



Givaudan Half Year Results 2002

Geneva, 14 August 2002 - In the first half year 2002, Givaudan recorded sales of CHF 1.4 billion and increased operating and net profit despite the effect of the FIS integration and one-off charges. It continued to grow clearly above market and improved its operating result compared to the first half year 2001. Since May 2002 the results of FIS, the flavour business acquired from Nestle, are included in the actual Givaudan results, leading to a sales growth of 12.8% in local currencies and 8.3% in Swiss Francs. On a comparable basis, as if FIS had already been consolidated since January 2001, sales grew by 6.7% in local currencies and 2.5% in Swiss Francs. Key growth drivers were the very good overall sales performance of the Flavour Division and the Fragrance Consumer Products business unit. The Flavour Division recorded double-digit gains in all regions, except Latin America, and in all segments, beverages, confectionery, dairy and savoury.

In the Fragrance Division the Consumer Products business unit continued its strong performance from last year whereas the fine fragrance market has not yet recovered and continues to reflect the present state of the economy, the consumer confidence and levels of inventories.

Despite growing price pressure in a highly competitive market but due to continuous improvements in the supply chain, the restated gross margin in comparable terms (including FIS) increased by one percentage point to 47.7%. On a comparable basis, the operating profit improved by 9% to CHF 252 million, compared to CHF 232 million by mid 2001.

In a challenging financial environment the net profit increased in comparable terms by 7% to CHF 162 million compared to CHF 152 million in the first half year of 2001.

Barring unforeseen events Givaudan expects good results for the full year 2002.

Key figures

in millions of Swiss francs

	In actual terms			In pro forma terms ¹		
	30 June	30 June	Change in	30 June	30 June	Change in
	2002	2001	%	2002	2001	%
Sales	1,364	1'259	8	1,490	1,454	2
Gross profit	659	604		711	679	
<i>Gross margin</i>	48.3%	48.0%		47.7%	46.7%	
Operating profit	240	222	8	252	232	9
<i>Operating margin</i>	17.6%	17.6%		16.9%	16.0%	
EBITDA ²	322	295	9	346	322	7
<i>EBITDA margin</i>	23.6%	23.4%		23.2%	22.1%	
Net income	157	149	5	162	152	7
<i>Net margin</i>	11.5%	11.8%		10.9%	10.5%	
Earnings per share – basic (in CHF)	18.67	17.91		18.62	17.37	
Total assets	4,910	4,319				
Total liabilities	1,989	1,531				
Total equity and minority interests	2,921	2,788				
Number of employees	5,827	5,325				

¹) On 2 May 2002 Givaudan acquired 100% control of the flavour activities of Nestlé, Vevey-Switzerland, operating under the umbrella of Food Ingredients Specialities (FIS). The income statement related figures shown in the table above are derived from the unaudited pro forma consolidated income statement as if the acquisition had occurred on 1 January 2001.

²) EBITDA: **E**arnings **B**efore **I**nterest (and other financial income), **T**ax, **D**epreciation and **A**mortisation. This corresponds to operating profit before depreciation and amortisation.

The complete Half Year Report 2002 is available on Givaudan's web site <http://www.givaudan.com> as a downloadable pdf-file.

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