always inspiring more ...

symrise

SHARING VALUES

Diversifying Success. Successfully Diversifying.

FINANCIAL REPORT 2016

Five-year Financial Overview

in € million		2012	2013	2014	2015	2016
Group – Results of operations						
Sales		1,734.9	1,830.4	2,120.1	2,601.7	2,903.2
Share of sales in emerging markets	in %	48	48	47	46	43
EBITDA [1]		338.9	373.1	464.5	572.2	625.2
EBITDA margin [1]	in %	19.5	20.4	21.9	22.0	21.5
Net income [1]		157.5	172.3	211.6	246.8	265.9
Earnings per share [1]	in €	1.33	1.46	1.69	1.90	2.05
Dividends paid		76.8	82.7	97.4	103.9	110.3 [2]
Dividend per share	in €	0.65	0.70	0.75	0.80	0.85 [2]
Group – Financial position / net assets						
Operating cash flow		219.5	274.8	343.2	375.2	338.8
Investments (without M & A)		70.3	70.7	101.3	147.2	168.4
Balance sheet total (as of December 31)		2,150.2 [3]	2,210.4	3,999.8	4,183.8	4,752.8
Capital ratio (as of December 31)	in %	40.9 [3]	43.0	35.8	38.0	36.4
Net debt (incl. pension provisions and similar obligations) (as of December 31)		808.0 [3]	744.8	1,640.1	1,575.7	1,970.8
Employees (as of December 31)	FTE [4]	5,669	5,959	8,160	8,301	8,944
Scent & Care						
Sales		882.8	960.4	980.4	1,073.7	1,311.3
EBITDA [5]		161.1	194.5	222.9	231.2	257.8
EBITDA margin [5]	in %	18.2	20.3	22.7	21.5	19.7
Flavor						
Sales		852.1	869.9	1,139.7	980.2	1,015.9
EBITDA [6]		177.8	178.6	241.6	218.9	233.8
EBITDA margin [6]	in %	20.9	20.5	21.2	22.3	23.0
Nutrition						
Sales					547.8	576.0
EBITDA					122.0	133.7
EBITDA margin	in %				22.3	23.2

1 Figures for 2014 and 2016 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
5 Figures for 2016 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
6 Figures for 2014 incl. six months Diana and normalized for transaction and integration costs as well as one-off valuation effects related to business combinations

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About This Report

This 2016 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 2016 – 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 2016 financial report was published simultaneously with the 2016 corporate report on March 14, 2017 and is available in German and English. The publication date of the financial report for the 2017 fiscal year is March 2018. Additional information on our company's activities can be found at www.symrise.com.

Group Management Report

January 1 to December 31, 2016

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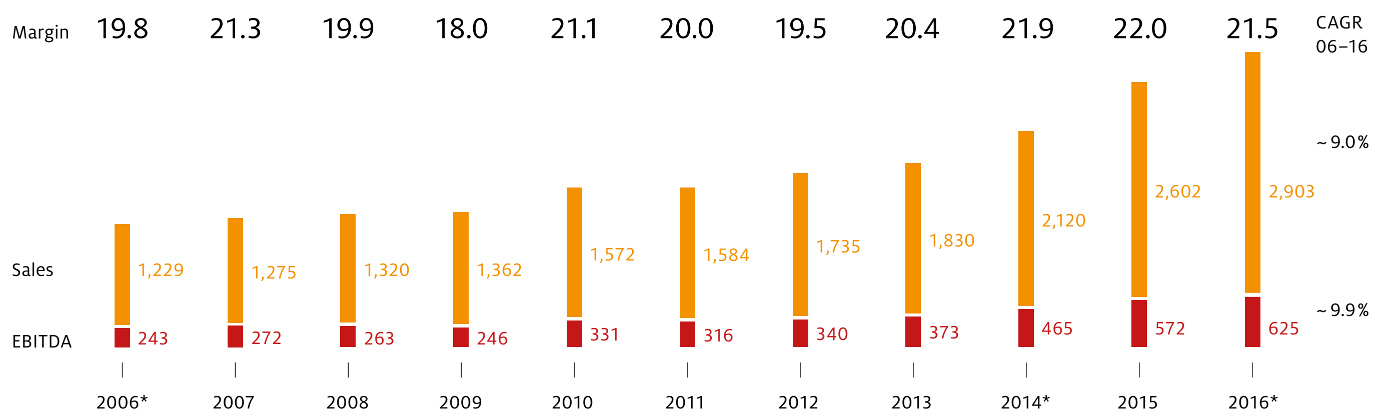
Highlights 2016

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

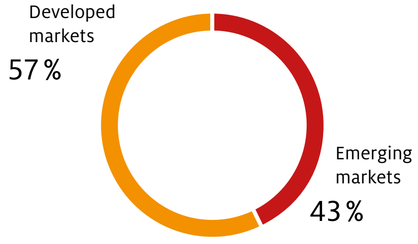
SALES BY REGION
As % of Group sales and growth in % (at local currency)

EAME 1,198 € million	41 %	(+ 8 %)
North America 732 € million	25 %	(+ 28 %)
Asia/Pacific 623 € million	21 %	(+ 11 %)
Latin America 350 € million	12 %	(+ 29 %)

