



Givaudan nine months sales

Continued strong fragrances sales and renewed momentum in flavours

Geneva, 9 October 2003 - In the first nine months of 2003, Givaudan recorded sales of CHF 2.072 billion, representing a growth of 9.6% in local currencies and 1.1% in Swiss Francs compared to the same period of last year. Since May 2002, sales of the acquired flavour business of Nestlé (FIS) are included. Continued strong fragrances sales and a renewed momentum in flavour sales led to further market share gains. New initiatives to enhance operating margins are in the process of being prepared.

Sales January to September 2003 in actual terms

In million CHF	January - September 2003	January -September 2002	Change in %	
			Swiss Francs	Local Currencies
Fragrances	845.2	859.4	(1.7)	5.2
Flavours	1'226.8	1'189.6	3.1	12.7
Total	2'072.0	2'049.0	1.1	9.6

Sales January to September 2003 in pro forma terms (FIS sales includes since 1 January 2002)

In million CHF	January - September 2003	January -September 2002	Change in %	
			Swiss Francs	Local Currencies
Fragrances	845.2	859.4	(1.7)	5.2
Flavours	1'226.8	1'312.7	(6.5)	2.1
Total	2'072.0	2'172.1	(4.6)	3.4

Fragrance Division

The Fragrance Division recorded sales of CHF 845.2 million resulting in a growth of 5.2 % in local currencies and a decline of 1.7 % in Swiss Francs. Third quarter sales were up 4.6% in local currencies.

Fine Fragrances continued to show double digit growth. Significant new fine fragrance launches contributed to this growth, leading to market share gains in an environment hampered by low consumer confidence. Speciality retail and direct-selling channels developed well and represent solid growth opportunities for Fine Fragrances.

Consumer Products had another strong quarter with high single digit growth in local currencies, leading to additional market share gains. In a very competitive and price sensitive market, Givaudan realised good wins with key clients across all regions. Sales growth was consistently strong

across all segments. A particularly strong win rate was achieved in the fabric, air and hair care categories. Our investments in market and consumer knowledge and relevant technologies continue to show positive results.

In **Fragrance Ingredients**, sales of patented aroma chemicals and specialities continued their positive trend. Sales of commodities and sunscreen filters declined as expected, reflecting Givaudan's decision to exit these businesses. In Vernier (Geneva, Switzerland), the new multi-purpose plant for the production of fragrance speciality ingredients started its operation in line with our strategy to focus on innovative proprietary ingredients.

Flavour Division

The Flavour division recorded sales of CHF 1.227 billion achieving growth of 12.7% in local currency terms and 3.1% in Swiss francs. In comparable terms, as if FIS would have been consolidated since 1 January 2002, a growth of 2.1% in local currencies was achieved. Third quarter sales showed a renewed momentum with a growth of 4.6% in local currencies.

In **Asia Pacific** all major markets, namely Japan and China, reported good growth in local currency terms. In Japan, the largest market, the beverage segment showed double digit growth thanks to important new wins from key accounts. In China, the savoury segment developed very favourably and sales in India showed a very encouraging trend.

The expansion of the Singapore Flavour Creation and Technology Centre has been completed, enhancing our capabilities to support our customers in the Asian region. In Japan, the project to expand the Fukuroi flavour facilities is underway. This investment will allow Givaudan to meet growing demand in this market. In Shanghai (China), plans are ready to build a new flavour facility, comprising a new compounding plant with an enlarged creation and application centre.

Latin America recorded good growth in local currencies, resulting from strong gains in the largest market, Mexico, as well as from Colombia. The other major markets, Brazil and Argentina, showed a positive trend. The good overall growth in Latin America was driven by a strong performance in the main segments of savoury and beverages.

Sales in **North America** still remain behind last year as a result of an exceptionally strong previous year comparatives and cool weather conditions impacting the beverages and dairy segments. Third quarter sales show signs of recovery with an improved project pipeline and increased sample activity. Our investments into the food service segment continue to drive growth above market. New product activity in the cereal and bakery areas have contributed to the good growth of confectionery.

The integration of IBF, a leader in the development of natural cheese and dairy flavours, acquired in January 2003, has been completed. New products based on their promising technologies are now being rolled out through Givaudan's global flavour organisation.

Sales in **Europe (EMEA)** continued the positive trend from the first half

year with double digit growth in the beverage segment as well as a solid performance in dairy and savoury. Givaudan sales in the UK, Iberia, Benelux, Austria, South Africa and the Middle East still significantly outperformed local market growth. Eastern Europe and Russia continued to show solid sales increases. Demand in the third quarter was boosted by the exceptionally hot summer in Europe and Givaudan's success in new product launches. The savoury business continues to benefit from the combined strength of the Givaudan and the FIS product portfolios and know-how. The integration of the former Nestlé production facility in Kempththal is now completed. Various programmes to further improve operational efficiency have been initiated.

For further information please contact:
Peter Wullschleger, Givaudan Media Relations
5, chemin de la Parfumerie, CH-1214 Vernier
T +41 22 780 90 93, F +41 22 780 90 90
E-mail: peter_b.wullschleger@givaudan.com