



## FIRST QUARTER SALES 2011

Promising start into the year

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**Geneva, 8 April 2011** – In the first quarter of 2011, Givaudan recorded sales of CHF 1012.3 million, which represents an increase of 3.1% in local currencies and a decline of 5.1% in Swiss francs, against strong comparables.

Givaudan is successfully implementing price increases in collaboration with its customers to offset the impact of higher raw material costs. These price increases will become effective in the course of the second quarter and will show its full impact in the second half of the year.

### Sales January - March 2011

in million CHF	2011	2010	Change in %	
			in CHF	in local currencies
Fragrance Division	467.4	495.7	(5.7)	1.7
Flavour Division	544.9	570.7	(4.5)	4.2
Total	1,012.3	1,066.4	(5.1)	3.1

## Fragrance Division

The Fragrance Division recorded sales of CHF 467.4 million, a growth of 1.7% in local currencies and decline of 5.7% in Swiss francs. This growth has been achieved against strong comparables. Total sales for Fragrance compounds (Fine Fragrances and Consumer Products combined) increased 1.2% when measured in local currencies and declined by 6.6% in Swiss francs to CHF 402.0 million from CHF 430.2 million.

**Fine Fragrance** sales grew 3.1% in local currencies against strong comparables in 2010, when sales were positively impacted by a strong re-stocking element in the first quarter. The business delivered strong growth in Latin America as a result of higher volume on existing business and new product launches. In Europe and North America, Givaudan saw a good inflow of new wins. Nevertheless last year's re-stocking created a high comparable, resulting in an overall slight decline in these markets.

Sales of the **Consumer Products** business unit increased by 0.7% in local currencies. Sales in developing markets were at prior year levels, against strong double digit comparables. Sales in developed markets grew slightly with a small decline in Europe, Middle East and Africa and a good growth in North America.

On a worldwide basis, sales increased in fabric care, home care and oral care, followed by fragrances for deodorants. In particular, the air care category delivered a good performance in Europe, Africa and the Middle East.

Sales for Fragrance Ingredients grew by 5.2% in local currencies. This solid performance was achieved as a result of a good growth in the developing markets. A novel Fragrance ingredient, Paradisamide™ – a long lasting, fresh tropical fruit note – was launched in the market early this year and shows already significant sales.

## Flavour Division

The Flavour Division reported sales of CHF 544.9 million, a growth of 4.2% in local currencies and a decline of 4.5% in Swiss francs. This growth has been achieved against strong comparables.

In Asia Pacific and Latin America, the existing business was the main contributor to this growth. In North America and in the developing markets of Europe, Africa and the Middle East, new wins complemented this development. Good innovation on the customer's side resulted in new wins in beverages, savoury and confectionary, as well as in Health and Wellness applications.

Sales in **Asia Pacific** achieved 5.9% growth, driven by both the developing markets, mainly India and Thailand, and the mature markets of North Asia and Australia. While all segments reported healthy growth, savoury and confectionary grew particularly strong. New wins and growth of existing business contributed to the increase.

Sales in **Europe, Africa and the Middle East** grew 0.5% against a high single digit comparable. The developing markets of the region continued their good performance with solid gains particularly in Africa, Russia, Turkey and the Middle East. The mature markets of Germany and Iberia recorded solid growth.

In **North America** sales increased 6.9%. Customers in the region returned to innovation. New wins fuelled the double digit growth in Savoury and Snacks while Dairy had a mid single digit increase. Food Service growth was driven by key beverage wins. During the first quarter of 2011, SAP was successfully implemented in Flavours North America.

**Latin America** delivered a growth of 7.5%, continuing on the strong success of the prior years. Growth was mainly realised by a strong performance in Brazil and Argentina. New wins and growth of existing products in beverages, confectionary and savoury were the segment drivers.

## Outlook

With the integration of Quest now successfully completed, Givaudan enters into the next era of growth for its business. 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 over the next five years.

By delivering on the company's five pillar growth strategy - emerging markets, health and wellness, market share gains with targeted customers and segments, sustainable sourcing of raw materials as well as innovation - 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.

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