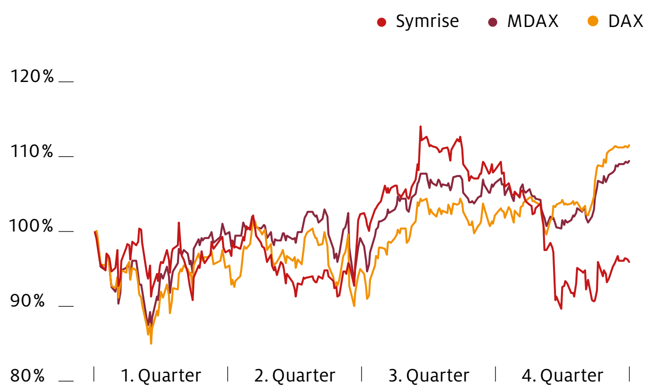
€ **2.05** Adjusted earnings per share

€ **0.85** Proposed dividend

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



SHARE PRICE DEVELOPMENT of the Symrise stock in 2016



Overview of the 2016 Fiscal Year

The global economy grew at a slow rate in 2016. And yet, 2016 was a successful year for Symrise. The Group generated sales of € 2,903 million in the 2016 fiscal year. Sales increased 12 % (16 % at local currency) over the previous year. Excluding portfolio effects (acquisition of the Pinova Group, Scelta Umami, Nutra Canada, Nutraceutix as well as the disposal of Pinova Inc. and CAP pork specialties) (2015)[1], sales growth amounted to 8 % at local currency. The share of sales generated in emerging markets accounted for 43 % of Group sales and was therefore 3 percentage points below last year's mark of 46 %. This was primarily due to acquisition effects. Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN)[2] of the Symrise Group increased by 9 % to € 625 million (EBITDA 2015: € 572 million). The Group's EBITDAN margin, as based on sales, was 21.5 % and therefore below the previous year's level of 22.0 %. This was mainly due to the inclusion of the Pinova Group in the consolidated financial statements.

The **Scent & Care** segment generated sales of € 1,311 million in 2016. Sales were therefore up 22 % on the previous year's level. At local currency, this corresponds to growth of 25 %. Excluding the Pinova acquisition, organic growth would have amounted to 5 % at local currency. EBITDAN was up 12 % over the previous year at € 258 million. The EBITDAN margin therefore amounted to 19.7 % in 2016, compared to 21.5 % in 2015. **Flavor** increased its sales by 4 % to € 1,016 million. At local currency, this corresponds to 10 % growth. EBITDA for the segment was also significantly higher than last year, amounting to € 234 million in 2016, (2015: € 219 million). The EBITDA margin amounted to 23.0 %, compared to 22.3 % in the previous year. The **Nutrition** segment increased sales 5 % to € 576 million. At local currency, this corresponds to 9 % growth. The segment generated an EBITDA of € 134 million in 2016. This was also well above the previous year's level (2015: € 122 million). The EBITDA margin was 23.2 %, compared to 22.3 % in 2015.

The Symrise Group's normalized net income rose by 8 % over the previous year to € 266 million in the 2016 fiscal year. Earnings per share adjusted for one-time specific influences improved from € 1.90 in the previous year to € 2.05 in the reporting year. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.80 to € 0.85 per share at the Annual General Meeting on May 17, 2017.

1 Detailed information on the portfolio changes can be found on pages 22–23 of this report.

2 In the 2016 fiscal year, earnings (EBITN/EBITDAN) were normalized as a result of the Pinova acquisition for one-time specific influences. A detailed summary is supplied on page 53 of this report.

Cash flow from operating activities amounted to € 339 million in 2016, € 36 million less than in the previous year (€ 375 million). The main reason for this is an increase in our inventory assets, particularly with the spike in raw material prices. The Symrise Group's liquidity increased by € 23 million to € 302 million as of December 31. Net debt (including provisions for pensions and similar obligations) increased as of the end of the 2016 reporting period by € 395 million to € 1,971 million, due in large part to the acquisition of the Pinova Group. On an annualized basis, the ratio of net debt to EBITDAN was 3.1 as of the end of the reporting period on December 31, 2016, and is thus temporarily outside of Symrise's target corridor of 2.0 to 2.5 due to acquisitions.

Basic Information on the Symrise Group

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise is a global supplier of fragrances, flavorings, cosmetic base materials and substances, as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food.

With sales of € 2.9 billion in the 2016 fiscal year and a market share of 11 %, Symrise is one of the leading global suppliers in the flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented with locations in over 40 countries in Europe, Africa, the Middle East, Asia, the United States and Latin America. 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, Symrise shares have been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 7.5 billion at the end of 2016, Symrise shares are listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.

The Flavor, Nutrition and Scent & Care segments are responsible for the company's operating business. The former Flavor & Nutrition segment was split into two new segments (Flavor and Nutrition) as part of a new organizational and reporting structure related to the appointment of two further Executive Board members effective October 1, 2016. Each segment has its 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 segment contains the Beverages, Savory and Sweet business units. The Nutrition segment consists of the Diana division and the business units Food, Pet Food, Aqua and Probi. The Scent & Care segment breaks down into the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

The Group's business activities are also organized into four regions: Europe, Africa and the 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 prevailingly either outsourced to external service providers or bundled in separate Group companies. The latter have maintained business ties to customers outside the Group, for example, in the areas of technology, energy, safety, the environment and logistics.

Symrise AG's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,284 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 and development centers are located in Germany, France, Brazil, Mexico, Singapore, China 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 September 30, 2016: Dr. Heinz-Jürgen Bertram (President Flavor & Nutrition Worldwide and Chief Executive Officer), Achim Daub (President Scent & Care Worldwide) and Olaf Klinger (CFO). As of October 1, 2016, two further members were appointed to the Executive Board. From this date through December 31, 2016, the Executive Board was comprised of five members: Dr. Heinz Jürgen Bertram (CEO), Achim Daub (President Scent & Care Worldwide), Olaf Klinger (CFO), Dr. Jean-Yves Parisot (President Nutrition) and Heinrich Schaper (President Flavor). The Executive Board is responsible for managing the com-

SYMRISE SITES 2016

● Global headquarters • Regional headquarters · Symrise sites

pany with the primary aim of sustainably increasing the company's value.

