2013 Givaudan recorded sales of CHF 1,088.9 million, an increase of 3.9% on a like-for-like basis, and 2.7% in Swiss francs compared to the previous year.

Givaudan started the year with a continued solid business momentum with a full project pipeline and win rates sustained at a high level, and with growth rates in line with the company's mid-term sales growth objectives.

Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum, assuming a market growth of 2-3%, and to continue on the path of market share gains. 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 whilst maintaining a medium-term leverage ratio target below 25%. The leverage ratio is defined as net debt, divided by net debt plus equity. For this ratio calculation, the Company has decided to exclude from equity any impact arising from the changes of IAS 19 - Employee Benefits (revised) going forward.

Sales January to March 2013

in Million CHF	2013	2012	Change %	
			In CHF	LFL*
Total Group sales	**1,088.9**	**1,060.3**	**2.7**	**3.9**
Fragrance Division	517.1	499.1	3.6	4.2
Flavour Division	571.8	561.2	1.9	3.7

**LFL (like-for-like) excludes the impact of currency, acquisitions and disposals*

Fragrance Division

The Fragrance Division recorded sales of CHF 517.1 million, a growth of 4.2% on a like-for-like basis and 3.6% in Swiss francs. Sales growth has been driven by the good growth in Consumer Products, whereas sales in Fine Fragrances and Fragrances Ingredients were lower than in the first quarter of 2012.

The continued excellent performance of the Consumer Products business has resulted in a 5.7% growth on a like-for-like basis of the compounding business (Fine Fragrances and Consumer Products).

Fine Fragrance sales declined 5.5% on a like-for-like basis against strong 2012 first quarter results. While new business remains strong, it was not sufficient to offset comparably higher levels of erosion in Europe and North America where sales declined in both regions versus the previous year. In Latin America the business continues to deliver strong growth led by new business and volume gains at a number of accounts.

The Consumer Products Business increased sales by 8.8% on a like-for-like basis on top of the double digit growth reported in the same period last year. This year's quarter growth was spread across all customer groups. Developing markets posted a double digit sales increase, while mature markets sales showed a significant positive evolution.

Sales in Latin America were robust with a double digit growth across all customer groups. In Asia, the solid performance was strongly driven by international customers. In Europe, Africa and the Middle East, sales growth was led by a double digit sales improvement on the personal care segment across all customer groups. The sales increase in North America was supported by a relevant growth with local and regional customers.

On a product segment basis, the sales performance was achieved through a strong increase on the personal care and fabric care segments, followed by a solid development of oral care sales. Home care sales grew as well, driven by the air care category among locals and regional customers.

Sales of Fragrance Ingredients declined by 5.6% on a like-for-like basis. The excellent growth achieved in Europe could not compensate the decline of the commodity sales in the other regions.

In line with the strategy to promote speciality products, Ambermax, a powerful, fusing and substantive ambery note, has been launched on the market and has been well received by clients.

Flavour Division

The Flavour Division reported sales of CHF 571.8 million, representing a 3.7% growth on a like-for-like basis and 1.9% in Swiss francs.

Sales increased in the developing markets of Africa, China, India, Indonesia and Eastern Europe as a result of existing product growth and new wins. In addition, growth in the mature markets of North America and Western Europe was offset by declines in Australia, Japan and Korea. Growth by segments can be attributed to double digit gains in Snacks and strong performance in Beverages and Dairy.

Sales for Asia Pacific increased 3.7% on a like-for-like basis, with good performance in the developing markets of China, India and Indonesia. Mature markets of Japan and Korea were below prior year against very high comparables. Beverages, Dairy, Snacks and Sweet Goods segments grew as a result of new wins and existing business growth

Sales for Europe, Africa and the Middle East grew 4.0% on a like-for-like basis. Strong single digit gains were achieved in the emerging markets of Africa, Middle East and Eastern Europe. The mature markets delivered solid performance in the face of the economic uncertainties as new business and expansion of existing products contributed to the growth. Snacks delivered double digit gains and Beverages achieved good performance.

Sales in Latin America delivered growth of 6.3% on a like-for-like basis, continuing on the success of the previous year. The increase was the result of double digit gains in Brazil and Argentina as well as strong performance in Mexico. New wins and growth of existing products in Beverages, Dairy and Snacks helped drive the increase.

Sales grew 1.9% on a like-for-like basis in North America. Double digit growth was achieved in Snacks with additional gains coming from Dairy, Savoury and Sweet Goods. New wins and growth of existing business fuelled the increase.

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