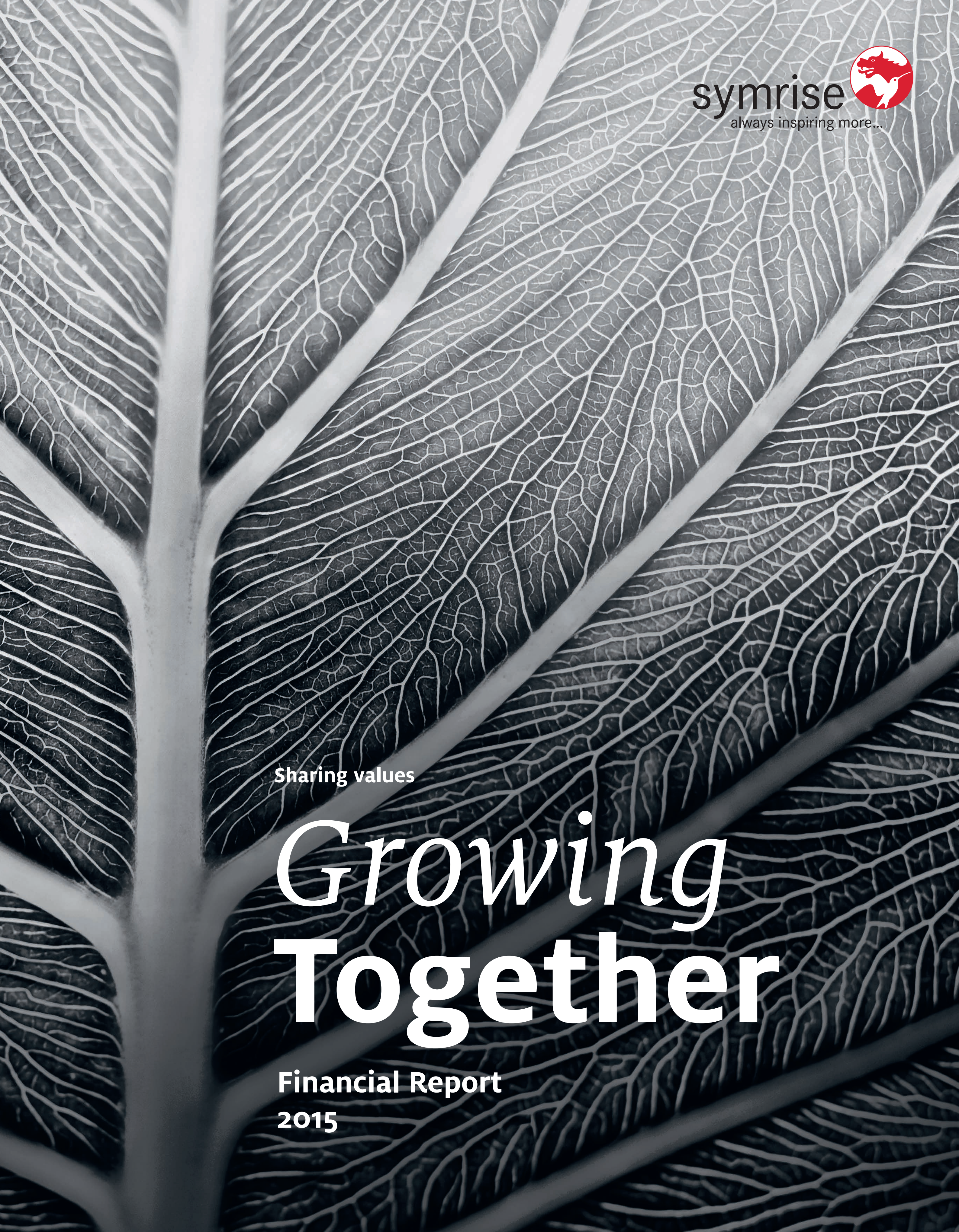

symrise
always inspiring more...

Sharing values

Growing **Together**

Financial Report 2015

Five-year Financial Overview

in € million		2011	2012	2013	2014	2015
Group – Results of operations						
Sales		1,583.6	1,734.9	1,830.4	2,120.1	2,601.7
Share of sales in emerging markets	in %	46	48	48	47	46
EBITDA [1]		315.9	338.9	373.1	464.5	572.2
EBITDA margin [1]	in %	20.0	19.5	20.4	21.9	22.0
Net income [1]		146.5	157.5	172.3	211.6	246.8
Earnings per share [1]	in €	1.24	1.33	1.46	1.69	1.90
Dividends paid		73.3	76.8	82.7	97.4	103.9 [2]
Dividend per share	in €	0.62	0.65	0.70	0.75	0.80 [2]
Group – Financial position / net assets						
Operating cash flow		200.9	219.5	274.8	343.2	375.2
Investments (without M & A)		67.3	70.3	70.7	101.3	147.2
Balance sheet total (as of December 31)		2,120.3 [3]	2,150.2 [3]	2,210.4	3,999.8	4,183.8
Capital ratio (as of December 31)	in %	40.9 [3]	40.9 [3]	43.0	35.8	38.0
Net debt (incl. pension provisions and similar obligations) (as of December 31)		772.3 [3]	808.0 [3]	744.8	1.640.1	1.575.7
Employees (as of December 31)	FTE [4]	5.434	5.669	5.959	8.160	8.301
Scent & Care						
Sales		801.4	882.8	960.4	980.4	1.073.7
EBITDA		157.6	161.1	194.5	222.9	231.2
EBITDA margin	in %	19.7	18.2	20.3	22.7	21.5
Flavor & Nutrition						
Sales		782.2	852.1	869.9	1.139.7	1.528.0
EBITDA [1]		158.3	177.8	178.6	241.6	340.9
EBITDA margin [1]	in %	20.2	20.9	20.5	21.2	22.3

1 Figures for 2014 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
2 proposal
3 adjusted as a result of changes to accounting policies in 2012
4 not including apprentices and trainees; FTE = Full Time Equivalent

Table of **Contents**

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About This Report

This 2015 financial report contains the complete consolidated financial statements, the Group management report and all other legally required elements. Supplementary to it, a separate corporate report provides a comprehensive depiction of Symrise's performance in 2015 – both from a business perspective as well as from a sustainability standpoint. The corporate report can be viewed electronically and ordered in print form at www.symrise.com/investors.

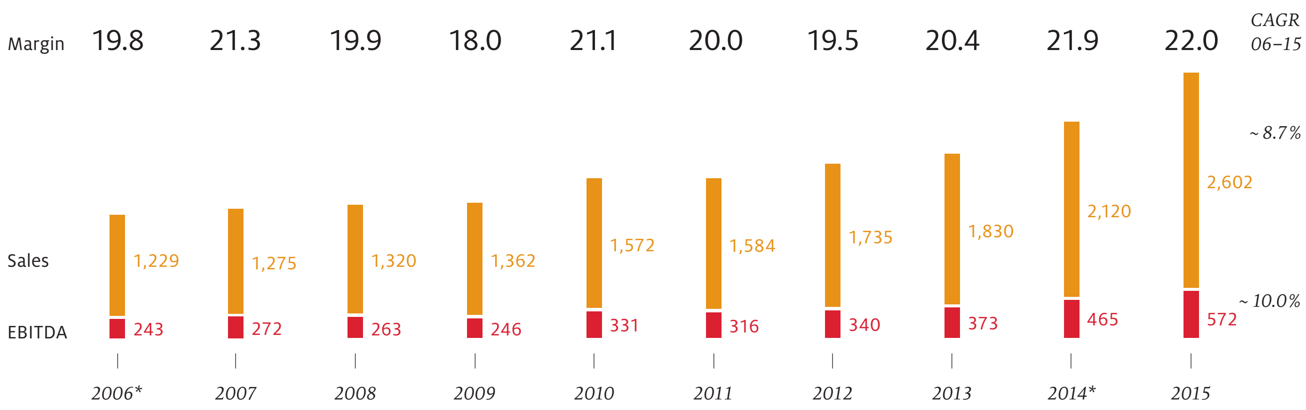
The Symrise 2015 financial report was published simultaneously with the 2015 corporate report on March 8, 2016 and is available in German and English. The publication date of the financial report for the 2016 fiscal year is March 2017. Additional information on our company's activities can be found at www.symrise.com.

Group Management **Report**

January 1 to December 31, 2015

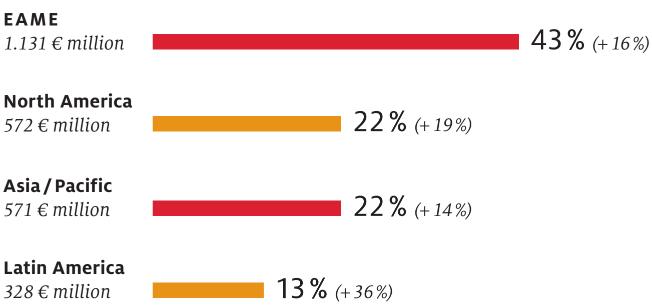
Highlights 2015
Profitable Growth in all Regions and Divisions

DEVELOPMENT OF SALES/EBITDA *Sales in € million, EBITDA in € million, margin in %*



* EBITDA adjusted for restructuring and integration expenses

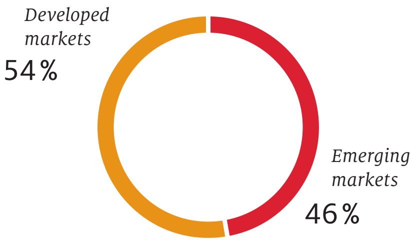
SALES BY REGION
As % of Group sales and growth in % (at local currency)



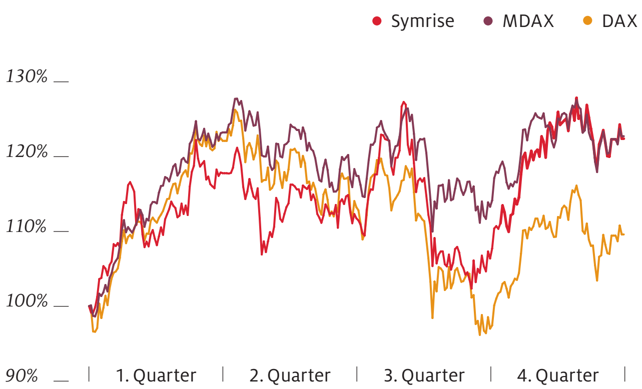
€ **1.90** *Earnings per share*

€ **0.80** *Proposed dividend*

SALES IN EMERGING MARKETS
% of Group sales (at local currency)



SHARE PRICE DEVELOPMENT *of the Symrise stock in 2015*



Overview of the 2015 Fiscal Year

In 2015, global economic growth slowed compared with the previous year. And yet, 2015 was a successful year for Symrise. The Group generated sales of € 2,602 million in the 2015 fiscal year. Sales increased 23 % (18 % at local currency) over the previous year. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %. The share of sales generated in emerging markets accounted for 46 % of Group sales and was therefore slightly below last year's mark of 47 %. Earnings before interest, taxes, depreciation and amortization (EBITDA) at the Symrise Group increased by 23 % from € 465 million (normalized) to € 572 million.[1] The Group's EBITDA margin, as based on sales, improved from 21.9 % (normalized) to 22.0 %.

The Scent & Care segment generated sales of € 1,074 million in 2015. Sales were therefore up 10 % on the previous year's level. At local currency, this corresponds to growth of 4 %. EBITDA was up 4 % over the previous year at € 231 million. The EBITDA margin therefore amounted to 21.5 % in 2015, compared to 22.7 % in 2014. Due to the Diana acquisition, the Flavor & Nutrition segment increased its sales by 34 % to € 1,528 million. At local currency, this corresponds to 31 % growth. EBITDA for the segment was also significantly higher than last year's normalized figure, amounting to € 341 million in 2015. The EBITDA margin amounted to 22.3 %, compared to 21.2 % (normalized) in the previous year.

Net income for the Symrise Group rose 17 % compared to the previous year's normalized figure, totaling € 247 million for the 2015 fiscal year. Earnings per share improved from € 1.69 (normalized) in the previous year to € 1.90 in 2015. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.75 to € 0.80 per share at the Annual General Meeting on May 11, 2016.

Cash flow from operating activities increased 9 % and amounted to € 375 million in 2015, € 32 million more than in the previous year (€ 343 million). Key factors here were the improved operating result and the consolidation of the Diana companies for the full year. Symrise Group's liquid assets increased by € 79 million to € 278 million as of December 31. Net debt (including provisions for pensions and similar obligations) decreased € 64 million to € 1,576 million as of the end of the 2015 reporting period. On an annualized basis, the ratio of net debt to EBITDA was 2.8 as of the reporting date, December 31, 2015, and is thus temporarily outside of Symrise's target corridor of 2.0 to 2.5 due to the Diana acquisition.

1 In the 2014 fiscal year, earnings (EBITN/EBITDAN) were normalized as a result of the Diana acquisition for one-off non-recurring specific influences. A detailed summary is supplied on page 51 of this report.

Basic Information on the Symrise Group

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise develops, produces and sells fragrances and flavors as well as active ingredients for the cosmetics industry. Its customers include companies in the perfume, cosmetics and food industries, as well as manufacturers of household products. In addition, Symrise provides biofunctional and bioactive ingredients and substances to the health and personal care sector. With the acquisition of the French Diana Group, Symrise tapped into new attractive market segments, such as pet food. In 2015, Symrise achieved sales of over € 2.6 billion, making it one of the largest companies in the global flavor and fragrances market. Symrise sells its products in 160 countries. In 2015, Symrise generated 54 % of sales in industrial countries in Western Europe, North America and parts of Asia. The number of customers served by Symrise totaled approximately 6,000 in the 2015 fiscal year. The company's business model is built upon long-term relationships with customers. As is typical in the industry, however, the order situation is characterized by orders at short notice, which is reflected in an order backlog of approximately one month's sales. Symrise generated 46 % of its sales in the emerging markets in Asia, Latin America, Africa, the Middle East and Eastern Europe. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets. There are 8,301 employees working in the Symrise Group, including those from the Diana Group. With sites in more than 40 countries, Symrise has a local presence in its most important sales markets. Symrise supplements its internal growth through strategic acquisitions, like its purchase of Pinova Holdings, Inc., which was closed at the start of 2016. These offer it a stronger market position or access to key raw materials as well as new market segments.

The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, the Symrise share has been listed in the Prime Standard segment of the German stock exchange, and it had a market capitalization of about € 8.0 billion at the end of 2015. The Symrise share is listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.

The two segments, Scent & Care and Flavor & Nutrition, are responsible for the company's operating business. They each have their own research and development, purchasing, production, quality control, marketing and sales departments. This system allows internal processes to be accelerated. We aim to simplify procedures while making them customer-oriented and pragmatic. We place great value on fast and flexible decision-making.

The Flavor & Nutrition segment consists of the Flavor and Diana divisions. The Scent & Care segment breaks down into the Fragrances, Cosmetic Ingredients and Aroma Molecules divisions. The divisions themselves also break down into business units and the following regions: Europe, Africa and Middle East (EAME), North America, Asia/Pacific and Latin America.

Additionally, the Group has a Corporate Center where the following central functions are carried out: Finance, Corporate Communications, Investor Relations, Legal Affairs, Human Resources, Group Compliance and Corporate Internal Audit. Other supporting functions such as information technology are either outsourced to external service providers or bundled in separate Group companies. The latter have, in the areas of technology, energy, safety, the environment and logistics, for example, business ties to customers outside the Group.

Symrise AG's headquarters are located in Holzminden, Germany. At this site, which is the Group's largest, Symrise employs 2,234 people in the areas of research, development, production, marketing and sales, as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Rennes, Brittany). Important production facilities are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. The company also has development centers, most notably those in Germany, France, Brazil, China, Singapore and the USA. Symrise has sales branches in more than 40 countries.

MANAGEMENT AND OVERSIGHT

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board.

The Executive Board was comprised of three members until December 31, 2015. Dr. Heinz-Jürgen Bertram (President Fla-

SYMRISE SITES *2015*

vor & Nutrition Worldwide and Chief Executive Officer), Achim Daub (President Scent & Care Worldwide) and Bernd Hirsch (CFO). Mr. Hirsch informed the Supervisory Board in March 2015 that he would not be available for an extension to his Executive Board contract, set to expire at the end of December 2015, due to personal reasons. His service on the Executive Board therefore ended on December 31, 2015. As of January 1, 2016, Olaf Klinger was appointed the successor to Mr. Hirsch and Symrise's new CFO. The Executive Board is responsible for managing the company with the primary aim of sustainably increasing the company's value.

Symrise AG's Supervisory Board has 12 members. It oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board. In compliance with the German Codetermination Act, Symrise AG's Supervisory Board has an equal number of shareholder and employee representatives. The Supervisory Board has formed four committees to increase the efficiency of its work.

Details on cooperation between the Executive and Supervisory Boards as well as on corporate governance at Symrise can be found in the Supervisory Board and corporate governance statements.

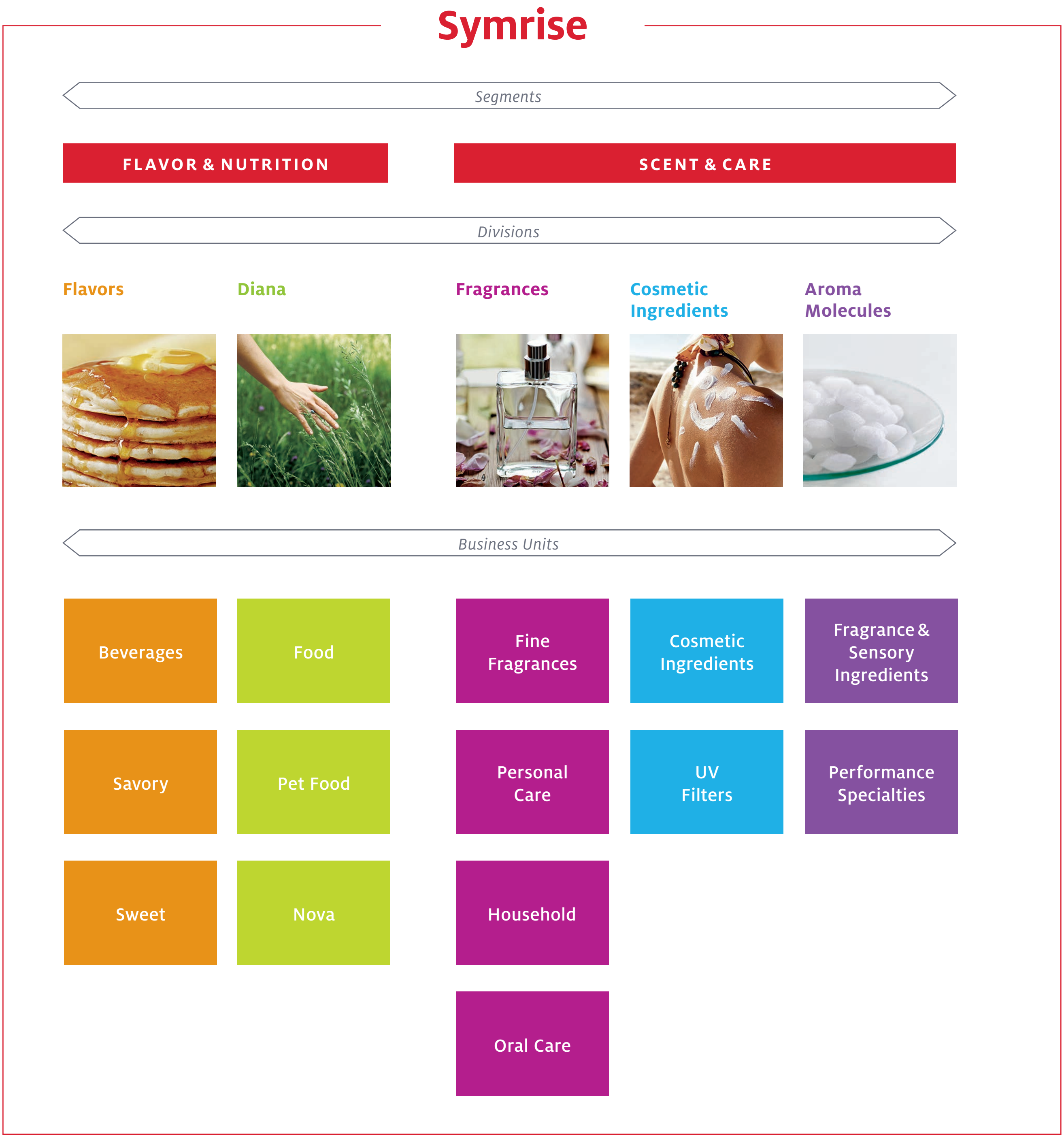
BUSINESS ACTIVITIES AND PRODUCTS

SYMRISE'S VALUE CHAIN

Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of both segments extends across research and development, purchasing, and production as well as the sale of products and solutions. The flavors, perfume oils and active ingredients are generally central functional components in our customers' end products and often play a decisive role in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, our value creation lies in the development of products with additional benefits. Examples of how flavors and perfume oils are combined with other innovative components include flavorings that enable foods' sugar or salt content to be reduced or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products. On the basis of these products, our customers can differentiate themselves from competitors with their tailor-made end products in the rapidly changing consumer goods market. The extensive research and development (R & D) undertaken at the company, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of our product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of our R & D activities.

SYMRISE'S VALUE CHAIN

Raw materials	Product development	Manufacturing process	Customers	Consumers
• Natural ingredients • Petro-based raw materials	• Natural extracts • Functional ingredients • Compositions	• Extraction • Distillation • Chemical processes • Encapsulation technologies • Mixes	**Manufacturers of:** • Foods • Beverages • Perfumes • Cosmetics • Oral care products • Household products • Pet food • Technical applications *Market volume* **€ 22.3 billion**	



Corporate Structure, including Pinova, as of January 2016

CORPORATE STRUCTURE

Our customers include large, multinational companies as well as important regional and local manufacturers of foods, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents.

We manufacture our flavorings and fragrances at our own production plants. In some cases, we have longer-term delivery contracts for obtaining important raw materials. We maintain close ties with our suppliers and establish uniform standards to guarantee that the quality of our base materials remains the same.

SCENT & CARE

The Scent & Care segment's approximately 15,000 products are sold in 124 countries. Its portfolio includes fragrance compositions, cosmetic ingredients, aroma chemicals and mint products. It has sites in more than 30 countries. The Scent & Care segment is divided into the Fragrances, Cosmetic Ingredients and Aroma Molecules divisions, where our products are used in the following different business units:

Fragrances: Perfumers combine aromatic raw materials like aroma chemicals and essential oils into complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances business unit), in personal care products (Personal Care business unit) and household products (Household business unit). Symrise also offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum (Oral Care business unit).

Cosmetic Ingredients: The products manufactured in this business unit are used in skin care products, hair care products, sun creams, after-shave balsams, shower gels, wash lotions, anti-dandruff shampoos and deodorants. Products with nurturing characteristics are an important part of this division. Alternative preservatives are another focus. The division is divided into the Cosmetic Ingredients and UV Filters business units.

Aroma Molecules: The division comprises the Menthols, Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals business units. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in manufacturing oral care products, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals encompass aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used for Symrise's own perfume oil production and are also sold to consumer goods manufacturers who make perfume oils with them.

With the acquisition of Pinova Holdings, Inc., Aroma Molecules will be broken down into two business units starting in the 2016 fiscal year: Fragrance & Sensory Ingredients and Performance Specialties. The business unit Fragrance & Sensory Ingredients handles fragrance and sensory ingredients, which are primarily sold within the fragrance and flavor industry. Integrating Pinova Holdings, Inc., will augment the existing Symrise portfolio in this business unit, primarily with cooling substances and products made from natural and renewable raw materials. The Performance Specialties business unit deals with specialized enhancements for technical applications, which can be deployed, for example, in adhesives, the tire industry, the natural gas distribution sector and road works.

FLAVOR & NUTRITION

Flavor & Nutrition's range of products consists of approximately 15,000 items, which are sold in 145 countries. The flavorings that we produce are used by customers to make foods, beverages and pet foods and give the various products their individual tastes. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients, food coloring or microencapsulated components. The segment, which breaks down into the Flavors and Diana divisions, has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

The **Flavors** division's flavorings and ingredients are used in three business units:

Beverages: With global competencies in alcoholic, non-alcoholic, dried and instant beverages, Symrise is setting new standards and trends in the national and international beverage industry through the authentic, innovative tasting experiences Symrise delivers. Thanks to years of expertise, refined technologies and its comprehensive understanding of markets and consumers, the company is creating completely new prospects for the beverage industry while meeting individual customer needs.

Savory: Savory flavors are used in two categories: in the "Culinary" category with its taste solutions for soups, sauces, ready-made meals, instant noodles and meat products as well as in the "Snack Food" category with seasonings for snacks. Both areas focus on creating successful concepts for customers that meet consumers' constantly growing desire for authentic flavor, naturalness and convenience. Here, Symrise can rely on its sustainable core competencies in meat and vegetables as well as its cutting-edge food technology and research.

Sweet: In the Sweet business unit, Symrise creates innovative taste solutions based on its comprehensive understanding of the markets and consumers for sweets, chocolates, chewing gum, baked goods, cereals, ice cream and milk products as well as for the health care sector. Interdisciplinary teams bring together their ingenious creativity to meet customers' specific needs. A diversified product portfolio offers consumers exciting and unique taste experiences.

The product range in the **Diana** division breaks down into three business units:

Food: This unit and its food ingredients comprises natural sensory product solutions such as taste, texture, color and functionality in foods and beverages. The unit also offers products for baby foods. Diana has comprehensive backward integration processes established for vegetables, fruit, meat and seafood. Diana places quality, traceability and food safety in the foreground.

Pet Food: This unit is responsible for natural-taste and acceptance-enhancing product solutions for pet foods. The business unit maintains its own cat and dog panels for gauging progress on its work improving sensory product characteristics. Furthermore, solutions for enhancing product attractiveness for pet owners are also a focus of development.

Nova: This business unit functions as an incubator for innovative applications such as aquacultures. All Consumer Health activities, such as probiotics, will also be pooled in Nova in the future.

MARKET AND COMPETITION

MARKET STRUCTURE

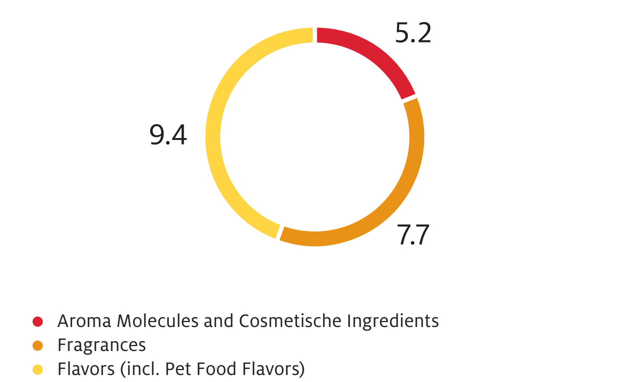
The Symrise Group is active in many different markets across the world. These include the traditional market for flavorings and fragrances (F & F market), whose volume amounted to € 17.1 billion in 2015, according to most recent calculations made by the IAL Consultants market research institute (9th Edition, November 2014). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to the latest reports from TechNavio/Infiniti and Global Industry Analysts (GIA), achieved sales of approximately € 5.2 billion. The markets have many trends and characteristics in common. The market relevant for Symrise's work therefore has a total volume of € 22.3 billion and is achieving average long-term growth of 2 to 3 % per year.

More than 500 companies are active in the market worldwide. The four largest providers – including Symrise – together have a market share of about 54 %.

The F & F market is characterized worldwide by high barriers to entry. There is increasing customer demand for higher quality and more differentiated products with ever-shorter product life cycles. The majority of products and recipes are manufactured specially for individual customers. Furthermore, local taste preferences often dictate that there be many different recipes for a single end product that vary depending on the country in which it's marketed. Moreover, customer relations are often characterized by intensive cooperation in product development.

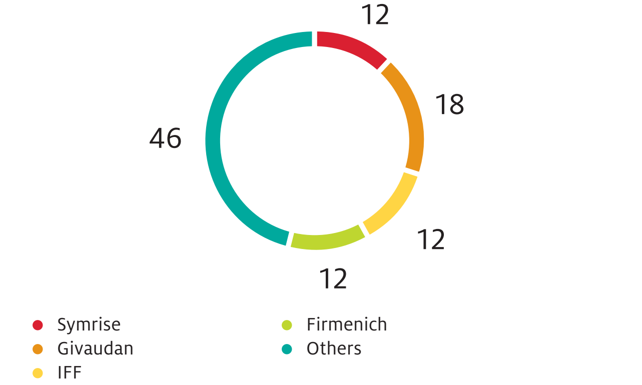
In addition to varying local taste preferences and consumer behaviors, there are other factors that also influence the demand for end products in which our products are used. The population's increasing income in emerging markets is having a positive impact on the development of demand for products containing fragrances and flavorings or cosmetic ingredients. Market growth also depends on more basic products

RELEVANT AFF MARKET SIZE 2015
in € billion (approx. € 22.3 billion overall)



Source: IAL (9th Edition, November 2014), TechNavio/Infiniti (2015), GIA (2015)

MARKET SHARE AFF MARKET 2015
in % (Market volume approx. € 22.3 billion)



Source: corporate data and internal estimates that meet everyday needs and already have an established presence in the markets of industrialized nations. In the developed Western European, Asian and North American markets, consumer trends such as beauty, health, well-being, convenience and naturalness determine the growing demand for products containing Symrise ingredients.

SYMRISE'S MARKET POSITION

Symrise is one of the largest companies in the F & F industry. In relation to the relevant market of € 22.3 billion, Symrise's market share for 2015 is roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include even more applications: for instance, with cosmetic ingredients in Scent & Care and pet foods and food ingredients within the Diana division of the Flavor & Nutrition segment. On the basis of these more complex product solutions, greater value creation can be achieved. In submarkets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also stands in competition with companies or segments of these companies that do not belong to the traditional F & F industry.

Symrise has leading positions in certain market segments worldwide, for example in the synthesis of nature-identical L-menthol and its derivatives as well as mint flavor compositions. Symrise also holds a leading position in the segment of UV sun protection filters as well as in baby and pet food thanks to Diana.

GOALS AND STRATEGY

GOALS

Long-term goals 2020

In the long term, we want to strengthen our market position and ensure Symrise's independence. At the same time, we recognize our responsibility toward the environment, our employees and society at large. By increasing our sustainability regarding our footprint, innovation, sourcing and care, we minimize risk and promote Symrise's continued economic success.

- Market position: With long-term growth of 5 to 7 % per year at local currency (CAGR), our sales growth should exceed the long-term growth of the market, which is expanding by about 2 to 3 % per year on average. In this way, we will gradually increase the distance between us and smaller competitors and gain market share.

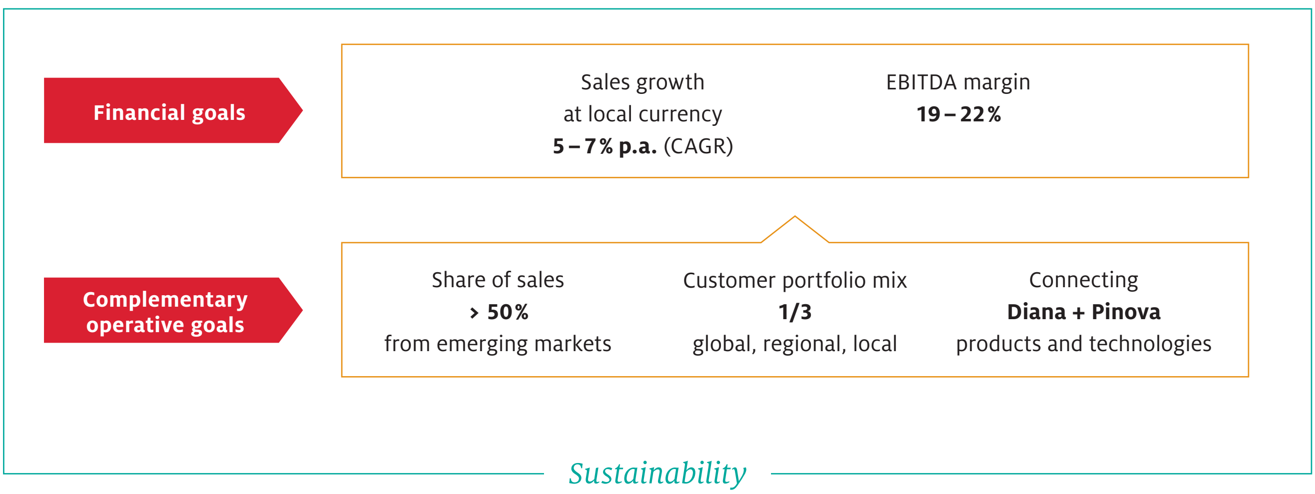
- Value orientation: We want to consistently be counted among the most profitable companies in the industry. We aim to achieve a sustainable EBITDA margin of 19 to 22 %.

Performance results are described in greater detail in the corporate development section. We ensure that our shareholders have an appropriate share in the company's success. Our dividend policy is oriented toward the company's profitability.

STRATEGY

Symrise's corporate strategy rests on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. In this way, we are making

LONG-TERM GOALS 2020



sustainability an integral part of our business model and turning it into a clear competitive advantage. The goal is a completely integrated corporate strategy.

- Growth: We strengthen our cooperation with our strategic customers around the world and expand our business in the emerging markets. We make sure that we remain innovation leaders in our core competencies. This ensures our continued growth.

- Efficiency: We constantly work to improve our processes and concentrate on products with a high level of value creation. With backward integration for key raw materials, we ensure a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. We work cost-consciously in every division. This ensures our profitability.

- Portfolio: We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise in the areas of fragrance and functional ingredients from renewable resources. This ensures our unique market position.

Symrise grows organically. When it makes sense, we engage in expansive acquisitions or enter into strategic partnerships for product development. At the same time, we want to ensure that Symrise remains capable of taking advantage of any growth opportunities that arise without jeopardizing the company's financial stability.

VALUE-ORIENTED MANAGEMENT

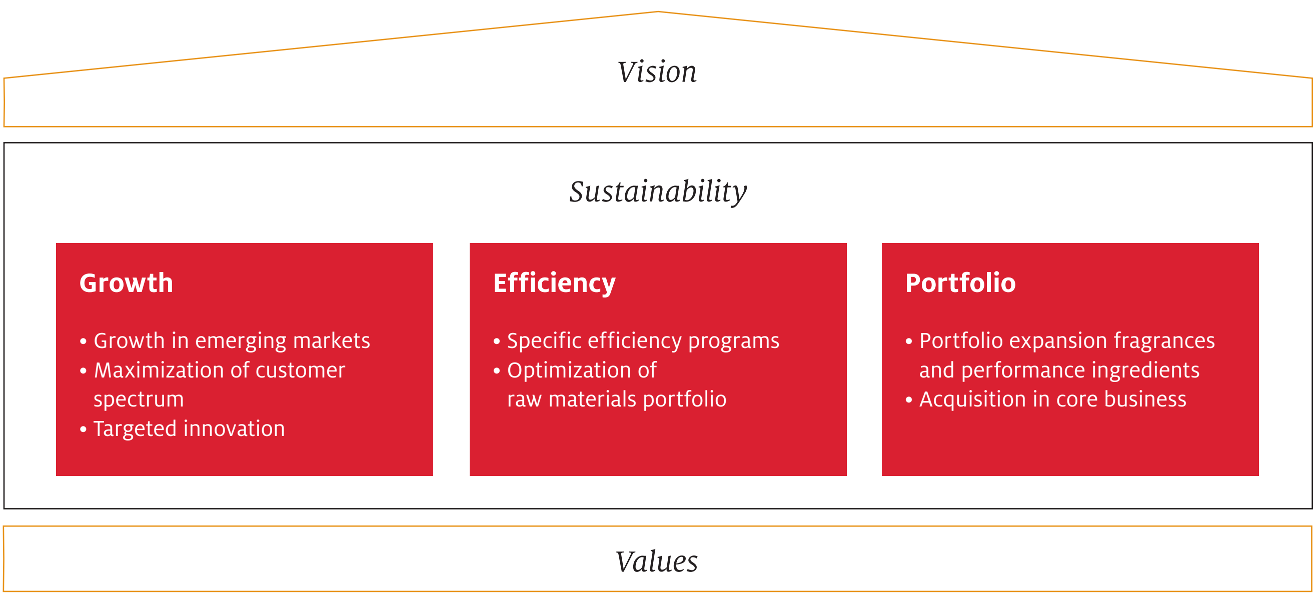
Different variables are at play within the framework of value-oriented corporate governance. The EBITDA margin, for which we have defined a strategic average target value of 19 to 22 %, serves as an indicator of the company's profitability. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, we attach great importance to the company's financial stability. Important key figures include sales growth in percent and the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA.

Management's focus, therefore, is guided by these financial control parameters. Non-financial benchmarks are playing an increasingly important role.

RESEARCH AND DEVELOPMENT

GUIDELINES AND FOCUS AREAS

Our research and development (R & D) strategy aims to connect the individual components of product development, such as market and consumer research, R & D and creation, throughout the Group. All research activities consider relevant customer, market and sustainability aspects. Through the close linkup of R & D with marketing and sales, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented and if they are profitable. External collaborations and networks (Open Innovation) are bringing a wealth of new methods and ideas to the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial and



academic partners that covers every development stage of the innovative process. Furthermore, all R & D activities are geared to the guidelines of environmental compatibility, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities remained immaterial as in the previous year.

The R & D strategy of the Scent & Care segment concentrates on five research platforms in the areas of cosmetic ingredients, molecular release systems, masking malodors, carrier systems and oral care. Supporting platforms in the areas of sensory sciences, analytical research, naturalness, performance and receptor research form the basis for our capabilities and constant innovation process.

The Flavor & Nutrition segment handles the following topics based on certain technology platforms while maintaining special focus on sustainability:

- Employing flavor technologies with lower energy consumption and improved performance
- Optimizing development and manufacturing recipes for producing sustainable products
- Improving processes for using valuable natural resources by incorporating biocatalysis and fermentation technologies while reducing waste and byproducts

A further focus is the sustainable design of natural and labeling-friendly product solutions with excellent sensory properties. To improve competency in creation, the IT-supported SymCreate® platform was expanded last year with a tool that automatically combines ingredients into liquid mixtures according to specific recipes. At the same time, a systematic enhancement of agriculture-based raw materials is carried out in the Diana Food business unit.

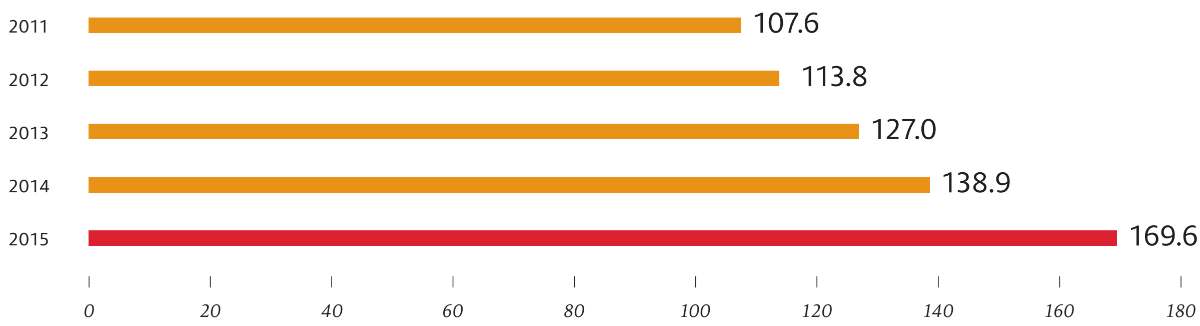
Together with Diana Pet Food, comprehensive research and development work takes place in developing and optimizing flavor systems and technologies for food components that increase pets' food acceptance.

This work is supported by the development of flavor systems for optimizing the taste of proteins used in foods. Increasing health benefits for foods, such as high-protein foods, foods with reduced sugar, fat or salt, and foods that provide a greater feeling of fullness (SymSlim®) play a large role here.

An increasingly important key to success is the ability to successfully combine, on the one hand, traditional tools in analytics, sensory, synthesis, food technology and process technology with, on the other, new biological and biotechnical methods and processes (receptor biology, biotransformation, new enzymes, DNA fingerprinting). Computer-supported planning, analysis and evaluation of existing and new data, for instance from in-silico screening and structure-activity relationships (TasteCycle®), also play a major role, as do statistical designs used to optimize processes and flavor developments, to predict sensory preferences and to identify drivers for these preferences.

CORE FUNCTIONS OF RESEARCH AND DEVELOPMENT AT SYMRISE

R & D EXPENSES, *in € million*



ORGANIZATION

Symrise's two segments each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to both segments in order to achieve synergies. Multiple R & D centers around the world ensure that the regional activities of both segments are optimally supported. The activities in Holzminden concentrate in particular on fragrance, flavor and taste research as well as the implementation of the principles of green chemistry in the development of fragrances, flavoring substances and cosmetic ingredients. Furthermore, there is a focus on the development of new functional ingredients for application in foods. In France, the main portion of R & D activities is performed in the Diana division (Pet Food and Food). We also have development and application technologies for the segments in Teterboro (USA), Singapore, Tokyo (Japan), Chennai (India), Paris (France) and São Paulo (Brazil).

To network further within the scientific community, Symrise representatives participated in numerous scientific events, presenting the company's latest research. This included a presentation of the latest findings on the bioactivity of flavoring substances at the AChemS conference in Florida (USA), the most important conference on the biology and physiology of flavor and fragrance perception. Symrise's contribution on cosmetic ingredients for protecting skin from the premature aging caused by air pollution received the IFSCC Poster Award 2015 at the 23rd IFSCC (International Federation of Societies of Cosmetic Chemists) in Zurich. Furthermore, Symrise supports the Monell Chemical Senses Center, Philadelphia (USA), a globally leading research institute for taste and smell. In cooperation with scientists from Monell, Symrise researchers identified new analytical and sensory properties of human body odor and presented their results at a highly regarded symposium at the Monell Institute.

Symrise participates in numerous scientific research projects that are supported by the German Federal Ministry of Education and Research (BMBF), the NBank (Lower Saxony's business development bank) or other public and private funding institutions. Sustainability, raw material sourcing, improvements to food ingredients and added health benefits all play an important role in this. Symrise is also an associate partner in the cluster project "Nutriact" for the Berlin-Brandenburg region, which was approved by the BMBF in 2015. It focuses on modern scientific nutrition concepts. Symrise is a leading partner in a project sponsored by the Research Association of the German Food Industry (FEI). The project aims to identify and minimize unappetizing flavors in plant proteins. Furthermore, an ongoing cooperation at the University of Vienna identified and confirmed that flavoring substances that can be used in food concepts provide valuable contributions to preventing obesity (SymSlim®). The cooperation launched in 2011 and is equally funded by the Austrian Christian Doppler Research Association and Symrise AG.

From idea to marketable product, the innovation process at Symrise is organized based on a uniform, stage gate process with decision filters, which has been implemented across the company. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project. An evaluation system for determining the sustainability of projects and the resulting products and processes was also developed and introduced in 2015.

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2014	December 31, 2015	Change in %
Flavor & Nutrition	5,094	5,112	+ 0
Scent & Care	2,173	2,299	+ 6
Corporate functions and services	893	890	– 0
Total (not including trainees and apprentices)	**8,160**	**8,301**	**+ 2**
Trainees and apprentices	141	147	+ 4
Total	**8,301**	**8,448**	**+ 2**

Basis: Full-time equivalents (FTE), not including temporary workers

To measure the results and quality of the innovations, Symrise had Intellectual Property (IP) benchmarking performed in 2015. The Patent Asset Index™ from PatentSight® evaluates global coverage and competitive impact. According to the results, Symrise's IP portfolio has the most competitive impact in the entire industry. Symrise holds a share of 25 % of the IP Index – far more than its current market share.

RESEARCH AND DEVELOPMENT EXPENSES

Total R & D expenditures amounted to € 170 million in the 2015 fiscal year (previous year: € 139 million), comprising 6.5 % of sales (previous year: 6.6 %). The expenses for R & D should remain at this level moving forward in order to further enhance Symrise's innovative strength.

EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2015, the Symrise Group employed 8,301 people worldwide (not including trainees and apprentices). In comparison to December 31, 2014, (8,160 employees), this represents an additional 141 employees. The increase in the number of employees was largest in the Scent & Care segment (+ 126 employees). This segment employs 28 % of the Group's total workforce. 62 % of employees work in the Flavor & Nutrition segment. Here, the number of employees increased by 18 in 2015. About 11 % of the Group's employees work in the Corporate Services and Corporate Center segments as well as in the separate Group companies Symotion and Tesium, which also occasionally provide services for third parties in such areas as technology, energy, safety, environmental issues and logistics. The number of apprentices and trainees was up 4 % on the previous year at 147 (previous year: 141 apprentices and trainees). In particular, they are being trained as chemical lab technicians and chemists, industrial clerks, industrial mechanics and businesspeople (dual training with a Bachelor of Business Administration).

From a functional perspective, the majority (47 %) of the Symrise Group's workforce is employed in the area of production and technology. 22 % of employees work in the Sales & Marketing. This group grew by 92 employees in 2015, which was the largest growth in the Group. 19 % of employees work in Research & Development.

NUMBER OF EMPLOYEES BY FUNCTION

	December 31, 2014	December 31, 2015	Change in %
Production & Technology	3,945	3,895	– 1
Sales & Marketing	1,747	1,839	+ 5
Research & Development	1,457	1,538	+ 6
Administration	629	641	+ 2
Service companies	382	388	+ 2
Total	**8,160**	**8,301**	**+ 2**

Basis: Full-time equivalents (FTE), not including apprentices, trainees and temporary workers

NUMBER OF EMPLOYEES BY REGION

	December 31, 2014	December 31, 2015	Change in %
Germany	2,462	2,528	+ 3
EAME not including Germany	1,829	1,782	– 3
North America	922	952	+ 3
Asia/Pacific	1,333	1,361	+ 2
Latin America	1,614	1,678	+ 4
Total	**8,160**	**8,301**	**+ 2**

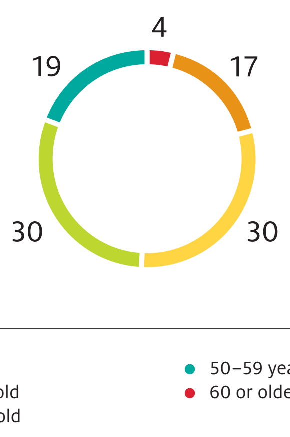
Basis: Full-time equivalents (FTE), not including apprentices, trainees and temporary workers

Of the Group's 8,301 employees, about 30 % work at sites in Germany, while the EAME region as a whole accounts for 52 % of the workforce. 20 % of our employees work in the Latin America region, 16 % in Asia/Pacific and 12 % in North America.