Symrise AG's Supervisory Board has twelve 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

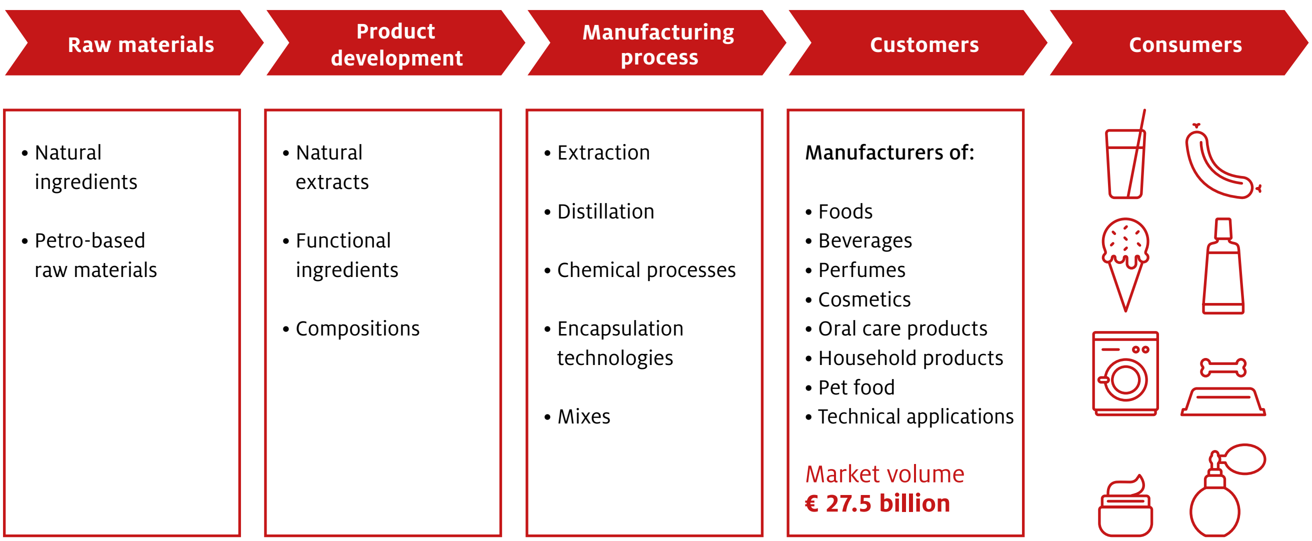
Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the three segments extends across research and development, purchasing, and production as well as the sale of products and 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.

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

SYMRISE'S VALUE CHAIN



Corporate Structure, including Pinova, as of December 2016 close ties with our suppliers and establish uniform standards to guarantee that the quality of our base materials remains the same.

FLAVOR

Flavor's range of products consists of approximately 13,000 items, which are sold in 145 countries. The flavorings we produce are used by customers to make foods and beverages 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 has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

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

Beverages: With global competencies in alcoholic, nonalcoholic, 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.

NUTRITION

The Nutrition segment has sites in 23 countries and markets its nearly 2,000 products in 89 countries. The product range in the **Nutrition** segment breaks down into four 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.

Aqua: The business unit Aqua is organizationally situated within the Nutrition segment as an independent business unit. Aqua develops and produces sustainable marine ingredients for aquacultures used for nutritional-physiological and animal health purposes.

Probi: All activities having to do with probiotics will be pooled in this business unit from now on. These activities largely stem from the Swedish Symrise holding Probi. Probi develops probiotics for foods, beverages and nutritional supplements with health-promoting benefits.

SCENT & CARE

The Scent & Care segment has sites in more than 30 countries and markets its nearly 15,000 products in 135 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in the following business units:

Fragrance: Our creative and composition business comprises the four global business units Fine Fragrances, Beauty Care, Home Care and Oral Care. Perfumers combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances business unit), in personal care products (Beauty Care business unit) and household products (Home Care 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). The objective of the division is to provide everyone who uses our products with “fragrances for a better life.” The division employs more than 70 highly talented and respected perfumers of 14 different nationalities, who work at 11 creative centers around the world. Their combined experience adds up to more than 1,300 years of perfumery expertise.

Cosmetic Ingredients: Symrise is a world market leader in the premium cosmetic ingredients market – ingredients used in everything from cosmetic products with multifunctional benefits to sun protection solutions. The Cosmetic Ingredients division is a recognized innovation leader that has received 36 innovation awards for new substances over the last ten years. In the same period, it has submitted numerous patent applications for new substances. In 2016 alone, the division submitted 17 new patent applications. The products manufactured by Cosmetic Ingredients are used in skin and hair care products, sunscreens, men’s care products, shower gels, wash lotions, anti-dandruff shampoos and deodorants. Products with nurturing characteristics as well as alternative preservatives and colors are another focal point for the division.

Aroma Molecules: The division comprises the business units Menthols, Special Fragrance & Flavor Ingredients, Sensory & Terpene Ingredients and Fine Aroma Chemicals. 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 manufacture aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used both in Symrise’s own production of perfume oils as well as marketed to companies in the consumer goods industry and other companies in the fragrance and flavor industry. The Sensory & Terpene Ingredients business unit comprises the US company Renessenz LLC, acquired and integrated in 2016, and its terpene-based products made from renewable and sustainable raw materials.

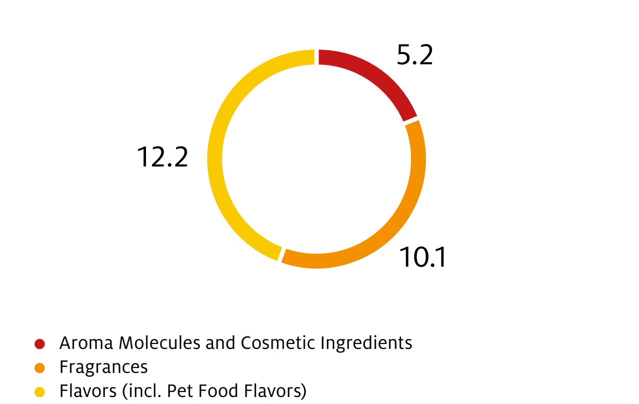
With the sale of Pinova Inc., the Aroma Molecules division will now concentrate on its core competencies of fragrances and sensory ingredients, which are primarily used in the fragrance and flavor industry. The integration of the remaining Renessenz business expands the existing Symrise portfolio, particularly in the area of cooling substances and products made from natural and renewable raw materials.

