

FIVE-YEAR STRATEGY: Developing markets



Brazil Creative Centre
 Brazil is a nation of fragrance enthusiasts whose growing affluence has led to wide anticipation that it will become one of the leading fragrance consuming regions of the world. In October 2010 we opened a new Latin American Fragrance Creative Centre in São Paulo to further strengthen our local presence and position to respond to customer briefs in the region.



Hungary manufacturing facility
 The savoury segment represents about one-third of the flavour potential in Europe, with strong growth opportunities. Based on our leading savoury position in this region we have approved a CHF 170 million investment in a best-in-class savoury manufacturing facility in Makó, Hungary. We recognise the need to support future growth in developing markets and to deliver leading product quality and service. We continue to comply with increasing regulatory requirements and be cost competitive. This facility will start production in 2012 and be fully operational in the first half of 2013.

Developing markets represent a significant growth opportunity as consumers increase their consumption of packaged food, beverages, household and personal care products. This is because of increasing urbanisation, the rise in disposable incomes and the purchase of more sophisticated products such as fine fragrances, high-end personal care and nutritional beverages and foods. However, to be successful in these markets, we know that true taste and smell experiences can only be created with an in-depth understanding of the local markets.

We are ideally positioned to make this a reality. We have over 1,300 creative, sales and marketing employees in the developing markets – more than any of our competitors – and are continuing to invest in creative, sales and marketing personnel

and best-in-class facilities. We interview hundreds of thousands of consumers every year, have dedicated sensory panels in local markets and are expanding our TasteTreks to gather consumer and market understanding.

We will leverage this leading position in the fast-growing developing markets and expect our sales in developing markets to increase from 40% in 2010 to 50% by 2015.

To deliver this growth objective we are focusing on targeted accounts and segments including air care, household and fine fragrances in the Fragrance Division and beverages, snacks, dairy and savoury in the Flavour Division.