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 59 %. We regularly assess the development of demographics in our workforce. Development of demographics will be very steady over the next ten years. The natural reduction of the workforce due to retirement will be around 1 to 2 % per year until 2020.

40 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group accounts for 67 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.1 % in 2015. Globally, the figure was 5.1 %.

AGE STRUCTURE OF THE WORKFORCE *in %*



PERSONNEL STRATEGY

The strategic focuses for human resources in 2015 concentrated on personnel and manager development as well as the integration of Diana. Moreover, we enhanced our activities in the areas of health management, work-life balance and demographic change.

Employee and Manager Development

Talent management and personnel development have been and will continue to be central pillars of Symrise's personnel strategy. In 2015, we primarily focused on three topics:

- Continuing the global junior manager development program known as Future Generation
- Starting local programs for operative management such as Management Practice
- Kicking off a global program for senior leaders and global account directors on strategic negotiation

In Future Generation, the initial class, which entered the three-module program back in 2014, graduated with excellent results. In the final module, the participants presented the results of their project work. Every project was accompanied by a senior manager and focused on a topic relevant to Symrise's strategy and future. Some sample topics include future consumer trends and their relevance to Symrise divisions, and adaptations for the raw material portfolio that compensate for scarcities in certain natural resources. Other presentations examined new potential business models and access channels to the market and our customers. All of these subjects were handled in impressive detail and will influence the strategy and focus of the respective units and departments. In the coming years, graduates will receive close mentoring as they continue their professional development.

The Future Generation Leadership Development Program continued in 2015 with a second class of junior managers, who has gone through the same training concept. As part of the targeted integration of the Diana Group, half of the participants in this class were young talents from Diana. At the same time, in an effort to support diversity, roughly half of the participants selected were female.

Furthermore, the company organized leadership programs in every region for operative and middle management. For instance, in Germany in October 2015, the Management Practice program got off the ground with four modules aimed at team and group leaders who either are just starting their management role or are looking to refresh their management know-how.

The strategic negotiating course is a new developmental offer for managers with intensive customer responsibilities. The goal of the seminar is to further cultivate good customer relationships and ensure a productive, cooperative dialogue. Negotiating requires a give and take, and it should ideally contribute to a deeper partnership with our customers.

In 2015, Symrise also prepared for launching a global software and workflow system, which will be used to organize all future company seminars and training programs. Its launch date was January 1, 2016. This software represents an IT solution that gives Symrise an integrated approach to target agreement/performance review, succession planning and seminar management.

All other specialist training courses and seminars relating to communications and sales continued.

The schools for flavorists, product application technicians and perfumers also continued their training programs. A series of final exams are scheduled for 2016.

Education

One of Symrise's strengths lies in the training and development of our technical personnel, particularly in the creative segment. The flavorist and perfumer schools train specialists who can be quickly and successfully employed. Technical training of our production employees is also a core component of Symrise's professional development program. There are training courses for chemical production specialists (in 2015, we initiated an occupational retraining in this for unemployed individuals), process chemical technicians or inventory specialists at Symotion GmbH. Our high-performance sales training for sales personnel is also being continued and further expanded.

Furthermore, our employees have many opportunities to earn a bachelor's degree, master's degree or doctorate thanks to our cooperations with colleges, academies, institutes, etc. These measures are regularly supported by Symrise.

Symrise has made considerable investments into the continuation and expansion of its training at its Holzminden site. Each year, we hire roughly 45 new apprentices in various occupational training programs. This helps us prepare for the upcoming demographic change.

Opening a Company Day Care

In cooperation with several companies in the region and with an external operator, Symrise took the initiative to found a company day care in Holzminden: the "Grasshoppers." In November 2015, the day care officially opened in its own location near the company and can look after up to 30 children. With this initiative that sets an important tone for our personnel policy, the compatibility between work and family life continues to improve at Symrise.

Health Management and Demographic Change

Our health management program in 2015 focused on two topics: mental stress and demographics. Mental stress will now be evaluated as part of our work safety measures. To do this, Symrise came up with its own method, which is optimally aligned to specific company needs. Using a checklist developed just for Symrise, mental stress can be analyzed. The next step is to develop potential solutions side by side with the specific employees. The workshop format is another available option for coming up with solutions.

Demographic change and the special challenges posed by shift work and production work make up the topic of another project. This project was accompanied by a master's thesis and will continue in 2016. The goals are to shape working conditions in a way that is more demographically friendly and to develop preventative health measures for employees in production. Initial findings show that topics like leadership, motivation and mutual appreciation are essential components of healthy work, in addition to the more commonly named factors such as ergonomics and reduction of physical strain.

PERSONNEL MEASURES

Remuneration and Wage Agreements

Symrise's remuneration policy follows a simple principle: Wherever wage agreements are the norm, these are applied at Symrise. Wage agreements apply to about 65 % of our workforce worldwide. In places where no wage agreements exist, we use a globally standardized job grade concept. This ensures that every employee receives fair and competitive remuneration.

In Germany, Symrise uses the pay rates for the chemical industry. Accordingly, wages increased 2.1 % as of April 1, 2015. For the application of this increase at Symrise, we took into account our pioneering site safeguard agreement, which will remain in effect through the year 2020, and provides for salary reductions of 0.7 percentage points compared to the collective tariff.

Furthermore, for the first time, a profit-sharing option was offered to employees covered by wage agreements in Germany. Employee performance should pay off at Symrise. With this profit-sharing scheme, outstanding performance at the German site is being acknowledged.

Symrise's standardized job grade concept remuneration model applies to all regions. It is structured according to the function of position and its respective responsibilities. It also includes a bonus concept. Job grades make remuneration transparent and highlight career possibilities within the company. The Symrise job grade concept includes specialist and manager tracks and promotes movement between both paths.

In addition, a separate Global Performance Bonus Plan ensuring that company goals are reached by means of a variable remuneration geared toward results and performance applies to about 70 managers with global or regional responsibilities.

Measures to Safeguard Competitiveness

The existing company wage agreement between Symrise and IG BCE (Mining, Chemical and Energy Industrial Union) makes an important contribution toward securing the company's competitive position. The agreement was extended until 2020 at the beginning of 2012. The essential elements of the agreement on the company's side are a guarantee of location and employment as well as investment commitments of around € 220 million for the German sites until 2020. At the same time, the agreement forms the basis for qualification measures and considerable cost savings through the retention of a working week of 40 hours and the gradual takeover of the IG BCE union wage rates with clearly defined reductions of 0.7 percentage points per year until 2020. The implementation of qualification measures, which foster and enhance the innovative ability of our employees, is an essential pillar of our personnel policy. With these concessions, the workforce is making a decisive contribution to internationally competitive personnel costs at our German sites. A key element of the collective bargaining agreement is the return of these competitiveness-enhancing discounts to employees if Symrise loses its independence. In this case, the chemical industry's general wage agreement automatically comes into effect six months after Symrise is acquired by a third party. This does not affect the site guarantee and the waiver of terminations for business reasons through 2020. At an appropriate time, we will open discussions on continuing this agreement beyond the year 2020.

Economic Report

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

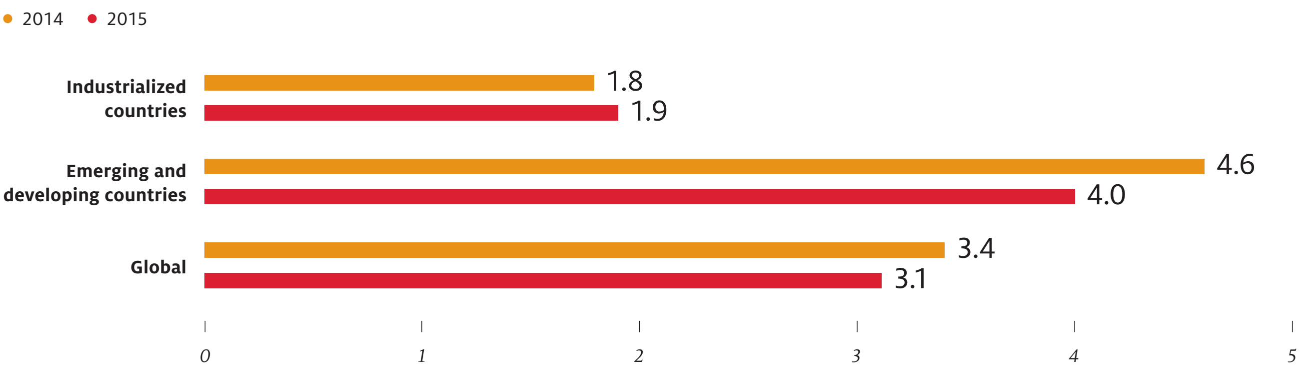
GLOBAL ECONOMIC CONDITIONS

In 2015, global economic growth slowed compared with the previous year. According to estimates from the International Monetary Fund (IMF) from January 2016, economic output has increased overall by 3.1 % (previous year: 3.4 %). This slowdown has been impacted on the one hand by ongoing political and military conflicts – particularly in the Middle East, Africa and the Ukraine. On the other, the sluggish growth in emerging and developing markets (4.0 %) also had a notable effect. Economic growth in the industrialized nations was weak, with a GDP growth rate of 1.9 %. The US economy posted an increase in its economic output of 2.5 %, while Japan overcame the stagnation of the previous year with a growth of 0.6 %. In the eurozone, overall economic growth of 1.5 % was achieved, which is mainly attributable to improvements in Spain, Italy and France. The German economy grew 1.7 % in 2015 according to calculations from the Federal Statistical Office, after 1.6 % in the previous year.

When viewed as an isolated factor, overall economic development has varying influence on the course of business of Symrise:

- In the developed markets, economic fluctuations have very little effect on the demand for end products containing Symrise products if they cover basic needs – for example, in the nutrition, personal care or household segments.

GDP DEVELOPMENT 2014/2015, *in %*



Source: IMF

- The demand for products in the "luxury segments" of Fine Fragrances and Personal Care (about 10 % to 15 % of our product portfolio) is significantly more dependent on the disposable income of private households.

- In the emerging markets, there is higher demand for products refined with flavorings and fragrances, in keeping with the dynamically increasing standard of living of the population.

- Symrise customer companies manage production and warehousing so that as little capital as possible is tied up. Uncertainties about future sales development lead to adjustments, including those that affect the amount of products purchased from Symrise.

Symrise benefited from its favorable market position in the emerging markets as well as a broadly diversified customer portfolio in the 2015 fiscal year.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is averaging a long-term growth trend of 2 to 3 % annually. In 2015, the global market volume amounted to € 22.3 billion. The flavors and fragrances market segment as well as the market segment for aroma chemicals also showed a similar development over the past fiscal year.

PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

Symrise uses about 10,000 different raw materials in production. Important examples are natural vanilla and citrus derivatives (juices, essential oils, etc.), citral and terpene derivatives, and base chemicals derived from crude oil that are used in Symrise's value chain as menthol intermediate products, solvents as well as raw materials for sun protection filters and special aromatic substances. In general, however, individual raw materials comprise only a very small part of the total requirement. Procurement costs saw moderate downturns for many raw materials in 2015. This was overcompensated, however, by the unfavorable development of the USD/EUR exchange rate (from an EAME perspective) and significant unforeseen price increases in vanilla and citrus-based raw materials such as juice concentrates and rind extracts. With regards to important natural oils, which are used to manufacture fragrances and oral care products, the supply and cost situations intensified in 2015. For the majority of the base chemicals, such as solvents, the supply situation improved somewhat compared with the previous year.

Overall, the prices for chemical raw materials increased slightly over the course of the 2015 fiscal year. For natural raw materials, volatility remained high with substantial price distortions occurring due to shifting market environments and weather impacts on harvests. To increase supply security with base products, Symrise has for years pursued a strategy of long-term cooperation. Examples of this are the collaboration with LANXESS in manufacturing synthetic menthols and a presence in Madagascar, the most important source country for bourbon vanilla, with backward integration, meaning the inclusion of local farmers.

As part of the integration of the Diana Group over the course of 2015, purchasing activities were optimized via multiple measures, such as joint purchasing and mutual insourcing. This allowed cost benefits in raw material sourcing to be realized.

GENERAL POLITICAL AND REGULATORY CONDITIONS

In the Flavor & Nutrition segment, the products from the Flavor division are primarily used in foods, beverages and pharmaceutical applications. The products in the Food and Nova business units in the Diana division are also used in the same areas. Furthermore, the Pet Food business unit supplies products for the pet food market. According to an EU guideline, pharmaceutical companies have to subject their additive manufacturers to a risk evaluation by March 2016. Along with examining the use of the additive, this evaluation also assesses the manufacturer's quality management. As a result, an adjusted GMP (Good Manufacturing Practice) is formulated. This will also affect flavors in pharmaceutical applications. Furthermore, the EU Commission issued a guideline at the end of 2014 on distinguishing between flavoring substances with modifying properties and flavor enhancers. Symrise evaluated and categorized its raw materials portfolio in the flavor segment based on this regulation in order to provide customers technical data sheets with the correct labeling information for their end products. In 2015, seven substances were removed from the Union list for flavoring substances. Symrise adapted its product portfolio in advance to offer customers suitable flavor alternatives early on.

Numerous changes to food law in China and other emerging markets took place in 2015. For certain flavoring substances, Chinese purity regulations differ from their EU counterparts. Symrise began looking into these changes at an early stage and can therefore meet these new criteria.

Symrise AG was successfully audited at its Holzminden site in 2013 by US authorities as part of the Food and Drug Administration's (FDA) stricter auditing of companies in the food industry, including those based outside the USA. Moreover, the Food Safety Modernization Act is being successively expanded in the USA. This requires the renewal of registrations for production sites outside of the US, which Symrise implemented accordingly.

Monitoring regulatory requirements was also a focus of activity for securing competitive advantages in the Scent & Care segment in 2015. The activities in Regulatory Affairs were heavily influenced by the increase in regional and country-specific regulations.

In 2015, the agreement on the Nagoya Protocol was adopted into European law. The Protocol governs access to genetic resources and provides for the balanced distribution of advantages resulting from their use. This resulted in a new dimension of compliance for our research and development activities. Regulatory implementations in Brazil, India and South Africa are so different that they cannot be handled with a standardized approach but instead require individual management.

Furthermore, regulatory documentation and processes were unified in 2015 to make project prioritizing more efficient. In the Global Regulatory unit, a culture of constant improvement was implemented to meet the challenge of continually bettering the service we offer our global customers.

The environment of the global registration and regulation of chemicals has also changed significantly. Emerging markets are enacting their own laws that are oriented to the European REACH regulation. This makes things more complex for our global customers, who are interested in formulas that can be applied internationally. The Chambers of Commerce's direct and indirect influence on the implementation of such programs in these regions remains important.

In the Scent & Care segment, perfume oils and substances are mainly manufactured for use in the cosmetics industry and household products. One key activity for Symrise in 2015 was registering or updating important products and raw materials previously registered in accordance with the European chemicals regulation REACH: Overall, new and updated files for more than twenty materials were submitted to the European Chemicals Agency (ECHA). Symrise also prepared files for another approximately 80 substances, which will be submitted by May 2018.

DIFFERENTIATED EFFECTS ON SYMRISE

Symrise's business development is influenced by various factors in the company's environment. Regarding sales, general economic development plays a big role. The submarkets in which we are active show different degrees of fluctuation depending on economic developments. The large number of countries where Symrise is active on the market and the company's many various product markets, however, have a risk-mitigating effect on the Group.

In our manufacturing, we make use of about 10,000 natural and synthetic raw materials. On account of various factors, including the development of the economy, oil prices and harvests, these raw materials can be subject to strong price fluctuations. Furthermore, production can be affected by shortfalls in raw material supply due to political unrest in supplier countries, among other things.

Symrise's products are used in a number of applications worldwide, such as the manufacture of food including baby food and pet food, in cosmetic and pharmaceutical end products and in household products. Worldwide use of our products requires that we observe national and internationally valid consumer protection guidelines and legal regulations. These regulations are in constant flux due to new findings in research, development and production technology, a growing need for safety and a steadily increasing health and environmental awareness across the globe. We observe the regional and global development of the regulatory environment, ensuring that we can react quickly to changes in or tightening of regulations.

CORPORATE DEVELOPMENT

CURRENT DEVELOPMENTS WITHIN THE GROUP

Changes to the Portfolio

Symrise announced the acquisition of the California-based **Flavor Infusion LLC** in June 2015, in an asset deal. With the acquisition, Symrise has expanded its product range for applications in the area of beverages and enhancing its position in the quickly growing market for flavored mineral water. As a result, Symrise has secured direct access to the company's com prehensive know-how, its established products on the market and excellent customer base. Since its founding in 2004, Flavor Infusion LLC has built up proven expertise regarding development and process technologies for applications relating to natural beverages. Since then, the company has benefited from the dynamics of the beverage market in the USA, which has experienced strong growth in the areas of flavored water and teas as well as sports and energy drinks. This latest acquisition should therefore be viewed as the next strategic step toward achieving the best possible results from the growing consumer interest in healthy nutrition. Symrise integrated the activities of Flavor Infusion LLC into its US Flavor & Nutrition business in the third quarter of 2015. In the 2015 fiscal year, Flavor Infusion contributed about € 3 million to Group sales.

As part of the efforts to focus on the strategic core competencies of Diana Food, Diana CAP (Compagnie Alimentaire Pleucadeucienne) was sold to the Jean Floc'h Group on June 29, 2015. Diana CAP specializes in solutions for country-specific French meat dishes and sauces and generated annual sales of about € 29 million.

At the end of 2015, it was announced that the Diana Plant Science (DPS) site for cell-culture research in Portland, Oregon (USA), will be closed. Scientific research carried out there will be integrated into the research that takes place at Symrise headquarters in Holzminden.

As part of further business expansion in Asia, specifically in China, Symrise has begun planning an additional production site in the region. Given the dynamic business growth there, current capacities will soon be maxed out.

Strategic Partnership with BRAIN AG to Research Taste Sensations in Cats

The biotechnology company BRAIN AG and Diana Pet Food announced a strategic partnership in the area of feline taste research in April 2015. During the five-year cooperation, the partners will assess the mechanisms of taste perception in cats as part of various programs. The joint goal of the first program is to conduct research using proliferating cat taste cells (CTCs) in order to find new ingredients that improve the taste of cat food. There is a large need for flavor enhancements in the pet food segment: enhancements that are dependent on the sensory perceptions of the pet, its individual preferences and the specific flavor properties of the pet food. With the realization of the joint program between Diana Pet Food and BRAIN AG, new paths to flavor enhancement are being opened that should support pet food manufacturers in their efforts to generate high-quality, pleasant-tasting products.

Expansion of Production Capacities in Cosmetic Ingredients

Symrise expanded its production capacities for cosmetic ingredients with a new plant at its Holzminden site in September and thereby laid the foundation for further expansion in Germany and the USA. The € 15 million investment considerably increases flexibility in production and also enhances backward integration, as important raw materials will be able to be manufactured on site in the future. The new plant also reduces energy consumption by recirculating exhaust heat, which is in line with the company's sustainability objectives. With these strategic measures, Symrise is further expanding its leading role in the development and production of innovative cosmetic raw materials.

GENERAL STATEMENT ON THE COURSE OF BUSINESS AND ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Symrise Group generated sales of € 2,602 million in the 2015 fiscal year. Sales increased 23 % over the previous year in the reporting currency (18 % at local currency). Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %. The emerging markets' share

ACHIEVEMENT OF TARGETS IN 2015

	Target at the Beginning of the Fiscal Year	Figure Achieved
Sales growth (at local currency)	notably above market growth rate of 2 to 3 %	18 % (without Diana 6 %)
EBITDA margin	about 20.0 %	22.0 %
Net debt (incl. provisions for pensions and similar obligations)/EBITDA	below 3.0	2.8

of total Group sales amounted to 46 %. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets. Earnings before interest, taxes, depreciation and amortization (EBITDA) at the Group level increased by 23 % from € 465 million (normalized) to € 572 million. This corresponds to an EBITDA margin of 22.0 % (normalized previous year: 21.9 %).

Net income for 2015 was up compared to the normalized previous year, increasing € 35 million to € 247 million. Earnings per share amounted to € 1.90 (normalized 2014: € 1.69). Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.75 to € 0.80 per share at the Annual General Meeting on May 11, 2016.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of 2015, we expressed our goal of posting sales growth at local currency in both segments well beyond the average market growth rate (2 to 3 %).

Assuming that raw materials prices remained at the level of 2014 and exchange rates did not change significantly from 2014, we anticipated an EBITDA margin of about 20 % for 2015.

Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations) to EBITDA, should be below 3.0 in 2015 due to the Diana acquisition. In the medium-term, we are aiming for a return to the debt range of 2.0 to 2.5.

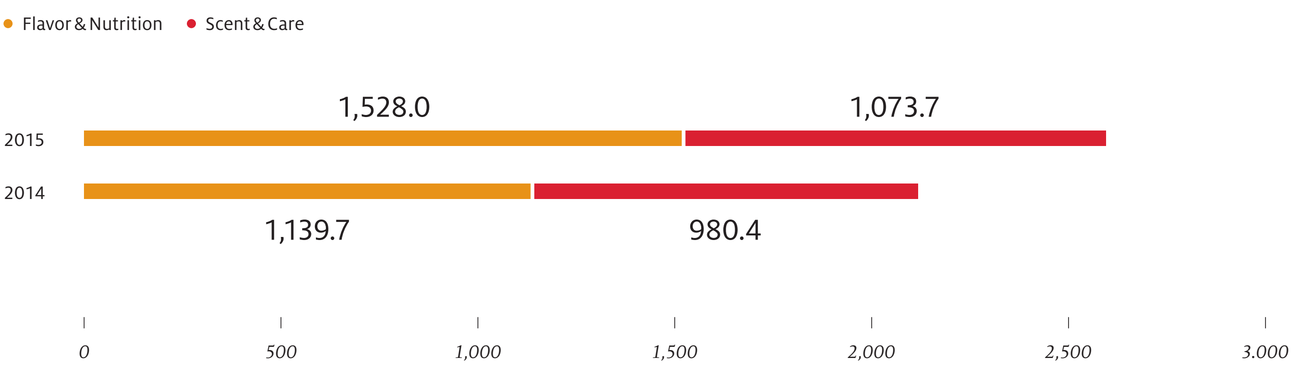
With sales growth of 18 % at local currency, or 6 % without Diana, we have significantly exceeded our sales goals. The EBITDA margin of 22.0 % was above the expected value for 2015. A net debt ratio to EBITDA of 2.8 was also within the expected range.

RESULT OF OPERATIONS

Group Sales

For 2015 as a whole, the Symrise Group generated sales of € 2,602 million. In comparison to the previous year, sales increased 23 % in the reporting currency and 18 % at local currency. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %.

SALES DEVELOPMENT OF THE SYMRISE GROUP *(in € million)*



SALES BY REGION

€ million	2014	2015	Change in %	Change in % *at local currency*
EAME	989.0	1,131.0	14	16
North America	408.6	571.8	40	19
Asia/Pacific	452.6	570.8	26	14
Latin America	269.8	328.1	22	36
Total	**2,120.1**	**2,601.7**	**23**	**18**

Segments: Scent & Care was able to increase sales at local currency by 4 % to € 1,074 million. Sales in the Flavor & Nutrition segment reached € 1,528 million in the past fiscal year. This corresponds to an increase at local currency of 31 % compared to the previous year, due in large part to the Diana acquisition. Without Diana, growth at local currency for the Flavor & Nutrition segment would have amounted to 8 %.

Regions: Sales in the **EAME** region were up 14 % for the year (at local currency: 16 %). The **North America** region also developed very positively in the 2015 fiscal year and achieved sales growth of 40 % compared to the previous year (at local currency: 19 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 26 % (at local currency: 14 %). Sales in the **Latin America** region increased by 22 % compared to the previous year (at local currency: 36 %).

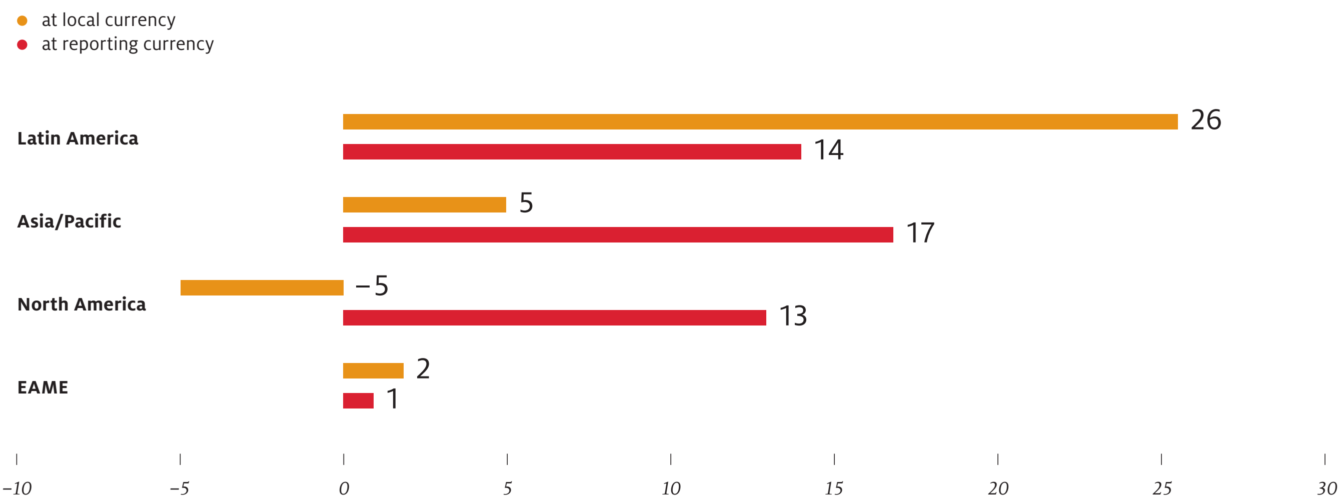
Sales in emerging markets exceeded the previous year's figures at local currency by 21 %. The share of this group of countries in total sales was 46 % in the 2015 fiscal year. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets.

Scent & Care Sales

In the 2015 fiscal year, the Scent & Care segment generated sales of € 1,074 million. Sales were therefore up 10 % on the previous year's level. At local currency, this corresponds to growth of 4 %.

All divisions posted positive sales developments in the year under review. The greatest growth was achieved in the **Aroma Molecules** division, which generated a high, single-digit growth rate at local currency. The regions of Latin America, EAME and Asia/Pacific contributed high growth rates here, particularly in the Menthols and Special Fragrance Ingredients units.

SALES GROWTH IN THE SCENT & CARE SEGMENT *in %*



The **Cosmetic Ingredients** division generated solid, single-digit growth at local currency in 2015, especially in the Cosmetic Ingredients business unit, which has global and regional customers mostly in China, Brazil, France and Japan.

The **Fragrances** division, which accounts for more than half of sales in the Scent & Care segment, posted a moderate single-digit sales growth rate at local currency in the 2015 fiscal year. In the Latin America region, all business units managed to substantially improve their sales. High growth rates were seen in Brazil, Mexico and Colombia. In the Asia/Pacific region, the business units Personal Care and Household successfully expanded sales. The North American region showed good growth in the reporting currency. However, sales were behind those of the previous year at local currency, especially in the Fine Fragrances and Household units.

Flavor & Nutrition Sales

In the 2015 fiscal year, the Flavor & Nutrition segment generated sales of € 1,528 million. Compared to the previous year, this corresponds to growth of 34 %. At local currency the increase was 31 %. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 8 %.

In the **Flavors** division, every region managed to significantly increase their sales in the past fiscal year. Latin America led the charge here. Key growth stimuli came from Brazil, Argentina and Mexico, where high growth rates with global and regional customers were generated in the Beverages and Savory business units. Further, sales in Russia, the US, Germany and Sweden also posted substantial growth. The business unit Savory excelled in Russia with seasoning mixes for global customers. In the US, vanilla flavorings once again provided strong growth. In Germany, the business units Beverages and Sweet generated high growth rates – particularly with regional and global customers. Sales performance in Sweden has been especially impressive. Here, Symrise developed a new flavor basis for the soft drinks sold worldwide at the drink stations at IKEA's bistros. Eight mixtures of natural flavors and extracts provide healthy refreshment, new tastes and fewer calories with 50 percent less sugar.

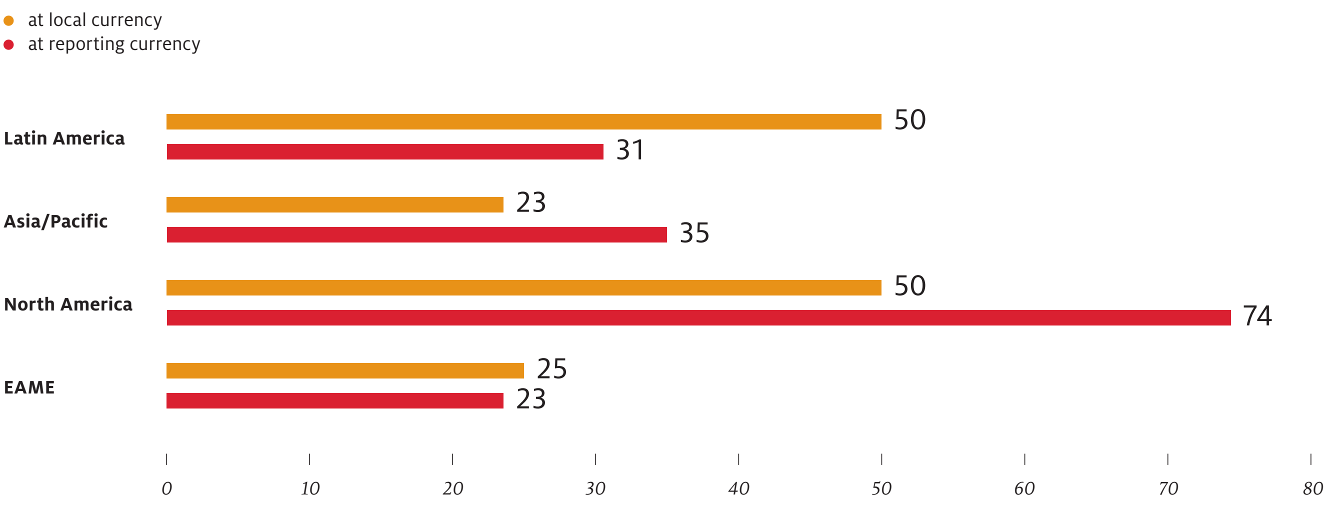
In the **Diana** division, all four regions substantially increased sales. The strongest growth was generated in Asia/Pacific, particularly in Thailand and Australia, thanks to the positive business development for aquacultures product solutions. In Latin America, the Pet Food business unit achieved good growth rates in Argentina and Mexico. The North American region posted particularly impressive developments in the Food and Pet Food business units, thanks in large part to an expansion of our customer portfolio.

Development of Material Line Items in the Income Statement

In 2015, the **costs of goods sold** rose by € 272 million, or 22 %, to € 1,490 million (2014: € 1,218.1 million).[2] The increase is primarily due to the acquisition of the Diana Group, which

2 In the 2014 fiscal year, acquisition and integration costs of € 20 million resulting from the purchase of the Diana Group impacted the operating result. As part of the purchase price allocation for the Diana acquisition, the acquired inventories had to be measured once at their fair value. These were consumed by the end of 2014. The increased material costs related to consuming these measured inventories lowered the operating result for 2014 by € 10 million. In the following section, we use normalized results (EBITN/EBITDAN) for the 2014 fiscal year adjusted for these one-off, non-recurring specific influences. A detailed summary of special influences is supplied on page 51 of this report.

SALES GROWTH IN THE FLAVOR & NUTRITION SEGMENT *in %*



INCOME STATEMENT IN SUMMARY

€ million		2014 *Normalized*	2015	Change in %
Sales		2,120.1	2,601.7	23
Costs of goods sold		– 1,218.1	– 1,490.1	22
Gross profit		**902.0**	**1,111.6**	**23**
Gross margin	in %	42.5	42.7	
Selling and marketing expenses		– 340.4	– 426.9	25
Research and development expenses		– 138.9	– 169.6	22
Administration expenses		– 109.4	– 148.5	36
Other operating income		29.1	32.8	13
Other operating expenses		– 4.6	– 4.2	– 9
Income from operations/EBIT		**337.9**	**395.2**	**17**

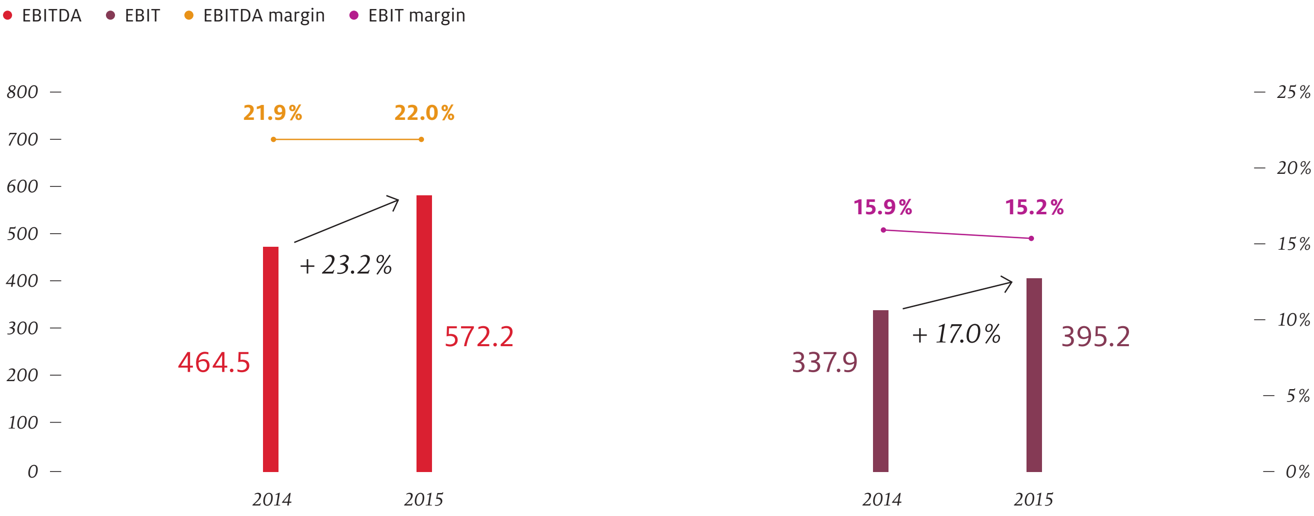
was consolidated for the first time in July 2014. It was included for the entire 2015 fiscal year. Moreover, costs of conversion have increased in comparison to last year's level. This stems from the expense for closing the DPS site and for provisions accounting for reorganization production in China. Gross profit increased by 23 % and amounted to € 1,112 million (2014: € 902 million). The **gross margin** was 42.7 % and therefore 0.2 percentage points higher than in the previous year (42.5 %).
Selling and marketing expenses were up by 25 % compared to the previous year, amounting to € 427 million (2014: € 340 million). This corresponds to 16.4 % of Group sales (2014: 16.1 %).
R & D expenses increased by 22 % to € 170 million (2014: € 139 million). The R & D rate was therefore 6.5 % (previous year: 6.6 %).
Administration expenses increased by 36 % to € 149 million (previous year: € 109 million). Administration expenses as a share of Group sales amounted to 5.7 % in the year under review (previous year: 5.2 %). The rise in selling and marketing, research and administration expenses compared to the previous year primarily relates to the inclusion of the Diana Group in the consolidated financial statements. Administration expenses also rose due to the one-off transaction costs of acquiring Pinova Holdings, Inc.

Earnings Situation

Group: Earnings before interest, taxes, depreciation and amortization (EBITDA) were up 23 % in 2015 to € 572 million (2014 EBITDAN: € 465 million). The Diana acquisition, in particular, and the improved gross profit had positive effects on earnings compared to the previous year. The **EBITDA margin** was 22.0 % in the reporting year, compared to the normalized margin of 21.9 % from the previous year.

Scent & Care: Scent & Care generated an EBITDA of € 231.2 million in 2015. It was therefore 4 % higher than the previous year's level of € 222.9 million. The EBITDA margin amounted to 21.5 % compared to 22.7 % in 2014, particularly due to increased operating costs in selling and marketing expenses due to marketing initiatives in the fragrances unit, as well as research and development expenses.

OVERVIEW OF EARNINGS, *in € million*



Flavor & Nutrition: Owing in part to the Diana acquisition in the second half of 2014, EBITDA in the Flavor & Nutrition segment in 2015 was significantly higher than the previous year's level (2014 normalized: € 241.6 million), reaching € 341.0 million. The EBITDA margin amounted to 22.3 % and therefore was significantly higher than in the previous year (2014 EBITDAN margin: 21.2 %).

Financial result: The financial result in 2015 of € –44.3 million represents an improvement of € 4.1 million compared to 2014. Compared to the normalized financial result from 2014, which accounted for € 7.8 million in specific influences, this results in a decline of € –3.7 million. This is mainly due to the complete inclusion of the interest for 2015 from the Eurobond and the long-term syndicated loan. The net interest loss declined € 2.8 million in 2015 from € –41.7 million to € –44.5 million. Higher interest expenses for the bond and syndicated loan are counteracted by higher interest income, particularly from the emerging markets.

Taxes: In the 2015 fiscal year, income tax expense amounted to € 98.5 million (2014: € 72.9 million). The resulting tax rate of 28.1 % was therefore identical to the previous year. An adequate provision for risk was made, as in previous years.

Net income and earnings per share: Net income amounted to € 247 million and therefore was € 35 million or 17 % higher than the normalized value from the previous year. Earnings per share rose by 21 cents to € 1.90 (2014: € 1.69).

Dividend proposal for 2015: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.80 per share for the 2015 fiscal year at the Annual General Meeting on May 11, 2016. Symrise aims to continually achieve high yields for its shareholders and to enable shareholders to participate in the company's success by means of an appropriate dividend.

FINANCIAL POSITION

Financial Management

Main features and objectives: The Symrise Group's financial management pursues the aim of guaranteeing that the company's financial needs are covered at all times, of optimizing the financial structure and of limiting financial risks insofar as possible. Consistent, central management and the continuous monitoring of financial needs support these objectives.

In accordance with the Treasury department's guidelines, the financing of the Symrise Group is managed centrally. The financial needs of Group subsidiaries are ensured by means of internal Group financing within the framework of a cash pool, among other things. The surplus liquidity of individual European Group units is put into a central account, so that liquidity deficits of other Group units can be offset without external financing and internal financial capital can be used efficiently. If external credit lines are needed at the local level, these can be secured when necessary through guarantees provided by banks or Symrise AG. Symrise AG's external borrowings are unsecured and connected to credit agreements (covenants) that are reviewed every quarter. The Group maintains good business relationships with all consortium banks and avoids becoming too dependent on individual institutes.

The Symrise Group safeguards against risks resulting from variable interest on financial liabilities by means of interest rate hedges, if need be. Here, the principle applies that interest derivatives can only be concluded on the basis of underlying transactions.

Symrise does business in different currencies and is thus exposed to currency risks. Exchange rate risks occur when products are sold in different currency zones than the ones in which the raw materials and production costs accrue. Within the framework of its global strategy, Symrise manufactures a large proportion of its products in the currency zones in which they are sold in order to achieve a natural hedge against exchange rate fluctuations. In addition, Symrise has implemented a risk management system, which, based on detailed cash flow planning, identifies open currency positions. These are hedged against fluctuations on a case-by-case basis.

With an equity ratio of 38 % as of December 31, 2015, Symrise has a solid foundation for driving future business development forward in a sustained manner.

Financing structure: The Symrise Group covers its financial needs from its strong cash flow from operating activities and via long-term financing. These continue to consist of the following elements: publicly listed bonds, US private placements, KfW borrowings and an amortizing loan as well as the newly arranged revolving credit facility from May 2015. Furthermore, the Group secured liquidity through issuing promissory notes to finance the acquisition of Pinova Holdings, Inc. These have a total volume of € 500 million and will be distributed across three tranches with terms of five, seven and ten years. The first allocation of € 178 million was issued in 2015.

Symrise fulfilled all contractual obligations (covenants) resulting from loans in the 2015 fiscal year.

In addition to the credit facility mentioned, bilateral bank credit lines for € 40 million exist for covering short-term payment requirements. The interest rates agreed on for the credit facility are at the accepted market rate.

In addition, provisions for pensions are used for financing.

Cash Flow and Liquidity Analysis

OVERVIEW OF CASH FLOW

€ million	2014	2015
Cash flow from operating activities	343.2	375.2
Cash flow from investing activities	– 476.8	– 151.4
Cash flow from financing activities	195.4	– 115.3
Cash and cash equivalents (Dec. 31)	199.2	**278.2**

Cash flow from operating activities amounted to € 375.2 million in 2015, about € 32 million more than in the previous year (€ 343.2 million). An improved operating result was primarily responsible for this outcome. The cash flow rate relative to sales thus was about 14 %.

Cash outflow from investing activities dropped about € 325.4 million to € –151.4 million.

Cash outflow from financing activities amounted to € 115.3 million in 2015. A cash inflow of € 195.4 million was posted in the previous year. The cash outflow of 2015 is primarily comprised of the dividends paid out to shareholders amounting to € 97.4 million and net interest payments to financial institutes totaling € 32.6 million (previous year: € 63.1 million). All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The company has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 300 million that will remain available until May 2020. As of December 31, 2015, only a small portion of this has been utilized.

Investments and Acquisitions

The Symrise Group invested € 177 million in intangible assets and property, plant and equipment in the 2015 fiscal year, after spending € 101 million in the previous year. This € 177 million contains assets acquired from the American company Flavor Infusion LLC, provisionally amounting to € 29.4 million. The transaction was successfully completed in June 2015.

Around € 47 million was spent on intangible assets (2014: € 11 million). Along with the assets acquired from Flavor Infusion LLC, this mainly consisted of investments in software, patents and registrations of chemicals according to the European chemicals directive. Investments in property, plant and equipment amounted to approximately € 129 million (previous year: € 91 million). The largest investment projects were the new power plant in Holzminden, still under construction, and capacity expansions, particularly in chemical production for the Cosmetic Ingredients division, which is part of the Scent & Care segment, as well as spray drying and natural substance processing in the Flavor & Nutrition segment. All of the projects were funded through operating cash flow. Further, the increase in investments compared to the previous year can be traced back to the inclusion of the Diana Group in the 2015 Consolidated Financial Statements for the full year.

As of December 31, 2015, the Group had obligations to purchase property, plant and equipment amounting to € 43.9 million (December 31, 2014: € 25.9 million). This mainly relates to production facilities, hardware and office equipment. Most will come due during the course of 2016.

As part of the efforts to focus on the strategic core competencies of Diana Food, Diana CAP (Compagnie Alimentaire Pleucadeucienne) was sold to the Jean Floc'h Group on June 29, 2015, for € 12.2 million. Diana CAP specializes in solutions for country-specific French meat dishes and sauces.

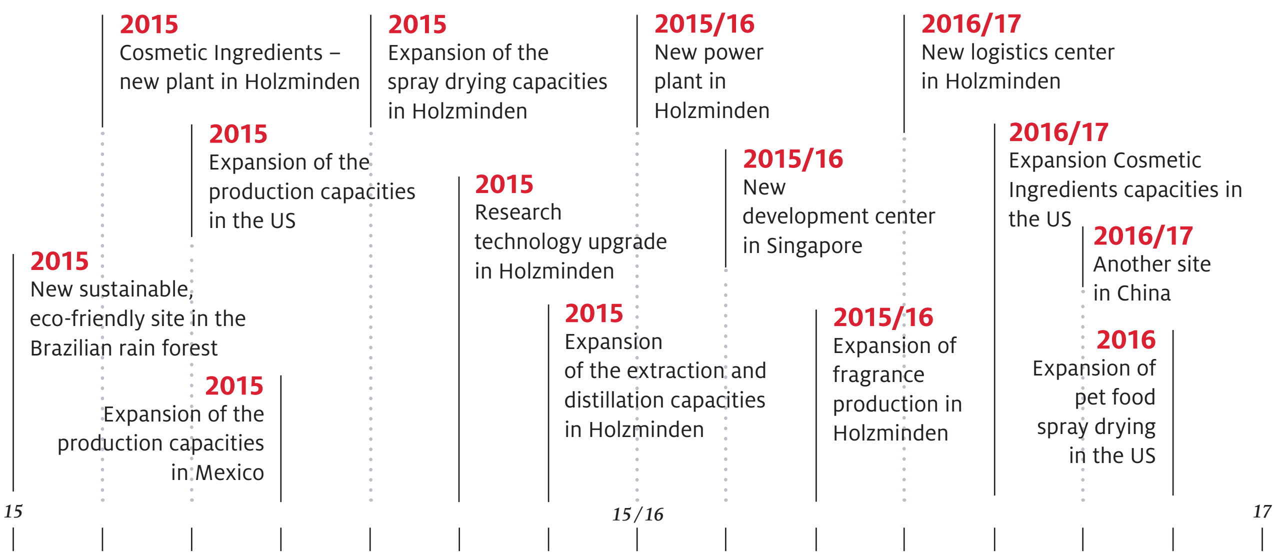
NET ASSETS

Select Line Items in the Statement of Financial Position

Total assets as of December 31, 2015, increased by € 184 million to € 4,184 million compared to the previous year (December 31, 2014: € 4,000 million). This mainly resulted from an additional expansion in working capital as well as the increase in borrowings to finance the acquisition of Pinova Holdings, Inc., at the start of 2016.