MARKET AND COMPETITION

MARKET STRUCTURE

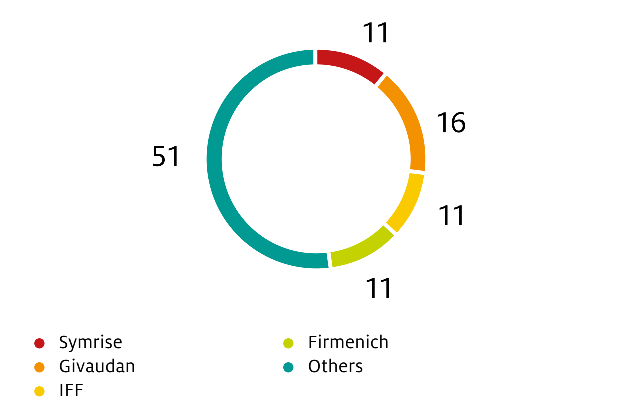
The Symrise Group is active in many different markets around the world. These include the traditional market for flavorings and fragrances (F & F market), whose volume amounted to € 22.3 billion in 2016, according to calculations made by the IAL Consultants market research institute (10th issue, December 2016). 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 current reports from TechNavio/Infiniti (December 2016 issue) and Global Industry Analysts (GIA; 2015 edition), achieved sales of approximately € 5.2 billion. The markets have many trends and characteristics in common. The market relevant for Symrise therefore has a total volume of

RELEVANT AFF MARKET SIZE 2016
in € billion (approx. € 27.5 billion overall)



Sources: IAL (10th Edition, December 2016), TechNavio/Infiniti (2016), GIA (2015)

MARKET SHARE AFF MARKET 2016
in % (Market volume approx. € 27.5 billion)



Source: corporate data and internal estimates

€ 27.5 billion and is achieving average long-term growth of about 3 % per year according to our own estimates.

More than 500 companies are active in the market worldwide. The four largest providers, which include Symrise, together have a market share of about 50 %.

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 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 € 27.5 billion, Symrise's market share for 2016 is roughly 11 % 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 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 product segments of these companies that do not belong to the traditional F & F industry.

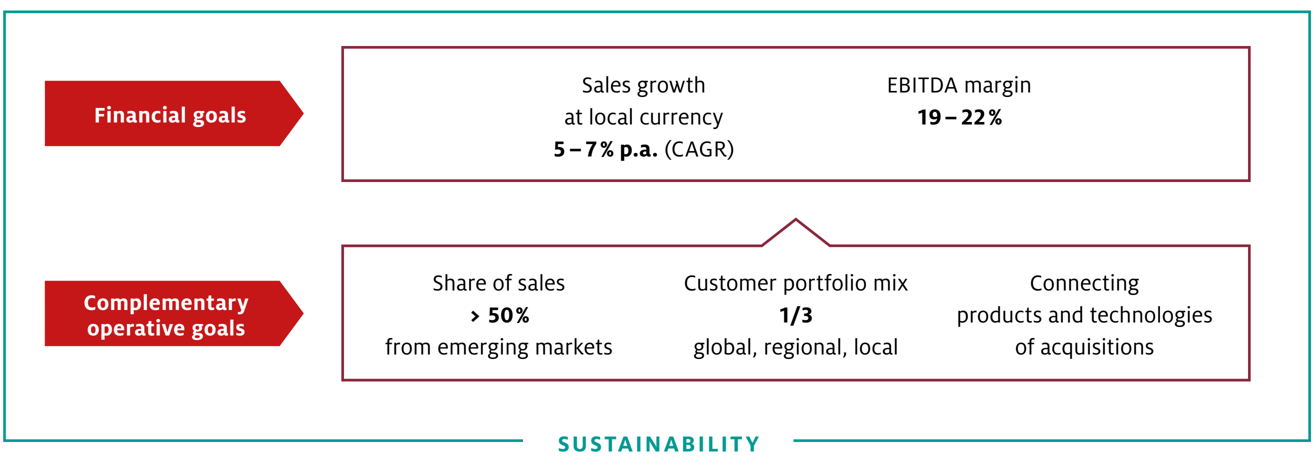
Symrise has leading positions in certain market segments worldwide, for example, in the manufacturing of nature-identical L-menthol and mint flavor compositions. Symrise also holds a leading position in the segment of UV sun protection filters as well as in baby and pet food.

GOALS AND STRATEGY

GOALS

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.

LONG-TERM GOALS 2020



- 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 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 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

