



## Givaudan to acquire FIS, the flavour unit of Nestlé

Geneva, 18 January 2002 - Givaudan SA, Vernier, has signed an agreement with Nestlé SA, Vevey, to acquire its flavour activities, operating under the umbrella of Food Ingredients Specialities (FIS). This business represents a strategically important operational fit for Givaudan. It combines Givaudan's strength in sweet and concentrated flavours with the FIS expertise in savoury flavours and base notes.

Food Ingredients Specialities (FIS) is a world-wide operating entity, enjoying an outstanding reputation with flavour customers. Its products and expertise in the savoury flavours business (soups, sauces, ready meals) will ideally complement Givaudan activities. With this combination Givaudan implements its strategic goal of further strengthening its core business in order to become the undisputed leader in the flavour and fragrance industry. It will be in a unique position to provide state-of-the-art flavour solutions and innovative savoury concepts to its customers in all product segments.

The acquisition is still subject to regulatory approval in several countries. After closing, Dietrich Fuhrmann, currently CEO of FIS, will join Givaudan's Executive Committee. In addition to facilitating the integration of FIS he will take responsibility for further business development initiatives of the Givaudan group.

The transaction is valued at CHF 750 million. The payment will be made in cash and Givaudan shares. For the latter, Givaudan will also make use of its existing authorised share capital, emitting 100'000 registered shares resulting in a new total of 8,725,627 registered shares.

Jürg Witmer, CEO of Givaudan: "The acquisition of Food Ingredients Specialities is an important step forward in attaining undisputed industry leadership. Through this transaction, we strengthen our position in savoury flavours and become the world leader in this domain. It will also allow us to strengthen our role as core flavour supplier to Nestlé. Additionally we improve our knowledge in culinary applications and win access to new products such as vegetable, wine and coffee flavours. With the integration of FIS, Givaudan will further enhance its position in Asia-Pacific."

FIS is headquartered in Châtel-St-Denis (Switzerland) and is represented in 30 countries world-wide. It manufactures and sells flavour compounds for the food and beverage industry for about CHF 400 million per year.

Givaudan is a world leader in the fragrances and flavour industry. It has its own operations in 40 countries world-wide and is represented in 69 more. In 2000 Givaudan recorded sales of CHF 2.4 billion and counted over 5000 employees.

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