GIVAUDAN ENTERING A NEW ERA OF PROFITABLE GROWTH

Geneva, 31 August 2010 – Givaudan today unveils its updated five-year strategy to continue to outperform underlying market growth and to further expand its leading position in the fragrance and flavours industry.

Chief Executive Officer, Gilles Andrier, says: “Following the successful integration of Quest, we are entering the next era of profitable growth for the business. The overall objective is to grow organically between 4.5% and 5.5% per annum, based on an assumed market growth of 2% to 3%, and to continue on our path of market share gain over the next five years.”

Givaudan will achieve those objectives by continuing focusing on its growth strategies:

- Leveraging our unique position in the fast growing developing markets, which already represent approximately 41% of our sales, and we expect this share to reach 50% by 2015.
- Delivering consumer relevant solutions driven by Givaudan's unique innovation platform which is backed by an industry leading Research & Development investment of over CHF 300 million per year.
- Capturing a significant share of the expanding Health and Wellness market opportunity for Flavours by capitalising on our technology innovation portfolio such as TasteSolutions™.
- Expanding Givaudan's sustainable raw material sourcing strategy with a focus on naturals by leveraging the company's unique knowledge and heritage.
- Building on the strategic partnerships with our main customers, developing our presence with accounts or product categories where we are currently under represented relative to Givaudan's overall leadership position.

This strategy is based on the past 10 years of successful delivery of industry leading profitable growth. The continued successful execution of the profitable growth programmes will require investments in developing markets and further efficiency improvements.

To support the company's growth strategy and to continue to drive industry leading service and performance, Givaudan announces today the company's plans to streamline its savoury manufacturing in the UK and Switzerland. The intent is subject to employee consultation.

Givaudan intends to build a CHF 170 million best-in-class, centralised savoury flavours production facility in Hungary, in close proximity to the fast-growing markets of Eastern Europe. This investment will be spread over three years and is in accordance with the overall capital expenditure target of approximately 4% of sales per year.

The savoury manufacturing strategy and the other efficiency programmes will result in a restructuring cost of approximately CHF 75 million, including an estimated cash component of CHF 55 million. The company expects to book up to two-thirds of these restructuring charges against the 2010 result and the rest against the 2011 result. The expected payback for the savoury manufacturing investment is 7 years and for the efficiency projects around 3 years.

By delivering on the above strategy Givaudan expects to continue 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% - 16% of sales by 2015.

Givaudan plans 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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