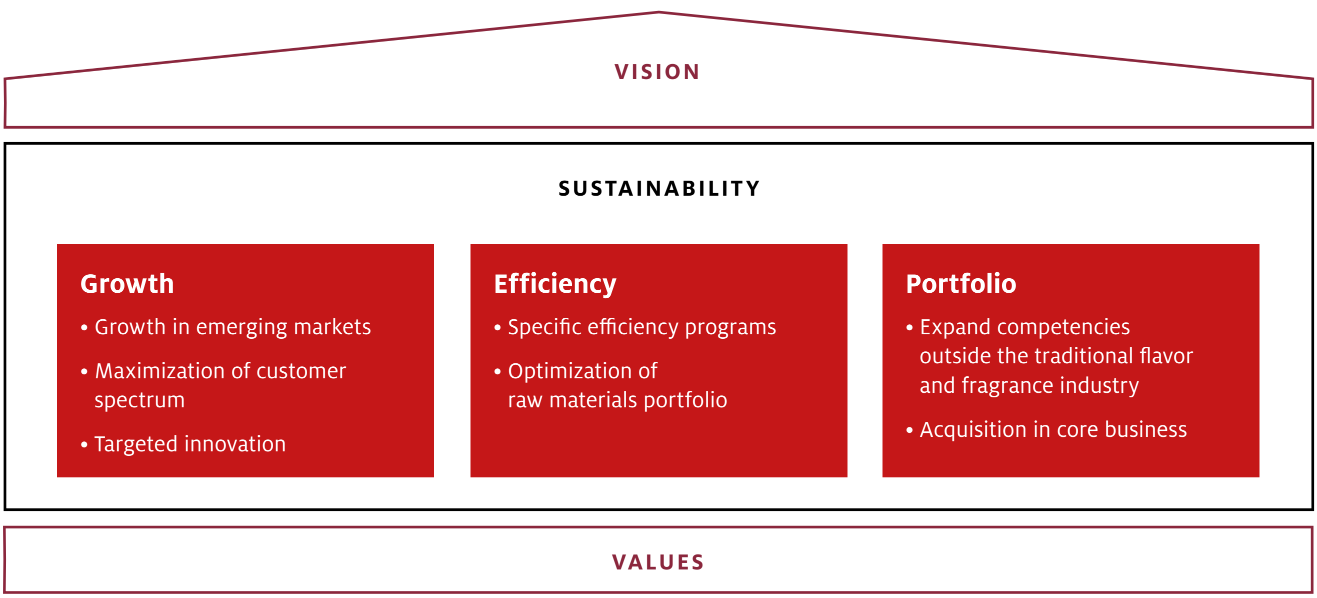
Symrise's corporate strategy rests on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. In this way, we are making sustainability an integral part of our business model 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 outside the traditional flavor and fragrances industry. This ensures our prominent 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 target value of 19 to 22 % on average, 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. Management's focus, therefore, is guided by these financial control parameters. Non-financial benchmarks are playing an increasingly important role, particularly in areas relating to the environment, procurement, employees and innovation.



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 business units, 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 in addition to assessing their sustainability aspects. 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 megatrends, consumer needs, customer requirements, 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, encapsulation and release systems, green chemistry, malodor management and oral care. Supporting platforms in the areas of sensory and analytical research, natural raw materials and byproducts, performance and receptor research form the basis for our capabilities and constant innovation process.

Exemplary research programs and product launches include our backward integration projects in Madagascar and the Brazilian Amazon region, which have the goal of producing high-quality natural products from sustainably grown raw materials while also fostering local community development. For instance, high-quality essential oils from Madagascar were presented at the World Perfumery Congress in Orlando – receiving lots of interest and recognition. Additional product launches include new encapsulation technologies like Ambrostar®, which acts as a new benchmark for longevity, and SymCap® G2, an improved second generation fragrance release solution that increases customer benefits and is formaldehyde free. Furthermore, a product series of fatty oils sustainably produced in the Brazilian Amazon region were presented at the In Cosmetics in Paris.

Alongside comprehensive research programs that are aimed at the specific innovation requirements of the segments' respective business units, there are supplementary programs at Symrise that generate competitive advantages by expanding the company's portfolio of expertise. One example of this is Beauty+, which creates added value through the systematic, synergistic development of active cosmetic ingredients, fragrances and oral care solutions. Another example is ethnic hair care: Our recently opened Hair Care Innovation Center in São Paulo, Brazil, presented its first products for ethnic hair care and products that protect hair from air pollution at the In Cosmetics Brasil in 2016.

With the intelligent and mutually complementary combination of technical innovations and sensory research – performed in close cooperation with Diana – we managed to notably enhance the acceptance of product solutions for masking malodors in pet food.

CORE FUNCTIONS OF RESEARCH AND DEVELOPMENT AT SYMRISE

INDUSTRY 4.0

Basic research
- Products
- Technologies

Applied innovations
- Comprehensive product solutions

Application and process technologies
- Pilot scale

SUSTAINABILITY ASPECTS

The Flavor and Nutrition segments handle the following topics based on certain technology platforms while maintaining special focus on sustainability:

- Formulation technologies for flavors with reduced energy consumption, increased use safety and improved performance profiles.
- Development and manufacturing recipes, which are backed by data analysis and computational models, for producing flavor solutions with optimized raw material selection and a reduced environmental footprint.
- Development of new and improved processes for using valuable natural resources by incorporating biocatalysis and fermentation technologies while reducing waste and byproducts with support from life cycle analyses.
- Examination and improvement of select renewable raw material flows, such as vanilla or onions, by optimizing cultivation, harvest, transport and storage. Selection of superior varieties with the aid of chemical and biological analysis as well as the determination of temporal and locational quality parameters for avoiding losses.

A further focus is the sustainable design of natural and labeling-friendly product solutions with excellent sensory properties. Creation expertise was significantly expanded in the year under review via newly developed, statistically based model calculations for optimizing recipes based on analytical data and sensory results. This method is particularly suited for combining and optimizing natural raw materials with complex sensory characteristics as a way to refine a product's sensory profile. 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' acceptance of food. Here, a new patent-protected cell model was developed in cooperation with B.R.A.I.N. AG in Zwingenberg, Germany, that can identify specific substances that cats tend to prefer.

Other focus areas of our research activities include flavor systems and technologies to increase the health benefits of foods – for instance, protein-rich foods and foods with reduced sugar, fat or salt. New flavor solutions to enhance reduced sugar beverages were introduced in the past year. Additionally, the platform for flavors was expanded to include solutions that can reduce the unwanted taste of certain food ingredients, such as plant proteins.

An increasingly important key to success is the ability to skillfully combine traditional tools in analytics, sensory, synthesis, food technology and process technology with new and enhanced instrumental, biological and biotechnical methods and processes (receptor biology, biotransformation, new enzymes, metabolomics, DNA fingerprinting) as well as processes that use chem-/bioinformatics. Here, new structures in the area of flavoring substances with taste modulating properties were identified via in-silico screening and structure-activity relationships (TasteCycle®). The statistical analysis, evaluation and planning of experiments for the development and optimization of sustainable processes and flavor compositions ("design of experiments," DoE) also play a key role.