Intangible assets amounted to € 2,005 million as of the reporting date for 2015 and therefore were slightly below the previous year (December 31, 2014: € 2,034 million). The item accounts for 48 % of assets. Intangible assets include goodwill acquired through business combinations amounting to € 1,124 million (December 31, 2014: € 1,091 million), as well as formulas, technologies, customer bases, trademarks, software, patents and other rights amounting to € 881 million (December 31, 2014: € 943 million). **Property, plant and equipment** amounted to € 690 million at the end of 2015 (December

INVESTMENTS 2015 TO 2016

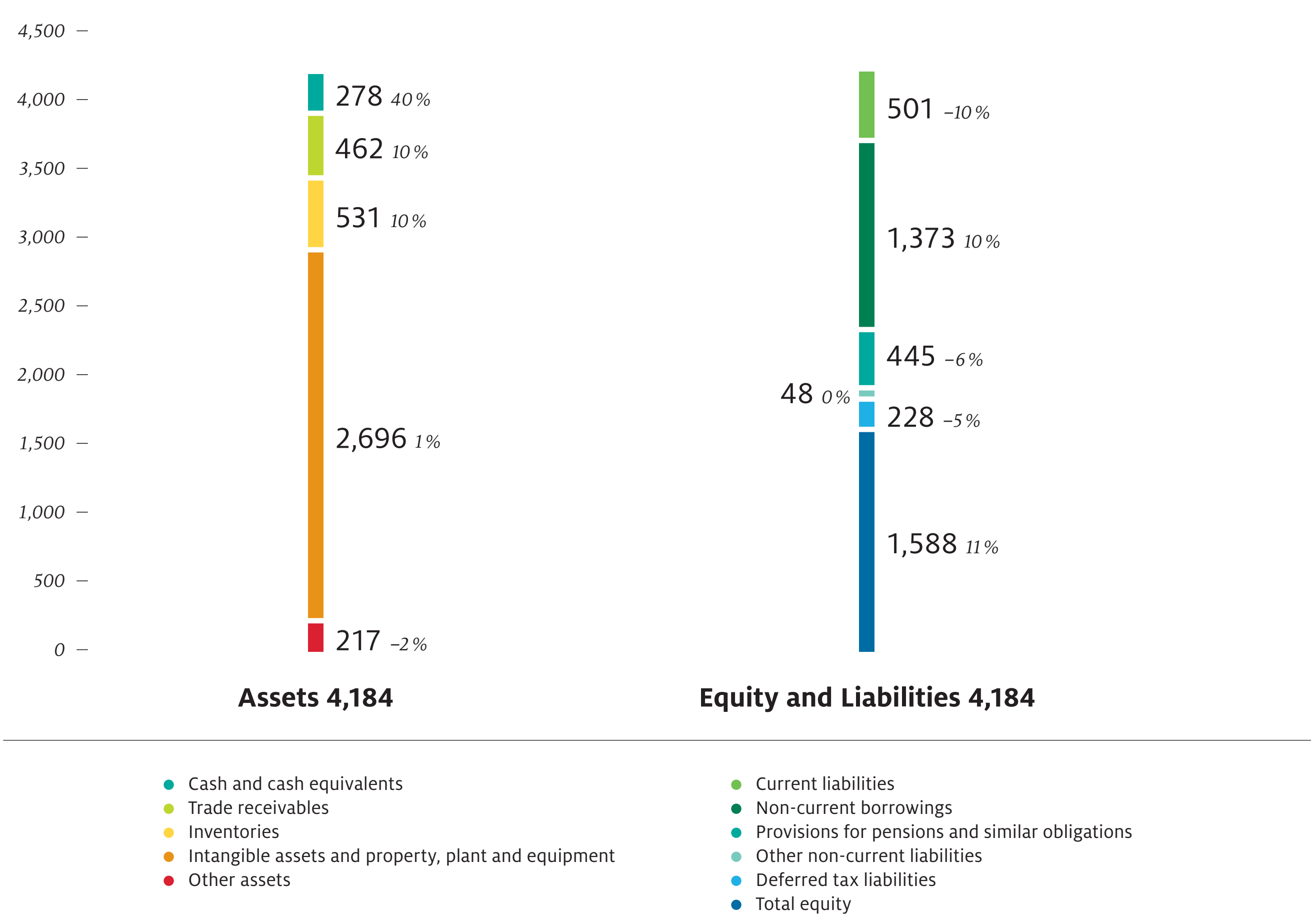


31, 2014: € 640 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2014: € 485 million), inventories increased € 46 million to € 531 million. The increase in inventories was primarily driven by the substantial rise in sales, which also led to higher **trade receivables** (€ 462 million, December 31, 2014: € 421 million) and **trade payables** (€ 235 million, December 31, 2014: € 214 million) as of the end of the reporting period. The ratio of working capital to sales remained unchanged at 29 %. Symrise Group's **cash and cash equivalents** amounted to € 278 million as of December 31, 2015 (December 31, 2014: € 199 million). This includes a term deposit consisting of a partial amount of the promissory note loan issued at the end of 2015 to finance the purchase price for Pinova Holdings, Inc., due at the beginning of 2016.

The repayment of the use of the short-term credit line and also the new promissory note loans resulted in a shift in liabilities: **Current liabilities** are lower than in the previous year (€ 501 million, December 31, 2014: € 560 million), while **non-current liabilities** increased correspondingly (€ 2,094 million, December 31, 2014: € 2,008 million). Due to the rise in interest rates compared to the previous year, **provisions for pensions and similar obligations** decreased from € 474 million to € 445 million (interest rate for Germany: 2.4 %, December 31, 2014: 1.9 %).

Equity attributable to shareholders of Symrise AG as of December 31, 2015, amounted to € 1,568 million (December 31, 2014: € 1,414 million). A dividend of € 97 million was paid out in the 2015 fiscal for the year 2014. As of the end of the 2015 reporting period, the equity ratio was 37.5 % (December 31, 2014: 35.4 %).

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015, *in € million*
(Change compared to previous year's reporting date, in %)



Net Debt

€ million	2014	2015
Borrowings	1,365.0	1,409.3
Cash and cash equivalents	– 199.2	– 278.2
Net debt	**1,165.8**	**1,131.1**
Provisions for pensions and similar obligations	474.3	444.6
Net debt including provisions for pensions and similar obligations	**1,640.1**	**1,575.7**

The evaluation of compliance with the leverage covenants for the current and non-current borrowings is performed on the basis of the specifications in the various credit agreements. The leverage covenants are determined by basing the net debt or net debt incl. provisions for pensions and similar obligations on the EBITDA of the last 12 months. This amounts to net debt/EBITDA of 2.0 and net debt including provisions for pensions and similar obligations/EBITDA of 2.8.

We target a capital structure that allows us to cover our future potential financing needs at reasonable conditions by way of the capital markets. This provides us with a guaranteed high level of independence, security and financial flexibility. We will continue our earnings-oriented dividend policy and give our shareholders an appropriate share in the company's success. Additionally, we want to have access to the necessary financing instruments for attractive acquisition opportunities.

Significant obligations not reflected on the statement of financial position exist in the form of obligations for the purchase of goods amounting to € 138.5 million (2014: € 127.2 million) and obligations regarding the purchase of property, plant and equipment amounting to € 43.9 million (2014: € 25.9 million). Symrise AG signed a service contract for outsourcing internal IT with a term until 2019 with Atos Origin GmbH. The remaining total obligations toward Atos amount to € 22.7 million accounting for extraordinary termination rights (2014: € 40.4 million).

SUSTAINABILITY

For Symrise, business success and responsibility for the environment, its employees and society are inextricably linked. Symrise's corporate strategy therefore incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. Symrise's business activity involves the interests of many different stakeholder groups. Through active dialogue with these stakeholders, we discuss their expectations and requirements and incorporate them at every stage of value creation in order to develop successful solutions. This allows us to create value for all our stakeholders.

The Symrise set of values forms the foundation of how we think and act and also determines our corporate culture. "Because We Care" is the guiding principle of Symrise's commitment to a complete understanding of its entrepreneurial activity. Our goal is a completely integrated corporate strategy.

The successive, strategic integration of sustainability into our core and supporting processes is managed by a global, cross-business team – the Symrise Sustainability Board. It consists of senior management representatives and ensures both the development and implementation of issues relevant for sustainability across the entire extended value chain as well as the consideration of the interests of key stakeholders. Implementation of the sustainability objectives set by the Sustain-

CAPITAL STRUCTURE

	2014		2015		
€ million		*in % of total equity and liabilities*		*in % of total equity and liabilities*	Change in %
Equity	1,432.2	36	1,588.2	38	11
Current liabilities	559.5	14	501.4	12	– 10
Non-current liabilities	2,008.1	50	2,094.2	50	4
Liabilities	2,567.6	64	2,595.6	62	1
Total equity and liabilities	**3,999.8**	**100**	**4,183.8**	**100**	**5**

Footprint	Innovation	Sourcing	Care
Minimize our environmental footprint along the value chain	Maximize positive social & environmental impacts of our products	Maximize the sustainability of our supply chain and raw materials	Improve well-being in our stakeholder communities

ability Board lies directly with the segments. For this reason, the Executive Board and Sustainability Board have appointed global ambassadors to be responsible for coordinating sustainability efforts in the Flavor & Nutrition and Scent & Care segments. The Corporate Center coordinates the Group's sustainability strategy, while direct responsibility for the strategy lies with the Chief Executive Officer of Symrise AG.

Symrise's sustainability reporting conforms to the requirements of the application level A of the Global Reporting Initiative™ (GRI) and fulfills the G4 guidelines. Symrise once again received external recognition of its sustainability efforts in 2015,

For the 2014 Corporate Report, we subjected our sustainability information and activities to an external assurance review pursuant to the AA 1000 Assurance Standard. The review assesses all quantitative and qualitative sustainability information.

In September 2015, Symrise AG was awarded the Sustainable Leadership Award from DQS GmbH.

At the beginning of November 2015, Symrise AG was added to Carbon Disclosure Project's (CDP) "2015 Climate 100A List." Symrise AG achieved the position of Status Sector Leader for Energy & Materials in the Germany, Austria and Switzerland region with a score of 100A in the 2015 climate change report. This demonstrates that, compared to other companies in the industry, Symrise shows a high level of transparency in connection with its performance regarding climate protection measures.

Opportunities and Risk Report

PRINCIPLES

The Symrise Group's business activities offer a range of opportunities and, at the same time, are continually exposed to a number of risks. Opportunities relate to future developments or events that could lead to business performance exceeding the company's set forecasts or goals. Accordingly, risks relate to future developments or events that could lead to business performance that does not meet the company's forecasts or goals. Seizing opportunities, as well as recognizing and avoiding risks at an early stage, continues to be of key importance for the further development of Symrise in view of the increased size and complexity stemming from the acquisitions of the past years. In taking advantage of opportunities, it is important that an acceptable risk profile is maintained. By means of appropriate guidelines, we ensure that risk assessments are taken into account in the Executive Board's decision-making processes from the very beginning. Symrise uses its own guidelines and models to regulate the processes of risk management and provide employees with a firm foundation for dealing with risks.

As part of our risk management, Group companies periodically assess their risks. The risk report documents these risks accordingly and includes their evaluation, probability of occurrence and the measures taken to reduce or eliminate risk. To minimize the financial effects of remaining risks, we acquire insurance if this is deemed economically sensible.

The effectiveness of implemented measures is checked as part of corporate internal audits.

The following describes the opportunities and risks that could have a material impact on the Symrise Group's net assets, financial position and results of operations in greater detail. If no segment is explicitly highlighted, the reporting of opportunities and risks applies to both segments equally.

OPPORTUNITIES MANAGEMENT

The Symrise corporate culture attaches importance to entrepreneurial thinking and acting. We value a high degree of responsibility in our employees. Therefore, in addition to the Executive Board, we encourage all Symrise employees, regardless of their area and scope of responsibility, to continuously seek and take advantage of opportunities. Group companies are urged to identify opportunities on an operative level which, for example, arise within the framework of operational activities or due to improved market conditions, and to realize these opportunities with the aim of achieving results that go beyond the scope of planning. Strategic opportunities are recorded in the two segments and in the Corporate Center. They are evaluated and plans are made to take advantage of them. Symrise's Executive Board is also responsible for discussing strategic opportunities on a regular basis. The risk management system that was established across the Symrise Group a few years ago is currently being expanded into a risk and rewards management system. This will result in the opportunities already being observed and integrated into strategic actions in the various segments of the Group being systematically analyzed with the company's risks. The taking advantage of and reporting on opportunities benefit the network of officials within the Group who have already been reporting the opportunities and risks in their segments for years as part of the opportunities and risk management system.

OPPORTUNITY REPORT

Opportunities for Symrise arise from various factors. Employees from every Group company can, for instance, submit suggestions within the scope of ideas management, which includes TPM (Total Productive Maintenance), that aim to improve work processes and procedures. Opportunities for generating additional orders arise from the know-how transfer between all divisions. An example of this is a Group-wide project database in which all activities are documented and tracked. As a result, points of contact can be created easily and advantages from synergies clearly recognized.

Developments in the company's business environment that are particularly attributable to social and economic changes open up numerous strategic opportunities. In developed nations, there is a trend toward healthier and more conscious nutrition habits, due, among other things, to the increasing life expectancies in these countries. End consumers' personal care requirements are also constantly growing. As a basic principle, a company has to continually provide its customers with innovative products in order to be competitive. Symrise positions itself accordingly with new divisions and business units, for example. Intensive market research and comprehensive R&D activities are the basis for Symrise's own developments for improving existing products or introducing new ones. In emerging and developing countries, there is mounting demand for products containing Symrise flavorings and fragrances. To take advantage of these opportunities, we are continuously expanding activities in these countries.

Similar to earnings, the cost side of the companies in the Symrise Group also contains potential savings opportunities that the companies already know about but have yet to completely materialize within the Group's budgets and plans. Further cost advantages could arise from the consolidation of markets and products as well as the further optimization of manufacturing, storage and delivery methods.

In individual cases where the respective risks are more than fully compensated for, established measures for controlling risk can also lead to possible revenue not currently provided for in the budget due to commercial prudence. Even measures against the risk of losing business can contain opportunities. The business plans for the various Symrise Group companies reflect the possibility of losing business with key customers. The business plans also contain new business to compensate for such losses. If the expected losses do not occur, the new business is an opportunity that goes beyond the originally planned volumes.

Strategic opportunities also arise from the acquisition and integration of Diana and Pinova Holdings, Inc., and the development of new, more attractive business units from the cooperation with Probi AB. To strategically broaden our expertise, we are continually looking for suitable partners. We also see opportunities arising from cooperative ventures with universities and companies. Bundling expertise can, for example, speed up product development and generate innovative products.

RISK MANAGEMENT

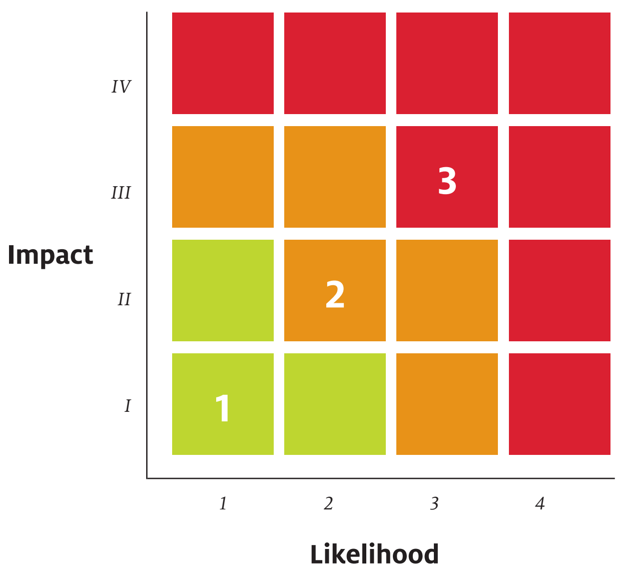
The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and business units.

The Group-wide coordination of risk assessment occurs in the Corporate Center within the Risk Management department. Risk reports are drawn up for the individual companies and are then compiled into a current overview of the risk situation at the Group level. This Group risk report is submitted and presented to the Executive Board and Supervisory Board of Symrise AG twice a year. There, potential risks are identified and classified according to their effect on profit (net method) as well as the probability of their occurrence.

Two aspects are used to determine whether a risk should be considered “low,” “medium” or “high”: on the one hand, the classification of all individual risks for each company in terms of their effect on the sales or “impact” (“low,” “medium,” “high” or “very high”) and, on the other, the probability of their occurrence or “likelihood” (also “low,” “medium,” “high” or “very high”). The classes for “impact” break down as follows: An effect of less than 10 % of the reporting unit’s annual sales is classified as “low,” 10 to less than 20 % of sales as “medium,” 20 to less than 40 % of sales as “high” and from 40 % of sales as “very high.” Similarly, their “likelihood” is classified as “low” if its probability of occurrence is determined to be between 0 and 24 %, “medium” if it is between 25 and 49 %, “high” if it is between 50 and 74 % and “very high” if it is 75 % or higher.

The chart shows how risks are finally classified (either as “low,” “medium” or “high”) depending on their “impact” and “likelihood.” For example, the risk represented in **field 1** would receive an overall classification of “low” as its impact is below 10 % of sales and its likelihood below the 25 % threshold. A risk in **field 2** would receive a “medium” classification as it has an impact between 10 and 20 % of sales and a likelihood between 25 and 49 %. However, a risk in **field 3** would receive a “high” classification as it has an impact between 20 and 40 % of sales and a likelihood between 50 and 74 %. The chart testifies of a high risk awareness and commercial prudence with the greatest number of fields being designated as high risks. Only 1.6 % of the risks from across the Group listed in the current risk report are classified as “high” risks at the level of the individual company, and only 7.7 % are classified as “medium” at the level of the individual company.

Alongside the purely mathematical classification, identified risks are also classified qualitatively according to their risk type as well as by business unit and activities affected. Furthermore, suitable measures for minimizing or eliminating risk are presented. As a result, the risk report also forms the basis for managing risks, which is also examined by the Group’s Corporate Internal Audit. Additionally, the risk assessment is compared with the company’s strategy and the goals it derived from that strategy. The Executive Board informs the Supervisory Board or the auditing committee of the Supervisory Board and decides on additional measures for handling risks. Reporting thresholds for risks are oriented toward the financial effects on Group companies as well as the probability of



Impact

I	– low	< 10 % of sales
II	– medium	10 – < 20 % of sales
III	– high	20 – < 40 % of sales
IV	– very high	from 40 % of sales

Likelihood

1	– low	0 to 24 %
2	– medium	25 to 49 %
3	– high	50 to 74 %
4	– very high	75 to 100 %

the risk occurring. If a risk exceeds a certain reporting threshold, the Executive Board is informed immediately. These are risks that appear suddenly and have at least a medium to high probability of negatively impacting a Group company's earnings by at least € 5 million or its annual sales by at least 20 %. Similarly, a "hazard alert" is declared, for example, if a legal risk or compliance risk is discovered that was not previously contained in the regular risk reports submitted to Symrise AG's Executive Board.

RISK REPORT

BUSINESS ENVIRONMENT AND INDUSTRY RISKS

Fierce competition continues in the industries served by Symrise. Accordingly, it remains probable that the trend toward consolidation in the customers for Symrise products will continue. As a result, there is the risk that Symrise could lose customers and thus market shares. We react to this, in particular, with increased marketing of the innovations and products from our divisions that offer added benefits compared to competitors' products. Risks resulting from consolidations at the level of our suppliers exist inasmuch as the loss of a supplier's business can have a negative impact on our relations with customers. Symrise is exposed to political risks in the form of trade embargoes in certain countries from which raw materials are obtained and/or to which products are exported. Obstacles to trade can only partially be compensated for by turning to other regions. In certain countries, the possible risk of politically related default is continually observed. A dialogue with banks and customers serves to limit this risk. Political risks that arise in export countries, which mainly relate to losses of receivables, are countered through corresponding financial controls. Political unrest in countries and regions in which Symrise operates is observed very closely, particularly to protect the safety of the staff. Nevertheless, a temporary loss of production and thus sales can occur in unfavorable cases.

CORPORATE STRATEGIC RISKS

Corporate strategic risks can result, for example, from acquisitions. The acquisitions made in the last few years have contributed to the Group's growth and all are now integrated. Acquisitions are also inherently liable to risks as, in the course of the integration process, there is the threat of business interruptions or a loss of knowledge and resources due to employees leaving the company. We counter these risks by means of a clearly defined integration process and corresponding responsibilities. Negative consequences for the company's development could result from inaccurate assessments regarding growth, profitability, supply security of raw materials and the product portfolio. The breakdown of raw material deliveries, particularly the loss of exclusive suppliers or a reduction of raw material supplies stemming from natural disasters, generally represent a high risk. In the case of a lacking ability to market new products, development expenditure is not offset by adequate income. Intensive market research is carried out to guarantee that our products remain marketable.

Strategic risks also include possible removal from the core lists of our important customers and the danger of not being put on such a list against our expectations. We counter these risks by maintaining close contact with our customers. Further central factors for remaining or being included on core lists are pricing, reliable delivery, innovative strength and product quality. In these areas, we continually strive to be among the best companies in the industry and to remain known in the industry for an outstanding level of quality.

ECONOMIC PERFORMANCE RISKS

Product risks: The fragrances, flavorings and additives from Symrise are normally processed in products that end consumers consume as food or apply to their skin or hair. Therefore, there is a fundamental risk that our products can have a negative effect on consumers' health. To minimize this risk, the products are continually tested as part of our quality management on the basis of scientific research as well as on international standards and internal safety regulations.

Changes in a customer's technology can result in a situation where individual products can no longer be offered to this customer. Symrise has a diversified customer portfolio to reduce this risk. Patent violations by competitors also pose a risk to our products. This is countered by means of adequate patent management.

Procurement risks: The purchase of raw materials, intermediate products, manufacturing plants and services is continuously exposed to the risk of unplanned price development, fluctuating quality or insufficient availability. While purchase prices can rise, particularly due to more expensive raw materials or unfavorable exchange rates, the availability of goods and services can also partially depend on legal regulations. The main suppliers of Symrise are bound by long-term basic agreements. Procurement alternatives are also developed, in part together with important suppliers, to minimize the risk of not meeting the latest technological, market or legal requirements. Furthermore, suppliers' creditworthiness is continuously examined. Finally, the initiatives in the area of backward integration help stabilize and reduce risk associated with raw material supply. Our suppliers are bound to constantly upholding Symrise's Code of Conduct. It is expected that the high ethical requirements that Symrise has imposed upon itself, which are aimed at increasing business success while taking into account available resources, all employees and society, will be respected.

Risks regarding product safety, health, occupational safety and the environment as well as the integrity of our main suppliers are regularly assessed based on internationally recognized standards. The number of suppliers that are evaluated as part of this risk profile is continually being expanded. Supplier audits are also performed, and the business relationship is terminated if this seems necessary for reducing corresponding risk.

Operating risks: Technical disturbances can interrupt the Group's continuous operations and lead to a loss of revenue and corresponding income. The causes thereof can lie in the safety of the energy supply, of the equipment and processes, in fire safety, in the quality and safety of materials and in their correct classification as well as the qualifications of the operational personnel. In addition, increasing demands and new country-specific labor regulations and environmental regulations as well as natural disasters can lead to interruptions in operations. We reduce such risks through maintenance, investments, occupational health, insurance and corresponding guidelines, instructions and training courses. Changes in country-specific environmental regulations can result in fines or the temporary closure of production sites. For this reason, we continuously observe regulatory developments in the countries in which Symrise operates. Interruptions in operations can also arise due to errors in the course of operations, for example, due to foreign bodies that are contained in raw materials or that are introduced into intermediate or end products during processing, as well as due to incidents resulting from the usage of work equipment. Symrise minimizes these kinds of risks through appropriate guidelines (for example, foreign body policy), robust procedures (Total Productive Maintenance), training courses, emergency plans, alternative production sites, exchange on best practices and continuous improvements to operational processes.

FINANCIAL RISKS

Credit risk: The risk of default arises if a customer or contract partner fails to meet its financial obligations and this results in a financial loss for Symrise. These represent less than 2 % of the overall risks Group-wide. To minimize this risk, the creditworthiness of new customers is analyzed. In addition, every year both the creditworthiness and the supply conditions of all customers are examined. Apart from this method of risk prevention, Symrise introduced an procedure for valuation allowances for receivables. This valuation allowance consists of an individual write-down and a general allowance component. Symrise tries to limit the risk of nonpayment due to bank boycott by engaging in continuous dialogue with banks and customers. Symrise manages financial crises in export countries with corresponding financial controls.

Liquidity risk: Liquidity risk describes the danger of Symrise not being in a position to fulfill financial obligations to third parties. In the case of a deterioration in business development, there is the additional risk of not fulfilling obligations for existing credit covenants. Symrise carries out continuous liquidity planning in order to recognize liquidity shortfalls early on. Parallel to this, the company possesses sufficient credit lines to cover payment claims. The company's development is continuously monitored and corresponding contingency plans to avoid liquidity problems exist. With these plans, we ensure that we have sufficient means to fulfill our payment obligations as they become due, even under difficult conditions. We do not currently see a refinancing risk.

Interest and currency risks: Currency risks exist in economic areas where Symrise sells its products on a foreign-currency basis (US dollars, for example) but when at least some of these products were produced in a different currency area (the eurozone, for example). A fluctuation in the value of the US dollar can result in corresponding changes to our material prices. Symrise counters this risk by negotiating corridors in its contracts. These corridors can be renegotiated later outside these parameters. Symrise also often purchases raw materials in euros. The remaining currency risk was reduced in 2015 through currency forward contracts.

The following currency forward contracts existed as of the reporting date with nominal values of:

- USD 27.0 million (December 31, 2014: USD 21.1 million) for hedging EUR/USD
- USD 9.0 million (December 31, 2014: USD 7.5 million) for hedging USD/JPY
- USD 2.1 million (December 31, 2014: USD 0.9 million) for hedging USD/INR
- USD 3.5 million (December 31, 2014: USD 5.7 million) for hedging SGD/USD
- USD 2.2 million (December 31, 2014: USD 1.6 million) for hedging USD/AUD
- GBP 0.0 million (December 31, 2014: GBP 0.05 million) for hedging EUR/GBP.

In order to avoid fluctuations in the financial result due to changes in measurement, the currency transactions were classified as cash flow hedges in terms of hedge accounting.

Interest risks arise because rising interest rates can increase interest expenditure contrary to planning and thus have an adverse effect on the Group's result of operations. Symrise kept this risk low within the framework of financing for Pinova Holdings, Inc., with approximately 83 % of the bonds having fixed interest rates and utilizing the favorable interest rate environment. Overall, the ratio of fixed-rate debt amounted to 86 % of overall debt as of December 31, 2015. Symrise counters the remaining risk stemming from changing interest rates by means of contracted interest hedges.

Tax risk: Symrise is also exposed to tax risk. Due to structural changes at our worldwide sites, the local financial authorities have in some cases not been able to examine certain income tax-related matters to date and subsequently provide an overall assessment. In some cases, we made provisions for these risks in preparation for additional tax obligations. On the whole, we feel that the necessary precautions have been taken for all tax risks we are aware of.

PERSONNEL RISKS

Symrise counters personnel risks, which arise fundamentally from turnover of personnel in key positions, by means of suitable incentive systems, continuing professional development and programs advancing junior employees as well as a targeted succession planning.

Personnel risks are generally summed up in employees' potential to leave the company and the corresponding loss of competence as well as possible noncompliance with company guidelines, legal requirements or agreements made with employee representatives. Compliance with local laws and company guidelines is ensured via internal audits. Further, compliance with these requirements, which are based on international standards, is checked at regular intervals by external auditors. The initial training of new employees, together with later training sessions, ensures that every employee observes corporate guidelines such as the Code of Conduct. Career development opportunities and regular succession planning help prevent the loss of personnel, particularly in key positions. The constant contact with employee representatives also helps to avoid strikes and the related interruptions to operations.

LEGAL RISKS

Currently, the Group considers legal risks to be only relatively minor. These risks typically result from the areas of product liability, warranty claims and environmental law. To counter these risks in an appropriate way and early on, we analyze potential risks comprehensively by incorporating our legal department and, if necessary, by engaging external specialists. Despite these measures, the outcome of current or future legal proceedings cannot be predicted with certainty. At present, only a few Group companies are affected by ongoing legal proceedings. Therefore, we will only make reference to one type of legal procedure here: In the USA, the Group company Symrise Inc., along with many other companies, has been accused of selling flavors which, when industrially processed, can release harmful vapors if safety instructions are not adhered to. In none of these proceedings has a concrete monetary claim been made so far. Symrise believes that it can continue to rebut these legal accusations. Furthermore, it is not expected that the results of the individual proceedings will have a significant effect on the consolidated earnings.

COMPLIANCE RISKS

Risks of this category describe the lack of congruence between processes and the applicable agreements and regulating, particularly legal, guidelines. Here the focus is on risks relating to product compliance, such as a possible violation of the European chemical regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals). Risks relating to product compliance account for 33 % of the value of all compliance risks. The establishment of the Group's REACH organization and the associated monitoring systems serve to minimize this risk.

For years, the company has been operating an Integrity Hotline that allows employees to anonymously report employee misconduct to the Compliance Office via telephone or over the internet. All incoming reports are evaluated. When necessary, measures are taken which, in the most serious cases, can result in a termination of employment.

IT RISKS

IT risks arise from damage to the Group stemming from data misuse and potential interruptions in the exchange and processing of data, which can lead to an interruption of operational processes. Symrise maintains a number of IT and telecommunications systems whose data and programs are saved and further developed on different storage media. Established protective measures are continuously updated and extended to guarantee the security of IT processes and data. Despite these protective measures, there is still a remaining risk, however, that attacks on our data network from authorities or other third parties go unnoticed.

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

In comparison to other sectors of industry and companies, Symrise's business model and that of the companies acquired in the past fiscal years, have an above-average potential for opportunities thanks in part to the increase in private consumption and wealth across the globe. Many products serve to fulfill various basic human needs and desires, such as "health" and "youthful appearance," which exist in every part of the world. The dynamic growth and high profitability of Symrise show that these opportunities have been successfully taken advantage of. We will continue to follow this strategy in the future.

All relevant risks and rewards are uniformly evaluated across the Group from a quantitative and qualitative perspective in the dimensions of their degree of the impact on business operations, the Group's financial position and results of operations and their probability of occurrence.

The evaluation and the handling of the risks are performed at the level of the individual company, as this corresponds to the decentralized business and management model of the Symrise Group. For the Group risk assessment, we have aggregated risks at the level of the respective categories and assigned the following amounts (for their respective impact on result after income taxes) to the qualifications "low," "medium" and "high":

- "Low" corresponds to an amount up to € 20 million
- "Medium" corresponds to an amount between € 20 million and € 100 million
- "High" corresponds to an amount greater than € 100 million

These bandwidths are to be understood as the product and sales impact, probability of occurrence and EBITDA margin of risks, which corresponds to the methods described in the Risk Management section with respect to risks at the level of the individual companies.

The following risk profile for the Symrise Group in 2015 was established from the existing risk report and according to the methodology described:

Risk profile	Group risk classification
Business environment and industry risks	**Low**
Corporate strategic risks	**Low**
Economic performance risks	**Low**
Product risks	Low
Procurement risks	Low
Operating risks	Low
Financial risks	**Low**
Credit risk	Low
Liquidity risk	Low
Interest and currency risks	Low
Tax risk	Low
Personnel risks	**Low**
Legal risks	**Low**
Compliance Risks	**Low**
IT risks	**Low**

Based on the information currently available, we see no risk that could pose a threat to the continued existence of the company. Since the existing risk reporting and the Integrated Management System were supplemented by a system of integrated internal controls and effectiveness checks, the company expects to continue to meet all requirements in the future business environment and in view of changing legal regulations.

Essential Features of the Accounting-Related Internal Control and Risk Management System

MAIN FEATURES AND OBJECTIVES

In accordance with the German Accounting Law Modernization Act (BilMoG), capital market-oriented corporations are obliged to describe the essential features of their internal accounting-related control and risk management system in the management report section of the annual report.

The accounting-related internal control system (ICS) guarantees proper and reliable financial reporting. By means of the accounting-related risk management system, measures are taken to identify and evaluate risks in order to ensure the preparation of consolidated financial statements in accordance with the regulations. The system consists of documenting possible risks, the accompanying processes and the control of these processes, and of examining these processes and controls. Opportunities are also documented within the framework of corporate planning. To guarantee that the ICS is effective, the Group-wide control mechanisms are analyzed at the level of the individual companies and the Group for suitability and functionality. Here, the Corporate Internal Audit department examines how effectively those responsible adhered to the planned control mechanisms at both the decentralized and centralized level. The efficiency of the ICS can be limited by unforeseen changes in the control environment, criminal activities or human error.

To define existing control processes in the company and to expand them where necessary, Symrise has established a process to support documentation and analysis within the scope of self-assessment measures in the Group's business units and companies. The principles for the accounting-related internal control system and the risk management system define requirements, document the process landscape and business processes, and regulate controls to be carried out. Additionally, employee training courses and collegial exchange help ensure that measures can be constantly adjusted to the changing risk environment.

ORGANIZATION AND PROCESS

The ICS in the Symrise Group comprises both centralized and decentralized areas of the company. It is geared to ISO 31000 and based on the COSO II Framework. Based on reports issued by the Group's units and companies, an aggregate Group risk report is presented to the Executive Board regularly. The Executive Board discusses the efficacy of the ICS with the Supervisory Board or with the Auditing Committee of the Supervisory Board, as appropriate.

The ICS is monitored regularly with respect to the up-to-dateness of documentation and the suitability and functionality of controls. Further, any weaknesses in the control system are identified and evaluated.

- **Accounting-related risk management:** Using a risk-oriented approach, the companies and processes which are essential for accounting are first of all identified. On the basis of the results, specific minimum requirements and objectives are defined to counteract the risks of financial reporting. The result is a centralized risk catalog that relates to financial reporting and that is simultaneously the basis of work for employees involved in financial reporting.

- **Accounting-related internal control system:** First, existing control activities in the essential companies are documented and updated. The controls defined by the accounting-related ICS should guarantee adherence to Group accounting guidelines, the accounting guidelines of the individual companies as well as the procedures and schedules of the individual accounting processes. The control mechanisms are regularly analyzed for their effectiveness in preventing risks through the use of random sampling by Corporate Internal Audit, among other things. Whenever weaknesses have been documented, the potential risks for the consolidated financial statements stemming from the reports from the Group's units and companies are evaluated. In another step, the individual risks are consolidated at the company level. The risks and their corresponding effects on financial reporting are reported to the Executive Board. These reports form the basis for reporting vis-à-vis the Supervisory Board's Auditing Committee. If control weaknesses are determined, measures for improvement are developed. The efficacy of the new control methods is then analyzed in the next examination cycle.

Subsequent Report

Symrise announced its acquisition of **Pinova Holdings, Inc.**, with locations in Brunswick, Colonel's Island (Georgia, USA) and Jacksonville (Florida, USA), in September 2015. The transaction volume was USD 416 million. Pinova Holdings, Inc., is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products. With the acquisition, Symrise is further expanding its range of raw materials in fragrances and thus particularly strengthening its competitive position in the creation of perfume compositions. The company is also expanding forward integration in menthols through cooling substances, which are increasingly used in combination with menthol-based products. In the 2015 fiscal year, Pinova Holdings, Inc., generated sales of USD 273 million. The transaction was closed as anticipated on January 7, 2016. Symrise is targeting a quick integration of Pinova Holdings, Inc., to take advantage of the expected synergies as soon as possible.

In November 2015, Diana Naturals SAS, France, finalized a purchase contract for the acquisition of 60 % of the shares in Scelta Umami Holding BV, which is the parent company of the operating company Scelta Umami BV. Both are located in the Netherlands. The transaction was completed on January 6, 2016. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio for the Flavor & Nutrition segment. In the 2015 fiscal year, Scelta Umami generated sales of € 4.1 million. The purchase price amounts to USD 8.2 million.

General Statement on the Company's Economic Situation

The Executive Board regards the Symrise Group's economic situation as positive. In 2015, the Group managed to once again substantially increase its sales and profitability. The company's financing is secured for the medium term. This holds true even when accounting for the most recent acquisition – the US-based company Pinova Holdings, Inc., in January 2016. Pending the passing of the resolution at the Annual General Meeting, Symrise AG shareholders will participate in the company's success by receiving a higher dividend than in the previous year.

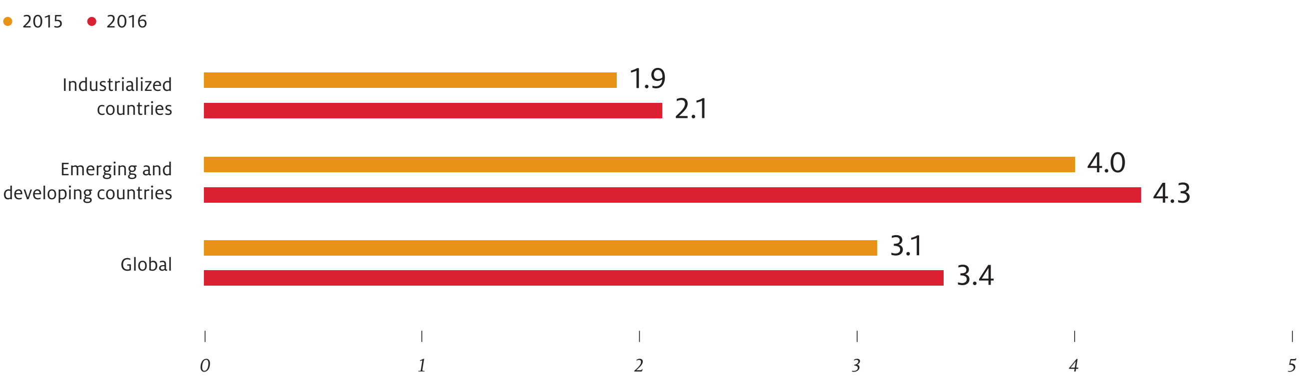
Outlook

FUTURE GENERAL CONDITIONS

The future development of the world economy in 2016 is not expected to have a major positive or negative effect on Symrise's business performance. The IMF forecasts a growth of 3.4 % in global economic output for the current year – only slightly higher than that of the previous year (3.1 %). It expects a continued slowdown in China's growth to 6.3 %, which will likely have some impact on those engaging in trade with Asia's largest economy. In the USA, economic growth is expected to only slightly improve at 2.6 %. Subdued growth is also expected for the eurozone, with economic output expected to rise only 1.7 % for the year. Furthermore, the global economic environment is currently fraught with risk:

Numerous political crises remain unsolved. For instance, the eurozone continues to face challenges stemming from the ongoing debt problems of some countries. The full extent of the refugee crisis also remains a major question mark. Persisting low oil prices could lead to upheavals in the global economy.

GDP DEVELOPMENT 2015/2016, *in %*



Source: IMF

The AFF market relevant for Symrise reached a volume of € 22.3 billion in 2015. Of this amount, the submarket for flavorings and fragrances accounts for about € 17.1 billion according to the most recent estimates by IAL Consultants (9th edition, Nov. 2014) while, according to the latest reports from TechNavio/Infiniti and Global Industry, the submarket for aroma chemicals and cosmetic ingredients accounts for about € 5.2 billion. Symrise's long-term estimate is for an annual, average growth rate of about 2–3 % for the submarkets for flavorings and fragrances. Despite the somewhat declining economic output of some countries in South America, this region will post the strongest increase in demand for flavors and fragrances according to our own estimates, followed by North America, Europe and Asia. For the 2016 fiscal year, Symrise expects fairly subdued fluctuations in raw material costs. The environments of the individual raw materials points to some very diverse developments. Symrise raw materials can be broken down into natural, agriculture-based raw materials and petro-based raw materials. The Group expects a slight increase in cost for natural raw materials, due to the increasing demand and some smaller than expected harvests. On the other side of the picture, the low oil price is causing lower prices for synthetic raw materials. The company's strategic focus is on natural and renewable raw materials. The acquisition of Pinova Holdings, Inc., contributes to this focus and represents another milestone in the expansion of our own raw materials basis. For menthols, Symrise relies on its leading market position and long-term supplier loyalty with multinational brand manufacturers.

For the 2016 fiscal year, a moderate development in energy costs is to be expected. The reasons for this are the oil price that has been falling for the past two years. This trend is likely to stabilize in 2016. With energy prices, the lower procurement prices on the EEX energy exchange are countered by an increasing EEG tax. Therefore, no relief is expected. Symrise aims to positively influence the company's energy costs with a combination of various measures for procuring electricity and a robust energy management system. This includes the start of operations for a new power plant at the Holzminden site in mid-2016. With its cogeneration capabilities, the power plant allows Symrise to cover a good portion of its own energy needs. We are also converting to renewable energy sources, which also drastically reduces our CO_2 emissions.

FUTURE CORPORATE DEVELOPMENT

For 2016, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market for fragrances and flavors. According to our own estimates and corporate data, the AFF market is expected to grow by 2 to 3 % worldwide in the current year. Both segments, Scent & Care and Flavor & Nutrition, continue to expect sales growth at local currency notably above the market rate.

The strict cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives to reduce complexity and the development of innovative, sustainable products and technologies. Assuming that raw materials prices remain at the level of 2015 and exchange rates do not change significantly from 2015, the company once again anticipates an EBITDA margin of about 20 % for both segments in 2016. The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be around 3.0 in 2016, above all due to the acquisition of Pinova Holdings, Inc., In the medium-term, the company is aiming for a return to the debt range of 2.0 to 2.5.

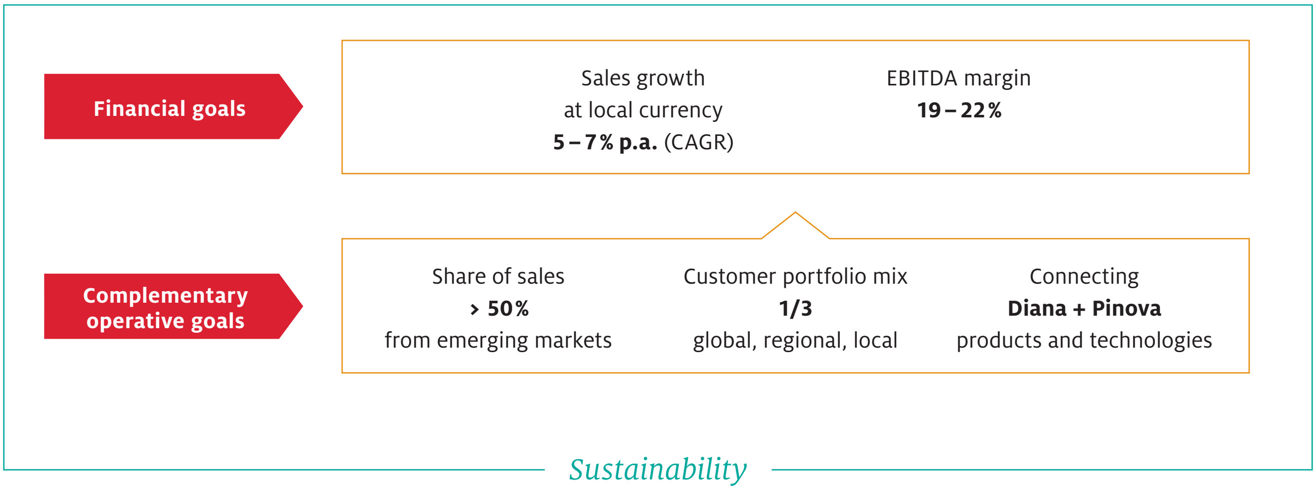
The company will continue its earnings-oriented dividend policy and give its shareholders an appropriate share in the company's success.

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

The Executive Board at Symrise AG sees the company as being optimally positioned to continue developing in every division and growth region. A proven strategy will be used to achieve the goals set. The three pillars of our strategy remain unchanged. They stand for the continued improvement of our competitive position and the sustainable expansion of our business:

- **Growth:** Close cooperation with select customers, particularly as a way to further expand the share of sales in emerging markets
- **Efficiency:** The continuous improvement of processes and the expansion of backward integration with renewable raw materials

LONG-TERM GOALS 2020



- **Portfolio:** Tapping into new markets and market segments beyond flavors and fragrances with support from the competencies added through the Diana Group and Pinova Holdings, Inc.

At the start of 2016, Symrise acquired new competencies and products that will substantially enhance its competitive position in the creation of perfume compositions through its acquisition of Pinova Holdings, Inc. Symrise aims to grow primarily organically, however. Where it is sensible and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers and ensure that it can obtain sustainable, renewable raw materials.

Remuneration Report

The remuneration report explains the guidelines applicable for setting total remuneration for the Executive Board members and describes the structure and amount of the Executive Board members' remuneration. Furthermore, the guidelines and amounts of the remuneration for the Supervisory Board members are also described.

REMUNERATION OF THE EXECUTIVE BOARD

Pursuant to the Appropriateness of Executive Board Remuneration Act (VorstAG) and according to Section 1 (3) of the rules of procedure of the Supervisory Board of Symrise AG, the full Supervisory Board meeting advises and determines the remuneration system for the Executive Board and regularly monitors its implementation. It does this upon request of the Personnel Committee. The current remuneration system was last approved by a majority of the shareholders at the 2015 Annual General Meeting. It fulfills all of the recommendations of the German Corporate Governance Code in its version from May 5, 2015.

The system and amount of the Executive Board's remuneration are regularly reviewed by the Supervisory Board. The last review was performed in the Supervisory Board meeting from December 2014, where the adjustments effective as of January 1, 2015, were defined.

APPROPRIATENESS OF EXECUTIVE BOARD REMUNERATION

The appropriateness of the remuneration depends upon the responsibilities and personal achievements of the individual Executive Board member as well as the economic situation and market environment of the company as a whole. Further, the customary level of remuneration at peer companies and the internal Symrise remuneration structure are also considered. The Supervisory Board is of the opinion that remuneration for Executive Board members should be appropriate and that their set goals should be ambitious.

The average remuneration of an Executive Board member, consisting of the fixed remuneration, an annual variable component and a long-term variable component, corresponds to approximately 26 times the average remuneration of Symrise employees in Germany and around 28 times that of Symrise employees worldwide.

For the variable remuneration, the goals and criteria for assessing goal attainment are in general more ambitious for Executive Board members than those applied to other managers. For instance, the bonus payment is completely voided if less than 85 % of the set goal is achieved (threshold). For managers, this threshold is set at 60 %.

In addition, Executive Board members generally have to supply their pension from their own wages in the form of deferred compensation. A company contribution is not offered, due to their membership in the Executive Board.

The total remuneration of the members of the Executive Board comprises a fixed annual salary (fixed remuneration) and supplementary payments (fringe benefits), an annual variable component, a multi-year remuneration program (Long Term Incentive Plan/LTIP) and a company pension in the form of deferred compensation.

FIXED REMUNERATION AND SUPPLEMENTARY PAYMENTS

Every Executive Board member receives their annual fixed remuneration in equal monthly payments. Supplementary payments mainly contain fringe benefits in the form of non-monetary benefits from the use of a company car and payments for insurance such as a group insurance.

ANNUAL VARIABLE REMUNERATION (BONUS)

The annual variable remuneration is comprised of an annual bonus that is dependent upon the company's success in the past fiscal year, specifically the attainment of certain financial goals (EBITDA, EPS) as well as a qualitative corporate goal. The annual variable remuneration is limited by a cap and can only reach a maximum of 150 % of the contractually agreed annual bonus. If the threshold of 85 % for a specific goal is not attained, the entire variable component for that goal is not paid out.

The goals for the annual variable remuneration were set by the Supervisory Board at the beginning of the 2015 calendar year. Corresponding goals are also applied to the levels below the Executive Board along with other goals. This ensures the consistent pursuit of corporate goals within the company. The annual variable remuneration for the 2015 calendar year will be paid out in the following year (2016) dependent on the degree of attainment on the basis of the approved financial statements for 2015.

MULTI-YEAR VARIABLE REMUNERATION (LONG TERM INCENTIVE PLAN)

Multi-year remuneration (Long Term Incentive Plan/LTIP) is a revolving variable cash remuneration based on the long-term success of the company and is dependent upon the attainment of the goals subsequently listed over a period of three years.

