

Chairman's letter



Dr Jürg Witmer, Chairman

“Operating a sustainable business model with global reach, Givaudan is well positioned to participate in the growth of the emerging new consumer markets.”



Dear Shareholder

During the year of our 10th anniversary as an independent, stock listed Company we have recorded the highest annual sales growth rate since 2000 coupled with one of the highest profitability figures ever. Compared to the previous year we improved our EBITDA in local currency by 18.4% to CHF 963 million and the net income rose to CHF 340 million, an increase of 71%. In 2010 we also completed the three year integration process of Quest International by meeting all objectives we had set ourselves at the time of acquisition in 2007.

Based on this result, the Board of Directors will propose a cash dividend of CHF 21.50 per share for the financial year 2010, the tenth consecutive dividend increase since Givaudan's listing on the stockmarket.

The 2010 performance is proof of the Company's ability to quickly adapt to and perform in rapidly changing market conditions. The past two years could not have been more contrary. 2009 was defined by a flat sales development whereas 2010 has been a year in which we recorded a fast-growing increase in demand. Givaudan's adaptability to these fundamentally different market conditions is a sign of the strength of the Company overall and our employees and the management team in particular, making me confident about Givaudan's future and its ability to continue to perform while growing by seizing new opportunities.

On behalf of the Board of Directors, I would like to thank all our 8,618 employees around the world for their continued dedication. It is their daily work effort and capabilities which ultimately provide the difference in developing and producing outstanding sensory solutions for our customers and the final consumer.

Fragrances and flavours are at the heart of the many consumer products we use on a daily basis. Our new brand positioning 'Engaging the Senses' captures this special emotional connection that customers and consumers have with our products. Yet it is not only the taste and the smell that we provide. We are committed to further develop solutions for packaged consumer products to make people feel better and eat healthier.

Looking ahead, we have many opportunities to further expand and grow. With its global footprint, Givaudan is well positioned to participate in the rapidly growing consumer markets in Asia, Middle East and Latin America. In Europe and North America as well, our customers have ambitious growth plans and it is our task to be their preferred partner in developing sustainable and innovative fragrance and flavour solutions, particularly related to enhancing well-being and health. To sharpen our focus, the Executive Committee reviewed the Company's strategy during this final year of the integration period and the Board approved the new five-year strategic plan in August. I am confident that the outlined strategies will enable Givaudan to further build on its leading global market position, in a rapidly changing macroeconomic and geopolitical environment. This also means an in-depth awareness of inherent business risks and a heightened caution in managing the Company's assets. Operating a sustainable business model has been an important pillar of our past success and the Company's broader and enlarged Sustainability programme is very much at the heart of the Board of Director's strategic vision.

We have an important role in preserving natural resources and a commercial and ethical responsibility to drive sustainable development as the leading Company

in our industry. Fostering diversity is also related to the continued development of our employees and to provide opportunities for the professional growth of our great talent base around the world.

I am personally involved in supporting our fragrance and flavour programmes to source raw materials in a sustainable and ethical way. This year, I had the opportunity to visit one of our five ongoing sustainable sourcing programmes. We source sustainable sandalwood oil in Western Australia where I met local growers to demonstrate our continued commitment to ethical sourcing in general and to this precious raw material in particular.

At our 10th anniversary Annual General Meeting on 25 March 2010 we welcomed a record number of shareholders in Geneva. At this meeting, Dietrich Fuhrmann stepped down from the Board of Directors and I would like to thank him for his valuable contribution first as a member of the Executive Committee and then as a Board Member since 2004. Succeeding Dietrich Fuhrmann, Ms. Irina du Bois was elected to the Board of Directors. With her background in food technology, she brings long-standing experience in regulatory and environmental affairs to the team. This change also reflects our policy of a phased renewal, long-term internal succession planning and fostering diversity of experience, including at Board level.

Given the Company's clear strategic focus, coupled with the unparalleled capabilities to support our customers in their growth plans and based on the record performance delivered in 2010, I am confident that the Company will continue to deliver value to customers and shareholders in innovative and sustainable ways in the years to come.

A handwritten signature in black ink, appearing to read 'J. Witmer', written over a horizontal line.

Dr Jürg Witmer Chairman