ORGANIZATION

Symrise's three 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 all segments in order to achieve synergies. Multiple R & D centers around the world ensure that the regional activities of the segments are optimally supported. The R & D activities of the Scent & Care segment in Holzminden primarily concentrate on researching fragrances and cosmetic ingredients as well as implementing the principles of green chemistry in developing fragrances and cosmetic ingredients. The research of the Flavor segment in Holzminden focuses on developing natural flavors and natural (including biotechnological) processes for generating such substances, on sourcing sustainable raw material and on effectively formulating technologies. Furthermore, there is a focus on developing new functional ingredients for application in foods. We also have development and application technologies for the segments in Teterboro (USA), Singapore, Tokyo (Japan), Chennai (India), Paris (France) and São Paulo (Brazil). The lion's share of R & D activities for the Nutrition segment (Pet Food and Food) are performed in France. Focus areas for development in the Nutrition segment include the development of product solutions for foods and beverages for healthy nutrition as well as improving pets' acceptance of pet foods, particularly for cat food.

To network further within the scientific community, Symrise representatives participated in numerous scientific events, presenting the company's latest research. Our presentations on sustainable (green) chemistry at the Green and Sustainable Conference, Berlin, and the Sixth International IUPAC Conference on Green Chemistry in Mestre, Italy, are just a few notable examples. Symrise was the "number one player" at the World Perfumery Congress 2016 in Miami, Florida, USA, and demonstrated its industry leadership with plenary lectures surrounding the topic of sustainability. Results from applied research and cosmetic research were showcased in various presentations at the 24th IFSCC (International Federation of Societies of Cosmetic Chemists) conference in Orlando, Florida, USA, and two of these were named to the Top10 Award List. Other research contributions on the impact of pollution on skin aging and the protection that new Symrise product concepts can provide were met with great interest among the scientific community when they were presented at the International Anti-Aging Conference in London and the renowned Jean-Paul Marty Symposium in Paris. At the important Wartburg Symposium on Flavor Chemistry and Biology, the latest findings on natural, umami taste-generating substances were presented. As part of the FEMA Conference on Sustainability in October 2016, our long-standing partner in the field of the bioactivity of flavoring substances, Prof. Dr. Somoza from the University of Vienna, was recognized with the FEMA award "Excellence in Flavor Research."

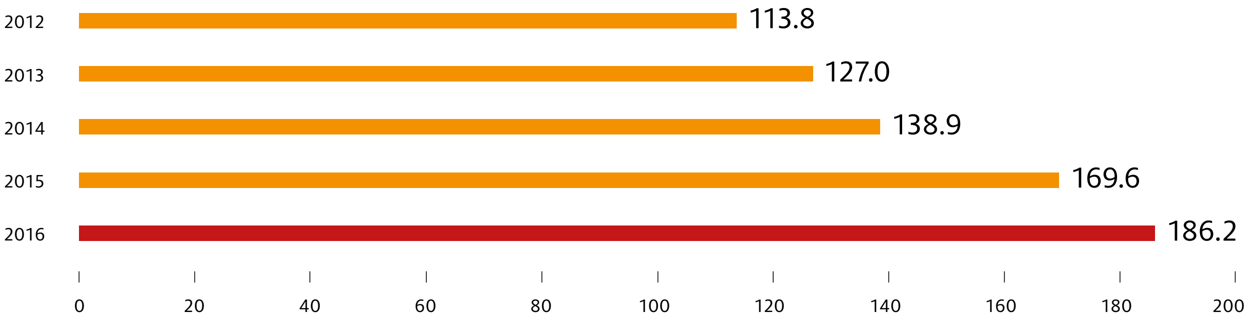
Again in 2016, Symrise's research was recognized for its high level of innovation with numerous awards from international trade fairs. Symrise received two awards at the PCHI China relating to its new products for sensitive skin. At the In Cosmetics in Paris, Symrise's cosmetics research also received two awards: one for an antimicrobial substance sustainably produced from sidestreams and the other for a new product concept aimed at preventing skin aging caused by environmental pollution.

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 around 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, sustainability parameters 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.

Along with a high number of patent submissions (48 new applications were made in 2016 – the most ever in the company's history), an external IP (intellectual property) assessment is also included when evaluating the innovation results and quality. The Patent Asset Index™ from PatentSight® evaluates global coverage and competitive impact. Symrise's IP portfolio continues to be the most competitive position in the entire industry. With a share of about 25 % of the IP index, Symrise considerably outperforms its market share.

R & D EXPENSES, in € million



RESEARCH AND DEVELOPMENT EXPENSES

Total R & D expenditures amounted to € 186 million in the 2016 fiscal year (previous year: € 170 million), comprising 6.4 % of sales (previous year: 6.5 %). 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, 2016, the Symrise Group employed 8,944 people worldwide (not including trainees and apprentices). In comparison to December 31, 2015 (8,301), this represents an additional 643 employees. The largest increase in employees was in the Scent & Care segment (+ 263 employees), which employs 29 % of all Group employees. This was particularly influenced by the acquisition of Renessenz LLC as part of the Pinova Group in the USA. 35 % of employees work in the Flavor segment, 26 % in the Nutrition segment. Here, the number of employees also increased considerably in 2016 (+ 252 employees), primarily due to the acquisition of Nutraceutix Inc. via the Swedish company Probi AB. About 10 % of the Group's employees work in Corporate Services and the Corporate Center 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 nearly identical to the previous year at 148 (previous year: 147 apprentices and trainees). In particular, they are being trained as chemical lab technicians and chemists, industrial clerks and business students (dual training with a Bachelor of Business Administration degree) as well as industrial mechanics.