Regarding the incentive plans for 2013–2015, 2014–2016 and 2015–2017, performance is measured via a share-based index composed of listed companies in the fragrance and flavor industry as well as supplier companies in the food and cosmetics industry. The key indicator for measuring performance within the index peer group is the share price development plus dividends or other payments (total investor return). Symrise's development compared to the companies in the index is represented in the form of a percentile ranking. In order to ensure the best possible objectivity and transparency, the composition of the index and the determination of the percentile ranking is performed by an external consulting firm (Obermatt, Zurich).

For all three current incentive plans, a bonus will only be paid (threshold) if Symrise performs better than 50 % of the peer companies (at least a 50th percentile rank) over three performance years. If this threshold is not met, the bonus is forgone without replacement or substitution. 100 % goal attainment (target amount) would correspond to a 60th percentile rank.

If the Symrise share performs better than all of the companies represented in the index, meaning that Symrise had a 100th percentile rank for each of the three years, this would be rewarded with a doubling of the 100 % goal attainment bonus. In this sense, there is a cap of 200 %.

For Dr. Heinz-Jürgen Bertram, the multi-year variable remuneration of € 665,000 would be awarded for 100 % attainment of targets. The bonuses would amount to € 455,000 each for Mr. Achim Daub and Mr. Bernd Hirsch.

If an Executive Board member leaves the company at their own request before the performance period has ended, the member has no entitlement to the ongoing Long Term Incentive programs, nor an entitlement to a pro rata payout. This provision was used in 2015 for determining the provision expenses for Bernd Hirsch who left as of December 31, 2015.

For the LTIP programs 2013–2015, 2014–2016 and 2015–2017, provisions were made as of the reporting date amounting to € 1,342,146 (previous year: € 1,291,000) (2015 expense: € 798,146) for Dr. Bertram, € 790,648 (previous year: € 738,022) (2015 expense: € 479,661) for Mr. Daub, and € 361,293 (previous year: € 738,022) (2015 expense: € 50,307) for Mr. Hirsch.

The remuneration received by the Executive Board members Dr. Bertram, Mr. Daub and Mr. Hirsch in the 2015 fiscal year correspond to those set by the resolution of the Supervisory Board on December 4, 2014. According to this, Dr. Bertram receives a fixed remuneration of € 665,000 as well as an annual bonus – for 100 % target attainment – of € 570,000. For Mr. Daub and Mr. Hirsch, the fixed remuneration amounts to € 455,000 and the annual bonus – for 100 % target attainment – is set at € 390,000. The remuneration of the Executive Board members is determined against the background of the tasks and performance of the Executive Board members in addition to the general economic situation and the development of Symrise. Further, the expanded business responsibilities stemming from the acquisition of the Diana Group were also considered.

INDIVIDUAL REMUNERATION IN ACCORDANCE WITH THE RECOMMENDATION FROM NO. 4.2.5 (3) OF THE GERMAN CORPORATE GOVERNANCE CODE

Table of Financial Contributions in the 2015 Fiscal Year
The following table of financial contributions in the 2015 fiscal year is based on the recommendations of the German Corporate Governance Code in its version from May 5, 2015. Here, values are provided for the minimum and maximum amount of remuneration that can be achieved.

ACTING EXECUTIVE BOARD MEMBERS IN THE 2015 FISCAL YEAR

	Dr. Heinz-Jürgen Bertram CEO since 2009				Achim Daub President Scent & Care Worldwide since 2006			
Financial Contributions € million	**FY 2014**	**FY 2015**	**FY 2015 (min)**	**FY 2015 (max)**	**FY 2014**	**FY 2015**	**FY 2015 (min)**	**FY 2015 (max)**
Fixed remunerations	600,000	665,000	665,000	665,000	400,000	455,000	455,000	455,000
Supplementary payments*	19,890	20,150	20,150	20,150	19,221	19,980	19,980	19,980
Total	**619,890**	**685,150**	**685,150**	**685,150**	**419,221**	**474,980**	**474,980**	**474,980**
Annual variable remuneration**	515,000	570,000	0	855,000	400,000	390,000	0	585,000
Multi-year variable remuneration (total)***	600,000	665,000	0	1,330,000	343,000	455,000	0	910,000
LTIP 2014 (covering 2014 to 2016)	600,000	–	–	–	343,000	–	–	–
LTIP 2015 (covering 2015 to 2017)	–	665,000	0	1,330,000	–	455,000	0	910,000
Total	**1,734,890**	**1,920,150**	**685,150**	**2,870,150**	**1,162,221**	**1,319,980**	**474,980**	**1,969,980**
Service costs****	24,173	33,903	33,903	33,903	0	0	0	0
Gesamtvergütung (DCGK)	**1,759,063**	**1,954,053**	**719,053**	**2,904,053**	**1,162,221**	**1,319,980**	**474,980**	**1,969,980**

	Bernd Hirsch CFO from 2009 to December 31, 2015			
Financial Contributions € million	**FY 2014**	**FY 2015**	**FY 2015 (min)**	**FY 2015 (max)**
Fixed remunerations	400,000	455,000	455,000	455,000
Supplementary payments*	20,740	21,000	21,000	21,000
Total	**420,740**	**476,000**	**476,000**	**476,000**
Annual variable remuneration**	400,000	390,000	0	585,000
Multi-year variable remuneration (total)***	343,000	455,000	0	910,000
LTIP 2014 (covering 2014 to 2016)	343,000	–	–	–
LTIP 2015 (covering 2015 to 2017)	–	455,000	0	910,000
Total	**1,163,740**	**1,321,000**	**476,000**	**1,971,000**
Service costs****	0	0	0	0
Total remuneration (DCGK)	**1,163,740**	**1,321,000**	**476,000**	**1,971,000**

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members.
** Annual variable remuneration contains the value for 100 % goal attainment. The “FY 2015 (max)” column shows the values for achieving the theoretical maximum bonus value of 150 %.
*** Multi-year variable remuneration contains the payments granted by the Supervisory Board in the respective fiscal year for 100 % goal attainment in the Long-Term Incentive Program. The “FY 2015 (max)” column shows the values for achieving the theoretical maximum bonus value of 200 %.
**** Service costs contain expenses pursuant to IAS 19 without interest expenses according to the recommendation of the German Corporate Governance Codex.

Table of Accrued Payments in the 2015 Fiscal Year

The following table shows the accrual of remuneration in or for the 2015 fiscal year. This is comprised of fixed remuneration, supplementary payments, annual variable remuneration and multi-year variable remuneration, differentiated according to the respective reference years, and service costs. Contrary to the table above, this table contains the actual value of multi-year variable remuneration earned from previous years and paid out in the 2015 fiscal year.

ACTING EXECUTIVE BOARD MEMBERS IN THE 2015 FISCAL YEAR AS WELL AS FORMER MEMBERS WITH ACCRUALS IN 2015

Accruals	Dr. Heinz-Jürgen Bertram CEO since 2009		Achim Daub President Scent & Care Worldwide since 2006	
€ million	**FY 2014**	**FY 2015**	**FY 2014**	**FY 2015**
Fixed remunerations	600,000	665,000	400,000	455,000
Supplementary payments*	19,890	20,150	19,221	19,980
Total	**619,890**	**685,150**	**419,221**	**474,980**
Annual variable remuneration**	538,742	594,681	421,560	397,098
Multi-year variable remuneration (total)***	763,000	632,000	436,182	361,293
LTIP 2012 (covering 2012 to 2014)	763,000	0	436,182	0
LTIP 2013 (covering 2013 to 2015)	0	632,000	0	361,293
LTIP 2014 (covering 2014 to 2016)	0	0	0	0
Total	**1,921,632**	**1,911,831**	**1,276,963**	**1,233,371**
Service costs****	24,173	33,903	0	0
Total remuneration (DCGK)	**1,945,805**	**1,945,734**	**1,276,963**	**1,233,371**

Accruals	Bernd Hirsch CFO from 2009 to December 31, 2015		Hans Holger Gliewe President Flavor & Nutrition Worldwide until December 31, 2014	
€ million	**FY 2014**	**FY 2015**	**FY 2014**	**FY 2015**
Fixed remunerations	400,000	455,000	400,000	0
Supplementary payments*	20,740	21,000	20,944	0
Total	**420,740**	**476,000**	**420,944**	**0**
Annual variable remuneration**	426,080	421,317	406,680	0
Multi-year variable remuneration (total)***	436,182	361,293	436,182	393,973
LTIP 2012 (covering 2012 to 2014)	436,182	0	436,182	0
LTIP 2013 (covering 2013 to 2015)	0	361,293	0	240,862
LTIP 2014 (covering 2014 to 2016)	0	0	0	153,111
Total	**1,283,002**	**1,258,610**	**1,263,806**	**393,973**
Service costs****	0	0	24,739	0
Total remuneration (DCGK)	**1,283,002**	**1,258,610**	**1,288,545**	**393,973**

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members.
** Annual variable remuneration contains the accruals for the bonus corresponding to the respective fiscal year.
*** Multi-year variable remuneration contains the accrued payments for the respective fiscal year from the respective Long-Term Incentive Program based on actual goal attainment.
**** Service costs contain expenses pursuant to IAS 19 without interest expenses according to the recommendation of the German Corporate Governance Codex.

DISCLOSURES PURSUANT TO SECTION 315A OF THE GERMAN COMMERCIAL CODE (HGB)

		Fixed components	Performance-based components		
€ million	Fixed remuneration	Supplementary payments*	Annual variable remuneration without long-term incentives**	Multi-year variable remuneration with long-term non-share-based incentives***	Total remuneration pursuant to Section 314 (1) no. 6a HGB
Dr. Heinz-Jürgen Bertram					
2015	**665,000**	**20,150**	**594,681**	**632,000**	**1,911,831**
2014	600,000	19,890	538,742	763,000	1,921,632
Achim Daub					
2015	**455,000**	**19,980**	**397,098**	**361,293**	**1,233,371**
2014	400,000	19,221	421,560	436,182	1,276,963
Bernd Hirsch					
2015	**455,000**	**21,000**	**421,317**	**361,293**	**1,258,610**
2014	400,000	20,740	426,080	436,182	1,283,002

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members.
** Annual variable remuneration includes bonus provisions for the current year and bonus payments from the previous year to the extent that these differ from the amount of the previous year.
*** Multi-year variable remuneration contains the provisions as of December 31, 2015, for the LTIP program 2013-2015 and as of December 31, 2014, for the LTIP program 2012-2014.

PENSIONS

Company-financed pensions are not granted by Symrise in new Executive Board member contracts. However, all members of the Executive Board have the possibility of accumulating deferred compensation benefits by converting their salaries. In 2015, Dr. Bertram and Mr. Hirsch made use of this option. There is no company contribution similar to the regulations applied to non-tariff employees and managers in connection with this “deferred compensation” arrangement.

In order to service future entitlements for the Executive Board members as part of a deferred compensation plan, Symrise made allocations to provisions for Dr. Bertram amounting to € 23,134 (previous year: € 384,310) and € 40,483 (previous year: € 355,170) for Mr. Hirsch based on actuarial computations in 2015.

Since his appointment to the Executive Board, Dr. Bertram has made use of the deferred compensation option for his pension. Due to his prior employment contract with Symrise, a pension commitment exists, which was also offered to all other employees of the former Haarmann & Reimer GmbH. For these benefit obligations, provisions of € 33,903 (previous year: € 24,173) (past service cost pursuant to IAS 19) were allocated for Dr. Bertram in the 2015 fiscal year.

As of December 31, 2015, the present value of the provisions for pensions amount to € 1,741,686 (previous year: € 1,746,739) for Dr. Bertram and € 719,490 (previous year: € 679,007) for Mr. Hirsch. No such provision exists for Mr. Daub.

CHANGE OF CONTROL

The employment contracts that form the basis for all of the current Executive Board appointments include identical commitments for payments in case of an early termination of the Executive Board position resulting from a change of control.

In the case of a change of control, all Executive Board members have the right to terminate their employment contract.

In the case of a change of control and a corresponding termination or early recall by the Supervisory Board, all Executive Board members are to receive compensation for the remaining terms of their contracts with severance equal to at least three years’ pay. The overall limit of payments to be made is set at 150 % of the severance payment cap for all Executive Board members according to the provisions of the German Corporate Governance Code of May 5, 2015 – in other words a maximum of three year’s remuneration including supplementary payments.

Further, all the Long Term Incentive Plans (LTIP) contain a special clause for the case of a change of control. If a member of the Executive Board is recalled as part of a change of control, this Executive Board member would receive all of the ongoing and not yet due multi-year variable remuneration paid out at the level of 100 % target attainment.

EARLY TERMINATION AND EXPIRATION OF EMPLOYMENT CONTRACTS

The members of the Executive Board do not receive any special remuneration upon expiration of their contracts and do not receive any severance pay. Moreover, no severance pay is paid out if the termination of an Executive Board contract is done consensually upon the request of the Executive Board member or an important reason for termination of employment exists for the company.

A post-employment non-compete provision can be agreed upon with all Executive Board members for twelve months. In such cases, the member concerned shall receive 50 % of his or her fixed remuneration for these twelve months as compensation.

D & O INSURANCE

While observing all legal requirements, Symrise AG took out a professional indemnity insurance (D & O insurance) for the members of the Executive Board with an appropriate deductible pursuant to Section 93 (2) sentence 3 of the German Stock Corporation Act.

REMUNERATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board have received an annual remuneration amounting to € 60,000 since the 2013 fiscal year. The Chairman of the Supervisory Board receives an additional annual remuneration amounting to € 60,000. The Vice Chairperson of the Supervisory Board and the Chairperson of the Auditing Committee both receive an additional annual remuneration of € 30,000 respectively.

Furthermore, the members of the Supervisory Board receive a stipend of € 1,000 for their participation in Supervisory Board sessions and those of its committees. This is, however, limited to a maximum of € 1,500 per calendar day. Supervisory Board members whose inclusion on the Board comprised less than a full year are to receive one-twelfth of their appointed remuneration for every commenced month of activity. This also applies to members of Supervisory Board committees.

Remuneration shall be paid upon the completion of the Annual General Meeting, which is formally responsible for discharging the members of the Supervisory Board for the respective fiscal year for which remuneration is due.

The company shall reimburse Supervisory Board members of reasonable expenses upon presentation of receipts. Value-added tax is to be reimbursed by the company insofar as the members of the Supervisory Board are authorized to separately invoice the company for value-added tax and exercise this right. A breakdown of the total remuneration for each Supervisory Board member is shown in the following table.

€ million	Remuneration	Stipends	Total remuneration as of December 31, 2015	Total remuneration as of December 31, 2014
Dr. Thomas Rabe (Chairman)	120,000	6,000	126,000	127,500
Regina Hufnagel (Vice Chairperson)	90,000	8,500	98,500	100,000
Dr. Michael Becker	90,000	8,500	98,500	99,000
Harald Feist	60,000	6,000	66,000	66,500
Horst-Otto Gerberding	60,000	6,000	66,000	67,500
Dr. Peter Grafoner	60,000	8,500	68,500	67,000
Francesco Grioli (until May 14, 2014)	0	0	0	29,000
Christiane Jarke	60,000	3,500	63,500	66,500
Gerd Lösing	60,000	5,000	65,000	66,000
Prof. Dr. Andrea Pfeifer	60,000	5,000	65,000	66,000
Dr. Winfried Steeger	60,000	8,500	68,500	69,000
Helmut Tacke	60,000	7,500	67,500	69,000
Peter Winkelmann (from May 14, 2014)	60,000	8,500	68,500	44,000
	840,000	**81,500**	**921,500**	**937,000**

D & O INSURANCE

In conformity with the German Corporate Governance Code, a professional indemnity insurance (D & O insurance) with an appropriate deductible was also taken out for the members of the Supervisory Board.

Disclosures in Accordance with Section 315 (4) of the German Commercial Code (HGB)

- The share capital of Symrise AG remains unchanged at € 129,812,574. It is divided into no-par value shares with a nominal value of € 1. The associated rights and duties are set forth in the relevant provisions of the German Stock Corporation Act. There are no different types of shares with different rights and obligations. Nor do any special rights or rights of control exist for any shareholders.

- Sun Life Financial Inc., Toronto, Canada, informed us on behalf of its subsidiaries in May 2015 that its share in Symrise AG has again exceeded the 10 % threshold at 10.62 % and continues to exceed this threshold.

- The appointment and removal of members of the Executive Board is based on Sections 84 and 85 of the Stock Corporation Act. Amendments to the articles of incorporation are based on Sections 133 and 179 of the Stock Corporation Act.

- The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the company until May 11, 2020, by up to € 25,000,000 through one or more issuances of new, no-par-value shares against contribution in cash and/or in kind. The new shares may be underwritten by one or more financial institutions determined by the Executive Board, in order for such shares to be offered to the shareholders (indirect subscription right). The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the subscription rights of existing shareholders in the following instances:

  a) In the case of capital increases in return for non-cash contributions in kind for the granting of shares for the purpose of acquiring companies or share interests in companies or participating interests in companies

  b) For the purpose of issuing a maximum number of 1,000,000 new shares to employees of the company and affiliated companies, within the constraints imposed by law

  c) Insofar as this is necessary in order to grant holders of warrants and convertible bonds issued by the company or its subsidiaries a right to subscribe for new shares to the extent that they would be entitled to such a right when exercising the warrants or options or when meeting obligations arising from the warrants or options

  d) To exclude fractional amounts from subscription rights

  e) In the case of capital increases against payment in cash, if, at the time of the final determination of the issue price by the Executive Board, the issue price of the new shares is not materially – within the meaning of Section 203 (1) and (2) of the German Stock Corporation Act (AktG) and Section 186 (3), Sentence 4 of the German Stock Corporation Act – less than the stock market price of shares already traded on the stock exchange of the same type and with the same attributes and the aggregate amount of the new shares for which subscription rights are excluded does not exceed 10 % of the share capital either at the time this authorization comes into force or at the time this authorization is exercised. This restriction is to include shares that were or will be sold or issued without subscription rights during the period of validity of this authorization, up to the time of its exercise, by reason of other authorizations in direct or corresponding application of Section 186, (3) Sentence 4 of the German Stock Corporation Act.

  The Executive Board is authorized, subject to the consent of the Supervisory Board, to determine the further particulars of the capital increase and its implementation including the scope of shareholder rights and the conditions for the issuing of shares.

- The Annual General Meeting from May 14, 2013, authorized the Executive Board, with the consent of the Supervisory Board, to issue option bearer bonds and/or convertible bearer bonds or combinations of these instruments, once or several times and with or without term restrictions, up until May 13, 2018, for a total nominal amount of up to € 1,000,000,000.00. These can also be issued simultaneously in various tranches. The Executive Board is also authorized to grant the bondholders option or conversion rights in respect of up to a total of 23,000,000 no-par value shares of the company representing up to € 23,000,000.00 of the share capital in accordance with the specific conditions for the bond.

To fulfill the subscription rights granted, the company's share capital has been conditionally increased by up to € 23,000,000.00 through the issue of up to 23,000,000 new no-par value shares. The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds issued for cash or of warrants from option bonds issued for cash by the company or a Group company up until May 13, 2018, on the basis of the authorization granted to the Executive Board by the Annual General Meeting of May 14, 2013, exercise their conversion or option rights, or fulfill their obligations for exercising the option/conversion rights, or the company exercises its right to grant bondholders shares in the company in full or partial settlement of the cash amount that has become due, and as long as no other forms of settlement are used (conditional capital). The new shares shall participate in the profits from the start of the fiscal year in which they are issued.

The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details regarding the implementation of the conditional capital increase. The Supervisory Board is authorized to amend Section 4 (6) of the articles of incorporation in accordance with the utilization of the conditional capital. The same applies if the authorization to issue convertible/option bonds is not exercised after the end of the authorization period and if the conditional capital is not utilized after the expiry of all conversion and option periods.

- Furthermore, the Executive Board is authorized to purchase treasury shares amounting up to 10 % of the current share capital until May 11, 2020. The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71 a et seqq. of the German Stock Corporation Act may not at any time exceed 10 % of the share capital. The authorization must not be used for the trade of treasury shares.

a) For one or more purposes, the authorization may be invoked by the company, or by third parties for the account of the company, in one total amount or in a number of partial amounts either singly or on several separate occasions.

b) The Executive Board has the choice of making the acquisition either through the stock exchange or in the form of a published purchase offer, or respectively, in the form of a published request for tender of such an offer.

aa) If the acquisition of shares is made through the stock exchange, the consideration per share paid by the company (excluding ancillary acquisition costs) may not exceed or undercut the opening auction price quoted on the XETRA trading system (or a comparable replacement system) on the day of the stock exchange trading by more than 5 %.

bb) If the acquisition is made in the form of a published purchase offer, or in the form of a published request for tender of a purchase offer, the purchase price offered per share, or the limits of the purchase price spread per share (excluding ancillary acquisition costs), may not exceed or undercut the average closing price quoted on the XETRA trading system (or a comparable replacement system) on the last three stock exchange trading days before the date of publication of the offer, or respectively, the date of publication of a request for tender of a purchase offer, by more than 10 %. If, following publication of the purchase offer, or respectively, following publication for tender of a purchase offer, significant fluctuations occur in the applicable reference price, then an adjustment may be made to the offer, or respectively, to the request for tender of such an offer. In such circumstances, reference will be made to the average price of the last three stock exchange trading dates before publication of any potential adjustment. The purchase offer, or respectively, the request for tender of such an offer, may include further conditions. Inasmuch as the offer is oversubscribed, or respectively, in the case of a request for tender of an offer, inasmuch as not all equivalent offers can be accepted, then acceptance must occur on a quota basis. Preferential acceptance of small quantities of up to 100 shares on offer is permissible.

c) The Executive Board is authorized to use company shares that are acquired on the basis of this authorization for all permitted legal purposes but especially for the following purposes:

aa) The shares may be redeemed without the necessity for the redemption or its execution to be authorized by a further resolution of a general meeting of shareholders. In a simplified procedure, they may be redeemed without a formal reduction in capital by adjustment of the proportional amount applicable to the remaining no-par value shares making up the company's share capital. The redemption may be limited to only a portion of the shares acquired. The authorization for redemption of shares may be invoked repeatedly. If the redemption is performed using the simplified procedure, then the Executive Board is authorized to adjust the number of no-par value shares contained in the company's articles of incorporation.

bb) The shares may also be sold by means other than through the stock exchange or an offer to the shareholders if the shares are disposed of against payment in cash at a price that is not significantly less than the quoted stock exchange price at the time of disposal for shares of the same type.

cc) The shares may be sold in consideration for contributions in kind, particularly in connection with the acquisition of other entities, parts of entities or investments in entities as well as in connection with business mergers.

d) The authorizations listed under paragraph c) subparagraphs aa) to cc) above also cover the disposition of company shares that are acquired pursuant to Section 71 d sentence 5 of the German Stock Corporation Act.

e) The authorizations listed under c) above may be made use of singly or repeatedly, wholly or partly, individually or jointly; the authorizations under c) subparagraphs bb) and cc) may also be made use of by entities dependent on the company or by entities that are owned in the majority by the company, or for their account, or for the account of third parties acting on behalf of the company.

f) Shareholder subscription rights in respect of this treasury stock are excluded to the extent that these shares are disposed of in accordance with the aforementioned authorization contained in paragraph c) subparagraphs bb) and cc).

g) The Supervisory Board may prescribe that measures taken by the Executive Board based on this resolution by the Annual General Meeting of the shareholders may only be executed with its permission.

- The employment contracts for the members of the Executive Board at Symrise AG contain a change of control clause. The clause provides that Executive Board members, who are recalled without serious cause or mutually agree to resign from their Executive Board positions after a change of control, but before the end of their contract term, are entitled to a settlement for the time remaining on their employment contracts or at least severance pay amounting to three years' worth of remuneration. Severance and settlement must not exceed the overall limit of 150 % of the severance payment cap according to the provisions of the current version of the German Corporate Governance Code from May 5, 2015.

No further disclosure requirements exist pursuant to Section 315 (4) of the German Commercial Code.

Corporate Governance Statement

The Corporate Governance Statement has been made available on Symrise AG's website at **www.symrise.com/investors/corporate-governance/corporate-governance-statement-and-corporate-governance-report**.

Consolidated Income Statement with a Separate Presentation of the Special Influences from M&A and PPA

T€	2014	Specific influences M&A*	Specific influences PPA**	2014 Normalized	2015
Sales	2,120,107	0	0	2,120,107	2,601,730
Costs of goods sold	– 1,231,704	– 3,816	– 9,795	– 1,218,093	– 1,490,141
Gross profit	**888,403**	**– 3,816**	**– 9,795**	**902,014**	**1,111,589**
Selling and marketing expenses	– 345,203	– 4,800	0	– 340,403	– 426,912
Research and development expenses	– 139,350	– 462	0	– 138,888	– 169,640
Administration expenses	– 120,280	– 10,911	0	– 109,369	– 148,484
Other operating income	29,064	0	0	29,064	32,818
Other operating expenses	– 4,554	0	0	– 4,554	– 4,159
Income from operations/EBIT	**308,080**	**– 19,989**	**– 9,795**	**337,864**	**395,212**
Financial income	2,746	0	0	2,746	4,541
Financial expenses	– 51,116	– 7,826	0	– 43,290	– 48,860
Net finance costs	**– 48,370**	**– 7,826**	**0**	**– 40,544**	**– 44,319**
Profit before tax	**259,710**	**– 27,815**	**– 9,795**	**297,320**	**350,893**
Income taxes	– 72,943	7,698	3,267	– 83,908	– 98,504
Net income	**186,767**	**– 20,117**	**– 6,528**	**213,412**	**252,389**
of which attributable to the shareholders of Symrise AG	185,000	– 20,117	– 6,528	211,645	246,778
of which attributable to non-controlling interests	1,767	0	0	1,767	5,611
Earnings per share (€)					
– diluted and basic	1.48			1.69	1.90

* One-time effects in M&A include the one-off non-recurring specific influences from transaction and integration costs as well as one-off valuation effects related to business combinations of Diana and Probi.
** As part of the purchase price allocation for Diana, the acquired inventories were to be recognized at their fair values. This identification of hidden reserves was reversed in the 2014 fiscal year.

Consolidated Financial **Statements**

January 1 to December 31, 2015

CONSOLIDATED FINANCIAL STATEMENTS 2015

Consolidated Income Statement – January 1 to December 31, 2015

T€	Notes	2014	2015
Sales	4	2,120,107	2,601,730
Cost of goods sold	5	– 1,231,704	– 1,490,141
Gross profit		**888,403**	**1,111,589**
Selling and marketing expenses	7	– 345,203	– 426,912
Research and development expenses	8	– 139,350	– 169,640
Administration expenses	9	– 120,280	– 148,484
Other operating income	10	29,064	32,818
Other operating expenses		– 4,554	– 4,159
Income from operations/EBIT		**308,080**	**395,212**
Financial income		2,746	4,541
Financial expenses		– 51,116	– 48,860
Financial result	**11**	**– 48,370**	**– 44,319**
Income before income taxes		**259,710**	**350,893**
Income taxes	12	– 72,943	– 98,504
Net income		**186,767**	**252,389**
of which attributable to shareholders of Symrise AG		185,000	246,778
of which attributable to non-controlling interests		1,767	5,611
Earnings per share (€) diluted and basic	14	1.48	1.90

Consolidated Statement of Comprehensive Income

T€	Notes	2014	2015
Net income		**186,767**	**252,389**
of which attributable to shareholders of Symrise AG		185,000	246,778
of which attributable to non-controlling interests		1,767	5,611
Items that may be reclassified subsequently to the consolidated income statement			
Exchange rate differences resulting from the translation of foreign operations	2.5		
Exchange rate differences that occurred during the fiscal year		49,347	– 16,747
Losses from net investments		– 9,728	– 10,619
Reclassification to the consolidated income statement		– 8,898	– 1,554
Financial assets available for sale			
Change in fair value of financial assets available for sale		58	– 74
Cash flow hedge (currency hedges)	36		
Gains/losses recorded during the fiscal year		– 1,134	– 1,815
Reclassification to the consolidated income statement		604	1,832
Income taxes payable on these components		2,597	3,526
Items that will not be reclassified to the consolidated income statement			
Remeasurement of defined benefit pension plans and similar obligations	34	– 125,858	46,471
Income taxes payable on these components	12	37,242	– 13,789
Other comprehensive income		**– 55,770**	**7,231**
Total comprehensive income		**130,997**	**259,620**
of which attributable to shareholders of Symrise AG		129,494	253,838
of which attributable to non-controlling interests		1,503	5,782

Consolidated Statement of Financial Position

T€	Notes	December 31, 2014	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents	15	199,228	278,178
Trade receivables	16	421,052	461,505
Inventories	17	484,690	531,446
Other assets and receivables	18	72,183	74,027
Financial assets	19	6,738	9,088
Current tax assets		11,576	23,252
		1,195,467	**1,377,496**
Non-current assets			
Intangible assets	20	2,034,325	2,005,489
Property, plant and equipment	21	639,683	690,135
Other assets and receivables	22	26,585	16,808
Financial assets	23	20,300	15,694
Investment property	24	2,182	0
Deferred tax assets	25	81,294	78,210
		2,804,369	**2,806,336**
TOTAL ASSETS		**3,999,836**	**4,183,832**

Consolidated Statement of Financial Position

T€	Notes	December 31, 2014	December 31, 2015
LIABILITIES			
Current liabilities			
Trade payables	27	213,527	234,702
Borrowings	28	120,319	35,995
Other liabilities	29	132,123	152,223
Other provisions	30	9,886	7,064
Other financial liabilities	31	10,535	5,573
Current income tax liabilities	32	73,171	65,869
		559,561	**501,426**
Non-current liabilities			
Borrowings	28	1,244,659	1,373,260
Other liabilities		4,417	5,180
Other provisions	33	18,940	22,208
Provisions for pensions and similar obligations	34	474,303	444,652
Other financial liabilities	35	9,125	7,094
Deferred tax liabilities	25	240,914	227,848
Current income tax liabilities		15,744	13,929
		2,008,102	**2,094,171**
TOTAL LIABILITIES		**2,567,663**	**2,595,597**
EQUITY	36		
Share capital		129,813	129,813
Capital reserve		1,375,957	1,375,957
Reserve for remeasurements (pensions)		– 169,159	– 136,389
Cumulative translation differences		– 37,075	– 62,707
Accumulated profit		112,169	259,210
Other reserves		2,488	2,448
Symrise AG shareholders' equity		**1,414,193**	**1,568,332**
Non-controlling interests	37	17,980	19,903
TOTAL EQUITY		**1,432,173**	**1,588,235**
LIABILITIES AND EQUITY		**3,999,836**	**4,183,832**

Consolidated Statement of Cash Flows

T€	Notes	2014	2015
Net income		**186,767**	**252,389**
Income taxes	12	72,943	98,504
Interest result	11	41,699	44,458
Amortization, depreciation and impairment of non-current assets	20, 21	128,211	176,969
Changes in non-current liabilities		– 414	9,032
Decrease in non-current assets		1,332	14,664
Other non-cash expenses and income		3,334	1,091
Cash flow before working capital changes		**433,872**	**597,107**
Increase in trade receivables and other current assets		– 31,889	– 66,800
Increase in inventories		– 13,483	– 49,333
Increase in trade payables and other current liabilities		23,974	31,919
Income taxes paid		– 69,260	– 137,714
Cash flow from operating activities		**343,214**	**375,179**
Payments for business combinations and subsequent contingent purchase price components	39	– 387,271	– 36,063
Payments received from the sale of a subsidiary minus liquid assets sold	39	0	11,566
Payments for investing in intangible assets		– 10,646	– 14,507
Payments for investing in property, plant and equipment		– 80,923	– 118,208
Payments for investments in non-current financial assets and for investments in associates		– 1,082	– 821
Proceeds from the disposal of non-current assets		3,096	6,648
Cash flow from investing activities		**– 476,826**	**– 151,385**
Proceeds from (+)/redemption of (–) bank borrowings		– 53,169	– 155,437
Proceeds from (+)/redemption of (–) other borrowings		1,425	177,399
Issue of new shares minus transaction costs		395,309	0
Interest paid		– 63,774	– 32,602
Interest received		700	43
Dividends paid	39	– 84,421	– 100,717
Acquisition of non-controlling interests	39	0	– 2,841
Payments for finance lease liabilities		– 661	– 1,175
Cash flow from financing activities		**195,409**	**– 115,330**
Net change in cash and cash equivalents		61,797	108,464
Effects of changes in exchange rates		2,088	– 29,514
Total changes		**63,885**	**78,950**
Cash and cash equivalents as of January 1		135,343	199,228
Cash and cash equivalents as of December 31	15	**199,228**	**278,178**

The consolidated statement of cash flows is explained in note 39.

Consolidated Statement of Changes in Equity

T€	Share capital	Capital reserve	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Accumu-lated profit	Other reserves	Total Symrise AG share-holders' equity	Non-controlling interests	Total Equity
January 1, 2014	**118,173**	**970,911**	**– 80,543**	**– 70,553**	**10,219**	**2,856**	**951,063**	**0**	**951,063**
Net income	0	0	0	0	185,000	0	**185,000**	1,767	**186,767**
Other comprehensive income	0	0	– 88,616	33,478	0	– 368	**– 55,506**	– 264	**– 55,770**
Total comprehensive income	**0**	**0**	**– 88,616**	**33,478**	**185,000**	**– 368**	**129,494**	**1,503**	**130,997**
Issue of new shares/ capital increase	11,640	405,046	0	0	0	0	**416,686**	0	**416,686**
Business combinations	0	0	0	0	0	0	**0**	18,409	**18,409**
Dividends paid	0	0	0	0	– 82,721	0	**– 82,721**	– 1,700	**– 84,421**
Changes in subsidiary shareholdings	0	0	0	0	– 329	0	**– 329**	– 232	**– 561**
Transactions with owners of the company	**11,640**	**405,046**	**0**	**0**	**– 83,050**	**0**	**333,636**	**16,477**	**350,113**
December 31, 2014	**129,813**	**1,375,957**	**– 169,159**	**– 37,075**	**112,169**	**2,488**	**1,414,193**	**17,980**	**1,432,173**

T€	Share capital	Capital reserve	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Accumu-lated profit	Other reserves	Total Symrise AG share-holders' equity	Non-controlling interests	Total Equity
January 1, 2015	**129,813**	**1,375,957**	**– 169,159**	**– 37,075**	**112,169**	**2,488**	**1,414,193**	**17,980**	**1,432,173**
Net income	0	0	0	0	246,778	0	**246,778**	5,611	**252,389**
Other comprehensive income	0	0	32,714	– 25,614	0	– 40	**7,060**	171	**7,231**
Total comprehensive income	**0**	**0**	**32,714**	**– 25,614**	**246,778**	**– 40**	**253,838**	**5,782**	**259,620**
Deconsolidation	0	0	56	0	– 56	0	**0**	0	**0**
Dividends paid	0	0	0	0	– 97,359	0	**– 97,359**	– 3,358	**– 100,717**
Changes in subsidiary shareholdings	0	0	0	– 18	– 2,322	0	**– 2,340**	– 501	**– 2,841**
Transactions with owners of the company	**0**	**0**	**56**	**– 18**	**– 99,737**	**0**	**– 99,699**	**– 3,859**	**– 103,558**
December 31, 2015	**129,813**	**1,375,957**	**– 136,389**	**– 62,707**	**259,210**	**2,448**	**1,568,332**	**19,903**	**1,588,235**

Equity developments are explained in note 36.

Notes

1. GENERAL INFORMATION

Symrise Aktiengesellschaft (Symrise AG, hereafter also referred to as “Symrise” or “we”) is a stock corporation under German law and the parent of the Symrise Group with its registered office at Muehlenfeldstrasse 1, 37603 Holzminden, Germany. Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products.

The shares of Symrise AG are authorized for trading on the stock exchange in the regulated market of the Frankfurt Securities Exchange in the Prime Standard segment. They are listed in the MDAX.

The consolidated financial statements and the Group management report of Symrise AG for the fiscal year ending December 31, 2015, were, by resolution of the Executive Board, submitted to the Supervisory Board’s Auditing Committee for review on March 2, 2016 and subsequently approved for publication.

The consolidated financial statements and the Group management report of Symrise AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union and the supplementary commercial law provisions of Section 315a (1) of the German Commercial Code (HGB or “Handelsgesetzbuch”) that were valid at the end of the reporting period.

The following explanations include those disclosures and comments that are to be provided as notes to the consolidated financial statements in accordance with IFRS in addition to the information contained in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows and the consolidated statement of changes in equity. They thus represent an essential component of these consolidated financial statements.

For the purposes of a clearer presentation, some reporting line items included in the consolidated statement of financial position and the consolidated income statement group together individual items. Supplementary information relating to such items is presented separately in the notes. The consolidated income statement has been prepared using the cost of sales method.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation of the Financial Statements

The consolidated financial statements are prepared on the basis of historical cost with the exception of derivative financial instruments and investment property, which are measured at fair value and recognized with effect on profit or loss, as well as financial assets available for sale, which are measured at fair value with no effect on profit or loss.

The consolidated financial statements are presented in euros and amounts are rounded to the nearest thousand euros (T€); in this process, rounding differences may arise. Deviations from this method are explicitly indicated. The separate financial statements of the companies included in the consolidation were prepared as of the reporting date of the consolidated financial statements.

2.2 Changes to Accounting Policies

The accounting policies adopted are generally consistent with those applied in the previous year. The standards and interpretations that were new or revised during the 2015 fiscal year did not impact our reporting.

The following accounting standards published by the IASB are not yet mandatory and are not being adopted early by Symrise:

- **IFRS 9 "Financial Instruments"** will replace the recognition and measurement of financial instruments according to IAS 39. IFRS 9 introduces a unified approach to classifying and measuring financial assets as well as a new impairment model based on expected credit losses. IFRS 9 also contains new regulations on the application of hedge accounting. IFRS 9 is to become mandatory, subject to its adoption into EU law, in fiscal years that start on or after January 1, 2018. Early application is permitted. Symrise is currently evaluating what impact the initial application of IFRS 9 will have on its consolidated financial statements.

- **IFRS 15 "Revenue from Contracts with Customers"** will regulate the recognition of sales and replace IAS 11 "Construction Contracts" and IAS 18 "Revenue." According to IFRS 15, the realization of revenue relates to the transfer of the stipulated goods or services and is represented with the amount corresponding to the transaction price that the company will presumably receive as consideration for the delivered goods or services performed. Revenue is generally realized according to IFRS 15 when the customer obtains control of the goods/services being transferred. IFRS 15 contains guidelines on disclosing surpluses and obligations resulting from contracts with customers, i.e., assets and liabilities, that result from services rendered by the company or customer payments. The new standard also requires notes on the type, amount, timing and uncertainties of revenue and cash flows. IFRS 15 is to become mandatory, subject to its adoption into EU law, in fiscal years that start on or after January 1, 2018. Early application is permitted. Symrise is currently evaluating what impacts IFRS 15 would have on its consolidated financial statements.

The other published, revised standards, which have not yet been endorsed by the EU, are not expected to have a material impact on the Group's net assets, financial position and results of operations. Should the EU accept these standards, which are to be applied to future fiscal years, Symrise does not expect to embrace early application.

2.3 Key Judgments and Estimates as well as Sources of Estimation Uncertainty

Preparation of the consolidated financial statements in accordance with IFRS makes it necessary for the Executive Board to make judgments, estimates and assumptions that influence the application of accounting policies, the amounts at which assets and liabilities are recognized and the manner in which contingent liabilities are disclosed at the end of the reporting period, as well as income and expenses. Actual results may differ from these estimates.

Our judgments, estimates and assumptions are based on historical information and planning data as well as information on economic conditions in the industries and regions where we and our customers actively operate. Changes to these factors could adversely impact our estimates. Our estimates, and the assumptions they are based on, are regularly reviewed. Although we believe our estimates of future developments to be reasonable in consideration of the underlying uncertainties, actual results can vary from the estimates and assumptions we provide.

Any changes in value that result from such a review are recognized in the reporting period in which the change is made and in any other future reporting periods that are impacted.

In the following sections we list the discretionary decisions made most often and accounting policies affected by judgments, estimates and assumptions that can have a material impact on the figures presented in the report. Recognizing these uncertainties is necessary for a clear assessment of the net assets, financial position and results of operations.

ASSESSING IMPAIRMENT OF GOODWILL, OTHER INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND DETERMINING THE USEFUL LIFE

At least once a year, the Group tests whether goodwill is impaired. This requires an estimate of the recoverable amounts of the cash-generating units to which goodwill is allocated. In order to estimate the recoverable amount, the Symrise Group has to estimate expected future cash flows deriving from these cash-generating units and also choose a suitable discount rate in order to calculate the present value of these cash flows. To do this, assumptions and estimates of future cash flows are used, which are of a complex nature and are associated with considerable discretionary judgments and assumptions regarding future developments. These can be influenced by a number of factors, for example, through changes to our internal forecasts or the weighted average cost of capital (WACC). Actual cash flows and values can therefore widely vary from the forecast future cash flows and values that were determined by means of the discounted cash flow. Although we believe that our assumptions and estimates made in the past were reasonable, differing assumptions and estimates could substantially impact our net assets, financial position and results of operations. Additionally, the results of the impairment tests for goodwill are influenced by the allocation of this goodwill to cash-generating units. Further information can be found in note 2.5.

All intangible assets (excluding goodwill) and property, plant and equipment (excluding land) have a definite useful life. That is why acquisition cost is to be systematically allocated over the respective useful life of intangible assets and property, plant and equipment. Discretionary judgments are required for determining the useful life of an intangible asset or property, plant or equipment since Symrise estimates the period in which the asset will likely provide economic value. The amortization period affects the expenses for amortization recognized in the individual periods. Further information can be found in note 2.5.

RECOGNITION OF INTERNALLY GENERATED INTANGIBLE ASSETS FROM DEVELOPMENT ACTIVITIES

Intangible assets generated internally through development are capitalized according to the accounting principles presented in note 2.5. The decision as to whether an internally generated intangible asset is to be recognized as an intangible asset in the statement of financial position is connected with considerable discretion. Particularly important are the decisions as to whether the activities are to be considered research or development activities and whether the conditions for classification as an intangible asset have been met. This requires assumptions regarding market conditions, customer demand and other future developments. The decision as to whether the intangible asset can be used or sold falls to management, who must make the decision based on assumptions of the amounts of future cash flows from assets, the applicable interest rates and the period of inflow from expected future cash flows.

RECOGNITION OF CURRENT INCOME TAXES AND DEFERRED TAXES

Due to the international nature of Symrise's business activities, sales are generated in numerous countries outside of Germany and therefore are subject to the changing tax laws of the respective legal systems. Our ordinary business also consists of transactions where the final tax effects are uncertain, for example, regarding transfer prices and cost allocation contracts between Symrise companies. Furthermore, the income taxes paid by Symrise are inherently the object of ongoing audits by domestic and foreign tax authorities. For this reason, discretionary judgments are needed to determine our global income tax provisions. We have estimated the development of uncertain taxation assessments based on current tax laws and our interpretation of them. These discretionary judgments can have substantial impact on our income tax expense, income tax provisions and our profit after taxes.

Every year, we assess whether the tax loss carried forward can be used and offset with future tax gains in a reasonable period. Whenever this is not possible, deferred tax assets are mitigated. This requires that we make estimates, judgments and assumptions about the tax gains of every Group company. In determining our ability to use our deferred tax assets, we consider all available information including taxable income generated in the past and forecast taxable income in the periods in which the deferred tax assets will likely be realized. In determining future taxable income, the expected market conditions as well as other facts and circumstances are considered. Every negative change to these underlying facts or to our estimates and assumptions can result in a reduction to the balance of our deferred tax assets.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The expense deriving from defined benefit pension plans and the obligation to provide additional post-employment health care benefits are determined on the basis of actuarial calculations. The actuarial valuation is made on the basis of assumptions pertaining to discount rates, future wage and salary increases, mortality rates, future pension increases and the medical cost trend rate. It is therefore associated with significant discretion.

The discounting factors are to be based on the yields that could be obtained at the end of the reporting period for high-quality corporate bonds with a corresponding term and currency designation. If such yield information is not available, the discounting factors are based on market yields for government bonds.

As a result of the fluctuating market and economic situation, the actual developments may differ from the underlying assumptions, which may have significant impact on pension and other post-employment benefit obligations. Due to the long-term nature of such plans, these estimates are subject to great uncertainty.

MEASUREMENT OF TRADE RECEIVABLES

Determining the likelihood of collecting receivables involves making estimates and judgments that are based on the financial standing of the respective customer, current economic developments and the analysis of historical defaults on a portfolio basis. These factors are subject to considerable changes. This applies to both individual receivables as well as the entire portfolio. In this manner, we must judge whether it is probable that a default will occur and whether the default amount can be reliably estimated. The determination of general individual valuation allowances for the remaining receivables on the basis of previous default is associated with significant discretion since the past is not necessarily representative of future developments. Changes to our estimates in relation to allowances on doubtful receivables can have considerable impact on the assets and expenses recognized in our consolidated financial statements.

RECOGNITION OF PROVISIONS FOR LITIGATION AND LONG-TERM REMUNERATION PLANS

The determination of provisions is associated with estimates to a substantial degree. Symrise is confronted with legal action in various jurisdictions and regulatory suits. These suits can lead to criminal or civil sanctions, fines or disgorgements for Symrise. We monitor the status of every case at least once every quarter and determine the potential financial and business risk. It requires significant judgment to determine whether a provision is necessary, and if so, how large it should be, or whether it is necessary to declare a contingent liability. Due to the uncertainty relating to these cases, provisions are based on the best-possible information available at the time.

Symrise guarantees long-term remuneration programs with cash compensation. In estimating the fair value of our share-based programs, we rely on assumptions that are in part related to the expected volatility of a future stock index composed of comparable companies in the fragrance and flavor industry as well as suppliers and companies in the food and cosmetics industry. Furthermore, the amount of the final payout for these remuneration programs depends on the price of the Symrise share in comparison to this stock index as of the set target date. The assumptions of the option price model impact the determination of the fair value and therefore the amount and distribution over time of our expenses for long-term remuneration programs. Changes to these factors can significantly influence fair value estimates and future payments.

ASSUMPTIONS AND ESTIMATES REGARDING OTHER ITEMS ON THE STATEMENT OF FINANCIAL POSITION

Assumptions and estimates are also necessary for the measurement of other contingent liabilities, other provisions and derivatives.

The assumptions and their corresponding estimates are explained in note 2.5. In individual cases, the actual values can vary from the assumptions and estimates made, meaning that material adjustments to the carrying amounts of the affected assets or liabilities will then need to be made.

2.4 Scope of Consolidation and Principles Determining the Inclusion of Subsidiaries and Associated Companies

SCOPE OF CONSOLIDATION

In addition to Symrise AG as parent, the scope of consolidation includes all domestic and foreign companies that Symrise AG directly or indirectly controls or where it has significant influence over their activities. Subsidiaries are those companies in which Symrise AG holds an actual or de facto majority of voting rights and over which it exercises power over business and financial policies in order to benefit from their activities and therefore possesses the opportunity for control. Symrise is also exposed to variable returns from its involvement with the investee or has rights to these companies and has the potential to affect the returns. Associated companies are companies over which Symrise AG exercises significant influence over business and financial policies but that are not subsidiaries or joint ventures.