From a functional perspective, the largest portion of the Symrise Group's workforce is employed in the area of production and technology (47 %). This area grew by 269 employees

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2015	December 31, 2016	Change in %
Flavor	3,069	3,164	+ 3
Nutrition	2,043	2,295	+ 12
Scent & Care	2,299	2,562	+ 11
Corporate functions and services	890	923	+ 4
Total (not including trainees and apprentices)	**8,301**	**8,944**	**+ 8**
Trainees and apprentices	147	148	+ 1
Total	**8,448**	**9,092**	**+ 8**

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

NUMBER OF EMPLOYEES BY FUNCTION

	December 31, 2015	December 31, 2016	Change in %
Production & Technology	3,895	4,164	+ 7
Sales & Marketing	1,839	2,053	+ 12
Research & Development	1,538	1,577	+ 3
Administration	641	748	+ 17
Service companies	388	402	+ 4
Total	**8,301**	**8,944**	**+ 8**

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

NUMBER OF EMPLOYEES BY REGION

	December 31, 2015	December 31, 2016	Change in %
Germany	2,528	2,586	+ 2
EAME not including Germany	1,782	1,876	+ 5
North America	952	1,339	+ 41
Asia/Pacific	1,361	1,424	+ 5
Latin America	1,678	1,719	+ 2
Total	**8,301**	**8,944**	**+ 8**

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

in 2016, which was the largest growth in the Group. 23 % of the workforce is employed in sales and marketing, while 18 % of employees work in research and development.

Of the Group's 8,944 employees, about 29 % work at sites in Germany, while the EAME region as a whole accounts for 50 % of the workforce. 19 % of our employees work in the Latin America region, 16 % in Asia/Pacific and 15 % in North America.

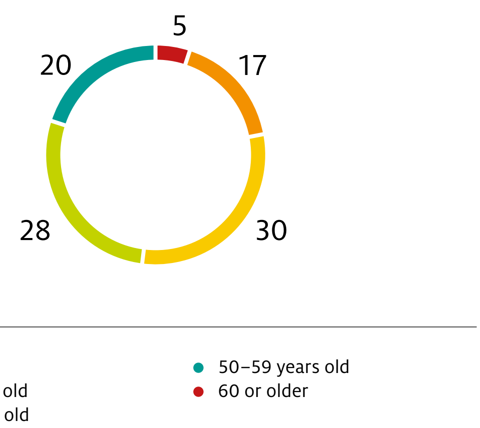
In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 58 %. We regularly assess the development of demographics in our workforce. Development of demographics will be very steady over the next ten years. The natural reduction of the workforce due to retirement will be around 1 to 2 % per year until 2020.

39 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group accounts for 68 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.1 % in 2016. Globally, the figure was 4.8 %.

PERSONNEL STRATEGY

In 2016, we provided a new dynamic for the continued development of our HR policy with the employee engagement survey. About 5,400 employees in ten different countries participated in the survey, which corresponds to 80 % of all staff. This excellent participation rate points to a high level of acceptance for the employee engagement survey as an internal

AGE STRUCTURE OF THE WORKFORCE 2016 in %



corporate tool for communication and involvement. With the statistically valid feedback, we continue to refine our corporate culture.

The Employee Commitment Index
An important form of feedback from our employees is expressed in the employee commitment index.

This figure reflects:

- The satisfaction of employees with their work situation (satisfaction, reapplication, recommendation)
- How motivated they are to work for Symrise (personal motivation and team motivation), to identify themselves with the company and work towards its goals
- Their trust in the competitive ability and future viability of the company and therefore their trust in the company's leadership

Employee commitment is calculated as an index score on a scale of 0 to 100. A higher index score means higher commitment.

With an index score of 67, employee commitment improved 4 points compared to the last survey in 2012. This shows that employees are satisfied with the development of the company as a preferred employer. They trust the company's innovative and competitive abilities and this provides them with motivation for their daily work.

Potential for improvement was identified in the following areas:

Employee and Manager Development
In 2017, we will improve career development and advancement opportunities at Symrise in a targeted manner. Career advancement, learning and (with corresponding performance and ability) promotions are particularly important to our employees.

Transparent Remuneration Structures
A further focus is on enhancing transparency in our remuneration structures. In many countries, we are bound by wage agreements. Outside of these wage agreements, our job grade concepts set the structure for non-tariff salaries in the various countries. Bonus systems with performance- and success-based variable remuneration components allow employees to share in the company's success.

By training our managers, we want to promote knowledge about our remuneration systems and help our managers be in better position to explain remuneration decisions to employees.

Education
One of Symrise's strength lies in training and education. We spend about € 3 million annually on training and personnel development measures worldwide.

In 2016, about 350 training sessions were held (160 internal and 190 external), where a total of 1,516 employees participated. Worldwide, the total training amounted to about 48,450 hours. The training content included practical workshops for managers who pass on the knowledge gained to their teams. A notable focus of these training sessions was sustainability.

In Germany, we have also intensified our investment in training future specialists. We hired 46 young people for training and also trained unemployed individuals from outside the field as chemical production specialists in a joint initiative with the local employment agency. This training lasts about two years. In June 2016, 16 people completed the training, while another 15 are still being trained and will complete the program in 2017. This helps us prepare for coming demographic changes. Furthermore, we offer English courses for our production employees to help familiarize them with international work instructions. As of December 31, 2016, a total of 147 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5.5 %.

At our flavorist and perfumer schools, we train specialists who can be quickly and successfully inserted into our product development teams. Furthermore, our employees have many opportunities to earn a bachelor's degree, master's degree or even a doctorate thanks to our cooperation with colleges, academies and institutes. These measures are regularly supported by Symrise.

Health Management and Demographic Change
This past year, health management continued to focus intensively on the risk assessment, which is anchored in work safety law, of psychological stresses. After including the operating divisions and later the laboratories in 2015, the focus for 2016 was mainly on assessing office environments at Symrise.