In the 2015 fiscal year, the scope of consolidation developed as follows:

Four companies were founded: Symrise Spółka z ograniczoną odpowiedzialnością (Poland), Probi Asia-Pacific Pte Ltd. (Singapore), Symrise Holding II Inc. (USA) and Symrise US Holding B.V. (Netherlands).

The British subsidiary Confoco International Ltd. merged into the British subsidiary MAP Technologies Ltd. that was subsequently renamed Diana Food Limited. The German subsidiary Symrise IP-Holding GmbH & Co. KG was merged into Symrise AG by virtue of the withdrawal of the German subsidiary Symrise IP-Verwaltungs GmbH. Symrise IP-Holding GmbH & Co. KG has therefore been dissolved.

As of June 29, 2015, all shares in the French subsidiary Compagnie Alimentaire Pleucadeucienne were sold for a purchase price of T€ 12,153. The assets and liabilities of this company were classified as a disposal group from the time of their classification as "held for sale" according to the regulations of IFRS 5 (May 2015) until the actual sale. The measurement regulations of IFRS 5 did not require any impairment with regard to the purchase price. The disposal group included the following assets and liabilities:

T€	Carrying amount
Trade receivables	3,143
Inventories	2,864
Intangible assets	6,392
Property, plant and equipment	7,118
Other assets	1,524
Trade payables	– 2,936
Deferred tax liabilities	– 2,654
Other liabilities	– 3,567
Equity	**11,884**

The company was assigned to the Flavor & Nutrition segment. The stake the company held in Cuisi'nat, which is an associated company from the perspective of the Symrise Group, had already been sold in May 2015.

Two Group companies, the France-based Anaid SAS and the Switzerland-based Symrise SA, were liquidated over the course of the year and deleted from the commercial register.

Due to these changes, the number of fully consolidated companies has been reduced to 92 while the number of associated companies has been reduced to one company.

PRINCIPLES DETERMINING THE INCLUSION OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Full Consolidation

All subsidiaries are included in the consolidated financial statements and fully consolidated. Additionally, the financial statements of the parent and those of its subsidiaries are prepared as of the end of the reporting period using uniform accounting policies. Adjustments are made to compensate for any differences in recognition and measurement deriving from local accounting policies.

All internal balances, transactions and unrealized gains deriving from internal transactions are eliminated. Unrealized losses deriving from internal transactions are also eliminated unless Group cost cannot be recovered in the future.

Subsidiaries are fully consolidated from the date of acquisition, i.e., from the date on which Symrise AG gains a controlling interest. Inclusion in the consolidated financial statements ceases on the date when the parent's controlling influence ends.

Assets, liabilities and contingent liabilities deriving from business combinations are generally recognized at fair value at the time of acquisition. In circumstances where the acquisition cost relating to the business combination exceed the proportionate share of the newly measured net asset value of the acquired object, the amount of such difference is recognized as goodwill. Non-controlling interests can be measured on admission at fair value or at the proportionate share of the identifiable net assets. Symrise uses the latter method. The expenses and income of any subsidiaries that are acquired are included in the consolidated income statement starting on the acquisition date.

The Equity Method of Accounting
Investments in associates are accounted for using the equity method and initially recognized at cost, including transaction costs.

After the acquisition date, the share of the net profit or loss of the associate is recognized in the consolidated income statement. The share of any changes to equity that do not impact profit or loss is recognized directly in other comprehensive income under Group equity. Any accumulated post-acquisition changes accordingly increase or decrease the carrying amount of the investment in the associated company.

Goodwill arising from the initial consolidation is disclosed in the carrying amount of the investment in the associate and not amortized. If the corresponding indicators arise, carrying amounts for associated companies accounted for using the equity method are subjected to an impairment test.

Profits and losses deriving from transactions between the Symrise Group and the associated company are eliminated in proportion to the share of the profit or loss of the associated company. If the financial statements for an associated company are not available in time, the carrying amount of the investment in the associate is updated according to the best possible estimate.

We did not separately disclose our investment in Therapeutic Peptides Inc., USA, due to a lack of materiality.

2.5 Summary of Significant Accounting Policies

FOREIGN CURRENCY TRANSLATION

The subsidiaries of Symrise AG maintain their accounting records in the respective functional currency. The functional currency is the currency that is predominantly used or generated as cash. As the Group companies conduct their business independently for financial, commercial and organizational purposes, the functional currency is generally the local currency. Assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the applicable closing rates, irrespective of whether they have been hedged or not. Expenses and income are translated at the average rate for the period. Any translation differences deriving from this process are disclosed by the Symrise Group directly in equity as "cumulative translation differences."

Insofar as the settlement of a monetary item representing an outstanding account receivable from or account payable to a foreign business operation is neither planned nor probable in the foreseeable future, such an item represents part of the net investment in this foreign business operation. Any translation differences resulting from such items are recognized directly in equity as "cumulative translation differences" and reclassified from other comprehensive income to the income statement at the time of the disposal or redemption of the net investment.

Equity components are translated at the historical rates of exchange effective at the time they were treated as an addition from a Group perspective. Any translation differences resulting from this process are recognized directly in equity as “cumulative translation differences.” When Group companies are removed from the scope of consolidation or interest is reduced through sale, capital reduction or liquidation, the “cumulative translation differences,” which had been recognized directly in other comprehensive income, will now be (proportionately) reclassified to the income statement in the same period.

Transactions designated in foreign currencies are translated by us into the respective functional currency of our subsidiaries at the exchange rate valid on the day of the transaction. Monetary assets and liabilities that are designated in foreign currencies are measured using the closing rate. Any currency translation effects resulting from operational activities are recorded within cost of goods sold, whereas any impacts resulting from financing activities are recorded within the financial result.

The following table shows the changes in exchange rates against the euro for the most important currencies relevant to the Symrise Group:

			Closing rate = € 1		Average rate = € 1	
Country	**Currency**		**December 31, 2014**	**December 31, 2015**	**2014**	**2015**
Brazil	Brazilian Real	BRL	3.230	4.314	3.120	3.699
China	Chinese Renminbi	CNY	7.437	7.073	8.184	6.912
UK	British Pound	GBP	0.779	0.735	0.806	0.726
Mexico	Mexican Peso	MXN	17.864	18.923	17.658	17.622
Singapore	Singapore Dollar	SGD	1.606	1.540	1.682	1.526
USA	US Dollar	USD	1.216	1.089	1.328	1.110

ACCOUNTING PRACTICES IN COUNTRIES WITH HYPERINFLATION

The financial statements of foreign subsidiaries whose functional currency is one of a hyperinflationary economy are adjusted for the change in purchasing power arising from the inflation before conversion to euros and before consolidation. Non-monetary line items on the statement of financial position, which are measured using acquisition cost or amortized cost, as well as those amounts reported in the income statement, are adjusted according to a general price index from the time of their initial recognition in the financial statements. Monetary items are not adjusted. All components of equity are corrected from the time of their allocation according to a general price index. An adjustment of the previous year’s figures in the consolidated financial statements is not required pursuant to IAS 21.42 (b). In these cases, all line items on the statement of financial position and those amounts reported in the income statement are recalculated based on the closing rate.

RECOGNITION OF SALES REVENUE

Revenue from the sale of merchandise and products is recognized at the fair value of the amount received or expected to be received less any returns, trade discounts and rebates. Sales revenue is recognized when the significant rewards and risks of ownership of the merchandise or products sold have been transferred to the buyer and the amount of sales revenue realized can be reliably measured. Sales revenue deriving from services rendered is recognized as soon as the service is performed. No sales revenue is recognized if significant risk exists relating to receipt of consideration or relating to possible return of the goods. The transfer of rewards and risks to the buyer is determined in accordance with INCOTERMS (International Commercial Terms).

GOVERNMENT GRANTS

Government grants are only recorded when reasonable certainty exists that the conditions attached to them will be complied with and that the grants will be received. Grants are recognized as other operating income in the period in which the expenses occur for which the grant is meant to compensate.

LEASES

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are classified as either finance leases or operating leases. Leasing transactions that substantially transfer all rewards and risks incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leases are classified as operating leases.

Where Symrise is the lessee in a finance lease, the leased asset is recognized in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments at the commencement of the lease term and simultaneously recognized in financial liabilities. The minimum lease payments essentially comprise the finance charge and the principal portion of the outstanding liability, which is determined according to the effective interest method. The leased asset is depreciated by the straight-line method over its assumed useful life or the term of the lease, whichever is shorter.

Payments made for operating leases are recognized as expenditure in the consolidated income statement on a straight-line basis over the term of the lease agreement.

Where Symrise is the lessor in an operating lease, the assets involved in the lease agreement are reported in the statement of financial position according to the characteristics of these assets. Income from lease agreements is recognized as income on a straight-line basis over the term of the lease agreement. Costs including depreciation that are incurred in connection with lease income are recognized as expenses. The depreciation policies for leased objects requiring depreciation correspond to normal depreciation policies.

INCOME TAXES

Income taxes comprise both current and deferred taxes. Income taxes are recognized in the consolidated income statement unless the expense relates to items that are recognized as equity in other comprehensive income.

Current taxes are taxes expected to be payable on taxable profits of the current fiscal year, measured using the tax rate applicable for the reporting year. Additionally, any adjustments to tax expense for previous years that may arise, for example, as a result of audits, are also included here.

Deferred taxes are recognized by applying the liability method to all temporary differences existing at the end of the reporting period between the amounts recognized for assets, or liabilities, in the consolidated statement of financial position and the amounts used for taxation purposes as required by IAS 12. No deferred taxes were recognized for the following temporary differences:

- the initial recognition of goodwill
- the initial recognition of an asset or a liability relating to a transaction that does not constitute a business combination and that affects neither the commercial accounting result nor the taxable result

The effects of changes in tax rates on deferred taxes are recognized in the income statement or as equity under other comprehensive income in the reporting period in which the legislative procedures for the tax changes are largely completed.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current taxes receivable and payable and they relate to income taxes levied by the same tax authority on a company. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available in the future against which deductible temporary differences, unutilized tax loss carry forwards or unutilized tax credits can be offset.

Deferred taxes are recognized for all taxable temporary differences involving holdings in subsidiaries (known as "outside basis differences") except for the amount for which Symrise is able to manage the chronological course of the reversal of the temporary differences and if it is likely that the temporary differences will not reverse in the foreseeable future.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the holders of the parent's ordinary shares by the weighted average number of ordinary shares outstanding during the fiscal year.

Since no option or conversion rights exist for any potential shares to be issued, diluted earnings correspond to basic earnings.

INVESTMENT PROPERTY

Investment property is property that is held to earn rentals or for capital appreciation and not used for business or held for sale as part of normal business activities. These items are initially recognized at cost including transaction costs. After initial recognition, investment property is measured using the fair value model. Value differences resulting from remeasurements are recognized with effect on profit or loss in other operating income or expenses.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. This comprises the recognition of identifiable assets (including intangible assets that were not previously accounted for) and liabilities (including contingent liabilities but not giving consideration to any future restructuring measures) of the acquired business operations at fair value.

Goodwill deriving from a business combination represents the excess fair value of the consideration transferred at the acquisition date of the business combination over the Group's share in the fair value of the identifiable assets and liabilities acquired. Goodwill is not subject to amortization. At least one impairment test is performed each year to determine whether impairment is needed. Any acquired goodwill is allocated at the acquisition date to the cash-generating units that are expected to benefit from the synergies deriving from the business combination. Ancillary acquisition costs incurred are recognized with effect on profit or loss.

BORROWING COSTS

In accordance with IAS 23, borrowing costs are included in the cost of an asset as far as the requirements for qualifying non-current assets are met, meaning assets for which a substantial period of time is required to prepare them for their intended use or sale. Borrowing costs also include any supplementary costs incurred from the borrowing of funds in addition to interest.

OTHER INTANGIBLE ASSETS

Intangible assets are measured at cost for the purpose of initial recognition. The cost of an intangible asset acquired during a business combination corresponds to its fair value at the acquisition date. Internally generated intangible assets are recognized as assets at cost. Generation cost of an internally generated intangible asset comprise all directly attributable costs that are needed to design, manufacture and process the asset so that it is ready for use according to the purposes management intended.

For intangible assets, it must be determined whether they have a definite or indefinite useful life. Intangible assets with indefinite useful lives are not subject to amortization but rather are subject to an annual impairment test. As of the end of the reporting period, the Symrise Group holds no intangible assets with an indefinite useful life apart from goodwill. For intangible assets with a definite useful life, the cost is amortized in the consolidated income statement on a straight-line basis over the term of useful life:

Intangible assets	Useful life
Software	3–10 years
Recipes	7–20 years
Trademarks	6–40 years
Customer base	6–15 years
Patents and other rights	5–40 years

The useful lives and amortization methods for intangible assets are reviewed annually for suitability and prospectively adjusted if necessary. In addition, the carrying amount of capitalized development costs is tested for impairment once per year if the asset is not yet in use or more frequently if indications for impairment arise during the course of the year.

Intangible assets with a definite useful life are recognized at cost less accumulated amortization and impairment losses.

Profits and losses deriving from the disposal of an intangible asset are recognized at the time of disposal as the difference between the proceeds from disposal and the carrying amount of the intangible asset in the consolidated income statement.

RESEARCH AND DEVELOPMENT COSTS

Costs for research activities are recognized as expenses at their full amount. For accounting purposes, research activities are defined as costs in connection with original or planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

Development expenses are defined as costs connected to the application of research findings or other specialist knowledge to production, production processes or services and goods before the start of commercial production or use. The costs for development activities are capitalized when certain precise requirements are fulfilled: Capitalization is always necessary if the development costs can be reliably determined, if the product is both technically and financially feasible and if future financial benefits that would cover the corresponding development costs are probable. In addition, Symrise must have the intention as well as sufficient resources to complete the development process and to use or sell the asset generated. Since internal development projects are often subject to government approval procedures and other unforeseeable circumstances, the conditions for capitalizing the costs incurred before the asset is approved are usually not met.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. If the cost of components for property, plant and equipment are material (in comparison to the total cost), then these components are recognized by Symrise as separate items and they are separately depreciated.

Depreciation is recognized on a straight-line basis in the consolidated income statement based on the following useful lives:

Property, plant and equipment	Useful life
Buildings	5–50 years
Plants and machinery	3–25 years
Equipment	3–20 years

Land is not depreciated insofar as it does not concern land used as part of a leasehold. Depreciation of leasehold improvements is determined based on their useful lives or the term of the lease, whichever is shorter. In determining the depreciation period applied, any lease extension options are considered if it is probable that they will be exercised.

Gains and losses deriving from the disposal of property, plant and equipment are recognized in the consolidated income statement at the time of disposal as the difference between the proceeds from disposal and the carrying amount of the asset.

FINANCIAL INSTRUMENTS

General Information

A financial instrument is a contract that simultaneously gives rise to a financial asset for one contractual partner and to a financial liability or an equity instrument for the other contractual partner.

Financial assets particularly include cash and cash equivalents, trade receivables, loan receivables and equity instruments for another company as well as derivative financial instruments with a positive market value.

Financial assets are recognized in the consolidated statement of financial position if Symrise has a contractual right to receive cash or other financial assets from another party. This means that normal market purchases or sales of financial assets, i.e., purchases or sales for which delivery of the financial asset must be made within the period stipulated by conventions or the market in which trading takes place, are accounted for on the date of trading. Financial assets are initially recognized at fair value plus transaction costs. Transaction costs arising in connection with the acquisition of financial assets at fair value through profit or loss are immediately recognized in the income statement. Non-interest-bearing receivables or receivables subject to lower interest rates are initially recognized at the present value of expected future cash flows.

Income and expenses as well as gains and losses from financial assets contain impairments and their reversals, interest income and expenses, and dividends as well as gains and losses from the disposal of such assets. Dividend income is recognized when earned. Interest income is recognized using the effective interest method. With the disposal of an asset, neither dividends nor interest income are included in the calculation of the net gain or loss.

Financial liabilities generally give rise to a claim for a return of cash or another form of financial asset and comprise non-derivative liabilities and the negative fair values of derivative financial instruments. Non-derivative liabilities particularly comprise bank borrowings, liabilities towards institutional and private investors, trade payables and liabilities from finance leases. Non-derivative liabilities are recognized in the consolidated statement of financial position if Symrise has a contractual obligation to transfer cash or other financial assets to another party. Non-derivative financial liabilities are initially recognized at the fair value of the return service received or at the value of the cash received minus transaction costs incurred, if applicable.

Financial instruments are classified into the categories “loans and receivables (LaR),” “financial asset or financial liability at fair value through profit or loss (aFVtPL),” “financial assets held to maturity (HtM),” “financial assets available for sale (AfS)” and “financial liabilities at amortized cost (FLAC).” In principle, Symrise does not take advantage of the option to classify financial assets and liabilities at fair value through profit or loss (the fair value option) upon initial recognition.

The subsequent measurement of financial assets and liabilities is made in accordance with the category to which they have been assigned: at amortized cost, at fair value recognized in other comprehensive income or in the income statement.

Financial assets are derecognized if the contractual rights regarding payments from financial assets no longer exists or the financial assets are transferred with all of their fundamental risks and rewards. Financial liabilities are derecognized if the contractual obligations are settled, eliminated or expired.

Derivative Financial Instruments
Derivative financial instruments are recognized at fair value and are initially recorded at the time when the contract for the derivative financial instrument is entered into. Instruments that are not to be used for hedging purposes are classified by the company as "held for trading (HfT)." Derivative financial instruments are measured at fair value through profit or loss and recognized as financial assets or as financial liabilities. The fair value of traded derivative financial instruments corresponds to their market value. If no market values exist, the present value is determined using recognized financial models. Derivative financial instruments are neither held nor issued for speculative purposes.

Cash Flow Hedge
Symrise employs derivative financial instruments to hedge currency risks resulting from its operating business and financing activities.

Selected future cash flows from receivables, trade payables already recognized in the statement of financial position and selected future cash flows from highly probable planned transactions are hedged against currency risk through forward contracts. The hedging of currency risk occurs on a rolling basis over a period of up to nine months up to a maximum hedging ratio of 75 % of the open currency items of a company.

Insofar as the requirements of IAS 39 for the application of cash flow hedge accounting are fulfilled, the cumulative measurement gains/losses will be initially recognized in the cash flow hedge reserve under other reserves and then reclassified to the consolidated income statement in the period in which the hedged underlying transaction influences the net profit or loss for the period.

Measurement gains/losses from the derivative financial instrument will be reclassified to sales or cost of goods sold depending on the underlying transaction (trade payables or receivables in foreign currency). There they will be balanced out with the actual currency gains and losses from operating business.

Measurement gains/losses are recognized in the financial result insofar as currency risk hedges are used to hedge financing activities.

Cash flow hedges are applied to mitigate the impact of exchange rate effects. The requirements of IAS 39 for application of hedge accounting are met by Symrise as follows: When hedging measures are begun, both the relationship between the hedging instrument employed and the hedged item as well as the objective and strategy surrounding the hedge are documented. This includes both the concrete allocation of the hedging instrument to the expected foreign currency receivable/liability as well as the estimation of the degree of hedge effectiveness of the instrument implemented. The effectiveness of existing hedging measures is continuously monitored using the cumulative dollar offset method. When hedge relationships become ineffective, they are immediately reversed through profit or loss.

Even if some currency forward contracts are not presented as cash flow hedge accounting, these also represent a currency fluctuation hedge from a financial point of view. In such cases, the measurement effects of the derivative financial instrument balance out with the effects from the measurement of the foreign currency receivable or liability within the cost of goods sold.

Trade Receivables and Other Receivables
Trade and other receivables are measured, where applicable by applying the effective interest method, with their market value at the date they arose less any impairment amount.

Other non-current receivables are measured by applying the effective interest method at amortized cost.

Cash and Cash Equivalents
Cash and cash equivalents include cash balances and call deposits. Cash and cash equivalents are principally measured at amortized cost.

Financial Assets Available for Sale
Financial assets available for sale are non-derivative financial instruments that were designated as available for sale or cannot be classified in any other valuation category.

Financial assets available for sale are recognized at fair value plus any directly attributable transaction costs. After their initial recognition, they are recognized at fair value if this can be directly ascertained based on market data. Otherwise measurement occurs at amortized cost. Unrealized gains and losses are recognized in other comprehensive income taking into account deferred taxes. The reclassification of changes in measurement not recognized in the income statement in the net income occurs at the time of disposal. If the fair value of financial assets available for sale falls below amortized cost significantly or over a longer period of time, the impairment loss is immediately recognized through profit or loss. If the reasons for the impairment cease to exist, the reversal of the impairment loss is recognized in the subsequent periods.

Financial assets available for sale are recognized as either current or non-current assets according to management's plans regarding the sale.

ASSETS HELD FOR SALE
"Assets held for sale" consist of non-current assets and disposal groups of a company, which are classified as "held for sale" in accordance with IFRS 5. These are recognized at the lower of their carrying amount or fair value minus costs to sell. Insofar as liabilities relating to the respective disposal groups are identified, then these are also classified as "held for sale."

INVENTORIES
Inventories are measured at the lower of cost or net realizable value. Cost includes the cost of procuring the inventories, manufacturing or conversion costs and other costs incurred to bring the inventories to their existing location and condition. Net realizable value is determined as the estimated selling price less any estimated costs of completion and necessary selling and marketing costs.

Raw materials are measured at cost using the weighted average procurement cost. Finished goods, work in progress and services are measured using the costs of direct materials, direct labor and other direct costs and a reasonable proportion of manufacturing and material overheads, based on normal capacity utilization of production facilities, excluding borrowing costs.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The companies within the Group have various pension schemes set up in accordance with the regulations and practices of the countries in which they operate. Additionally, agreements exist to provide additional post-employment healthcare benefits.

Defined Contribution Plans

A defined contribution plan is a plan under the terms of which a company pays fixed contributions to other entities until the termination of the employment relationship and has no further legal or constructive obligation to pay additional amounts. Obligations for contributions to defined contribution plans are recognized under the affected functional area in the consolidated income statement as they become due.

Defined Benefit Plans

Defined benefit plans comprise all pension plans other than defined contribution plans. Claims relating to defined benefit plans are calculated separately for each plan with the actuarially calculated present value of the earned benefit entitlement. This is done by estimating the future pension benefit amount that employees have become entitled to in return for their service in current and prior periods; the amount of this pension benefit is discounted to determine its present value (defined benefit obligation, DBO). The discount rate is determined at the end of the reporting period as the yield on high-quality corporate bonds that have maturity dates that approximate the payment terms of the Group's obligations and that are denominated in the same currency as the pension benefits are expected to be paid. The calculation is performed annually by an actuary using the projected unit credit method. If claim entitlements are covered by plan assets, the fair value of these assets is offset with the present value. The net amount is recognized as either a pension liability or asset.

Changes to the present value of a defined benefit obligation due to performance are comprised of current and past service costs as well as gains/losses from settlements and are recognized immediately through profit or loss in the operating result. Expenses from interest accrued on pension liabilities as well as the income from plan assets based on the discount rate are recognized in the net financial result.

Remeasurements of net liability from defined benefit plans contain actuarial gains and losses from the change in present value of the defined benefit obligation as well as the return on plan assets excluding amounts included in net interest. They are immediately recognized in other comprehensive income and disclosed in equity in the reserve for remeasurements (pensions).

PROVISIONS

A provision is recognized when it is more likely than not that a present legal or constructive obligation due to a past event exists that makes it probable that an outflow of resources embodying economic benefits will be required, and when a reliable estimate of the amount of the obligation is possible.

The amount of the provision is regularly adjusted if new knowledge becomes available or new conditions arise. Non-current provisions are recognized at the present value of the expected obligation amounts as of the end of the reporting period. The discount rates are regularly adjusted to current market interest rates.

Additions to provisions are generally recognized through profit or loss in the respective expense category of the affected functions. A positive or negative difference that resulted from the fulfillment of the obligation is recognized at its carrying amount under the corresponding functional expense. Where positive differences not relating to the period under review are concerned, these are recognized under other operating income.

IMPAIRMENT

Trade Receivables

The following factors are considered in analyzing the impairment of trade receivables:

- Initially, the financial situation of individual customers is considered, and impairment losses for individual customer balances are recognized if it is probable that the contractually agreed receivable will not be paid.

- Following this, impairment losses for trade receivables based on homogeneous receivable classes are recognized that correspond to the associated risk of default, past receivable defaults as well as general market conditions such as trade embargoes and natural disasters. We create a general bad debt allowance for impairment considerations for a portfolio of receivables when we are of the opinion that the age of the receivables represents an indicator that it is probable that a loss has occurred or that we will not collect some or all of the amounts due.

Objective evidence of impairment is identified on the basis of the following circumstances:

- substantial financial difficulties of the debtor;

- breach of contract;

- concessions to the customer, for economic or legal reasons relating to their financial difficulty;

- insolvency or the likelihood of a major restructuring by the debtor;

- indications through observable data that there is a measurable decrease in expected future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group (general bad debt allowance).

If, in subsequent periods, the reasons for impairment no longer exist, a reversal will be recognized with effect on profit or loss. If a receivable becomes classified as unrecoverable, it will be derecognized accordingly as a result.

Impairments of trade receivables are partially performed by applying value allowance accounts. The decision as to whether a default is covered by an allowance account or through a direct reduction of the receivable depends on the degree of reliability with which the risk situation can be assessed. Impairments are recognized under selling and marketing expenses. Due to differing operating segments and differing regional conditions, this decision is made by the individual portfolio managers.

Other Financial Assets

Financial assets are measured at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recorded for financial assets if objective indications point to one or more events having a negative influence on future cash flows deriving from the asset.

An impairment loss for financial assets recognized at amortized cost is determined as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. An impairment loss for financial assets held as available for sale is determined by fair value.

Individually significant financial assets are tested for possible impairment on an individual basis. All other financial assets are collected in groups that share similar default risk profiles and then measured.

Gains and losses deriving from the measurement of financial assets that are classified as available for sale are generally recognized in other comprehensive income. As far as an indication of an impairment for assets classified as available for sale exists, the cumulative loss is reclassified from other comprehensive income to the consolidated income statement. Impairment losses for equity instruments classified as available for sale that were once recognized in the consolidated income statement are not reversed but recognized in other comprehensive income. Any gains or losses previously recognized in other comprehensive income are transferred to the consolidated income statement at the time of disposal.

Non-financial Assets

At the end of each reporting period, the Group assesses whether indications exist that a non-financial asset is impaired. The carrying amount of the asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset is not covered by its recoverable amount. If such indications exist, or if a test for impairment of an asset needs to be made, the recoverable amount is estimated. The recoverable amount of an asset is the higher of the fair value of the asset or of a cash-generating unit less any costs to sell it and its value in use. The recoverable amount must be determined for each individual asset unless the asset itself does not generate any cash inflows that are largely independent of those generated by other assets or asset groups. If the carrying amount of the asset exceeds its recoverable amount, the asset is considered to be impaired, and an impairment loss is recorded, which means the asset is reduced to its recoverable amount. In order to determine the value in use, estimated future cash flows expected to be derived from the asset are discounted to their present value using a pre-tax discounting factor.

Impairment losses are recorded in the expense categories that reflect the function of the impaired asset.

At the end of each reporting period, a review is made to check whether any indications exist that any impairment loss recognized in an earlier reporting period is no longer required, or could be reduced. If such an indication exists, the recoverable amount of the asset is estimated. Any previously recognized impairment loss is reversed if the asset's recoverable amount now exceeds its carrying amount as a result of a change in its estimated value since the time when the impairment loss was originally recognized. The reversal of the impairment loss must not result in a carrying amount that exceeds the amortized cost of the asset that would have resulted if no impairment loss had been recognized in previous years. Such reversals are to be recognized directly in the net income for the period. Following the reversal of an impairment loss, the amortization or depreciation for future periods is adjusted as necessary in order to systematically spread the adjusted carrying amount of the asset less any expected future residual value over its remaining useful life.

Goodwill

In accordance with IAS 36, goodwill is tested for impairment at least once per year. If events or changes in circumstances indicate that an impairment loss may need to be recognized, then tests are carried out more frequently.

For impairment tests, goodwill is to be allocated to the cash-generating unit within the Group that is intended to benefit from the synergies of the business combination. Every unit with goodwill allocated to it represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is no larger than an operating segment as defined by IFRS 8.

Any impairment loss is ascertained by determining the recoverable amount attributable to the cash-generating unit to which the goodwill relates. The recoverable amount of a cash-generating unit is the higher of the fair value less any costs to sell (Level 3) and its value in use. If the recoverable amount attributable to the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses on goodwill may not be reversed in future periods. Symrise carries out its annual impairment test for goodwill on September 30.

Within the Symrise Group, the two segments Scent & Care and Flavor & Nutrition have been defined as cash-generating units. The recoverable amount is represented by the fair value less costs to sell and was determined as the present value of future cash flows. The future cash flows were derived from the Symrise Group's planning information. The calculation of the present value of estimated future cash flows is mainly based on assumptions relating to future selling prices and/or sales volumes and costs while taking into account any changed economic circumstances. In applying value in use, the cash-generating unit is measured as currently used. Net cash inflows outside of the planning period are determined on the basis of long-term business expectations using individual growth rates derived from the respective market information.

The planning information is based on a detailed planning horizon for the fiscal years 2016 to 2019. A growth rate of 1.0 % (previous year: 1.0 %) was assumed for the measurement of perpetual annuity. The cash flows determined in this manner were discounted with a weighted after-tax average capital cost factor of 7.97 % for Scent & Care and 7.89 % for Flavor & Nutrition (2014: 7.74 % for Scent & Care and 7.60 % for Flavor & Nutrition). Cost of equity and borrowing costs were weighted with a capital structure based on a group of comparable companies. Capital market data and data from comparable companies were used in determining cost of equity and borrowing costs. There were no indications of impairment for the fiscal year.

In performing the impairment test, Symrise carried out various sensitivity analyses for reasonably possible changes to the WACC or projected sales. These variations in the measurement parameters also did not result in any required impairment of goodwill as it is currently recognized.

DETERMINING FAIR VALUE

Many accounting policies require that fair value be measured for financial and non-financial assets and liabilities. The fair values have been measured using the methods described below. Further information regarding the assumptions used to determine fair value is contained in the notes specific to the particular asset or liability.

Financial Instruments – General Principles

The inputs for determining the fair value are classified in three levels pursuant to IFRS 13:

- Inputs of **Level 1** are (unadjusted) quoted prices for identical assets or liabilities in active markets that the company can access at the measurement date.
- Inputs of **Level 2** are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Inputs of **Level 3** are unobservable inputs for the asset or liability.

Property, Plant and Equipment

The fair value for property, plant and equipment recognized as a result of a business combination is based on market values. The market value for real estate is based on the estimated value at which the real estate could be sold on the measurement date under the presumption that this would represent a transaction between a willing buyer and a willing seller under the terms of which both parties operate knowledgeably, prudently and without compulsion and the transaction is preceded by adequate marketing activities. The market values of items of plant, equipment, fixtures and fittings are based on quoted prices for comparable items.

Intangible Assets
The fair value of recipes recognized as a result of a business combination is based on the discounted estimated royalty payments that were avoided as a result of the recipe becoming owned or is based on the discounted cash flows that are expected to derive from use of the recipe. The fair value of other intangible assets (e.g., customer base and trademarks) is based on the discounted cash flows that are expected to derive from the use and eventual sale of the assets.

Investment Property
The fair value for investment property is measured by an independent, qualified valuer using recognized measurement techniques, insofar as appropriate. If prices from recent market transactions with comparable property are available, these transactions are used as references for measuring fair value.

Inventories
The fair value for inventories resulting from a business combination are determined on the basis of estimated sale price over the normal course of business minus estimated manufacturing costs and costs to sell as well as appropriate profit margins based on the required efforts for manufacturing and selling the inventories.

3. SEGMENT INFORMATION

DESCRIPTION OF REPORTABLE SEGMENTS

For internal reporting purposes, we present our business activities in a number of different ways, mainly based on segments and geographical regions. Based on this reporting information, the Executive Board, which carries responsibility as chief operating decision-maker for the success of the various segments and the allocation of resources, assesses the business activities from a number of angles. Operating segments are divided into divisions. With Scent & Care and Flavor & Nutrition, we have two reportable segments, organized according to our products.

SCENT & CARE

The Scent & Care segment develops, produces and sells fragrance compositions, cosmetic ingredients, aroma molecules and mint flavors as well as specific application processes for such substances. The products and application processes developed by Symrise in the Scent & Care segment are used by customers in manufacturing perfumes, personal care and cosmetic products, cleaning products, detergents, air fresheners and oral care products.

FLAVOR & NUTRITION

The Flavor & Nutrition segment develops, produces and sells flavors and functional ingredients used in foods, beverages and health products. It also develops tailored solutions from natural raw materials that optimize the performance of products in areas of nutrition, pet food, nutraceuticals, aquacultures and cosmetics.

The segment reporting by region is aligned to the location of assets. Sales to customers are reported in the geographical region in which the customer is located. Countries are grouped together for internal managerial accounting and reporting purposes into the regions EAME (Europe, Africa, Middle East), North America, Asia/Pacific and Latin America.

MEASUREMENT CRITERIA FOR THE SEGMENTS

Internal control and reporting in the Symrise Group are based on the accounting principles according to IFRS, as shown in note 2.

Transactions are only conducted between the two segments to an immaterial extent. These are transacted at market prices and have not been separately disclosed for materiality reasons. External sales represent the sales of the two segments to third parties and thus in their sum are equal to the consolidated sales of the Symrise Group.

The revenue and expenditure of the Symrise Group's central units and functions are completely included in the two segments Flavor & Nutrition and Scent & Care based on performance-related, or utilization-related, criteria. The result-related determining factor for the management of the segments is the earnings before interest, taxes, depreciation and amortization (EBITDA). The depreciation and amortization charges that can be directly attributed to each segment are included in determining the segment contribution. The financial result is not included as the segments are mainly centrally financed. This is the reason why financial income and expenses are disclosed below at Group level and combined together in the form of the financial result. Taxes are treated in a similar manner so that net income after tax is reported combined to give the consolidated earnings.

Capital investments made by a segment comprise all expenditure incurred during the reporting period for the purpose of acquiring property, plant and equipment and intangible assets.

SEGMENT ASSETS/LIABILITIES

The Executive Board, which is the chief operating decision-maker, does not receive all information with respect to segment assets and liabilities. The allocation of goodwill to segments is disclosed in note 20.

SEGMENT RESULTS

2014 T€	Scent & Care	Flavor & Nutrition	Segment total = Group total
External sales	980,409	1,139,698	**2,120,107**
Cost of goods sold	– 560,463	– 671,241	**– 1,231,704**
Gross profit	**419,946**	**468,457**	**888,403**
Selling and marketing expenses	– 144,221	– 200,982	**– 345,203**
Research and development expenses	– 66,963	– 72,387	**– 139,350**
Administration expenses	– 41,623	– 78,657	**– 120,280**
Other operating income	12,396	16,668	**29,064**
Other operating expenses	– 1,577	– 2,977	**– 4,554**
Income from operations/EBIT	**177,958**	**130,122**	**308,080**
Amortization and impairment of intangible assets	25,497	45,039	**70,536**
Depreciation and impairment of property, plant and equipment	19,467	38,208	**57,675**
EBITDA	**222,922**	**213,369**	**436,291**
Financial result			**– 48,370**
Income before income taxes			**259,710**
Income taxes			**– 72,943**
Net income			**186,767**
Other segment information			
Investments[1]			
Intangible assets	5,151	5,430	**10,581**
Property, plant and equipment	34,688	55,992	**90,680**

1) Excluding additions related to the scope of consolidation

2015 T€	Scent & Care	Flavor & Nutrition	Segment total = Group total
External sales	1,073,681	1,528,049	**2,601,730**
Cost of goods sold	– 604,691	– 885,450	**– 1,490,141**
Gross profit	**468,990**	**642,599**	1,111,589
Selling and marketing expenses	– 164,422	– 262,490	**– 426,912**
Research and development expenses	– 78,641	– 90,999	**– 169,640**
Administration expenses	– 50,649	– 97,835	**– 148,484**
Other operating income	7,719	25,099	**32,818**
Other operating expenses	– 788	– 3,371	**– 4,159**
Income from operations/EBIT	**182,209**	**213,003**	395,212
Amortization and impairment of intangible assets	26,453	74,755	**101,208**
Depreciation and impairment of property, plant and equipment	22,569	53,192	**75,761**
EBITDA	**231,231**	**340,950**	572,181
Financial result			**– 44,319**
Income before income taxes			350,893
Income taxes			**– 98,504**
Net income			252,389
Other segment information			
Investments[1)]			
Intangible assets	9,092	38,109	**47,201**
Property, plant and equipment	47,151	82,273	**129,424**

1) Including additions from the business combination (asset deal, see note 26)

There were no customers accounting for more than 10 % of Group sales either in the reporting year or previous year.

RESULT BY REGION

2014 T€	EAME[1]	North America	Asia/Pacific	Latin America	Total
Sales					
Sales by region (point of delivery)	989,046	408,633	452,589	269,839	2,120,107
Domestic					226,274
Foreign					1,893,833
Other segment information					
Non-current assets[2]					2,702,845
Domestic					961,521
Foreign					1,741,324
Investments[3]					
Intangible assets	9,350	249	284	698	10,581
Property, plant and equipment	53,784	14,906	9,988	12,002	90,680

2015 T€	EAME[1]	North America	Asia/Pacific	Latin America	Total
Sales					
Sales by region (point of delivery)	1,131,018	571,841	570,816	328,055	2,601,730
Domestic					244,509
Foreign					2,357,221
Other segment information					
Non-current assets[2]					2,712,432
Domestic					1,346,711
Foreign					1,365,721
Investments[4]					
Intangible assets	16,743	29,447	462	549	47,201
Property, plant and equipment	70,504	26,343	15,168	17,409	129,424

1) Europe, Africa and Middle East
2) Excluding financial instruments and deferred tax assets
3) Excluding additions related to the scope of consolidation
4) Including additions from the business combination (asset deal, see note 26)

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED INCOME STATEMENT

4. SALES

Sales revenue results primarily from the sale of products. Please refer to the segment reporting information for a presentation of sales by segment and region.

5. COST OF GOODS SOLD

Cost of goods sold mainly consist of expenses for raw materials as well as production costs. Amortization and impairment for recipes, technologies, other production-related intellectual property and currency translation effects are also included. Please refer to the segment reporting information for a presentation of cost of goods sold by segment.

6. PERSONNEL EXPENSES

T€	2014	2015
Wages and salaries	– 360,869	– 416,682
Social security expenses	– 74,439	– 87,728
Pension expenses (excluding interest expenses)	– 9,272	– 17,472
Termination benefits	– 9,078	– 2,955
Multi-year performance-based remuneration	– 2,674	– 1,523
Total	**– 456,332**	**– 526,360**

The increase in wages and salaries as well as social security expenses compared to the previous year is primarily due to having the expenses of the Diana Group companies acquired in 2014 recognized in the consolidated income statement for the first full year in the 2015 fiscal year. Social security expenses include social security contributions that the organization is required to make by law. These include defined contribution plan benefits of € 17.2 million (2014: € 18.2 million).

The multi-year performance-based remuneration affects the Executive Board and select employees. The annual bonuses and bonuses for other employees are recognized in wages and salaries.

The average number of employees employed within the Symrise Group amounts to the following:

In full-time equivalents (FTE)	2014	2015
Manufacturing and technology	3,208	3,935
Selling and marketing	1,663	1,805
Research and development	1,308	1,503
Administration	533	643
Service units	376	387
Number of employees	**7,088**	**8,273**
Apprentices and trainees	127	137
Total	**7,215**	**8,410**

7. SELLING AND MARKETING EXPENSES

Selling and marketing expenses mainly include expenses from the period for advertising and customer service as well as distribution and storage for finished products. They also contain transport costs, expenses for commissions and licenses as well as amortization of customer bases and trademarks recognized as assets. The increase compared to the previous year is primarily due to having the expenses of the Diana Group companies acquired in 2014 recognized in the consolidated income statement for the first full year in the 2015 fiscal year. Please refer to the segment reporting information for a presentation of selling and marketing expenses by segment.

8. RESEARCH AND DEVELOPMENT EXPENSES

In addition to the costs of Symrise's own research departments, this item also includes costs for external research and development services and trial activities. Along with basic research, activities in this area include the development of products to generate sales revenue as well as new or improved processes to reduce the cost of goods sold. Such costs cannot be capitalized. The increase compared to the previous year is primarily due to having the expenses of the Diana Group companies acquired in 2014 recognized in the consolidated income statement for the first full year in the 2015 fiscal year. Please refer to the segment reporting information for a presentation of research and development expenses by segment.

9. ADMINISTRATION EXPENSES

Administration expenses mainly contain expenses for information technology, finances and human resources as well as for factory security, work safety and administration buildings. The increase compared to the previous year is primarily due to having the expenses of the Diana Group companies acquired in 2014 recognized in the consolidated income statement for the first full year in the 2015 fiscal year. Please refer to the segment reporting information for a presentation of administration expenses by segment.

10. OTHER OPERATING INCOME

T€	2014	2015
Income from government subsidies	4,362	8,267
Income from the reversal of provisions and other liabilities	4,725	5,294
Income from service units	3,317	4,659
Income from sidelines	2,751	3,810
Income from the reclassification of exchange rate differences from the currency reserve	8,898	2,083
Income from the reversal of impairment on receivables	2,143	1,970
Income from insurance claims	516	1,655
Gains from the disposal of property, plant and equipment	210	1,241
Miscellaneous other income	2,142	3,839
Total	**29,064**	**32,818**

Government subsidies were mainly granted in France to promote research projects. See notes 18 and 22 for more information.

Income from the reversal of provisions and other liabilities affects such obligations where utilization is no longer expected or where it is certain it will not be utilized. For changes in provisions, see notes 30 and 33.

Income from service units results from services rendered by Group companies for third parties in the areas of logistics, technology and security.

Income from sidelines comes from sales not connected to the sale of flavors or fragrances. It is therefore treated as peripheral business activity.

Income from the reclassification of exchange rate differences from the currency reserve resulted from the closure of the Swiss subsidiary. For changes to the scope of consolidation, please see note 2.4.

Income from the reversal of impairment losses on receivables mainly came from incoming payments for receivables previously impaired.

Income from insurance claims covers an insurance refund for fire damage to a spraying tower.

Gains from the disposal of property, plant and equipment were mainly generated from the sale of a property in Dubai.

The item of miscellaneous other income comprises various individually immaterial cases that are not related to the sale of products.

11. FINANCIAL RESULT

T€	2014	2015
Interest income from bank deposits	1,727	3,807
Other interest income	840	456
Interest income	**2,567**	**4,263**
Other financial income	179	278
Financial income	**2,746**	**4,541**
Interest expenses from bank borrowings	– 4,312	– 5,232
Interest expenses from other borrowings	– 22,149	– 27,986
Other interest expenses	– 17,805	– 15,503
Interest expenses	**– 44,266**	**– 48,721**
Foreign currency gains/losses	2,559	1,552
Fees for financing the Diana acquisition	– 5,027	0
Impact on earnings from business combinations achieved in stages	– 2,799	0
Other financial expenses	– 1,583	– 1,691
Financial expenses	**– 51,116**	**– 48,860**
Financial result	**– 48,370**	**– 44,319**
of which interest result	– 41,699	– 44,458
of which other financial result	– 6,671	139

Interest expenses for liabilities from the Eurobonds, the US private placement and the promissory note loan are recognized under the interest expenses for other borrowings. Other interest expenses mainly comprise the compounding of provisions for pensions amounting to € 9.7 million (2014: € 11.9 million).

12. INCOME TAXES

Current taxes paid or owed in individual countries and deferred taxes are recognized as income taxes.

T€	2014	2015
Current income taxes	**– 90,303**	**– 121,655**
Deferred tax expense/income from losses carried forward	– 57	– 6,745
Deferred tax expense/income from temporary differences	17,417	29,896
Deferred tax expense/income	**17,360**	**23,151**
Income taxes	**– 72,943**	**– 98,504**

Income taxes in the year under review increased by € 25.6 million to € 98.5 million. The tax rate did not change from the previous year, amounting to 28.1 %.

The increase in current income taxes of € 31.3 million to € 121.7 million mainly resulted from improved consolidated net income. The changes to deferred tax income result primarily from the purchase price allocation of the acquisition of the Diana Group and the depreciation and amortization related to this. Furthermore, the repayment of an internal borrowing in USD and the corresponding currency valuation had a substantial impact on deferred tax income.

In the previous year, deferred tax income was influenced by the increase in tax losses carried forward from the Diana Group. By contrast, a greater number of tax losses carried forward could be used in the reporting year.

DERIVATION OF THE EFFECTIVE TAX RATE

The income taxes disclosed in the year reported, amounting to € 98.5 million (2014: € 72.9 million), can be reconciled to an “expected” income tax expense, which would have arisen if the statutory tax rates, giving consideration to different local tax rates, had been applied to earnings before income taxes according to the German Commercial Code (HGB):

T€	2014	2015
Consolidated earnings before taxes	**259,710**	**350,893**
Expected tax expense at local tax rates	– 70,912	– 97,281
Tax effect from previous periods	2,886	– 7,992
Tax effect from tax-free income	9,852	20,307
Tax effect from non-deductible expenses	– 6,579	– 7,834
Non-recoverable withholding tax	– 5,247	– 3,419
Tax effect from value adjustments to deferred tax assets	– 3,565	– 2,371
Tax effect from change in tax rate	288	– 273
Other tax effects	334	359
Income tax expense	**– 72,943**	**– 98,504**

Tax effects from previous periods were higher in the reporting year due to scheduled allocations to the risk provision as well as the end of audits in France.

The notable increase in effects from tax-free income is primarily due to the previously mentioned repayment of an internal borrowing in USD. Another effect stemmed from the sale of a French subsidiary as well as the closure of a subsidiary in Switzerland.

The reduction of the tax effect from non-recoverable withholding taxes relates to a change in the distribution of foreign dividends.

The effect of value adjustments to deferred tax assets resulted from the derecognition of deferred tax assets due to the closure of a subsidiary as well as the impairment of deferred tax assets for companies within the Diana Group that are not expected to be used in the future.

The proposed dividend for the 2015 fiscal year (see note 36) will not have any income tax consequences for Symrise. Future income and withholding taxes resulting from planned distributions of Group companies will be recognized under deferred tax liabilities.

No deferred tax liabilities were recognized for temporary differences from interests in subsidiaries amounting to € 180.0 million in 2015 and € 170.2 million in 2014 as these gains are either not subject to taxation on pay out or are expected to be reinvested for indefinite periods of time.

The amount of income tax directly charged or credited to other comprehensive income breaks down as follows:

	2014			2015		
T€	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	30,721	2,493	33,214	– 28,920	3,477	– 25,443
Financial assets available for sale	58	– 15	43	– 74	21	– 53
Cash flow hedge (currency hedges)	– 530	119	– 411	17	33	50
Remeasurement of defined benefit pension plans	– 125,858	37,242	– 88,616	46,471	– 13,757	32,714
Change in tax rate	0	0	0	0	– 37	– 37
Other comprehensive income	**– 95,609**	**39,839**	**– 55,770**	**17,494**	**– 10,263**	**7,231**
of which current taxes		– 72			465	
of which deferred taxes		39,911			– 10,728	

13. AMORTIZATION AND DEPRECIATION

Amortization of intangible assets and depreciation of property, plant and equipment are visible in the movement summary in notes 20 and 21.

14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the holders of the parent's ordinary shares by the weighted average number of ordinary shares outstanding during the year.

	2014	2015
Consolidated net income attributable to shareholders of Symrise AG (T€)	185,000	246,778
Weighted average number of ordinary shares (shares)	125,317,373	129,812,574
Earnings per share (€)	**1.48**	**1.90**

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

T€	December 31, 2014	December 31, 2015
Cash	188,378	187,099
Cash equivalents	10,850	91,079
Total	**199,228**	**278,178**

Due to the partial payment of the first tranche of the promissory note loan in December 2015 (see note 28), higher cash equivalents were available beyond the end of the year, which were placed in an interest-generating term deposit until the payment of the purchase price for the Pinova Group (see note 51).

16. TRADE RECEIVABLES

T€	December 31, 2014	December 31, 2015
Trade receivables	433,120	475,206
Allowance for doubtful accounts	– 12,068	– 13,701
Total	**421,052**	**461,505**

Trade receivables are not secured. The company therefore bears the risk of receivable defaults. However, only insignificant cases of default arose with individual customers in the past. The carrying amount of the trade receivables approximately represents their fair value.

The due dates for trade receivables as of the end of the reporting period therefore have developed as follows:

				of which				
T€	Carrying amount (gross)	No allowance set up and not overdue	Full or partial allowance set up and overdue	Overdue for 1–30 days	Overdue for 31–90 days	Overdue for 91–360 days	Overdue for more than 1 year	Overdue but no allowance set up
December 31, 2014								
Trade receivables	433,120	370,716	62,404	39,596	10,148	6,108	6,552	0
December 31, 2015								
Trade receivables	475,206	417,355	57,851	34,716	10,119	4,964	8,052	0

The companies grant credit terms that are customary within the industry and the countries in which they operate.

Allowances for trade receivables during the year under review developed as follows:

T€	2014	2015
January 1	**7,621**	**12,068**
Changes to the scope of consolidation	3,114	– 277
Allowances set up	5,048	7,580
Utilized in the reporting year	– 1,654	– 2,935
Reversals	– 2,143	– 1,970
Exchange rate differences	82	– 765
December 31	**12,068**	**13,701**

The risk of default for trade receivables is limited due to the large number of customers and their widely diversified activities in different markets.

The expenses deriving from the setup of allowances for doubtful trade receivables and debt write-offs are disclosed under selling and marketing expenses.

17. INVENTORIES

T€	December 31, 2014	December 31, 2015
Raw materials	179,840	187,356
Unfinished products	129,661	146,707
Finished products	193,318	222,205
Impairment losses	– 18,129	– 24,822
Total	**484,690**	**531,446**

The cost of goods sold includes material costs without currency translation effects amounting to € 1,076.2 million (2014: € 893.4 million).

Inventories are subject to reservations of titles that are standard in the industry.

18. OTHER CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2014	December 31, 2015
Other taxes	40,781	37,855
Other prepayments	27,799	19,957
Receivables from research grants	17	13,394
Miscellaneous other assets	3,586	2,821
Total	**72,183**	**74,027**

Other taxes mainly comprise receivables from value-added tax.

Other prepayments contain particularly payments made for inclusion on customer supplier listings, which are dissolved over the term of the contract, as well as other prepaid services that are delineated on an accrual basis.

Receivables from research grants contain not yet offset entitlements from tax credits granted by the French government on research expenses (Crédit d’impôt recherche, CIR) as well as for competitiveness and employment (Crédit d’impôt pour la compétitivité et l’emploi, CICE). There are no unfulfilled conditions or other contingencies in connection with these grants. The increase is mainly due to non-current receivables during the reporting year becoming current and being reclassified in this report (see note 22).

Other assets and receivables are not secured. Symrise carries the risk that receivable defaults can occur up to the carrying amount. So far, the company has experienced only insignificant cases of default. There are only slight impairments in the items; therefore the development of the impairment account is not presented for materiality reasons.

19. CURRENT FINANCIAL ASSETS

T€	December 31, 2014	December 31, 2015
Balance on a fiduciary account	3,291	3,672
Right of recourse	0	1,816
Security deposits, guarantees and rental deposits	1,550	1,574
Other financial assets	1,897	2,026
Total	**6,738**	**9,088**

Financial assets mainly contain fiduciary account balances in connection with the 2013 acquisition of the Belmay Group and the June 2015 acquisition of Flavor Infusion LLC.

Furthermore, the item contains a right of recourse that was stipulated with the seller during the business combination with the Diana Group in 2014 and which ensures the repayment of possible financial risks. This was classified under non-current financial assets in the previous year and was partially settled in 2015.

20. INTANGIBLE ASSETS

T€	Goodwill	Recipes[1] with definite useful lives	Other intangible assets[2] with definite useful lives	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2014	**529,600**	**603,671**	**193,124**	**16,315**	**9,311**	**1,352,021**
Changes to the scope of consolidation	581,683	79,704	596,039	2,422	820	**1,260,668**
Additions from acquisitions	0	0	5,463	0	4,396	**9,859**
Additions from internal development	0	0	0	675	47	**722**
Disposals	0	0	– 3,902	– 411	0	**– 4,313**
Transfers	0	0	4,594	626	– 5,220	**0**
Exchange rate differences	21,895	23,168	13,534	– 95	– 510	**57,992**
December 31, 2014	**1,133,178**	**706,543**	**808,852**	**19,532**	**8,844**	**2,676,949**
Accumulated amortization and impairment losses						
January 1, 2014	**– 38,884**	**– 417,878**	**– 71,412**	**– 11,491**	**0**	**– 539,665**
Changes to the scope of consolidation	0	0	– 11,884	– 442	0	**– 12,326**
Scheduled amortization for the fiscal year	0	– 29,389	– 38,650	– 2,023	0	**– 70,062**
Impairment	0	– 316	– 158	0	0	**– 474**
Disposals	0	0	3,567	0	0	**3,567**
Exchange rate differences	– 2,889	– 16,365	– 4,433	23	0	**– 23,664**
December 31, 2014	**– 41,773**	**– 463,948**	**– 122,970**	**– 13,933**	**0**	**– 642,624**
Carrying amounts						
January 1, 2014	490,716	185,793	121,712	4,824	9,311	**812,356**
December 31, 2014	**1,091,405**	**242,595**	**685,882**	**5,599**	**8,844**	**2,034,325**

1) Recipes mainly consist of production recipes and technologies from business combinations.
2) Customer bases, software, patents and other rights, trademarks, own IT developments.

T€	Goodwill	Recipes[1] with definite useful lives	Other intangible assets[2] with definite useful lives	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2015	**1,133,178**	**706,543**	**808,852**	**19,532**	**8,844**	**2,676,949**
Changes to the scope of consolidation	0	0	– 7,811	– 80	– 7	**– 7,898**
Additions from business combination (asset deal)	12,154	1,041	15,553	0	0	**28,748**
Additions from acquisitions	0	0	9,210	0	7,535	**16,745**
Additions from internal development	0	0	0	1,686	22	**1,708**
Disposals	0	– 2,709	– 1,478	– 68	– 159	**– 4,414**
Transfers	0	0	5,486	124	– 5,610	**0**
Exchange rate differences	24,094	17,633	7,335	91	– 95	**49,058**
December 31, 2015	**1,169,426**	**722,508**	**837,147**	**21,285**	**10,530**	**2,760,896**
Accumulated amortization and impairment losses						
January 1, 2015	**– 41,773**	**– 463,948**	**– 122,970**	**– 13,933**	**0**	**– 642,624**
Changes to the scope of consolidation	0	0	1,482	24	0	**1,506**
Scheduled amortization for the fiscal year	0	– 34,284	– 64,100	– 2,163	0	**– 100,547**
Impairment	0	0	– 425	– 236	0	**– 661**
Disposals	0	2,709	1,199	57	0	**3,965**
Exchange rate differences	– 3,262	– 12,623	– 1,142	– 19	0	**– 17,046**
December 31, 2015	**– 45,035**	**– 508,146**	**– 185,956**	**– 16,270**	**0**	**– 755,407**
Carrying amounts						
January 1, 2015	1,091,405	242,595	685,882	5,599	8,844	**2,034,325**
December 31, 2015	**1,124,391**	**214,362**	**651,191**	**5,015**	**10,530**	**2,005,489**
of which finance leases	0	0	2,218	0	0	**2,218**

1) Recipes mainly consist of production recipes and technologies from business combinations.
2) Customer base, trademarks, software, patents and other rights, own IT developments.

Regarding the changes to the scope of consolidation, please see note 2.4.

The additions from business combinations (asset deal) resulted from the acquisition occurring during the fiscal year (see note 26).

The additions from acquisitions relate to software, primarily SAP applications, and the registration of chemicals according to the European chemicals directive (REACH).

Capitalized development costs, including those currently in progress, amounted to € 5.4 million as of the end of the reporting period (December 31, 2014: € 5.9 million).

The amortization of recipes is allocated to production and is therefore included in the cost of goods sold. Amortizations on customer bases and trademarks are recognized in selling and marketing expenses. The amortization of other intangible assets is generally allocated to the relevant functional area in the consolidated income statement.

GOODWILL ACCORDING TO SEGMENT

T€	December 31, 2014	December 31, 2015
Scent & Care	179,094	186,322
Flavor & Nutrition	912,311	938,069
Total	**1,091,405**	**1,124,391**

21. PROPERTY, PLANT AND EQUIPMENT

T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2014	**326,035**	**346,795**	**157,998**	**46,386**	**877,214**
Changes to the scope of consolidation	111,600	176,220	15,846	8,342	**312,008**
Additions	6,310	18,349	12,349	53,672	**90,680**
Disposals	– 776	– 6,173	– 2,958	– 279	**– 10,186**
Transfers	13,879	19,827	7,627	– 41,333	**0**
Exchange rate differences	8,536	15,028	5,238	2,619	**31,421**
December 31, 2014	**465,584**	**570,046**	**196,100**	**69,407**	**1,301,137**
Accumulated depreciation and impairment losses					
January 1, 2014	**– 118,703**	**– 211,554**	**– 107,335**	**0**	**– 437,592**
Changes to the scope of consolidation	– 47,460	– 101,124	– 10,685	0	**– 159,269**
Scheduled depreciation for the fiscal year	– 14,678	– 28,118	– 13,527	0	**– 56,323**
Impairment	– 953	– 344	– 55	0	**– 1,352**
Disposals	402	5,876	2,794	0	**9,072**
Transfers	– 16	– 768	784	0	**0**
Exchange rate differences	– 4,400	– 8,550	– 3,040	0	**– 15,990**
December 31, 2014	**– 185,808**	**– 344,582**	**– 131,064**	**0**	**– 661,454**
Carrying amounts					
January 1, 2014	207,332	135,241	50,663	46,386	**439,622**
December 31, 2014	**279,776**	**225,464**	**65,036**	**69,407**	**639,683**
of which finance leases	8,241	3,363	386	0	**11,990**

T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2015	**465,584**	**570,046**	**196,100**	**69,407**	**1,301,137**
Changes to the scope of consolidation	– 11,108	– 11,041	– 725	– 64	**– 22,938**
Additions from business combination (asset deal)	0	0	29	0	**29**
Other additions	5,965	17,157	13,574	92,699	**129,395**
Disposals	– 5,131	– 8,708	– 6,786	– 394	**– 21,019**
Transfers	17,362	43,846	9,961	– 71,169	**0**
Exchange rate differences	4,316	5,159	– 1,113	1,229	**9,591**
December 31, 2015	**476,988**	**616,459**	**211,040**	**91,708**	**1,396,195**
Accumulated depreciation and impairment losses					
January 1, 2015	**– 185,808**	**– 344,582**	**– 131,064**	**0**	**– 661,454**
Changes to the scope of consolidation	7,690	7,644	486	0	**15,820**
Scheduled depreciation for the fiscal year	– 18,284	– 38,084	– 16,483	0	**– 72,851**
Impairment	0	– 2,470	– 170	– 270	**– 2,910**
Disposals	3,014	7,533	6,472	0	**17,019**
Transfers	– 15	14	1	0	**0**
Exchange rate differences	– 1,680	– 766	762	0	**– 1,684**
December 31, 2015	**– 195,083**	**– 370,711**	**– 139,996**	**– 270**	**– 706,060**
Carrying amounts					
January 1, 2015	279,776	225,464	65,036	69,407	**639,683**
December 31, 2015	**281,905**	**245,748**	**71,044**	**91,438**	**690,135**
of which finance leases	6,626	2,217	39	0	**8,882**

Regarding the changes to the scope of consolidation, please see note 2.4.

Other additions mainly contain the power plant still under construction in Holzminden and investments in capacity expansion. Additions contain capitalized borrowing costs amounting to € 0.4 million. The underlying capitalization rate amounts to 2.59 % (December 31, 2014: 4.04 %).

The impairments, which result from the consolidation of sites in France and the USA, are recognized in the associated functional areas.

22. OTHER NON-CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2014	December 31, 2015
Receivables from research grants	19,957	11,782
Prepayments	5,107	3,171
Miscellaneous other assets	1,521	1,855
Total	**26,585**	**16,808**

Receivables from research grants contain not yet offset entitlements from tax credits granted by the French government on research expenses (Crédit d'impôt recherche, CIR) as well as for competitiveness and employment (Crédit d'impôt pour la compétitivité et l'emploi, CICE). There are no unfulfilled conditions or other contingencies in connection with these grants. The reduction in receivables compared with the previous year resulted from the reclassification of elements that have become current (see note 18).

As in the previous year, payments made for inclusion on customer supplier listings are recognized in prepayments. The payments made for these inclusions will be dispersed over the term of the contract. The reduction resulted from the reclassification of elements that have become current to other current assets and receivables.

23. NON-CURRENT FINANCIAL ASSETS

T€	December 31, 2014	December 31, 2015
Right of recourse	10,100	7,794
Financial assets (available for sale)	5,427	5,548
Security deposits, guarantees and rental deposits	1,694	1,352
Balance on fiduciary account	1,645	0
Other financial assets	1,434	1,000
Total	**20,300**	**15,694**

The right of recourse contained in non-current financial assets was stipulated with the seller over the course of the business combination with the Diana Group and ensures repayment for any possible financial risks. Part of this right of recourse (€ 2.4 million) has been reclassified to current financial assets (see note 19).

In addition, investments in the form of securities that have to be held in compliance with legislative requirements for pension obligations in Austria as well as other investments are accounted for.

The balance of the fiduciary account was reclassified to current financial assets.

24. INVESTMENT PROPERTY

Investment property refers to property and buildings in Switzerland that were being held for the purpose of capital appreciation since the beginning of 2013.

The following table shows the transfer of the fair value in Level 3:

T€	2014	2015
January 1	**2,583**	**2,182**
Disposals	– 716	– 2,405
Fair value changes		
Recognized in profit or loss	264	223
Exchange rate differences	51	0
December 31	**2,182**	**0**

The loss from the sale (T€ 19) was recognized in the financial result with the currency gains resulting from the valuation (T€ 242).

25. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and liabilities from temporary differences are made up of the following items:

	December 31, 2014			December 31, 2015		
T€	Tax assets	Tax liabilities	Income (+)/ expenses (–)	Tax assets	Tax liabilities	Income (+)/ expenses (–)
Intangible assets	16,565	259,662	8,206	10,525	237,410	16,212
Property, plant and equipment	9,121	57,529	647	9,197	62,900	– 5,295
Financial assets	1,105	200	931	1,162	7	250
Inventories	13,746	340	4,692	16,978	264	3,308
Trade receivables, prepayments and other assets	3,236	10,486	– 9,839	4,200	8,708	2,742
Provisions for pensions	76,133	0	1,961	65,823	0	2,859
Other provisions and other liabilities	30,471	15,864	10,722	36,316	10,089	11,620
Interests in subsidiaries	0	1,900	97	0	3,700	– 1,800
Losses carried forward	35,984	0	– 57	29,239	0	– 6,745
Sub-total	**186,361**	**345,981**	**17,360**	**173,440**	**323,078**	**23,151**
Offsetting	– 105,067	– 105,067		– 95,230	– 95,230	
Total	**81,294**	**240,914**	**17,360**	**78,210**	**227,848**	**23,151**

Deferred tax income amounted to € 23.2 million in 2015 in contrast to a deferred tax income of € 17.4 million in 2014.

The change to deferred tax income regarding intangible assets relates to ongoing depreciation and amortization from the purchase price allocation for the acquisition of the Diana Group in July 2014. The previous year only contained depreciation and amortization for a period of 6 months, which explains the notable increase for the reporting year.

Furthermore, the deferred tax expense on trade receivables, prepayments and other assets from the previous year was influenced by the expansion of the scope of consolidation. The repayment of an internal borrowing in USD and the corresponding currency valuation resulted in a reduction of deferred tax liabilities in 2015.

With regard to the change in provisions for pensions and the related change in deferred taxes, please see note 12.

Overall, corporation tax losses carried forward amounting to € 99.7 million (December 31, 2014: € 146.7 million) existed as of the end of the reporting period. Of the corporation tax losses, € 1.9 million are subject to time limits. The increased use of tax losses carried forward compared with the previous year led to an increase in the deferred tax expense.

The use of tax losses carried forward and therefore the measurement of the corresponding deferred tax assets are substantiated through tax planning. Impairment on deferred tax assets amounted to € 2.4 million as of the end of the reporting period (December 31, 2014: € 3.5 million).

The calculation of foreign income taxes is based on the particular country's legal regulations. The tax rates of the individual companies range between 0 % and 38 %.

Foreign currency translation effects are contained in the deferred tax assets and liabilities amounting to € 3.5 million in the year under review (December 31, 2014: € 1.9 million).

26. BUSINESS COMBINATION

FLAVOR INFUSION LLC

On June 5, 2015, Symrise closed a purchase contract as part of the acquisition of assets (what is known as an asset deal) with the owners of Flavor Infusion LLC, USA, a provider of solutions for natural beverage flavors in North America, regarding the company's comprehensive know-how, established products on the market, excellent customer base and, to a small extent, inventories and property, plant and equipment. Furthermore, qualified specialists were acquired as part of this transaction.

Flavor Infusion LLC has built up proven expertise regarding development and process technologies for applications in the field of flavored mineral water and teas as well as flavored sports drinks. This acquisition is a further strategic step for Symrise towards getting the best possible results from heightened consumer interest in healthy nutrition. Along with a broadened range of functional beverages, Symrise can also benefit from the technologies acquired and substantially expand its presence in the growing market for non-alcoholic beverages. The acquisition thereby contributes to future value creation in the Flavor & Nutrition segment.

The preliminary purchase price amounts to USD 33.0 million (€ 29.4 million) and is comprised of a fixed and a contingent purchase price component, that depends on the generation of sales. The fixed component that was immediately due amounts to USD 31.0 million (€ 27.6 million), a further USD 2.0 million (€ 1.8 million, see note 19) is currently being held in a fiduciary account and will be due in September 2016 at the latest. The requirements for the payment of the contingent purchase price component were not met, so the fair value of this component is USD 0 (€ 0).

The assets initially recorded in the consolidated statement of financial position were recognized at the following (provisional) fair values:

T€	Initially recognized fair value as of the acquisition date
Inventories	632
Intangible assets	16,594
Property, plant and equipment	29
Acquired net assets	**17,255**
Consideration transferred for acquiring the assets	**29,409**
Goodwill	**12,154**

The (preliminary) goodwill results from synergy and earning potential that is expected from the integration of the operating business into the Symrise Group. The first-time recognition of this acquisition should be viewed as preliminary and is based on estimates, which are subject to postprocessing, in order to take facts and conditions that already existed as of the acquisition date into consideration.

The contributions of the acquired business to Group sales and consolidated net income for the period since the acquisition date were negligible and the same applies to their influence on Group sales and consolidated net income for the period if the acquisition had already occurred as of January 1, 2015. The ancillary acquisition costs recognized so far are contained in cost of goods sold (T€ 136) and research and development expenses (T€ 408). The purchased inventories have now been processed and sold as end products, which is why the fair value was recognized in other material and production costs through profit or loss.

Moreover, Symrise finalized a rental contract with Laguna Forest LLC, USA, a company that also belongs to the seller, regarding the office and laboratory premises used up to now for research and development by Flavor Infusion LLC. The agreement has a non-cancellable fixed lease term of five years. It is classified as an operating lease.

Furthermore, a contract was finalized on the continued manufacturing of products until the end of 2015 and consulting services for a seamless transition of the business to Symrise. This was agreed upon with yet another company belonging to the seller, Flavor Infusion International S.A., Panama, which had previously been responsible for manufacturing products sold by Flavor Infusion LLC.

27. TRADE PAYABLES

Trade payables are due within one year, as in the previous year.

28. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2014			December 31, 2015		
T€	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	111,709	298,462	**410,171**	25,616	231,736	**257,352**
Other borrowings	356	945,607	**945,963**	1,822	1,140,625	**1,142,447**
Accrued interest	8,254	590	**8,844**	8,557	899	**9,456**
Total	**120,319**	**1,244,659**	**1,364,978**	**35,995**	**1,373,260**	**1,409,255**

The obligations from the term loan, the loan from the European Investment Bank (EIB), the KfW loan and the utilization of the revolving credit facility are part of the bank borrowings. Other borrowings include liabilities from both Eurobonds, the US private placement and the promissory note loan agreed on in 2015.

Of current bank borrowings from the revolving credit facility, a nominal value of € 5.0 million (December 31, 2014: € 92.6 million) relates to current loans under the terms of a revolving credit facility in the amount of € 300.0 million, which is available to the Group until May 22, 2020. In addition to the credit facility mentioned, credit lines with the Commerzbank AG for € 12.5 million and the Deutsche Bank AG for USD 5.0 million exist to cover short-term payment requirements. Accordingly, as of December 31, 2015, Symrise had unutilized lines of credit available totaling € 312.1 million (December 31, 2014: € 224.0 million).

Non-current liabilities mainly comprise a US private placement, a term loan, a loan from the European Investment Bank (EIB), a loan from the KfW, the two Eurobonds, a promissory note loan as well as the local debt of the Diana companies and contains carrying amounts in foreign currencies (USD, INR) totaling € 220.3 million (December 31, 2014: € 225.3 million).

In May 2015, Symrise refinanced the revolving credit line, which was due to end in November 2015, early and thus made use of the favorable interest environment at the time. Its value remains € 300.0 million, and it has a term of five years. However, Symrise has the option of extending it for an additional year twice (for a total of two additional years) and increasing its value to € 500.0 million.

As part of the revolving credit facility, KfW loan, the term loan, the US private placement and the loan from the European Investment Bank, Symrise has entered into an obligation (leverage covenant) to keep the relationship between net debt and EBITDA within defined limits. This ratio is controlled on a quarterly basis for compliance and was constantly observed as in the previous year.

	Maturity date	Nominal interest rate		Nominal value in issue currency (T)	Carrying amount in T€ December 31, 2014	Carrying amount in T€ December 31, 2015
Symrise AG						
Eurobond 2014	July 2019	1.75 %	fixed	EUR 500,000	494,949	496,033
Eurobond 2010	October 2017	4.125 %	fixed	EUR 300,000	298,301	298,880
US private placement	November 2020	4.09 %	fixed	USD 175,000	143,722	160,455
Term loan	July 2017	0.73 %	Euribor + 0.65 %	EUR 170,000	224,589	169,762
Promissory note loan (5Y)	December 2020	0.912 %	fixed	EUR 12,500	–	12,441
Promissory note loan (5Y)	December 2020	0.70 %	Euribor + 0.7 %	EUR 3,000	–	2,985
Promissory note loan (7Y)	December 2022	1.335 %	fixed	EUR 102,000	–	101,516
Promissory note loan (7Y)	December 2022	0.85 %	Euribor + 0.85 %	EUR 11,000	–	10,947
Promissory note loan (10Y)	December 2025	1.960 %	fixed	EUR 41,000	–	40,805
Promissory note loan (10Y)	December 2025	1.1 %	Euribor + 1.1 %	EUR 9,000	–	8,958
EIB loan	April 2020	2.586 %	fixed	USD 73,636	74,043	67,606
KfW loan	September 2019	1.45 %	fixed	EUR 12,570	15,922	12,570
Revolving credit facility EUR (2015)	January 2016	0.45 %	Euribor + 0.45 %	EUR 5,000	–	3,814
Revolving credit facility USD (2014)	January 2015	1.07 %	Libor + 0.9 %	USD 70,000	57,481	0
Revolving credit facility EUR (2014)	January 2015	0.93 %	Euribor + 0.9 %	EUR 35,000	34,725	0
Ecuaprotein SA, Ecuador						
Shareholder loan	March 2018	5.00 %	fixed	USD 4,065	3,344	3,758
Term loan	May 2016	8.41 %	fixed	USD 250	206	375
Aquasea Costa Rica, Costa Rica						
Shareholder loan	December 2020	5.00 %	fixed	USD 3,595	2,958	3,301
Symrise CA, Venezuela						
Term loan	October 2016	23.90 %	fixed	VEF 596,000	–	2,754
Diana Naturals Chile SpA, Chile						
Term loan	May 2015	3.90 %	fixed	USD 2,100	1,773	0
DianaPlantSciences SAS, France						
Promotional loan	December 2016	0.00 %	fixed	EUR 783	783	783
Diana Naturals SAS, France						
Promotional loan	December 2024	0.00 %	fixed	EUR 679	684	679
Symrise Private Limited, India						
Term loan	December 2017	9.95 %	fixed	INR 25,000	979	347
Working capital facility (2014)	January 2015	0.73 %	fixed	USD 538	443	0
Spécialités Pet Food SAS, France						
Promotional loan	December 2016	0.00 %	fixed	EUR 300	600	300
Promotional loan	June 2025	0.00 %	fixed	EUR 100	100	100

(Continuation from page 99)	Maturity date	Nominal interest rate		Nominal value in issue currency (T)	Carrying amount in T€ December 31, 2014	Carrying amount in T€ December 31, 2015
Kerisper SAS, France						
Promotional loan	December 2024	0.00%	fixed	EUR 440	440	440
Other borrowings	–	–	–	–	92	190
Accrued interest	–	–	–	–	8,844	9,456
Total					**1,364,978**	**1,409,255**

29. OTHER CURRENT LIABILITIES

T€	December 31, 2014	December 31, 2015
Employee-related liabilities	63,863	71,987
Other taxes	22,438	23,010
Liabilities to customers	15,941	20,033
Taxes on wages/salaries, social security contributions and other social benefits	15,640	15,998
Insurance premiums	1,202	1,926
Miscellaneous other liabilities	13,039	19,269
Total	**132,123**	**152,223**

Employee-related liabilities mainly contain annual bonuses and other bonuses as well as accruals for unused vacation time.

Other taxes mainly consist of obligations for value-added taxes.

Miscellaneous other current liabilities mainly derive from diverse administration, selling and marketing expenses that arise during the normal course of operations.

30. OTHER CURRENT PROVISIONS

T€	Performance-based remuneration	Jubilee	Termination benefits	Miscellaneous other provisions	Total
January 1, 2015	**2,208**	**1,061**	**2,748**	**3,869**	**9,886**
Increases	756	44	330	2,236	3,366
Reversals	0	0	– 653	– 1,432	– 2,085
Utilized	– 2,208	– 720	– 1,820	– 1,115	– 5,863
Transfers	992	426	0	193	1,611
Sub-total	**1,748**	**811**	**605**	**3,751**	**6,915**
Exchange rate differences	0	– 11	57	103	149
December 31, 2015	**1,748**	**800**	**662**	**3,854**	**7,064**

Performance-based remuneration was approved for the Executive Board and select employees.

The provisions for termination benefits were established last year, primarily for structural management changes stemming from the business combination with the Diana Group and resulted in outflows for the current year.

Miscellaneous other provisions do not contain any material items, which is why a separate depiction was not provided.

We expect that the cash outflow for all provisions will take place within the next few months and by the end of the year 2016 at the very latest.

31. OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly contain the purchase price obligations due in 2016 resulting from the 2013 acquisition of the Belmay Group as well as the 2015 acquisition of Flavor Infusion LLC (€ 3.7 million; December 31, 2014: € 7.5 million). They also contain financial liabilities from finance lease contracts (€ 0.7 million; December 31, 2014: € 0.7 million).

32. CURRENT INCOME TAX LIABILITIES

Tax provisions contain current income taxes for periods not yet assessed. In the previous year, this line item was influenced by tax arrears for the 2014 fiscal year in Germany.

33. OTHER NON-CURRENT PROVISIONS

T€	Jubilee	Restoration obligations	Reorganization	Performance-based remuneration	Miscellaneous other provisions	Total
January 1, 2015	**10,158**	**3,202**	**0**	**1,608**	**3,972**	**18,940**
Changes to the scope of consolidation	– 305	0	0	0	0	**– 305**
Increases	343	0	2,400	767	1,428	**4,938**
Reversals	– 38	0	0	0	– 67	**– 105**
Transfers	– 426	0	0	– 992	– 193	**– 1,611**
Sub-total	**9,732**	**3,202**	**2,400**	**1,383**	**5,140**	**21,857**
Interest expenses	194	16	0	72	66	**348**
Exchange rate differences	0	301	0	0	– 298	**3**
December 31, 2015	**9,926**	**3,519**	**2,400**	**1,455**	**4,908**	**22,208**

The jubilee obligations were discounted using an interest rate of 2.4 % in the fiscal year compared to 2.1 % last year.

Provisions for restoration obligations comprise liabilities to lessors to restore leased objects to their condition before commencement of the lease. The present value of restoration obligations is recognized in the period in which the obligation originated. We generally assume that the corresponding cash outflow is due at the time of the termination of the respective lease contract, though the end of the lease and the amount due are estimates.

The provision for reorganization was made for reorganization measures in China.

Performance-based remuneration was approved for the Executive Board and select employees.

Miscellaneous other provisions do not contain any material items, which is why a separate depiction was not provided.

34. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Individual companies have established pension plans that are either financed directly through provisions or by making contributions to external investment fund companies outside the Group. The manner in which these benefits are provided to employees varies depending on the legal regulations and the fiscal and economic environments in the respective countries involved. In addition, in some cases, the Group has agreed to provide additional post-employment health care benefits to its employees. Retirement benefits and health care benefits are generally measured based on the wages or salaries of the employees and their respective years of service. The obligations relate to both existing retirees and also to the entitlements of future retirees.

With the pension plans, Symrise is not subject to any of the risks beyond standard actuarial risks such as longevity risks, interest rate fluctuation risks, currency risks and capital market risks usually associated with assets.

The characteristics of the core plans offered by Symrise are described below:

GERMANY

In Germany, Symrise grants pension benefits via benefit plans with employer-financed prior commitments (defined benefit plans) and various plans with deferred compensation (defined contribution and defined benefit plans).

The active participation of employees of the former Haarmann & Reimer GmbH, Germany, in the Bayer mutual pension fund VVaG was terminated with effect from March 31, 2003. The employees of Haarmann & Reimer GmbH who had already acquired pension rights as of this date automatically became passive members of the pension fund from April 1, 2003, onwards. Active members, who had unvested rights as of March 31, 2003, had the option to have their pension entitlement (excluding employer contributions) paid out at this date in the form of a capital sum and from that point in time ceased to be members of the Bayer pension fund. For all individuals in the Bayer pension fund who were active members as of March 31, 2003, a benefit scheme was introduced in Germany with effect from April 1, 2003, in the form of a direct benefit promise, which is financed through a deferred gross compensation arrangement (3 % of the respective maximum income threshold for assessment of contributions as defined by the German State Pension Authority West). For those people with components of remuneration that exceed the respective income threshold for assessment of contributions, employer-financed retirement benefits up to a maximum amount are provided based on a benefit scheme. At the time that the new benefit scheme was introduced, the former Haarmann & Reimer employees were guaranteed that their benefits under the company retirement benefit scheme would not worsen as a result of the business combination. The benefits have to be maintained at the same level that existed before the business combination took place. This is assured under the new benefit scheme. As a consequence of this guarantee, the company has also offered those former Haarmann & Reimer GmbH employees – whose earnings are regulated by tariff agreement – a further voluntary deferred compensation scheme in the form of a direct benefit promise. The employee contribution and employer top-up contribution taken together are limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West.

Former Dragoco employees who joined the organization before December 31, 1981, are the subject of an employer-financed retirement benefit scheme. The pension payments under this scheme are dependent upon the employee’s length of service and their final monthly gross remuneration level.

All employees who did not belong to a retirement benefit scheme as of April 1, 2003, had the opportunity from this date onwards to participate in a retirement benefit scheme that was provided in the form of a direct benefit promise through deferral of compensation. This benefit scheme was closed effective as of December 31, 2010. The employee contribution and employer top-up contribution taken together were limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West.

From January 1, 2010, onwards, all new Symrise employees with unlimited employment contracts at German locations are obliged to join the RPK (“Rheinische Pensionskasse” – an external German pension fund) from the seventh month of their employment onwards. Under the terms of this arrangement, the employee pays 2 % of his remuneration in the form of deferred gross compensation to the RPK (mandatory contribution); the organization makes a top-up contribution of the same amount. Voluntary contributions are also possible and are also made in the same amount by the organization. The employee contribution and the employer top-up contribution taken together are limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West. Effective as of January 1, 2011, individuals who were already employed in the organization but who – unlike the former Haarmann & Reimer employees or employees of Dragoco who joined before December 31, 1981 – did not belong to a benefit scheme were able to request membership to the RPK scheme on a voluntary basis up to September 30, 2010.

Furthermore, all non-tariff employees and managers have the possibility to build up additional retirement benefit components on a voluntary basis in the form of a direct benefit promise involving deferral of remuneration. There is no employer top-up contribution involved in connection with this “deferred compensation” arrangement.

The pension plan through RPK as an external benefit provider is classified as a defined contribution plan and therefore no provisions for pensions are established. All other obligations from benefit commitments are recognized as defined benefit plans and therefore accounted for in provisions for pensions. No plan assets exist for these provisions.

USA

In the USA, Symrise grants pension benefits through a defined benefit plan, known as a Mass Mutual Plan, as well as medical benefits. Both plans have been frozen, meaning that the plans have ben closed for new entries as well as for further entitlements since 2012 and 2003, respectively. The amount of the benefits from the Mass Mutual Plan is determined by the average final salary as well as years of service to the company. The plan assets held for this benefit plan are retained in pooled separate accounts at the Massachusetts Mutual Life Insurance Company, which invests the assets in a diversified manner so as to minimize concentrations of risk. The investment decisions are made by an investment committee, the Benefit Oversight Committee, which is also responsible for the legal management and has fiduciary responsibility. It is composed of five Symrise employees. The legal and regulatory framework of both plans is based on the US Employee Retirement Income Security Act (ERISA). Symrise Inc. fulfills the minimum financing level stipulated by this law, which is based on an annual measurement. Plan participants do not make payments into the plan assets.

The net defined benefit liability reported as provisions for pensions and similar obligations can be derived as follows:

	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liability	
T€	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
January 1	**368,855**	**515,580**	**– 36,455**	**– 41,277**	**332,400**	**474,303**
Changes to the scope of consolidation	**4,230**	**– 1,023**	**–**	**–**	**4,230**	**– 1,023**
Recognized in income statement						
Current service cost	11,800	17,576	–	–	11,800	17,576
Past service cost	– 2,528	– 104	–	–	– 2,528	– 104
Interest expense (+)/interest income (–)	13,375	11,321	– 1,441	– 1,595	11,934	9,726
Recognized in other comprehensive income						
Remeasurements						
Actuarial gains/losses						
arising from changes in demographic assumptions	8,156	– 4,112	–	–	8,156	– 4,112
arising from changes in financial assumptions	113,754	– 44,088	–	–	113,754	– 44,088
arising from experience-based adjustments	4,561	– 211	–	–	4,561	– 211
Return on plan assets (excluding amounts included in net interest)	–	–	– 613	1,940	– 613	1,940
Exchange rate differences	7,100	7,172	– 4,281	– 4,657	2,819	2,515
Other						
Employer contributions	–	–	– 467	– 512	– 467	– 512
Benefits paid	– 13,723	– 15,557	1,980	4,199	– 11,743	– 11,358
December 31	**515,580**	**486,554**	**– 41,277**	**– 41,902**	**474,303**	**444,652**
of which pension plans	502,573	474,321	– 41,277	– 41,902	461,296	432,419
of which post-employment healthcare benefits	13,007	12,233	–	–	13,007	12,233

As of the end of the year under review, the entire present value of the defined benefit obligation contains T€ 270,870 for active employees (December 31, 2014: T€ 295,884), T€ 45,034 for former employees with vested claim entitlements (December 31, 2014: T€ 43,091) and T€ 170,650 for retirees and their dependents (December 31, 2014: T€ 176,605). From this entire present value of the defined benefit obligation, T€ 471,224 (December 31, 2014: T€ 502,126) is allocated to vested claims, while the remaining T€ 15,330 (December 31, 2014: T€ 13,454) relates to non-vested claims.

The average weighted term for the present value of the defined benefit obligation from defined benefit plans amounts to a total of 21.3 years (December 31, 2014: 19.9 years). It breaks down with 25.9 years for active employees, 21.7 years for former employees with vested claim entitlements and 14.5 years for retirees and their dependents.

The defined benefit plans are not covered by plan assets except for the pension schemes in the USA (Mass Mutual Plan), Japan and India. Plan assets secure a present value of the defined benefit obligation of T€ 54,383 (December 31, 2014: T€ 52,927) as of the end of the year. Financing for the obligations not covered by plan assets is made through the cash flow from operating activities of Symrise AG and its subsidiaries.

Plan assets of T€ 41,902 (December 31, 2014: T€ 41,277) are mainly used for provisions for pensions in the USA (T€ 36,517; December 31, 2014: T€ 36,699) and are invested in pooled separate accounts at the Massachusetts Mutual Life Insurance Company. Shares in fund assets are held in these accounts, which are invested in money market instruments and bonds as well as special growth and value-oriented securities. Price quotes for these shares are derived from active markets (fair value hierarchy level 2). Plan assets also exist in Japan (T€ 5,151; December 31, 2014: T€ 4,425) and India (T€ 234; December 31, 2014: T€ 153). The assets in Japan are deposited at the Japan Master Trust Bank, which invested the assets in Japanese and foreign bonds and shares as of the end of 2015 – the prices of which were also derivable from active markets. The plan assets in India are deposited in a life insurance policy for which there is no active market for estimating the price. The return on plan assets amounted to T€ –346 (2014: return of T€ 2,054). In 2016, Symrise expects contribution payments of T€ 98 (expectation in 2014 for 2015: T€ 517) into the plan assets.

The net defined benefit liability breaks down according to region as follows:

T€	2014	2015
EAME	444,414	414,406
North America	24,158	24,178
Latin America	4,344	4,546
Asia/Pacific	1,387	1,522
Total	**474,303**	**444,652**

The actuarial measurements are based on the following assumptions:

%	2014	2015
Discount rate		
Germany	1.90	2.40
USA	3.95	4.21
Other countries	2.56	2.60
Salary trends		
Germany	2.50	2.25
Other countries	3.52	3.49
Pension trends		
Germany	1.75	1.75
Other countries	2.01	2.02
Medical cost trend rate		
USA	7.48	7.20
Other countries	7.50	9.00

The assumptions relating to mortality rates are based on published mortality tables. For the provisions for pensions established in Germany, the mortality rate is based on the reference tables 2005 G by Prof. Dr. Klaus Heubeck. The Mass Mutual Plan in the USA is based on the reference table RP 2000 50/50 Unisex Table, Fully Generational Table and the RP-2014 Mortality Tables for Annuitants and Non-Annuitants with Scale MP-2015 Table T-3 Table less. All other actuarial measurements outside of Germany are based on country-specific mortality tables.

The present value of the defined benefit obligation is dependent on the previously mentioned actuarial assumptions. The following table shows what the present value as of December 31, 2015, would have been if the actuarial assumptions had changed by one percentage point each:

	Change in present value of the defined benefit obligation			
	Increase		Decrease	
T€	2014	2015	2014	2015
Discount rate	– 91,031	– 83,237	122,634	108,418
Salary trends	16,234	14,466	– 13,734	– 12,487
Pension trends	66,767	58,965	– 55,312	– 49,115
Medical cost trend rate	1,679	1,483	– 1,364	– 1,219

To determine the sensitivity regarding life expectancy, the mortality rate for the beneficiaries covered by the plans was increased or reduced by 10.0 %. The reduction to the mortality rate results in an increase of life expectancy and is dependent on the ages of the individual beneficiaries. The 10.0 % increase to the mortality rate results in a reduction of the present value of the defined benefit obligation by T€ 18,775, while the 10.0 % reduction results in an increase of T€ 20,616 for provisions for pensions provided by Symrise.

A change of 1.0 percentage point in the assumption made for medical cost trend rates would have the following effect on current service costs:

	Change in current service costs			
	Increase		Decrease	
T€	2014	2015	2014	2015
Medical cost trend rate	111	107	– 93	– 84

The calculation of the sensitivity of the present value of the defined benefit obligation was performed using the same method used to determine the present value of the obligations from the pension provision (projected unit credit method). Increases or decreases to the discount rate, salary and pension trends as well as mortality rates lead to other absolute figures, particularly due to the effect of compound interest on the determination of the present value of the defined benefit obligation. If multiple assumptions are changed simultaneously, the result would not necessarily be the sum of the previous individual effects shown. The sensitivities only apply for the respective specific magnitude of the change to the assumption (for example 1.0 percentage point for the discount rate). If the assumptions change in a manner other than those listed, the effect on the present value of the defined benefit obligation cannot be directly adopted.

35. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities exclusively contain liabilities from financial lease agreements (€ 7.1 million; December 31, 2014: € 6.3 million) as of the end of the reporting period.

The non-current portion of the purchase price obligation for the 2013 acquisition of the Belmay Group that had been recognized here in the previous year was reclassified to current financial liabilities.

The financial liability that resulted from a subsequent purchase price component from a business combination by the Diana Group performed before being acquired by Symrise has been derecognized, as this obligation no longer exists.

36. EQUITY

SHARE CAPITAL

The share capital of Symrise AG amounts to € 129,812,574 (December 31, 2014: € 129,812,574) and is fully paid in. It is divided into 129,812,574 no-par value shares, each with a calculated nominal share value of € 1.00 per share.

AUTHORIZED CAPITAL

The unissued authorized capital approved by the Annual General Meeting on May 18, 2011, was canceled by the Annual General Meeting on May 12, 2015, and a new authorized capital amounting to nearly 20 % of the current share capital was established.

The Annual General Meeting authorized the Executive Board, subject to the consent of the Supervisory Board, to increase the share capital of the company until May 11, 2020 by up to € 25,000,000 through one or more issuances of new, no-par value shares against contribution in cash and/or in kind.

If the share capital is increased against cash contributions, the shareholders will be granted subscription rights. The new shares may be underwritten by one or more financial institutions determined by the Executive Board in order for such shares to be offered to the shareholders (indirect subscription right). This statutory subscription right can, however, be denied by the Executive Board in the following cases with the consent of the Supervisory Board:

- In the case of capital increases in return for assets in kind to grant shares for the purpose of acquiring companies, parts of companies or share interests in companies;

- For the purpose of issuing a maximum number of 1,000,000 new shares to employees of the company and affiliated companies, within the constraints imposed by law;

- Insofar as this is necessary in order to grant holders of warrants and convertible bonds issued by the company or its subsidiaries a right to subscribe for new shares to the extent that they would be entitled to such a right when exercising the warrants or options or when meeting obligations arising from the warrants or options;

- To exclude fractional amounts from subscription rights:

- In the event of a capital increase against cash contribution, if, at the time of the final determination of the issue price by the Executive Board, the issue price of the new shares is not significantly lower – within the meaning of Section 203 (1) and (2) and Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – than the market price of shares already traded on the stock exchange and the aggregate amount of the new shares for which subscription rights are excluded does not exceed 10 % of the share capital neither at the time this authorization comes into force nor at the time this authorization is exercised. This restriction is to include shares that were or will be sold or issued without subscription rights during the period of validity of this authorization, up to the time of its exercise, by reason of other authorizations in direct or corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act.

ACQUISITION OF TREASURY STOCK

The authorization granted by the Annual General Meeting on May 11, 2010, for the acquisition of treasury shares expired on May 10, 2015. Following a resolution by the Annual General Meeting on May 12, 2015, the Executive Board is authorized in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act to purchase treasury shares up to a level of 10 % of the current share capital up until May 11, 2020.

- The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71a et seqq. of the German Stock Corporation Act may not at any time exceed 10 % of the share capital existing at the time of the resolution. The authorization must not be used for the trade of treasury shares.

- For one or more purposes, the authorization may be invoked by the company, or by third parties for the account of the company, in one total amount or in a number of partial amounts either singly or on several separate occasions.

- The Executive Board has the choice of making the acquisition either through the stock exchange or in the form of a published purchase offer, or respectively, in the form of a published request for tender of such an offer.
  - If the acquisition of shares is made through the stock exchange, the consideration per share paid by the company (excluding ancillary acquisition costs) may not exceed or undercut the opening auction price quoted on the XETRA trading system (or a comparable replacement system) on the day of the stock exchange trading by more than 5 %.
  - If the acquisition is made in the form of a published purchase offer, or in the form of a published request for tender of a purchase offer, the purchase price offered per share, or the limits of the purchase price spread per share (excluding ancillary acquisition costs), may not exceed or undercut the average closing price quoted on the XETRA trading system (or a comparable replacement system) on the last three stock exchange trading days before the date of publication of the offer, or respectively, the date of publication of a request for tender of a purchase offer by more than 10 %. If, following publication of the purchase offer, or respectively, following publication for tender of a purchase offer, significant fluctuations occur in the applicable reference price, then an adjustment may be made to the offer, or respectively, to the request for tender of such an offer. In such circumstances, reference will be made to the average price of the last three stock exchange trading dates before publication of any potential adjustment. The purchase offer, or respectively, the request for tender of such an offer may include further conditions. Inasmuch as the offer is oversubscribed, or respectively, in the case of a request for tender of an offer of multiple offers of the same value due to a restriction in volume, inasmuch as not all equivalent offers can be accepted, then acceptance occurs according to the ratio of the offered shares. Preferential acceptance of small quantities of up to 100 shares on offer is permissible. A commercial rounding to avoid fractions of shares can also be arranged.

- The Executive Board is authorized to use company shares that are acquired on the basis of this authorization for all permitted legal purposes but especially for the following purposes:
  - The shares may be redeemed without the necessity of the redemption or its execution being authorized by a further resolution of a general meeting of shareholders. In a simplified procedure, they may be redeemed without a formal reduction in capital by adjustment of the proportional amount applicable to the remaining no-par value shares making up the company’s share capital. The redemption may be limited to only a portion of the shares acquired. The authorization for redemption of shares may be invoked repeatedly. If the redemption is performed using the simplified procedure, then the Executive Board is authorized to adjust the number of no-par value shares contained in the company’s articles of incorporation.
  - The shares may also be sold by means other than through the stock exchange or an offer to the shareholders if the shares are disposed of against payment in cash at a price that is not significantly less than the quoted stock exchange price at the time of disposal for shares of the same type. In this case, the number of shares to be issued together with the new shares that have been issued since the granting of this authorization under the exclusion of subscription rights in a direct or corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act may not exceed a total of 10 % of the share capital present at the time of the resolution of the Annual General Meeting.
  - The shares may be sold in consideration for contributions in kind, particularly in connection with the acquisition of other entities, parts of entities or investments in entities as well as in connection with business mergers.

- The authorizations listed also cover the disposition of company shares that are acquired pursuant to Section 71d sentence 5 of the German Stock Corporation Act.

- The authorizations listed may be made use of singly or repeatedly, wholly or partly, individually or jointly; the authorizations may also be made use of by entities dependent on the company, or by entities which are owned in the majority by the company, or for their account, or for the account of third parties acting on behalf of the company.

- Shareholder subscription rights in respect of this treasury stock are excluded to the extent that these shares are disposed of in accordance with the aforementioned authorization.

- The Supervisory Board may prescribe that measures taken by the Executive Board based on this resolution by the Annual General Meeting of the shareholders may only be executed with its permission.

ISSUE OF OPTION BONDS AND/OR CONVERTIBLE BONDS WITHOUT SUBSCRIPTION RIGHTS AS WELL AS THE CREATION OF CONDITIONAL CAPITAL

With the resolution of the Annual General Meeting of May 14, 2013, the Executive Board is authorized, with the consent of the Supervisory Board, to issue option bearer bonds and/or convertible bearer bonds or combinations of these instruments, once or several times and with or without term restrictions, up until May 13, 2018, for a total nominal amount of up to € 1,000,000,000.00. These can also be issued simultaneously in various tranches. The Executive Board is also authorized to grant the bondholders option or conversion rights in respect of up to a total of 23,000,000 no-par value shares of the company representing up to € 23,000,000.00 of the share capital.

The bonds shall be issued in return for cash payment. They may also be issued by subsidiaries located in Germany or abroad, where Symrise AG either directly or indirectly holds a majority stake ("Group companies"). If the bonds are issued through a Group company, the Executive Board shall be authorized, with the consent of the Supervisory Board, to guarantee for the bonds in the name of Symrise AG and grant option rights to the holders of option bonds and conversion rights to the holders of convertible bonds with regard to company shares as well as make any further statements necessary for a successful issue and to perform the necessary actions. The bonds may be issued in euros as well as in USD or CHF as long as the corresponding euro equivalent is not exceeded.

The shareholders shall be granted a right to subscribe for the bonds in principle. However, the Executive Board is authorized, subject to consent of the Supervisory Board, to exclude the subscription rights of shareholders in the following instances:

- Insofar as the issue price of a bond is not significantly lower than the theoretical market value calculated according to recognized methods of financial mathematics;

- To the extent that this is necessary for fractional amounts resulting from the subscription ratio;

- In order to compensate holders of option/conversion rights to the shares of the company, or holders of bonds with an obligation to exercise the option/conversion rights, for dilutions of these rights by granting them the subscription rights they would have after exercising these rights or after fulfilling their obligation to exercise the option/conversion rights as shareholders

The Executive Board may only exercise the aforementioned authorization to exclude subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 20 % of the share capital, neither at the time when the authorizing resolution is adopted nor at the time when it is exercised.

In order to grant shares to holders of option/convertible bonds issued on the basis of the aforementioned authorization, the share capital shall be conditionally increased by up to € 23,000,000.00 through issuing up to 23,000,000 no-par value shares (conditional capital). The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds or of warrants from option bonds exercise their conversion/option rights, or fulfill their obligations for exercising the option/conversion rights, or the company exercises its right to tender, and as long as no other forms of fulfillment are used. The new shares shall be issued at the respective conversion/option prices to be determined.

CAPITAL RESERVE AND OTHER RESERVES

The capital reserve mainly comprises the share premium that arose at the time of the capital increase that was carried out as part of the initial public offer as well as the two capital increases performed in the 2014 fiscal year. It has remained unchanged since December 31, 2014.

Included in the reserve for remeasurements (pensions) are actuarial gains and losses from the change in present value of the defined benefit obligation as well as the return on plan assets excluding amounts included in net interest.

Cumulative translation differences contain gains and losses deriving from differences from the currency translation of foreign subsidiaries.

Other reserves contain the revaluation reserve, the fair value reserve and the cash flow hedge reserve. The revaluation reserve results from an acquisition in stages made in the past. The fair value reserve comprises changes in the value of financial instruments that have been allocated to the “financial assets available for sale” category. The cash flow hedge reserve contains the effective part of the fair value changes from derivative financial instruments held for hedging currency risks. The following table presents a reconciliation of the cash flow hedge reserve for hedging currency risks:

T€	2014	2015
January 1	**133**	**– 278**
Allocations (effective fair value changes)	– 1,134	– 1,815
Reclassifications		
in sales	613	2,155
in cost of goods sold	– 9	– 323
Deferred taxes	119	28
December 31	**– 278**	**– 233**

Reclassifications of ineffective parts from cash flow hedges into the profit or loss for the period did not occur in 2015.

NON-CONTROLLING INTERESTS

This item contains the shareholdings of third parties in Group companies. The acquisition of additional third-party shares in subsidiaries is shown in the statement of changes in equity under transactions with owners as changes in subsidiary shareholdings. The changes in other comprehensive income relating to non-controlling interests stems completely from currency translation.

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2014 T€	Reserve for remea-surements (pensions)	Cumulative translation differences	Other reserves	Total other comprehen-sive income of Symrise AG shareholders	Non-controlling interests	Total other comprehen-sive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	49,611	–	49,611	– 264	49,347
Losses from net investments	–	– 7,235	–	– 7,235	–	– 7,235
Reclassification to the consolidated income statement	–	– 8,898	–	– 8,898	–	– 8,898
Change in fair value of financial assets available for sale	–	–	43	43	–	43
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	– 835	– 835	–	– 835
Reclassification to the consolidated income statement	–	–	424	424	–	424
Remeasurement of defined benefit pension plans	– 88,616	–	–	– 88,616	–	– 88,616
Other comprehensive income	**– 88,616**	**33,478**	**– 368**	**– 55,506**	**– 264**	**– 55,770**

2015 T€	Reserve for remea-surements (pensions)	Cumulative translation differences	Other reserves	Total other comprehen-sive income of Symrise AG shareholders	Non-controlling interests	Total other comprehen-sive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	– 16,918	–	– 16,918	171	– 16,747
Losses from net investments	–	– 7,142	–	– 7,142	–	– 7,142
Reclassification to the consolidated income statement	–	– 1,554	–	– 1,554	–	– 1,554
Change in fair value of financial assets available for sale	–	–	– 53	– 53	–	– 53
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	– 1,318	– 1,318	–	– 1,318
Reclassification to the consolidated income statement	–	–	1,368	1,368	–	1,368
Remeasurement of defined benefit pension plans	32,714	–	–	32,714	–	32,714
Change in tax rate	–	–	– 37	– 37	–	– 37
Other comprehensive income	**32,714**	**– 25,614**	**– 40**	**7,060**	**171**	**7,231**

OTHER

In accordance with the German Stock Corporation Act, the distributable dividend for shareholders of Symrise AG is to be determined with reference to the unappropriated net profit as it is calculated in accordance with the rules of German commercial law and presented in the annual financial statements of Symrise AG. At the Annual General Meeting held on May 12, 2015, a resolution was passed to distribute a dividend for the 2014 fiscal year of € 0.75 for each ordinary share with a dividend entitlement (2013: € 0.70); the total amount of the dividend was T€ 97,359 (2013: T€ 82,721).

The Executive Board and the Supervisory Board will recommend a dividend of € 0.80 per share based on Symrise AG's unappropriated net profit under commercial law as of December 31, 2015. This amounts to dividends of T€ 103,850.

HYPERINFLATION

The financial statements for the subsidiary operating in Venezuela are mainly based on the concept of historical cost. In 2015, these needed to be adjusted due to changes in the general purchasing power of the functional currency and are therefore expressed in the measuring unit valid as of the end of the reporting period. The consumer price index published by the Venezuelan "Instituto National de Estadística" was consulted as of December 31, 2014 (66.5 %). No updated inflation rates were published by the end of 2015. As a result, the average of the last three available figures was used (85.0 %) for the annual financial statements as of December 31, 2015. This approach corresponds to that used by the "Colegio de Contadores de Venezuela," the private-law association of Venezuelan auditors.

No adjustments were necessary in Argentina during the fiscal year under review. However, we continue to keep a close eye on developments here.

37. NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to the subsidiaries Probi AB and SPF Thailand:

As of the end of the reporting period, Symrise holds 50.02 % of the shares of Probi AB, i.e., the shares attributable to non-controlling interests amount to 49.98 % (December 31, 2014: 52.29 %). Their proportion of net income in 2015 amounted to T€ 2,368 (2014: T€ 829); the carrying amount as of December 31, 2015, was T€ 12,976 (December 31, 2014: T€ 11,232). Dividends of T€ 419 were distributed to the non-controlling interests in 2015 (2014: T€ 391). The following table contains the summarized financial information required by IFRS 12.B10(b) on Probi AB:

T€	December 31, 2014 or 2014 since purchase	December 31, 2015
Current assets	16,010	21,135
Non-current assets	11,424	12,483
Current liabilities	4,177	5,222
Non-current liabilities	1,777	2,424
Sales	11,965	23,065
Net income	1,585	4,738
Other comprehensive income	– 422	292

As of the end of the reporting period, Symrise holds 51.6 % of the shares of SPF Thailand, i.e., the shares attributable to non-controlling interests amount to 48.4 %. This number is unchanged from last year. Their proportion of net income in 2015 amounted to T€ 3,216 (2014: T€ 951); the carrying amount as of December 31, 2015, was T€ 3,929 (December 31, 2014: T€ 2,822). Dividends of T€ 2,127 were distributed to the non-controlling interests in 2015 (2014: T€ 812). The following table contains the summarized financial information required by IFRS 12.B10(b) on SPF Thailand:

T€	December 31, 2014 or 2014 since purchase	December 31, 2015
Current assets	6,002	8,591
Non-current assets	1,803	1,980
Current liabilities	1,939	2,361
Non-current liabilities	15	19
Sales	7,980	22,994
Net income	1,965	6,645
Other comprehensive income	273	17

38. DISCLOSURES ON CAPITAL MANAGEMENT

The capital situation is monitored through the use of a number of key indicators. The relationship between net debt (including provisions for pensions and similar obligations) to EBITDA and the equity ratio are important key indicators for this purpose. The objectives, methods and processes in this regard have not changed from the previous year as of the end of the reporting period on December 31, 2015.

With an equity ratio (equity attributable to shareholders of Symrise AG in relation to total equity and liabilities) of 37.5 % (December 31, 2014: 35.4 %), Symrise has a solid capital structure. One of Symrise's fundamental principles is to maintain a strong capital basis in order to retain the confidence of investors, creditors and the market and to be able to drive future business development forward in a sustainable manner.

Net debt is determined as follows:

T€	December 31, 2014	December 31, 2015
Borrowings	1,364,978	1,409,255
Cash and cash equivalents	– 199,228	– 278,178
Net debt	**1,165,750**	**1,131,077**
Provisions for pensions and similar obligations	474,303	444,652
Net debt including provisions for pensions and similar obligations	**1,640,053**	**1,575,729**

The evaluation of compliance with the leverage covenants for the current and non-current borrowings is performed on the basis of the specifications in the various credit agreements. The leverage covenants are determined by basing the net debt or net debt incl. provisions for pensions and similar obligations on the EBITDA of the last 12 months. This amounts to net debt/EBITDA of 2.0 and net debt including provisions for pensions and similar obligations/EBITDA of 2.8.

We focus on a capital structure that allows us to cover our future potential financing needs at reasonable conditions by way of the capital markets. This provides us with a guaranteed high level of independence, security and financial flexibility. We will continue our attractive dividend policy and give our shareholders an appropriate share in the company's success. Furthermore, it should be ensured that solid financing options exist for acquisition opportunities.

The average interest rate for liabilities (including provisions for pensions and similar obligations) was 2.4 % (2014: 2.9 %).

Neither the company itself nor its subsidiaries are subject to externally imposed capital requirements.

39. ADDITIONAL DISCLOSURES ON THE STATEMENT OF CASH FLOWS

In accordance with IAS 7, the consolidated statement of cash flows for the reporting year 2015 and the previous year show the development of cash flows separated into cash inflows and outflows deriving from operating, investing and financing activities. Cash flows are calculated using the indirect method.

The balance of cash and cash equivalents includes cash balances, checks and balances on hand with banks with a term to maturity of up to three months, as was the case in the previous year; the amount disclosed is equivalent to the line item "Cash and cash equivalents."

CASH FLOW FROM OPERATING ACTIVITIES

Other non-cash expenses and income mainly contain non-cash currency translation effects.

CASH FLOW FROM INVESTING ACTIVITIES

Payments for business combinations (T€ 36,063) include the immediately due purchase price component of TUSD 31,000 (T€ 27,627) for the June 2015 acquisition of Flavor Infusion LLC (see note 26) in addition to the contingent purchase price payments amounting to TUSD 9,250 (T€ 8,436) for the Belmay Group acquisition in 2013.

Payments received from the sale of a subsidiary (T€ 11,566) are the result of the sale of the French subsidiary Compagnie Alimentaire Pleucadeucienne (T€ 12,153) minus the cash deducted as part of the transaction (T€ 587). For additional information, please see note 2.4.

CASH FLOW FROM FINANCING ACTIVITIES

Dividends of T€ 97,359 were paid to the shareholders of Symrise AG (2014: T€ 82,721), the remaining amount (T€ 3,358; 2014: T€ 1,700) was paid to non-controlling interests of subsidiaries. Acquisitions of non-controlling interests are recognized as payments for business combinations of additional third-party shares in subsidiaries.

40. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND THE MEASUREMENT OF FAIR VALUE

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

December 31, 2014 T€	Carrying amount	Value recognized under IAS 39 Amortized cost	Fair value in other comprehensive income	Fair value in profit or loss	Fair value
ASSETS					
Loans and receivables (LaR)	**641,131**	**641,131**	**–**	**–**	**641,131**
Cash and cash equivalents	199,228	199,228	–	–	199,228
Trade receivables	421,052	421,052	–	–	421,052
Other financial assets	20,851	20,851	–	–	20,851
Financial assets available for sale (AfS)	**5,427**	**–**	**5,427**	**–**	**5,427**
Securities	3,314	–	3,314	–	3,314
Other financial assets	2,113	–	2,113	–	2,113
Financial assets held for trading (FAHfT)	**696**	**–**	**–**	**696**	**696**
Derivative financial instruments without hedge relationship	696	–	–	696	696
Derivative financial instruments with hedge relationship (n.a.)	**64**	**–**	**64**	**–**	**64**
EQUITY AND LIABILITIES					
Financial liabilities at amortized cost (FLAC)	**1,579,619**	**1,579,619**	**–**	**–**	**1,627,237**
Trade payables	213,527	213,527	–	–	213,527
Borrowings	1,364,978	1,364,978	–	–	1,412,596
Other financial liabilities	1,114	1,114	–	–	1,114
Liabilities from finance leases (n.a.)	**7,074**	**–**	**–**	**–**	**7,904**
Financial liabilities at fair value through profit or loss (FLaFVtPL)	**10,311**	**–**	**–**	**10,311**	**10,311**
Other financial liabilities	10,311	–	–	10,311	10,311
Financial liabilities held for trading (FLHfT)	**619**	**–**	**–**	**619**	**619**
Derivative financial instruments without hedge relationship	619	–	–	619	619
Derivative financial instruments with hedge relationship (n.a.)	**542**	**–**	**542**	**–**	**542**

December 31, 2015 T€	Carrying amount	Value recognized under IAS 39 Amortized cost	Fair value in other comprehensive income	Fair value in profit or loss	Fair value
ASSETS					
Loans and receivables (LaR)	**757,126**	**757,126**	**–**	**–**	**757,126**
Cash and cash equivalents	277,584	277,584	–	–	277,584
Trade receivables	461,505	461,505	–	–	461,505
Other financial assets	18,037	18,037	–	–	18,037
Loans and receivables (AfS)	**594**	**–**	**594**	**–**	**594**
Cash and cash equivalents (AfS)	594	–	594	–	594
Financial assets available for sale (AfS)	**6,698**	**–**	**6,698**	**–**	**6,698**
Securities	4,432	–	4,432	–	4,432
Other financial assets	2,266	–	2,266	–	2,266
Financial assets held for trading (FAHfT)	**1**	**–**	**–**	**1**	**1**
Derivative financial instruments without hedge relationship	1	–	–	1	1
Derivative financial instruments with hedge relationship (n.a.)	**46**	**–**	**46**	**–**	**46**
EQUITY AND LIABILITIES					
Financial liabilities at amortized cost (FLAC)	**1,646,224**	**1,646,224**	**–**	**–**	**1,687,951**
Trade payables	234,702	234,702	–	–	234,702
Borrowings	1,409,255	1,409,255	–	–	1,450,982
Other financial liabilities	2,267	2,267	–	–	2,267
Liabilities from finance leases (n.a.)	**7,747**	**–**	**–**	**–**	**8,357**
Financial liabilities at fair value through profit or loss (FLaFVtPL)	**1,968**	**–**	**–**	**1,968**	**1,968**
Other financial liabilities	1,968	–	–	1,968	1,968
Financial liabilities held for trading (FLHfT)	**309**	**–**	**–**	**309**	**309**
Derivative financial instruments without hedge relationship	309	–	–	309	309
Derivative financial instruments with hedge relationship (n.a.)	**376**	**–**	**376**	**–**	**376**

Due to the fact that most of the financial instruments are short-term in nature, the carrying amounts, except for the borrowings and liabilities from finance leases, are only immaterially different from their fair values.

FAIR VALUE ACCORDING TO HIERARCHY

The levels of the fair value hierarchy are explained in note 2.5.

		2014				2015			
T€		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS									
Securities	AfS	3,314	–	–	**3,314**	4,432	–	–	**4,432**
Cash and cash equivalents	AfS	–	–	–	**–**	594	–	–	**594**
Other financial assets	AfS	–	–	2,113	**2,113**	–	–	2,266	**2,266**
Derivative financial instruments without hedge relationship	FAHfT	–	696	–	**696**	–	1	–	**1**
Derivative financial instruments with hedge relationship	n.a.	–	64	–	**64**	–	46	–	**46**
Investment property	n.a.	–	–	2,182	**2,182**	–	–	–	**–**
EQUITY AND LIABILITIES									
Contingent purchase price obligations	FLaFVtPL	–	–	10,311	**10,311**	–	–	1,968	**1,968**
Derivative financial instruments without hedge relationship	FLHfT	–	619	–	**619**	–	309	–	**309**
Derivative financial instruments with hedge relationship	n.a.	–	542	–	**542**	–	376	–	**376**
Liabilities from finance leases	n.a.	–	7,904	–	**7,904**	–	8,357	–	**8,357**

There were no transfers between Levels 1 and 2 during the year under review.

DETERMINING FAIR VALUE

The assets classified as available for sale in Level 1 relate to securities and short-term financial investments, whose fair value as of the end of the reporting period were determined based on quoted market prices from the closing date on active markets.

The valid forward exchange rates are used as the valuation rates for the mark-to-market valuation of currency forward contracts in Level 2 for currency forwards. These are established by the interest difference of the currencies involved while accounting for term duration.

The fair values of bank borrowings, liabilities deriving from promissory note loans and liabilities arising from finance leases are determined as the present values of future payments relating to the obligations based on the corresponding valid reference interest rates and are adjusted by a corresponding credit spread (risk premium). These fair values are therefore classified in Level 2 of the fair value hierarchy.

The following table shows both the measurement methods and non-observable inputs for the recurring measurement of fair value in Level 3 of the fair value hierarchy. The measurement is performed regularly by corporate headquarters.

Type	Valuation method	Non-observable inputs	2014	2015
Other financial assets	Discounted cash flow	Weighted average cost of capital	13.5 %	13.5 %
		Terminal growth rate	3.0 %	3.0 %
		EBITDA margin	Ø 10.8 %	Ø 10.8 %
Investment property	Market value simulation	Price per square meter	130 to 255 CHF	–
Contingent purchase price obligations	Present value of the payments relating to the obligation based on the Group's average refinancing rate while accounting for the probability of occurrence (sales and damage claim)	Discount rate	4.06 %	2.59 %
		Sales	100 %	0 %
		Damage claim	0 %	0 %

Reconciliation of the fair value measurement of assets within Level 3 of the fair value hierarchy:

	Other financial assets		Contingent purchase price obligations	
T€	2014	2015	2014	2015
January 1	**1,959**	**2,113**	**9,788**	**10,311**
Change to the scope of consolidation	0	0	1,099	0
Additions	154	153	0	0
Disposals	0	0	0	– 1,234
Redemption	0	0	– 3,176	– 8,436
Fair value changes				
Recognized with effect on profit or loss in other operating income	0	0	790	0
Recognized with effect on profit or loss in the interest result	0	0	382	184
Exchange rate differences	0	0	1,428	1,143
December 31	**2,113**	**2,266**	**10,311**	**1,968**

The fair value changes from the other financial assets are recognized in other comprehensive income.

The contingent purchase price obligation from the acquisition of Flavor Infusion LLC is recognized with a fair value of € 0 (see note 26). The financial liability, which results from a subsequent purchase price component from a business combination by the Diana Group performed before being acquired by Symrise, has been derecognized as this obligation no longer exists.

The fair value changes relating to the contingent purchase price obligation are recognized in other operating income and expenses. Fair value changes arising as effects of interest accrued are recognized in the financial result.

SENSITIVITY ANALYSIS – MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS

A change to the inputs listed, with the other inputs remaining unchanged, would have resulted in the following impacts for the fair values of other financial assets and the contingent purchase price obligations:

	Effect on other comprehensive income			
	2014		2015	
T€	Increase of the input factor	Decrease of the input factor	Increase of the input factor	Decrease of the input factor
Other financial assets (AfS)				
Weighted average cost of capital (change of +/– 1.5 percentage points)	– 327	377	– 180	560
Terminal growth rate (change of +/– 1.0 percentage point)	123	– 152	306	– 6
EBITDA margin (change of +/– 2.0 percentage points)	159	– 214	340	– 69

	Effect on gains (+) and losses (–)			
	2014		2015	
T€	Increase of the input factor	Decrease of the input factor	Increase of the input factor	Decrease of the input factor
Contingent purchase price obligations (FLaFVtPL)				
Discount rate (change of +/– 0.5 percentage points)	21	– 21	2	– 2
Sales (change of +/– 10.0 percentage points)	–	–	0	0
Damage claim (change of + 0.5 percentage points)	240	–	91	–

NET GAINS AND LOSSES ACCORDING TO VALUATION CATEGORY

T€	2014	2015
Loans and receivables (LaR)	7,638	8,223
Financial assets and liabilities held for trading (FAHfT and FLHfT)	460	307
Financial assets available for sale (AfS)	0	37
Financial assets held to maturity (HtM)	32	– 366
Financial liabilities at amortized cost (FLAC)	– 63,517	– 70,457
Total	**– 55,387**	**– 62,256**

The changes in relation to the previous year mainly result from the increase in current and non-current bank borrowings as well as other borrowings and the associated exchange and interest rate effects (see note 28).

Changes in value for financial assets available for sale that were recognized in equity with no effect on other comprehensive income amounted to T€ –74 as of the end of the reporting period (December 31, 2014: T€ 58) before accounting for taxes. There were no reclassifications to the consolidated income statement.

The net interest result for financial assets and liabilities that were recognized at fair value not impacting profit or loss, amounted to € –35.2 million in 2015 (2014: € –26.1 million).

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities, which are subject to a legally enforceable master netting agreement or a similar agreement, only arose with derivative financial instruments in the form of International Swaps and Derivatives Association (ISDA) master netting agreements or comparable agreements.

The ISDA agreements do not fulfill the criteria for offsetting in the statement of financial position. This is due to the fact that the Group currently does not have any legal right to offset the amounts recorded, since the right to an offset only exists with the occurrence of future events, such as a default on a bank loan or other credit events.

As in the previous year, the amounts offset in connection with recognized financial instruments are immaterial, due to the large variety of transactions with various counterparties.

41. DISCLOSURES RELATING TO FINANCIAL INSTRUMENT RISK MANAGEMENT

Fluctuations in exchange and interest rates can result in significant risks to earnings and cash flows. For this reason, Symrise monitors these risks centrally and manages them proactively and occasionally with derivative financial instruments.

The management of risk is based on Group-wide guidelines in which objectives, principles, responsibilities and competencies are defined. These are monitored on a regular basis and adjusted to current market and product developments. Risk management has remained unchanged from the previous year.

INTEREST RISK

Interest rate fluctuation risks exist due to potential changes to the market interest rate and can lead to a change in the fair value of fixed-rate financial instruments and fluctuations in interest payments for variable interest rate financial instruments. Since the overwhelming portion of financial instruments measured at amortized cost have fixed rates, there is no notable risk if interest rates change.

Market interest rate changes for borrowings with variable interest rate components have an effect on the net interest result, as the following table shows:

2014	Nominal	Of which fixed	Of which variable	Of which unhedged	1.0 percentage point increase
T€	1,078,619	818,619	260,000	260,000	2,600
TUSD	345,606	275,606	70,000	70,000	700

2015	Nominal	Of which fixed	Of which variable	Of which unhedged	1.0 percentage point increase
T€	1,168,559	970,559	198,000	198,000	1,980
TUSD	256,736	256,736	0	0	0

An increase to all relevant interest rates of one percentage point would have resulted in T€ 1,980 less net income as of December 31, 2015 (December 31, 2014: T€ 3,176). A further decline in the interest rates would have had no notable effect on net income due to provisions on negative interest rates stipulated in the credit agreements. The sensitivity of equity towards interest rate changes is of an immaterial extent.

CURRENCY RISK

Due to its global activities, Symrise is exposed to two types of currency risk. **Transaction risk** arises in the separate financial statements of Group companies through changes in future cash flows denoted in foreign currencies due to exchange rate fluctuations.

The Symrise Group's global positioning results in supply relationships and payment flows in foreign currencies. These currency risks are systematically recorded and reported to the Group's headquarters. We primarily use currency forward contracts to hedge currency risk resulting from primary financial instruments and from planned transactions in USD.

Translation risk describes the risk of changes in reporting items in the statement of financial position and the income statement of a subsidiary due to currency fluctuations when translating the local separate financial statements into the Group reporting currency. Changes deriving from translation of items reported in the statement of financial position of these companies that are caused by currency fluctuations are disclosed in Group equity. The resulting risks are normally not hedged.

The presentation of the existing currency risk as of the end of the reporting period is done in accordance with IFRS 7 using a **sensitivity analysis**. The foreign currency sensitivity is determined from the aggregation of all financial assets and liabilities that are denominated in a currency that is not the functional currency of the respective reporting company. The net foreign currency risk determined by this analysis is measured at the closing rate and at a sensitivity rate that represents a 10 % appreciation/depreciation of the functional currency as compared to the foreign currency. The difference from this hypothetical measurement represents the effect on earnings before tax and on equity. This sensitivity analysis is based on the assumption that all variables other than a change in the foreign currency exchange rate remain constant.

In the sensitivity analysis, currency risks from internal monetary items were included as far as they result in translation gains or losses that are not eliminated as part of consolidation.

Effects from the currency translation of subsidiaries whose functional currency is not the same as the Symrise Group reporting currency do not affect the cash flows in the local currency and are therefore not included in the sensitivity analysis.

A significant currency risk for the Symrise Group resulted primarily in relation to the USD, both for this fiscal year and the previous year. The net foreign currency risk from this amounted to USD –46.7 million as of the end of the reporting period (December 31, 2014: USD 40.3 million). The addition mainly resulted from a higher amount of current assets in USD.

T€	2014	2015
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/–10 %		
Impact on profit/loss	+/– 2,854	+/– 4,412
Impact on equity	–/+ 1,166	–/+ 1,698
Total	**+/– 1,688**	**+/– 2,714**

Derivative financial instruments were used to reduce currency risk. The following currency forward contracts existed as of the end of the reporting period:

- with a nominal value of USD 27.0 million (December 31, 2014: USD 21.1 million) for hedging EUR/USD
- with a nominal value of USD 9.0 million (December 31, 2014: USD 7.5 million) for hedging USD/JPY
- with a nominal value of USD 2.1 million (December 31, 2014: USD 0.9 million) for hedging USD/INR
- with a nominal value of USD 3.5 million (December 31, 2014: USD 5.7 million) for hedging SGD/USD
- with a nominal value of USD 2.2 million (December 31, 2014: USD 1.6 million) for hedging USD/AUD
- a nominal value of GBP 0.0 million (December 31, 2014: GBP 0.05 million) for hedging EUR/GBP

Currency forward contracts with positive market values amounted to T€ 47 as of the end of the reporting period (December 31, 2014: T€ 760), while currency forward contracts with negative market values totaled T€ 685 (December 31, 2014: T€ 1,161).

The currency forward contracts have terms of up to nine months.

Further information on the positive and negative fair values for currency forward contracts with and without hedge relationships can be found in the table on financial instruments in note 40 as well as in the notes on liquidity risk.

LIQUIDITY RISK

The liquidity risk – i.e., the risk that Symrise is unable to meet its financial obligations – is limited by creating the necessary financial flexibility within the existing financing arrangements and through effective cash management. Symrise manages the liquidity risk through the use of a 12-month rolling financial plan. This makes it possible to finance forecast deficits under normal market conditions at normal market terms. Based on current liquidity planning, no liquidity risks are foreseen at the moment.

As of the end of the reporting period, Symrise had access to credit lines that are explained in greater detail in note 28.

The following summary shows the contractually agreed interest and redemption payments for current and non-current non-derivative financial liabilities, including estimated interest payments for variable interest:

			Maturity dates for expected payments		
2014 T€	Carrying amount	Expected payments	up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,364,978	1,493,222	143,392	1,191,671	158,159
Trade payables	213,527	213,527	213,527	0	0
Other non-derivative financial obligations	11,425	11,425	8,625	2,800	0
Liabilities from finance leases	7,074	7,074	749	3,250	3,075

			Maturity dates for expected payments		
2015 T€	Carrying amount	Expected payments	up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,409,255	1,528,620	62,102	1,295,431	171,087
Trade payables	234,702	234,702	234,702	0	0
Other non-derivative financial obligations	4,235	4,235	4,235	0	0
Liabilities from finance leases	7,747	7,747	653	4,072	3,022

The fair value and the expected incoming and outgoing payments from derivative financial liabilities are presented in the following table. The terms of the currency forward contracts amount to a maximum of nine months.

T€	2014	2015
Currency forward contracts		
Assets	760	47
Liabilities	– 1,161	– 685
Expected incoming payments	29,268	39,509
Expected outgoing payments	– 29,669	– 40,146

DEFAULT AND CREDITWORTHINESS RISK

A credit risk is the unexpected loss of cash or income. This occurs when a customer is not able to meet their obligations as they become due. Receivables management, which employs guidelines that are globally valid, coupled with regular analysis of the aging structure of trade receivables, ensures that the risks are permanently monitored and limited. In this way, cases of default on receivables are minimized. Due to the Symrise Group's wide-ranging business structure, there is no particular concentration of credit risks either in relation to customers or in relation to individual countries.

We only enter into financial contracts for cash investments with banks that we have carefully chosen and that are permanently monitored. The Symrise Group is exposed to credits risks related to derivative financial instruments, which would arise from the contractual partner not fulfilling his obligations. This credit risk is minimized in that transactions are only entered into with contract partners whose credit standing is regularly evaluated by independent rating agencies and constantly monitored. The carrying amounts of the financial assets represent the maximum credit risk.

42. LEASE AGREEMENTS

OPERATING LEASE AGREEMENTS AS LESSEE

Payment obligations exist for operating lease agreements, which have non-cancellable fixed lease terms of up to 37 years and mainly relate to vehicles and buildings. Some of the agreements contain renewal options or price escalation clauses but rarely include purchase options. In the current fiscal year, payments for leases recognized as expenses amount to € 13.3 million (December 31, 2014: € 13.0 million).

The future net cash outflows from operating leases are phased as follows:

T€	2014	2015
Up to one year	11,640	12,093
Longer than one year and up to five years	32,154	27,658
Longer than five years	25,618	18,098
Total	**69,412**	**57,849**

OPERATING LEASE AGREEMENTS AS LESSOR

The investment property was sold in 2015 (see note 24).

FINANCE LEASE AGREEMENTS AS LESSEE

The net carrying amount of the assets accounted for was € 11.1 million as of the end of the reporting period (December 31, 2014: € 12.0 million, see notes 20 and 21) and contains leased property, plant and equipment (buildings and equipment) as well as land used as part of leaseholds and intangible assets (software). Details on the future minimum lease payments for the finance lease agreements are shown in the following table arranged according to maturity:

			2014
T€	Minimum lease payments	Interest	Present value of the minimum lease payments
Up to one year	1,048	299	749
Longer than one year and up to five years	4,376	1,126	3,250
Longer than five years	3,374	299	3,075
Total	**8,798**	**1,724**	**7,074**

			2015
T€	Minimum lease payments	Interest	Present value of the minimum lease payments
Up to one year	925	272	653
Longer than one year and up to five years	5,734	1,662	4,072
Longer than five years	3,295	273	3,022
Total	**9,954**	**2,207**	**7,747**

The terms of the lease agreements are between one and ten years. No agreements on contingent rent were made. For more information on fair value, see note 40.

43. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

Contingent liabilities relate to potential future events that, upon occurring, would result in an obligation. As of the end of the reporting period, the following contingent liabilities are seen as unlikely but cannot be completely ruled out.

Symrise is confronted with diverse lawsuits and legal proceedings as a result of its normal business activities, which generally relate to the areas of labor law, product liability, warranty claims, tax law and intellectual property. We set up provisions for such cases where we see a probability of an obligation arising from past events, when the amount of the obligation can be measured with sufficient reliability and the settlement of which is expected to result in an outflow of resources embodying economic benefits. For all currently pending legal proceedings, we have set up a provision in the amount of € 2.2 million. We are currently of the opinion that all of the suits and proceedings brought against us, both individually and as a whole, will have no material negative influence on our business operations, financial situation, results of operations or cash flow. The recognized provisions are therefore neither individually nor collectively material. The results of present and future proceedings are not foreseeable, meaning that legal or official decisions or settlement agreements can lead to expenses that are not or not completely covered by our insurance services and that could therefore have material effects on our business and its results. Many of our processes are, however, covered by insurance benefits relating to our product liability insurance.

OTHER FINANCIAL OBLIGATIONS

As of December 31, 2015, the Group had obligations to purchase property, plant and equipment amounting to € 43.9 million (December 31, 2014: € 25.9 million). This mainly relates to production facilities, hardware and office equipment. Most are due during the course of 2016. Other obligations amounting to € 138.5 million (December 31, 2014: € 127.2 million) exist from not yet fulfilled commitments for purchases of goods.

Symrise AG signed a service contract for outsourcing internal IT with a term until 2019 with Atos Origin GmbH. The remaining total obligations towards Atos amount to € 22.7 million accounting for extraordinary termination rights (December 31, 2014: € 40.4 million).

Miscellaneous other financial obligations amounted to € 10.2 million as of December 31, 2015 (December 31, 2014: € 10.3 million), which included tax risks of € 4.5 million for which no provisions had to be set up (December 31, 2014: € 3.9 million for risks from litigation and tax disputes), as well as € 4.4 million in obligations from consulting, service and cooperation contracts (December 31, 2014: € 3.7 million).

44. TRANSACTIONS WITH RELATED PARTIES

Fully consolidated companies and associates, current and former Executive Board members and former managers as well as Supervisory Board members and former shareholder representatives and their close relatives are considered related parties.

The sales and purchases from related companies were completed under the same terms and conditions as though they had been transacted with third parties.

As in the previous year, only a small amount of goods were purchased from associates in 2015.

Contribution payments were made to the Rheinische Pensionskasse (RPK) amounting to T€ 1,163 (2014: T€ 1,068). These were allocated to their corresponding function according to their assignment. As in the previous year, there were no liabilities nor receivables resulting from these transactions with the RPK as of the end of the reporting period. For additional information, see note 34.

In the 2015 fiscal year, members of the Executive and Supervisory Board received the following remuneration:

			2014			2015
T€	Executive Board	Supervisory Board	Total	Executive Board	Supervisory Board	Total
Short-term benefits	3,674	937	**4,611**	3,049	922	**3,971**
Other long-term benefits	2,482	0	**2,482**	1,302	0	**1,302**
Post-employment benefits	49	0	**49**	34	0	**34**
Total	**6,205**	**937**	**7,142**	**4,385**	**922**	**5,307**

The supplemental disclosures pursuant to Section 315a of the German Commercial Code (HGB) are as follows:

T€	2014	2015
Total remuneration for active members		
Executive Board	5,745	4,404
Supervisory Board	937	922
Total remuneration for former members and their surviving dependents		
Executive Board	303	700

Provisions for current pensions and pension entitlements contain contributions of € 10.2 million (December 31, 2014: € 9.8 million) for former members of the Executive Board and € 2.5 million (December 31, 2014: € 3.7 million) for current members of the Executive Board.

The individualized remuneration for members of the Executive Board and Supervisory Board is disclosed in the Group management report.

45. EXECUTIVE BOARD AND SUPERVISORY BOARD SHAREHOLDINGS

Pursuant to no. 6.6 of the German Corporate Governance Code, the ownership of shares or related financial instruments by members of the Executive Board and the Supervisory Board shall be reported if these directly or indirectly exceed 1 % of the shares issued by the company. If the entire holdings of all members of the Executive Board and Supervisory Board exceed 1 % of the shares issued by the company, these holdings shall be reported separately for the Executive Board and the Supervisory Board.

The direct or indirect total holding of shares in Symrise AG by all members of the Executive and Supervisory Boards as of December 31, 2015, was more than 1 %. Of the 6.14 % of shares in Symrise AG collectively held by members of the Executive and Supervisory Boards, 6.01 % are held by members of the Supervisory Board while 0.13 % are held by members of the Executive Board.

46. LONG-TERM OBJECTIVES AND METHODS FOR MANAGING FINANCIAL RISK

Please see the risk report, which is a component of our Group management report.

47. AUDIT OF FINANCIAL STATEMENTS

The Annual General Meeting of Symrise AG, held on May 12, 2015, appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the 2015 fiscal year.

The following table provides an overview of the fees paid to the auditors:

T€	2014	2015
Audit of financial statements	846	808
Other audit assurance services	116	28
Tax advisory services	320	192
Other services	196	0
Total	**1,478**	**1,028**

48. LIST OF INTERESTS IN ENTITIES

Fully Consolidated Subsidiaries as of December 31, 2015

Name and Registered Office of the Entity	Share
Germany	
Busiris Vermögensverwaltung GmbH, Holzminden	100.00 %
DrinkStar GmbH, Rosenheim	100.00 %
Haarmann & Reimer Unterstützungskasse Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
Schimmel & Co. Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
Symotion GmbH, Holzminden	100.00 %
Symrise Beteiligungs GmbH, Holzminden	100.00 %
Symrise BioActives GmbH, Hamburg	100.00 %
Symrise IP-Verwaltungs GmbH, Holzminden	100.00 %
Symrise US-Beteiligungs GmbH, Holzminden	100.00 %
Tesium GmbH, Holzminden	100.00 %
France	
Aromatics SAS., Clichy-la-Garenne	100.00 %
Arôme de Chacé SAS, Chacé	100.00 %
Diana Naturals SAS, Antrain	100.00 %
DianaPlantSciences SAS, Rennes	100.00 %
Diana SAS, Saint Nolff	100.00 %
Diana Trans, Saint Nolff	100.00 %
Kerisper SAS, Saint Nolff	100.00 %
Société de Protéines Industrielles SNC, Berric	100.00 %
Spécialités Pet Food SAS, Elven	100.00 %
Symrise SAS., Clichy-la-Garenne	100.00 %
Villers SAS, Villers Les Pôts	100.00 %
Rest of Europe	
Diana Food Limited, UK	100.00 %
OOO Symrise Rogovo, Russia	100.00 %
Probi AB, Sweden	50.02 %
SPF DIANA Espana SL, Spain	100.00 %
SPF Hungary Kft, Hungary	99.67 %
SPF RUS, Russia	100.00 %
SPF UK Ltd, UK	60.00 %
Symrise Group Finance Holding 1 BVBA, Belgium	100.00 %
Symrise Group Finance Holding 2 CV, Belgium	100.00 %
Symrise Holding Limited, UK	100.00 %
Symrise Iberica S.L., Spain	100.00 %
Symrise IP-Holding GCV, Belgium	100.00 %
Symrise Kimya Sanayi Ticaret Ltd. Sirketi, Turkey	100.00 %
Symrise Limited, UK	100.00 %
Symrise Luxembourg S.a.r.l., Luxembourg	100.00 %
Symrise S.r.l., Italy	100.00 %
Symrise Vertriebs GmbH, Austria	100.00 %
Symrise Spółka z ograniczoną odpowiedzialnością, Poland	100.00 %
Symrise US Holding B.V., Netherlands	100.00 %

North America	
Confoco USA, USA	100.00 %
Diana Aquasea Inc., USA	100.00 %
Diana Natural Inc., USA	100.00 %
Diana US Inc., USA	100.00 %
DianaPlantSciences Inc., USA	100.00 %
SPF Canada – Group Diana Inc., Canada	100.00 %
SPF North America Inc., USA	100.00 %
SPF USA Inc., USA	100.00 %
Symrise Holding Inc., USA	100.00 %
Symrise Holding II Inc., USA	100.00 %
Symrise Inc., USA	100.00 %
Symrise US LLC, USA	100.00 %

Latin America	
Aquasea Costa Rica, Costa Rica	55.00 %
Confoco SA, Ecuador	100.00 %
Diana Naturals Chile Ltda, Chile	100.00 %
Diana Naturals Chile SpA, Chile	100.00 %
Ecuaprotein SA, Ecuador	53.00 %
SPF Argentina, Argentina	99.97 %
SPF Do Brasil Ltd, Brazil	99.99 %
SPF Mexico SA de CV, Mexico	99.99 %
Symrise Aromas e Fragrâncias Ltda., Brazil	100.00 %
Symrise C.A., Venezuela	100.00 %
Symrise Ltda., Colombia	100.00 %
Symrise S. de R.L. de C.V., Mexico	100.00 %
Symrise S.A., Chile	100.00 %
Symrise S.R.L., Argentina	100.00 %

Asia and Pacific	
Diana Group Pte Ltd, Singapore	100.00 %
Diana Naturals Private Ltd, India	100.00 %
Probi Asia-Pacific Pte. Ltd., Singapore	50.02 %
P.T. Symrise, Indonesia	100.00 %
SPF (Qingdao) Trading Co., Ltd, China	100.00 %
SPF Diana Australia PTY Ltd, Australia	100.00 %
SPF Thailand, Thailand	51.60 %
Symrise Asia Pacific Pte. Ltd., Singapore	100.00 %
Symrise Holding Pte. Limited, Singapore	100.00 %
Symrise Inc., Philippines	100.00 %
Symrise K.K., Japan	100.00 %
Symrise Limited, South Korea	100.00 %
Symrise Ltd., Thailand	100.00 %
Symrise Private Limited, India	100.00 %
Symrise Pte. Ltd., Singapore	100.00 %
Symrise Pty. Ltd., Australia	100.00 %
Symrise SDN. BHD, Malaysia	100.00 %
Symrise Shanghai Limited, China	100.00 %

Africa and Middle East	
Futura Labs International S.A.E., Egypt	100.00 %
Origines S.a.r.L., Madagascar	100.00 %
Roseland Flavors & Fragrances Corp., Dubai	100.00 %
SPF South Africa (RSA), South Africa	100.00 %
Symrise (Pty) Ltd., South Africa	100.00 %
Symrise Nigeria Limited, Nigeria	100.00 %
Symrise S.A.E., Egypt	100.00 %
Symrise S.a.r.L., Madagascar	100.00 %

Associated company as of December 31, 2015

Name and Registered Office of the Entity	Share
Therapeutic Peptides Inc., USA	20.00 %

49. EXEMPTION FROM THE OBLIGATION TO PREPARE ANNUAL FINANCIAL STATEMENTS PURSUANT TO SECTION 264 (3) OF THE GERMAN COMMERCIAL CODE (HGB)

DrinkStar GmbH, Tesium GmbH and Symotion GmbH are included in the consolidated financial statements of Symrise AG in accordance with the provisions applicable for corporate entities and have taken advantage of the exemption provisions covering the preparation, audit and publication of separate annual financial statements pursuant to Section 264 (3) of the German Commercial Code.

50. CORPORATE GOVERNANCE

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) has been submitted for 2015 and has been made available to shareholders on an ongoing basis through our website **www.symrise.com**.

51. EVENTS AFTER THE REPORTING PERIOD

BUSINESS COMBINATIONS

PINOVA GROUP

With the contract signing on September 18, 2015, Symrise Holding Inc., USA, finalized a purchase contract on the acquisition of all shares in Pinova Holdings, Inc., USA, which is the parent of the two operating companies Pinova, Inc. and Renessenz LLC, both headquartered in the United States. The closing of this transaction and the acquisition of control occurred on January 7, 2016. Inclusion of the companies in the Symrise consolidated financial statements will therefore first occur in the 2016 fiscal year.

The Pinova Group is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products. With the acquisition, Symrise is further expanding its range of raw materials in fragrances and thus particularly strengthening its competitive position in the creation of perfume compositions. Additionally, the forward integration of menthols is being expanded by cooling substances. Overall, this acquisition strengthens activities in the Scent & Care segment.

The transaction amount comes to TUSD 415,519 (provisional). Of that, TUSD 235,030 goes to the redemption of borrowings acquired in the form of bank and shareholder loans. The remaining TUSD 180,489 represents the provisional purchase price in the sense of IFRS 3. It represents the combination of two components: the amount due at closing in cash based on an underlying component, which is adjusted on the acquisition date by contractually fixed items in the statement of financial position. Initially, provisional values were used as the basis for the purchase price. This resulted in a total of TUSD 160,489 to be paid. The measurement of the final values and therefore the establishment of the final purchase price are to be completed within 90 days of the acquisition date. Further, a payment of

TUSD 20,000 was agreed upon, which will be mitigated by possible purchase price reductions resulting from the final purchase price adjustment and possible claims for damages. The entire amount is to be paid in two installments of TUSD 10,000 each, on July 1, 2016, and December 30, 2016. The corresponding total to cover this obligation has already been deposited in a fiduciary account.

The fair value of the assets and liabilities obtained (including contingent liabilities) was not available for this financial statement due to the temporal proximity of the transaction with the end of the reporting period. Following the premise that these will be assumed at their carrying amount, the following difference results:

T$	Carrying amount as of acquisition date
Cash and cash equivalents	3,903
Trade receivables	41,947
Inventories	93,611
Intangible assets	2,667
Property, plant and equipment	139,886
Other assets	1,158
Deferred tax assets	54,772
Borrowings	– 235,030
Trade payables	– 28,919
Other liabilities	– 7,820
Deferred tax liabilities	– 26,636
Acquired net assets	**39,539**
Consideration transferred for acquiring the interests	**180,489**
Goodwill (provisional)	**140,950**

Trade receivables include gross amounts of the contractual receivables of TUSD 42,118, of which TUSD 469 were classified as presumably unrecoverable at the date of acquisition. The goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group.

For this acquisition, transaction costs of T€ 3,838 were incurred in 2015 and recognized in administration expenses.

SCELTA UMAMI GROUP

With the contract signing on November 26, 2015, Diana Naturals SAS, France, finalized a purchase contract on the acquisition of 60 % of the shares in Scelta Umami Holding BV, which is the parent of the operating company Scelta Umami BV. Both are located in the Netherlands. The closing of this transaction and the acquisition of control occurred on January 6, 2016. Inclusion of the companies in the Symrise consolidated financial statements will therefore first occur in the 2016 fiscal year. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio for the Flavor & Nutrition segment. The purchase price due at closing amounted to T€ 8,243 and was fully paid in cash.

The fair value of the assets and liabilities obtained (including contingent liabilities and the portion that is attributable to non-controlling interests) was not available for this financial statement due to the temporal proximity of the transaction with the end of the reporting period. Following the premise that these will be assumed at their carrying amount, the following difference results:

T€	Carrying amount as of acquisition date
Cash and cash equivalents	298
Trade receivables	346
Inventories	930
Property, plant and equipment	1,616
Other assets	54
Borrowings	– 1,155
Trade payables	– 282
Other liabilities	– 183
Net assets	**1,624**
Non-controlling interests	650
Acquired net assets	**974**
Consideration transferred for acquiring the interests	**8,243**
Goodwill (provisional)	**7,269**

There were no trade receivables at the time of acquisition that were classified as unrecoverable. The goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group.

For this acquisition, transaction costs of T€ 340 were incurred in 2015 and recognized in administration expenses.

Holzminden, Germany, February 18, 2016

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram | Achim Daub | Olaf Klinger

Statement of the Executive Board

To the best of our knowledge and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Holzminden, Germany, February 18, 2016

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram | Achim Daub | Olaf Klinger

Auditor's Report

We have audited the consolidated financial statements prepared by the Symrise AG, Holzminden, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statement of changes in equity and the notes, together with the group management report for the business year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hanover, February 19, 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Ufer	Dirk Papenberg
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Corporate **Governance**

Corporate Governance Statement Pursuant to Section 289a of the German Commercial Code (HGB) and Corporate Governance Report

In addition to the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), the following Corporate Governance Statement pursuant to Section 289a of the German Commercial Code (HGB) also contains Symrise's Corporate Governance Report in the sense of no. 3.10 of the German Corporate Governance Code's (DCGK) current version from May 5, 2015, as published in the official part of the electronic Federal Gazette (Bundesanzeiger) by the German Federal Ministry of Justice on June 12, 2015. It is also available on Symrise AG's website. It can be found at: **http://www.symrise.com/investors/corporate-governance/corporate-governance-statement-and-corporate-governance-report**.

CORPORATE GOVERNANCE STATEMENT

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance. The Executive Board – also acting on behalf of the Supervisory Board – has issued the following Corporate Governance Statement. The Corporate Governance Statement pursuant to Section 289a of the German Commercial Code (HGB) comprises the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act, relevant information on corporate governance practices, a description of the working methods of the Executive and Supervisory Boards as well as the composition and working methods of their committees. Pursuant to the currently valid version of no. 3.10 of the German Corporate Governance Code (DCGK) from May 5, 2015, published in the official section of the Federal Gazette by the German Federal Ministry of Justice on June 12, 2015, the Corporate Governance Report, which is required to be issued annually by the Executive Board and the Supervisory Board, must be published together with the Corporate Governance Statement.

Due to the similarity of content between the Corporate Governance Report and the Corporate Governance Statement, we have once more decided to integrate the Corporate Governance Report in the meaning of no. 3.10 of the German Corporate Governance Code into the Corporate Governance Statement pursuant to Section 289a of the German Commercial Code in order to simplify orientation for the reader. By contrast, the remuneration report is no longer part of the Corporate Governance Report pursuant to the current version of no. 4.2.5 of the German Corporate Governance Code (DCGK) from May 5, 2015, as published in the official section of the Federal Gazette by the German Federal Ministry of Justice on June 12, 2015. The remuneration report is part of the management report included on pages 41 to 48 of the 2015 financial report.

DECLARATION OF COMPLIANCE AS OF DECEMBER 2015 PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

INTRODUCTION

Under Section 161 of the German Stock Corporation Act (AktG – Aktiengesetz), the Executive Board and the Supervisory Board of a listed company must issue an annual declaration detailing whether the company was and is in compliance with the German Corporate Governance Code and detailing recommendations of the Code that have not been applied.

WORDING OF THE DECLARATION

On the basis of their deliberations, the Executive Board and the Supervisory Board of Symrise AG issued a new declaration of compliance on December 3, 2015, pursuant to Section 161 of the German Stock Corporation Act. The declaration is worded as follows:

"In accordance with Section 161 of the German Stock Corporation Act, the Executive and Supervisory Boards of Symrise AG state that:

Symrise has fully complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: May 5, 2015) published by the German Federal Ministry of Justice on June 12, 2015, in the official part of the Federal Gazette (Bundesanzeiger) without exception and will continue to do so in the future."

The Declaration of Compliance has also been made publicly available on Symrise AG's website. It can be found at: **http://www.symrise.com/investors/corporate-governance/declaration-of-compliance**.

RELEVANT INFORMATION ON COMPANY PRACTICES

INTRODUCTION

This part of the Corporate Governance Statement provides relevant information on corporate governance practices beyond the scope of legal requirements. In other words, the discussion encompasses all regulations that are derived neither from legal regulations nor from the recommendations and suggestions of the Government Commission on the German Corporate Governance Code.

OUR CODE OF CONDUCT

In order to ensure uniform and exemplary actions and conduct within the company, a Code of Conduct was devised in 2006 that applies as a binding guiding principle equally to all Symrise employees in Germany and other countries, i.e. to the Executive Board and the Supervisory Board, as well as to Group managerial staff and employees. This Code of Conduct was last subject to fundamental revisions in 2012 and adapted to the latest developments. The Code of Conduct defines minimum standards and sets out behavior enabling all employees to cooperate in meeting these standards. The purpose of the Code is to help all employees cope with the ethical and legal challenges of their everyday work and provide them with guidance in conflict situations. In the interest of all employees and the Group, noncompliance with standards will be investigated and their causes remedied. This means that misconduct will be consistently prosecuted in accordance with national laws.

Our Code of Conduct provides the framework for interactions with our key stakeholders: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, media and the public.

The Code of Conduct is based on our values and principles. By following it, we guarantee that every person is handled fairly and with respect while ensuring that our behavior and business activities remain transparent, honest and consistent throughout the world.

Our Code of Conduct has been made permanently available on Symrise AG's website. It can be found at: **http://www.symrise.com/newsroom/publications/code-of-conduct**.

OUR COMPLIANCE ORGANIZATION

At Symrise, we understand "compliance" as an integrated organizational model ensuring adherence to legal regulations as well as intercompany guidelines and the corresponding processes and systems. Here, we differentiate between "technical compliance" and "legal compliance." Technical compliance activities focus on quality, environmental protection, health, work safety, energy, product safety and food safety. Legal compliance activities concentrate on competition and antitrust law, the prevention of corruption and money laundering, and export controls. The results and insights from every area of compliance and risk management are collected and reported to the Executive Board and the Auditing Committee of the Supervisory Board. As a result, measures are coordinated more efficiently.

The Executive Board of Symrise AG has explicitly expressed – in both internal and external contexts – its refusal to accept any form of compliance infringement. Infringements will not be tolerated at Symrise. Sanctions will be imposed upon involved employees wherever necessary and legally possible.

Symrise has an integrated compliance management system that combines sustainable, risk and value-oriented, as well as legal and ethical aspects and rules; we have made this into a fundamental principle for everything we do in business. We act on the basis of our understanding and conviction that adherence to these fundamental rules is an inalienable and non-negotiable component of our Symrise identity. Only a clearly defined and transparent framework of what type of conduct is allowed and what type of conduct is not allowed guarantees the success and sustainability of our business.

Our principle is clear and applies to all countries: "Any business that cannot be brought into line with our fundamental principles is not business for Symrise."

The Group Compliance office as well as Internal Auditing report directly to the CFO. This ensures their independence and authority. The Group Compliance office and Internal Auditing report to the Auditing Committee of the Supervisory Board regularly at each of the committee's meetings.

OUR INTEGRITY HOTLINE

Back in the summer of 2008, Symrise's Group Compliance office installed an Integrity Hotline to ensure that Symrise employees can anonymously report violations of both legal regulations and internal company guidelines from anywhere in the world. By means of this hotline, all our employees are able to contact the Group Compliance office using toll-free telephone numbers that have been specially set up in the individual countries. An intermediary service operator ensures that employees can retain anonymity where required and communicate in their native language. By entering an access code, employees can leave a message with the Group Compliance office. They receive a number that enables them to call back later and listen to the answer left for them by the Group Compliance office. This procedure can be continued as long as one likes, enabling intensive communication between the Group Compliance office and the person providing the information while preserving the latter's anonymity. At the same time, abuses can be prevented through targeted queries. Since fall 2009, employees have been able to additionally contact Group Compliance office staff anonymously and leave messages via the online service of the Symrise Integrity Hotline. As a result, it is no longer absolutely necessary to communicate with the Group Compliance office over the phone. Of course, all employees can also contact the Group Compliance office directly and personally at any time.

In 2015, two cases were reported via the Integrity Hotline worldwide. A further two cases of irregularities were reported directly to the Group Compliance office via email. In each case, investigations were then initiated. No material damage to third parties or to our company resulted from these cases.

TRAINING COURSES ON COMPLIANCE ISSUES

To ensure that all compliance requirements are consistently met, the need for training is regularly determined and appropriate training courses are implemented. In addition to training courses where employees are present on site, internet-based training is also offered. This allows us to reach more employees in a shorter period of time. Furthermore, this method gives employees greater flexibility in deciding when to work through which training module. Final tests ensure that the course material has been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training when they join the company on the fundamental principles of our Code of Conduct. In 2015, we once again invited our employees to a Code of Conduct course that covered aspects of preserving human rights, in addition to other topics. The training program also included topics like work safety, health, the environment, hygiene and general compliance guidelines. Along with ongoing training, we once again trained those employee groups that, due to their responsibilities, are more exposed to the risk of misconduct (such as Marketing, Sales, Purchasing, Customer Service). There is also a focus on training the employee groups that can act as multipliers for the training content within the company.

CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance at Symrise is based on the German Corporate Governance Code (DCGK), which has established itself as guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever that good corporate governance is a prerequisite and indispensable basis for the success of a company. This success depends especially on the trust of our business partners, financial markets, investors, employees and the public. Confirming and further strengthening this trust is a prioritized objective at Symrise. Achieving this objective calls for responsible leadership along with corporate management and control focused on creating sustainable value.

In the past, we oriented ourselves towards internationally and nationally acknowledged standards of good and responsible corporate governance and will continue to do so in the future. In the 2015 fiscal year, the Executive and Supervisory Boards dealt intensively with all corporate governance issues on numerous occasions across all areas. In particular, the new version of the German Corporate Governance Code (DCGK) from May 5, 2015, as published in the official section of the Federal Gazette by the German Federal Ministry of Justice on June 12, 2015, was once again the focus of deliberations.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest involving members of the Executive Board, which have to be disclosed to the Supervisory Board without delay, did not occur in fiscal year 2015. The only consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2015 fiscal year involved Mr. Horst-Otto Gerberding, as in the previous year:

In connection with the retirement of Mr. Gerberding as managing director of the former Symrise Holding GmbH, the company and Mr. Gerberding entered into an “Amended and Restated Service Agreement” on September 4, 2003. Under the terms of this agreement, Mr. Gerberding is entitled to an annual retirement pension of € 100,000 until his death. This amount increases by € 7,500 for each year that Mr. Gerberding remained in the service of the company as managing director after the conclusion of the agreement. Mr. Gerberding is also entitled to a pension from Symrise AG through an employment and supply contract dated July 29, 1983. The total sum is € 24,358 per month.

OBJECTIVES OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

The current Supervisory Board at Symrise AG has a total of twelve members, including seven independent members and three women: Ms. Hufnagel, Ms. Jarke and Prof. Dr. Pfeifer.

The Supervisory Board is to name specific goals for its composition pursuant to no. 5.4.1 (2) sentence 1 of the DCGK in the current version from May 5, 2015 that, in keeping with the company’s specific situation, take account of (i) the company’s international activity, (ii) potential conflicts of interest, (iii) the number of independent Supervisory Board members, (iv) an age limit for Supervisory Board members to be defined,

(v) a maximum period for membership in the Supervisory Board to be determined and (vi) diversity, among other things.

With the support of corresponding nominations, the Supervisory Board seeks to ensure that in its future composition at least 30 % of its members are female. The goal is to implement the "Act for the Equal Participation of Women and Men in Management Positions" in 2016. The Act was passed by the German Bundestag on February 6, 2015 and the Bundesrat on March 27, 2015.

Generally, at least seven independent members should always be represented in the Supervisory Board. Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members from other nations does not fall below one-third. The term of office for a Supervisory Board member must end at the conclusion of the Annual General Meeting following the member's 70th birthday. The maximum limit for membership in the Supervisory Board is four terms of office. All of these targets are currently being met. Concerning future nominations, it will be ensured that the targets defined by the Supervisory Board continue to be fulfilled.

TRANSPARENCY

Pursuant to Section 15a of the German Securities Trading Act (WpHG – Wertpapierhandelsgesetz), the members of the Executive and Supervisory Boards of Symrise AG as well as certain employees with management duties and persons with whom they have a close relationship must disclose the purchase or sale of Symrise shares and related financial instruments. This duty of disclosure applies if the value of the transactions undertaken by one of the aforementioned persons reaches or exceeds the sum of € 5,000.

All of the reports received by Symrise AG as of December 31, 2015 are published on our website at: **http://www.symrise.com/investors/corporate-governance/directors-dealings**. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive Board or the Supervisory Board.

The direct or indirect total holding of shares in Symrise AG by all members of the Executive and Supervisory Boards as of December 31, 2015, was more than 1 %. Of the 6.14 % of shares in Symrise AG held by members of the Executive and Supervisory Boards, 6.01 % is held by members of the Supervisory Board while 0.13 % is held by members of the Executive Board (values are rounded).

A summary of the respective mandates of the members of the Executive Board and the Supervisory Board outside of the Symrise Group can be found on pages 152/153 of the 2015 financial report.

A report on relationships to associated companies and related parties can be found on pages 127/128 of the 2015 financial report.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise AG shareholders exercise their co-determination and control rights at the General Meeting, which takes place at least once each year. The Meeting makes decisions on all statutory matters that are binding for all shareholders and the company. For every decision, each share is entitled to one vote. All shareholders that register within the specified period are entitled to participate in the Annual General Meeting. Shareholders who are not able to attend the Meeting in person are entitled to have their voting rights exercised by a bank, a shareholder association, a voting proxy of Symrise AG who is bound by its instruments or another proxy of their own choosing. Shareholders also have the possibility of voting online in the run-up to the Annual General Meeting or authorizing the voting proxy provided by the company on the web. Instructions on how voting rights are to be exercised may be given to a voting proxy before and during the Annual General Meeting on May 11, 2016, up until the end of the general debate. It is possible to transfer the voting rights to a voting proxy electronically up until 6:00 p.m. on the evening of May 10, 2016. The invitation to the Annual General Meeting and the reports and information required for the decisions are published according to stock corporation law and made available on Symrise AG's website in German and English.

It is our intention to provide our shareholders with quick, comprehensive and effective information before and during the Annual General Meeting and to make it easy for them to exercise their rights. The corporate report, the financial report and the invitation to the Annual General Meeting, which are also available on the website of Symrise AG, provide the shareholders with comprehensive information on the past fiscal year and the individual agenda items of the upcoming Annual General Meeting. Like the corporate and financial reports, all documents and information pertaining to the Annual General Meeting are available on the website of the Symrise AG.

The registration and legitimation process for the Annual General Meeting is simple and is based on the 21st day before the

Meeting. The 21st day before the Meeting is the cutoff date for the legitimation of the shareholders.

Subsequent to the Annual General Meeting, we also publish the attendance figures and voting results on our website.

INFORMATION SERVICE FOR OUR SHAREHOLDERS

Corporate communication is undertaken with the objective of guaranteeing the greatest possible transparency and equality of opportunities through timely and equal information to all target groups. All major press and capital market releases by Symrise AG are also published on the company's website in German and in English. The articles of incorporation as well as rules of procedure for the Executive and Supervisory Boards, the annual and consolidated financial statements and quarterly results can also be found on our website along with the annual and half-yearly financial reports.

We regularly notify company shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar published in the corporate and financial reports, the quarterly reports and on the company website. Regular meetings with analysts and institutional investors are part of our investor relations activities. This includes an annual analysts' conference as well as conference calls for analysts and investors coinciding with the publication of our quarterly and half-yearly figures.

The most important presentations prepared for these and other events, such as the Annual General Meeting and investor conferences, can also be viewed online. The location and dates for investor conferences can also be found on our website at http://www.symrise.com/investors/finan-calendar/2016.

RISK MANAGEMENT

Dealing with risks of all kinds responsibly has the utmost importance for the success of a company. For this reason, a comprehensive risk management system is a mandatory element of suitable corporate governance. The Executive Board ensures appropriate risk management and risk controlling throughout the Group. The risk management system is constantly developed and adapted to changing conditions. Previously, potential risks were analyzed and classified throughout the Group twice a year. Now, the analysis and classification of possible risks is performed constantly using electronic systems across the entire Group. This ensures that the company's risk situation is always available and up to date.

The risk management system at Symrise AG, its security mechanisms, internal guidelines and monitoring instruments are checked by the internal Group auditors without prior notice. Risks identified in this manner are immediately reported to the Executive Board.

The early recognition system for risk in accordance with Section 91 (2) of the Stock Corporation Act is monitored by auditors in Germany and abroad.

Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems. This also includes, for example, regular reporting by Internal Auditing and Symrise's Group Compliance office.

This overlapping mechanism allows risks to be identified and assessed at an early stage. The Executive Board regularly informs the Supervisory Board and Auditing Committee of existing risks and their development. Specific measures are proposed and implemented right from this early stage to mitigate the identified risks. The Group's internal auditors also check the implementation of these new measures, and the results are critically assessed. The risk profile is thereby constantly monitored, and measures necessary to mitigate risks are introduced. Specific staff members are assigned responsibility for this and held accountable in their performance review.

OUR AUDITORS: KPMG

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in the 2015 fiscal year was again based on the International Financial Reporting Standards (IFRS) as required to be applied in the European Union. The legally prescribed individual accounts of Symrise AG that are decisive for the payment of dividends have been prepared in accordance with the regulations of the German Commercial Code (HGB). As in the previous year, the annual accounts of Symrise AG as well as the management report and the consolidated annual financial statements of Symrise AG as well as the Group management report were also audited in 2015 by our auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover. An agreement is in place with the auditors to promptly notify the chairman of the Auditing Committee of any grounds for disqualification or prejudice that are identified during the audit, insofar as such circumstances cannot immediately be rectified. The auditors are instructed to report without delay all findings and incidents of significance for the duties of the Supervisory Board that are identified during the audit to the Executive Board and the Supervisory Board. Moreover, the auditors are required to notify the Supervisory Board and make a note in the audit report if circumstances are identified during the audit that are incompatible with the Declaration of Compliance issued by the Executive Board and Supervisory Board in accordance with Section 161 of the German Stock Corporation Act.

DESCRIPTION OF THE WORKING METHODS OF THE EXECUTIVE AND SUPERVISORY BOARDS

INTRODUCTION

This part of the Corporate Governance Statement focuses on the working methods of the Executive Board, the Supervisory Board and of the committees formed by the Supervisory Board. The composition of these committees will also be briefly discussed. The Executive Board has not formed any committees.

DUAL MANAGEMENT SYSTEM

Symrise AG is a company under German law, which is influenced by the German Corporate Governance Code. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Executive Board and the Supervisory Board, each of which is entrusted with independent competencies. Symrise AG's Executive Board and Supervisory Board cooperate closely and in a spirit of trust in managing and overseeing the company.

EXECUTIVE BOARD

The Executive Board of Symrise AG currently has three members. All members of the Executive Board are appointed by the Supervisory Board. The Executive Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value. The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant issues of corporate planning and strategic development, on company performance, on the state of the Group, including a risk profile, and on risk management. The reporting of the Executive Board also covers the compliance management system, i.e. the measures for adherence to legal regulations and internal corporate guidelines. The articles of incorporation specify reservations of consent of the Supervisory Board for significant business transactions. These reservations of consent are contained in identical form in rules of procedure for the Executive Board.

These provisions are available to the public on our website at **http://www.symrise.com/investors/corporate-governance/executive-board**.

The Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, has the aim of increasing the share of female managers holding upper management positions at companies and contributing to equality between the sexes. Against the backdrop of the current situation at Symrise and the very short remaining terms on the existing employment contracts for the members of the Executive Board, the Supervisory Board decided on a target figure of "zero" regarding the targeted share of women in the Executive Board by June 30, 2017. By 2020, the share of women on the Executive Board should reach 20 %.

Symrise is a globally operating company with several high-level management positions outside of Germany. The basis for Symrise's quota for female managers is therefore the global management structure at Symrise AG. The share of women at the first level of management beneath the Executive Board should amount to at least 16 % by June 30, 2017. The second level of management should amount to at least 22 %. If one limits Symrise's management structure to its managers in Germany, the share of women at the first level of management beneath the Executive Board is currently 10 % and should be increased to 12 % by June 30, 2017. Symrise would like to achieve a higher quota here in the longer term.

SUPERVISORY BOARD

The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. The chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and externally represents the concerns of the body. An extraordinary Supervisory Board meeting may be convened if required when events of particular relevance occur. In the course of preparing for the Supervisory Board meetings, the representatives of shareholders and employees meet separately, if necessary. The Supervisory Board has adopted rules of procedure that find corresponding application in the committees of the Supervisory Board.

These rules have been made available on our website at **http://www.symrise.com/investors/corporate-governance/supervisory-board**.

COMPOSITION OF THE SUPERVISORY BOARD

In accordance with the articles of incorporation, Symrise AG's Supervisory Board has twelve members, with six representatives elected by the shareholders and six by the employees. The period of office is identical for all members. In accordance with the recommendations of the German Corporate Governance Code, the shareholder representatives are elected individually at the Annual General Meeting. All members of the Supervisory Board were last elected in the 2011 fiscal year as part of the rotation system. Shareholders elected six shareholder representatives to the Supervisory Board on May 18, 2011 at the Annual General Meeting. The six employee representatives were chosen from among the German staff on February 21, 2011.

All members are appointed to the Supervisory Board for a period until the end of the Annual General Meeting in the fourth fiscal year after beginning their term, at which point a decision about their discharge is made. The initial year of service is not included in this calculation. The period of service for the members of the Supervisory Board will therefore presumably end in early 2016. When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. The current Supervisory Board at Symrise AG includes seven independent members and three women: Ms. Hufnagel, Ms. Jarke and Prof. Dr. Pfeifer. The Supervisory Board will attempt to implement the regulations specified in the Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, in so far as it concerns the composition of the Supervisory Board and with the support of corresponding nominations regarding the election of the shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff.

As in previous years, no former Executive Board members are serving on the Supervisory Board in order to ensure its neutral and independent consulting and monitoring of the Executive Board. At least one independent member has expertise in accounting or auditing.

SUPERVISORY BOARD COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. To the extent that this is legally admissible, in individual cases the Supervisory Board delegates decision-making to its committees. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The task of the latter is to recommend suitable candidates to represent the shareholders when new Supervisory Board elections are coming up. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the full meetings, the chairmen of the committees report regularly and comprehensively on the content and results of the committee meetings.

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. This committee is also responsible for succession planning at the Executive Board level and throughout the entire Group. It also deals with the development of the Executive Board remuneration system, specifies the amount of remuneration and makes corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The members are: Dr. Thomas Rabe (Chairman), Harald Feist, Horst-Otto Gerberding, Regina Hufnagel, Christiane Jarke and Prof. Dr. Andrea Pfeifer. The Personnel Committee convened three times in the 2015 fiscal year. The Personnel Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The Auditing Committee mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system and the audit of annual accounts. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discussed the interim reports in detail and approved them before they were published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Dr. Michael Becker (Chairman), Dr. Peter Grafoner, Regina Hufnagel, Dr. Winfried Steeger, Helmut Tacke and Peter Winkelmann. The Auditing Committee convened five times in the 2015 fiscal year. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to again nominate KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover as the auditor. Furthermore, the Auditing Committee solicited a statement of independence from the auditor. It commissioned the auditor, established the main focuses of the audit and prepared the resolution for the Supervisory Board regarding the auditing fees. The Auditing Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly. Additionally, the Auditing Committee drew up its own regulation regarding its concrete procedure.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG). It currently consists of four members: Dr. Thomas Rabe (Chairman), Dr. Peter Grafoner, Regina Hufnagel and Peter Winkelmann. Once again, it was not necessary to convene the Arbitration Committee during the 2015 fiscal year. The Arbitration Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board in accordance with the German Corporate Governance Code. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The current three members are: Dr. Thomas Rabe (Chairman), Horst-Otto Gerberding and Prof. Dr. Andrea Pfeifer. The Nominations Committee convened once during the 2015 fiscal year. The Nominations Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

Report of the Supervisory Board of Symrise AG

Dear Shareholders,

DR. THOMAS RABE, Chairman of the Supervisory Board of Symrise AG

2015 was an eventful year characterized by developments that will be felt well beyond the end of the year. The debt and banking crisis in Greece tested the resilience of the eurozone and its institutions. The military conflict in Syria escalated and led to a spike in the number of refugees coming to Europe – posing various economic and political challenges. The economic dynamics in certain important emerging markets slowed, such as in China, or fell into recessions, such as Brazil and Russia, and thereby put a damper on international economic development. Despite these developments, our company managed once more to generate substantial gains in sales and earnings. This is partially due to the 2014 acquisition of the Diana Group in France and its successful integration into the Symrise Group. But even without this effect, our company grew in 2015 and has been highly profitable. Symrise is one of the most successful companies in its industry.

In this report, we would like to inform you about the key activities of the Supervisory Board in this challenging environment. In 2015, the Supervisory Board again fulfilled its responsibilities under the law and according to the articles of incorporation with great care. In the meetings of the Supervisory Board and its committees, we again discussed and reached agreements on a number of matters and business transactions subject to our approval.

We regularly provided consultation to the Executive Board and supervised the company management. We are convinced that the company's business complied with all legal and regulatory requirements. The Supervisory Board was directly and intensely involved in all decisions of fundamental significance to the company. The Executive Board comprehensively discussed and coordinated the strategic planning and orientation of the company with us. As in the previous fiscal years, the Supervisory and Executive Boards held a separate meeting in 2015 to examine and evaluate the company's strategy.

Based on information received from the Executive Board, we intensively discussed and advised on all business transactions of significance to the company in our full assembly. To this end, the Executive Board provided us with regular, current and comprehensive reports in written and oral form on all aspects important to the company. This includes above all the development of the business and financial situation, the employment situation, ongoing and planned investments, basic corporate strategy and planning issues as well as the risk situation, risk management and the compliance program. The Executive Board informed us of matters that, according to legal requirements and/or the articles of incorporation, are subject to our approval at an early stage and allowed us the needed time for making a decision. Wherever required by law or by the articles of association, we submitted our vote on the reports and proposed resolutions of the Executive Board after thorough analysis and discussion. In urgent special cases, decisions were made in consultation with the Chairman of the Supervisory Board, either by telephone or in writing.

The Executive Board provided us with a monthly report on all of the key financial figures. When there were deviations in the course of business from the set plans and objectives, we received detailed explanations in written and oral form, enabling us to discuss the reasons for the deviations and targeted correction measures with the Executive Board.

Additionally, during the periods between the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Auditing Committee in particular were in close and continuous dialogue with the Executive Board. Restrained global economic growth and its consequences for current and future business development as well as the status of essential projects and key business transactions in both Group segments were repeatedly a subject of our discussions with the Executive Board.

As in the previous year, conflicts of interest of members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2015.

THE SUPERVISORY BOARD'S WORK IN COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. To the extent that it was legally admissible, the Supervisory Board delegated decision-making to its committees in individual cases. This practice of delegation has proved successful in our experience. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The task of the latter is to recommend suitable candidates as shareholder representatives on the Supervisory Board when new Supervisory Board elections are coming up. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee.

In the Supervisory Board meetings, the chairmen of the committees report regularly and extensively on the content and results of the committee meetings. As a result, the Supervisory Board always has a comprehensive basis of information for its consultations.

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. It is also responsible for succession planning at the Executive Board level and throughout the entire Group. It deals with the development of the Executive Board remuneration system, specifies the amount of remuneration and makes corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The members are: Dr. Thomas Rabe (Chairman), Harald Feist, Horst-Otto Gerberding, Regina Hufnagel, Christiane Jarke and Prof. Dr. Andrea Pfeifer.

The Personnel Committee convened three times in the 2015 fiscal year, one of which was a conference call. Its agenda points included evaluating the Executive Board members' performance during the 2014 fiscal year, setting new goals for the 2015 fiscal year, reviewing the Executive Board members' remuneration with a focus on the multi-year remuneration program (LTIP) as well as organizing the self-assessment of the Supervisory Board. Furthermore, the Personnel Committee focused on the search for a successor for the Executive Board position for Finance and prepared the resolution for the Supervisory Board on the target figure for increasing the share of women on the Executive Board by June 30, 2017. Succession planning for global management positions beneath the Executive Board level was also a point of emphasis. One member of the Personnel Committee was unable to attend one meeting.

The Auditing Committee mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of annual accounts and the compliance management system. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discussed the interim reports in detail and approved them before they were published.

The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Dr. Michael Becker (Chairman), Dr. Peter Grafoner, Regina Hufnagel, Dr. Winfried Steeger, Helmut Tacke and Peter Winkelmann. The Auditing Committee convened five times in the 2015 fiscal year. One member of the Auditing Committee was unable to attend one meeting, and one other member was unable to attend two meetings. The CFO regularly attends the meetings of the Auditing Committee while the auditor, CEO and other guests are present for individual agenda items when needed. The committee's work focused on the annual financial statements and consolidated financial statements, the interim reports, the auditor's reports as well as on refining the risk management system and compliance management system. The first-time consolidation of the Diana Group, acquired in the summer of 2014, was also discussed by the Auditing Committee. Furthermore, the Auditing Committee provided support for the audit by the German Financial Reporting Enforcement Panel (DPR), which remained without reservations, and engaged with questions regarding the regularly scheduled refinancing of the Group. Another major point of discussion for the Auditing Committee was the qualification of the global Symrise sites regarding certain risk aspects. The auditor reported in detail on all findings and incidents of significance to the duties of the Supervisory Board that were identified during the audit and during reviews of the interim financial statements following the conclusion of the first half of the year.

The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to again nominate KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover as the auditor. Furthermore, the Auditing Committee obtained a statement of independence from the auditor. It commissioned the auditor with a risk-oriented auditing approach and established the main focuses of the audit. It also prepared the resolution for the Supervisory Board regarding the auditing fees.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG). It currently consists of four members: Dr. Thomas Rabe (Chairman), Dr. Peter Grafoner, Regina Hufnagel and Peter Winkelmann. Once again, it was not necessary to convene the Arbitration Committee during the 2015 fiscal year.

The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board in accordance with the German Corporate Governance Code. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The current three members are: Dr. Thomas Rabe (Chairman), Horst-Otto Gerberding and Prof. Dr. Andrea Pfeifer. The Nominations Committee convened once during the 2015 fiscal year. All members attended this meeting.

TOPICS OF THE SUPERVISORY BOARD MEETINGS

The effects of various situations and developments on Symrise – such as international crises, slow global economic growth, volatile raw materials costs, the ongoing European debt crisis and high energy costs despite a dropping oil price – represented the main focuses of our work and objects of regular discussions by the Supervisory Board. In light of these matters, we discussed with the Executive Board in detail the measures it had enacted as well as those planned for the future.

Regular deliberations within the Supervisory Board also covered the development of sales, earnings and employment at Symrise and its two segments in the individual regions given the economic conditions present there. It also discussed the company's financial and liquidity situation as well as important investment projects and their development as measured against the planned objectives. In the 2015 fiscal year, the Supervisory Board held six ordinary sessions, two of which focused on specific topics, and one extraordinary session held as a conference call. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2016. No member of the Supervisory Board was present at less than half of the meetings for the Supervisory Board or its committees.

In our meeting on March 5, 2015, we consulted and coordinated with the Executive Board on the approval of the annual financial statements and the consolidated financial statements for 2014. We also discussed the preparation for the Annual General Meeting 2015, the Corporate Governance Statement and the Corporate Governance report. The Executive Board presented the key points of the ongoing investment projects to the Supervisory Board. All members of the Supervisory Board and the auditor attended this meeting.

In our meeting on May 11, 2015, the Executive Board's report on the company's performance during the first quarter of 2015 and its outlook for the rest of the year represented the main focus of the meeting as did the impending Annual General Meeting. The integration status of the Diana Group's operating activities was also discussed. All Supervisory Board members attended this meeting with the exception of one.

In our extraordinary meeting on July 10, 2015, which was held as a conference call, the Personnel Committee informed the Supervisory Board on the status of the search for a successor for the Executive Board position for Finance. The Supervisory Board responded by commissioning the Personnel Committee to enter final negotiations for an employment contract with a candidate. All Supervisory Board members attended this meeting.

In the meeting on August 4, 2015, the Supervisory Board focused on the report from the Executive Board on the company's performance during the second quarter and first half-year of 2015 and its update to the outlook for the rest of the 2015 fiscal year as well as the risk report and the Auditing Committee's report. Following the preparatory work by the Personnel Committee, the Supervisory Board appointed Mr. Olaf Klinger to the Executive Board as of January 1, 2016 and finalized a corresponding employment contract. All Supervisory Board members attended this meeting with the exception of one.

As part of its meeting on September 17, 2015, the Executive Board clarified the corporate strategy and highlighted the goals achieved as part of its constant development in 2014 and consulted with the Supervisory Board. The Executive Board explained to the Supervisory Board Symrise's current position in a quickly changing competitive environment and the resulting imperatives. This included the expansion of business into the "private label" customer segment. In view of changing consumer expectations in the area of health and the constantly growing importance of healthy nutrition, we discussed the changes in Symrise's competitive environment with the Executive Board and assessed new growth opportunities. In this meeting, both segments provided us with detailed insights into their strategic activities and their implementation as well as presenting their main investment plans. The Executive Board particularly discussed and assessed the opportunities and risks of acquiring Pinova Holding Inc. with the Supervisory Board. Following an extensive discussion, the Supervisory Board issued its approval regarding the acquisition of Pinova Holding Inc., the finalization of a corresponding purchase contract within the parameters discussed, and related financing measures. Key points of management development and succession planning at Symrise were also discussed with the Supervisory Board during this meeting. Here, the share of women at the various levels of management and the age structure for the first three levels of management throughout the Group were covered.

At the same time, the Executive Board provided detailed insight into its efforts for increasing the share of women in management positions beneath the Executive Board level. It also presented the global Future Generation Leadership Development program to the Supervisory Board. Against the backdrop of the current situation at Symrise and the very short remaining terms on the existing employment contracts for the members of the Executive Board, the Supervisory Board decided on a target figure of "zero" regarding the targeted share of women in the Executive Board by June 30, 2017. By 2020, the share of women on the Executive Board should reach 20 %. Regarding the legally prescribed share of women on the Supervisory Board, both the shareholder representatives and employee representatives rejected the principle of joint fulfillment. This means that both the shareholder representatives and employee representatives in the Supervisory Board must have at least 30 % of their positions held by women. All Supervisory Board members attended this meeting.

The meeting on December 3, 2015 was devoted to the corporate planning for the upcoming 2016 fiscal year. The Supervisory Board approved the corporate planning for the 2016 fiscal year in this meeting. We submitted the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act together with the Executive Board and confirmed the objectives on the composition of the Supervisory Board in so far as these were not made obsolete by the Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service from April 24, 2015. In connection with this, we also resolved a maximum term limit for membership in the Supervisory Board and assessed the status of Corporate Governance at Symrise together with the Executive Board and coordinated the content of the Corporate Governance Report in the Corporate Governance Statement. All Supervisory Board members attended this meeting.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2015

The auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, audited the annual financial statements for the fiscal year from January 1, 2015, to December 31, 2015, which were prepared by the Executive Board according to HGB (German Commercial Code) standards, as well as the Symrise AG management report. The Auditing Committee issued the order for the audit in accordance with the May 12, 2015 resolution of the Annual General Meeting. The auditor issued an unqualified audit opinion.

The Symrise AG consolidated financial statements were prepared in accordance with Sec. 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor also certified the consolidated financial statements and the Group management report without qualification.

The auditor's report on these financial statements as well as additional auditing reports and documentation were delivered to all members of the Supervisory Board in a timely manner. They were discussed thoroughly in the meetings of the Auditing Committee of February 11 and March 2, 2016, and in the full meeting of the Supervisory Board of March 3, 2016. The auditors participated in the deliberations on the annual and consolidated financial statements in both committees. Here they reported on the key audit results and were available to the Supervisory Board to answer any questions and provide additional information.

Following our own review of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we accepted the findings of the auditor. In our meeting of March 3, 2016, we approved the annual financial statements and the consolidated financial statements upon the recommendation of the Auditing Committee. The annual financial statements are thereby approved. After examining it, we endorsed the proposal of the Executive Board for the use of the net income for the year. The Supervisory Board considers the proposal regarding the use of profits to be appropriate.

CORPORATE GOVERNANCE

Pursuant to no. 3.10 of the German Corporate Governance Code (DCGK), the Executive Board reports on corporate governance at Symrise AG, also on behalf of the Supervisory Board, once a year in connection with the publication of the Corporate Governance Statement pursuant to Section 289a of the German Commercial Code. The Corporate Governance Statement comprises the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act, relevant information on corporate governance practices, a description of the working methods of the Executive and Supervisory Boards and of the composition and working methods of their committees. Pursuant to the current version of no. 3.10 of the German Corporate Governance Code (DCGK) from May 5, 2015, published in the official section of the Federal Gazette by the German Federal Ministry of Justice on June 12, 2015, the Corporate Governance Report, which is required to be issued annually by the Executive Board and the Supervisory Board, must now be published together with the Corporate Governance Statement. Due to the similarity of content between the Corporate Governance Report and the Corporate Governance Statement, we have decided to integrate the Corporate Governance Report in the meaning of no. 3.10 of the German Corporate Governance Code into the Corporate Governance Statement in order to simplify orientation for the reader. By contrast, the remuneration report pursuant to the current version of no. 4.2.5 of the German Corporate Governance Code from May 5, 2015, is no longer part of the Corporate Governance Report. The remuneration report is now part of the management report included on pages 41 to 48 of this financial report.

The Corporate Governance Statement can be found on pages 138 to 145 of this financial report. It can also be found on Symrise AG's website at **http://www.symrise.com/investors/corporate-governance/corporate-governance-statement-and-corporate-governance-report**. The Supervisory Board discussed implementation of the code in depth during its meeting on December 3, 2015. In 2015, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future.

On December 3, 2015, the Executive Board and the Supervisory Board submitted an updated Declaration of Compliance according to Section 161 of the German Stock Corporation Act and made this permanently available to the shareholders on the company's website. It is also included in the Corporate Governance Statement.

Symrise has fully complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: May 5, 2015) published by the German Federal Ministry of Justice on June 12, 2015, in the official part of the Federal Gazette (Bundesanzeiger) without exception and will continue to do so in the future.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

There were no personnel changes in the Executive Board during the reporting year.

Successful business performance is chiefly driven by people who identify with the company and its goals – people who are committed to contributing their ideas and creativity across segments and national borders. The Supervisory Board would like to thank the members of the Executive Board, the Group's employees in Germany and abroad, and all of the employee representatives for their commitment and hard work in 2015. Symrise is very fortunate to have such an outstanding team.

On behalf of the Supervisory Board,

Dr. Thomas Rabe
Chairman

Holzminden, March 3, 2016

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM:

CEO
President Flavor & Nutrition

Membership in Legally Mandated Domestic Supervisory Boards — None

Membership in Comparable Supervisory Bodies (Domestic and International)

- Rockwool A/S, Hedehusene, Denmark, Member of the Supervisory Board
- Novozymes A/S, Bagsvaerd, Denmark, Member of the Supervisory Board

ACHIM DAUB:

President Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards — None

Membership in Comparable Supervisory Bodies (Domestic and International) — None

BERND HIRSCH:

CFO

Membership in Legally Mandated Domestic Supervisory Boards

- Evotec AG, Hamburg, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) — None

SUPERVISORY BOARD:

DR. THOMAS RABE:

CEO of Bertelsmann Management SE

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Chairman of the Supervisory Board
- Arvato AG, Gütersloh, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bertelsmann Digital Media Investments S.A., Luxembourg, Member of the Supervisory Board
- Bertelsmann Inc., Wilmington, USA, Chairman of the Supervisory Board
- RTL Group S.A., Luxembourg, Chairman of the Supervisory Board
- Penguin Random House LLC, UK, Member of the Supervisory Board
- Arist Education Systems, Littleton, USA, Member of the Supervisory Board
- Bertelsmann Learning LLC., New York, USA, Member of the Supervisory Board
- Relias Learning LLC, Cary, USA, Member of the Supervisory Board

DR. MICHAEL BECKER:

Retired

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bâloise Holding AG, Basel, Switzerland, Member of the Board of Directors

HARALD FEIST:

Vice Chairman of the works council and Vice Chairman of the general works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) — None

HORST-OTTO GERBERDING:

Managing Director at Gottfried Friedrichs (GmbH & Co.) KG, Hamburg

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) — None

DR. PETER GRAFONER:

Freelance Consultant

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- Coperion GmbH, Stuttgart, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- SKF AB, Gothenburg, Sweden, Member of the Supervisory Board
- SCANIA Schweiz AG, Kloten, Switzerland, President of the Board of Directors

REGINA HUFNAGEL:

Chairperson of the works council and Chairperson of the general works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Vice Chairperson of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

CHRISTIANE JARKE:

Director Strategic Regulatory Affairs Flavors EAME at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

GERD LÖSING:

Vice President Quality Control EAME of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PROF. DR. ANDREA PFEIFER:

Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bio MedINvest AG, Basel, Switzerland, Chairperson of the Board of Directors
- AB2 Bio SA, Lausanne, Switzerland, Chairperson of the Board of Directors

DR. WINFRIED STEEGER:

CEO at Jahr Holding GmbH & Co. KG, Hamburg

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- Verwaltungsgesellschaft Otto mbH (co-determined limited liability company of the Otto Group), Hamburg, Member of the Supervisory Board
- Eurokai GmbH & Co. KGaA, Hamburg, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- August Prien Verwaltung GmbH, Hamburg, Chairman of the Supervisory Board
- Otto Dörner GmbH & Co. KG, Hamburg, Member of the Advisory Board
- EUROGATE Geschäftsführungs-GmbH & Co KGaA, Bremen, Member of the Supervisory Board

HELMUT TACKE:

Member of the works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER WINKELMANN:

Regional Head of the IG BCE district Alfeld

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- amedes Holding GmbH, Hamburg, Vice Chairman of the Supervisory Board
- aenova Holding GmbH, Starnberg, Vice Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

Glossary

AFF
Aroma Molecules, Flavors & Fragrances

AKTG
Stock Corporation Act (Aktiengesetz)

AROMA
A complex mix of flavors and/or fragrances often based on aromatic compounds, which can be aromatics themselves

BILMOG
German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz)

CAGR
Compound Annual Growth Rate

COSO II
COSO (Committee of Sponsoring Organizations of the Treadway Commission) aims to improve financial reporting through ethical action, effective internal controls and good corporate governance. Published in 2004, COSO II is an expansion of the original control model

COVENANTS
Loan agreements (under the normal market conditions)

EAME
Europe, Africa and the Middle East

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets

ECHA
European Chemicals Agency as the driving force in implementing chemicals legislation

F & F
Flavors & Fragrances

GDP
Gross Domestic Product: A statistic used to measure the economic strength (goods and services) of a country

HGB
German Commercial Code (Handelsgesetzbuch)

IAL
An industrial and market research consultancy

IKS
Internal Controlling System

ISO 31000
A standard that defines the framework for a risk management system

LTIP
Long Term Incentive Plan, a remuneration plan for staff, especially for managerial staff

OPEN INNOVATION
Opening up of the innovation process of organizations and thus the active strategic use of the external world for the expansion of innovative potential. The open innovation concept describes the purposeful use of knowledge flowing into and out of the company, while making use of internal and external marketing channels in order to generate innovations

OPERATING CASH FLOW
Cash generated from the operations of a company and defined as the revenues minus operating expenses (an important indicator of an enterprise's earning power)

REACH
European Union regulation for the registration, evaluation, authorization and restriction of chemicals

REVOLVING CREDIT FACILITY
Credit limits which the borrower can access at any time and offer very flexible repayment options

SUPPLY CHAIN
Process chain from procurement, through production and all the way to the sale of a product, including suppliers, manufacturers and end customers

US PRIVATE PLACEMENT
Non-public sale of debt securities to US investors, which is regulated, however, by the SEC (United States Securities and Exchange Commission)

WORKING CAPITAL
Financial indicator derived by subtracting current operating liabilities from current operating assets

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www.symrise.com/en
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Financial Calendar

March 8, 2016
Corporate and Financial Report 2015

May 10, 2016
Quarterly Statement January – March 2016

May 11, 2016
Annual General Meeting, Holzminden

August 11, 2016
Interim Report January – June 2016

November 2, 2016
Quarterly Statement January – September 2016

Forward-Looking Statements

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