With the help of a checklist, employees were surveyed on the following topics: decision-making freedom, time pressure, conflicting requirements, cooperation and management, work environment and demographic aspects. The Work Safety department guided the process and supported the managers in developing any necessary measures and implementing these. Since many work processes were critically scrutinized and analyzed at these meetings, the risk analysis also supported the company's lean management efforts.

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 2.3 % as of September 1, 2016. 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. In October 2017, the wages will be adjusted a further 1.6 %.

Furthermore, 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 sites is being acknowledged.

Symrise's standardized job grade concept remuneration model applies to all regions. It is structured according to the function of the 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 2016, we revised our job grade concept in cooperation with a group of experts and will inform our managers and employees about the changes in 2017 via a broad communications campaign and training measures.

In addition, a separate Global Performance Bonus Plan ensuring that company goals are reached by means of 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.

Economic Report

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

GLOBAL ECONOMIC CONDITIONS

The global economy grew at a slow rate in 2016. According to International Monetary Fund (IMF) estimates from January 2017, global economic output grew 3.1 % following growth of 3.2 % in the previous year. Growth in industrialized countries slowed notably from 2.1 % in 2015 to 1.6 % in 2016, though things began to pick up, particularly in the US, after a slow first half. The UK's decision in June 2016 to leave the European Union (EU) has so far not resulted in the expected economic slowdown. Despite the extremely expansive monetary policy of the European Central Bank (ECB), growth in the eurozone remained slow (+ 1.6 %). According to calculations from the German Federal Statistical Office, the German gross domestic product (GDP) increased 1.9 % in 2016 – primarily driven by consumer spending in both the private and public sector.

Economic growth in the emerging and developing countries averaged 4.1 % in 2016 – identical to the previous year. With a growth rate of 6.3 %, Asia remained the world's fastest growing region led by China (+ 6.7 %) and India (+ 6.6 %). By contrast, the economies of Argentina and Brazil are in recession. Russia continues to feel the effects of the embargo, which was enacted in response to its activities in Crimea and Eastern Ukraine. The Turkish economy is suffering from the impacts of domestic political turbulence – particularly in the tourism industry, which has seen business come to a near complete standstill.

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.
- The demand for products in the "luxury segments" of Fine Fragrances and Beauty Care 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 2016 fiscal year.

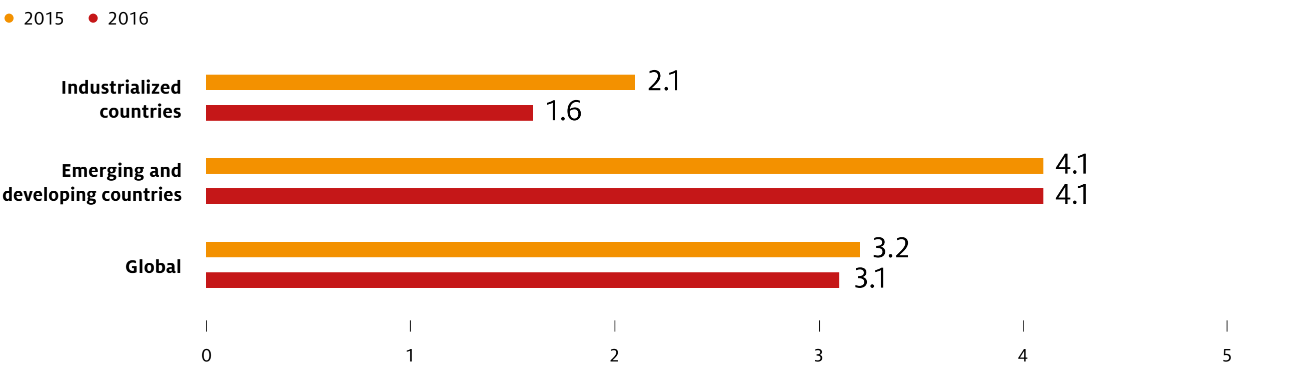
DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is growing about 3 % annually over the long term according to our own estimates. In 2016, the global market volume amounted to € 27.5 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. As part of the integration of Renessenz LLC, the raw materials palette for Fragrance added a large number of sustainably produced raw materials based on crude sulphate turpentines (CST) and gum turpentines (GT) in 2016. In general, however, individual raw materials comprise only a very small part of the total requirement. Procurement costs for a number of raw materials continued to decline moderately in the reporting period. Counter to this were the impacts in the EAME region from sustained unfavorable

GDP DEVELOPMENT 2015/2016, in %



Source: IMF

developments in the USD/EUR exchange rate and significant 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 2016. For the majority of the base chemicals, such as solvents, the supply situation continued to improve compared with the previous year.

Overall, prices for chemical raw materials were down slightly for the Scent & Care segment in 2016, while they rose significantly for the Flavor and Nutrition segments. For natural raw materials, volatility remained high with substantial price distortions occurring due to shifting market environments, regulatory requirements (such as the EU directive on natural materials) and weather impacts on harvests. Supply security for important products is being increased by integrating products from Renessenz LLC and by following Symrise's dedicated strategy of establishing and maintaining long-term collaborations. Examples of this are the collaboration with LANXESS in manufacturing synthetic menthols and a presence in Madagascar, the most importance source country for bourbon vanilla, with backward integration, meaning the inclusion of local farmers.

As part of the continued integration activities regarding the Diana Group in 2016, purchasing activities were optimized via multiple measures, such as joint purchasing and mutual insourcing. This provides both increased long-term supply security and cost advantages in raw materials sourcing.

GENERAL POLITICAL AND REGULATORY CONDITIONS

The Flavor segment's products are primarily used in foods, beverages and pharmaceutical applications. The products in the Food and Probi business units in the Nutrition segment are also used in the same areas. Furthermore, the Pet Food business unit, which also belongs to the Nutrition segment, supplies products for the pet food market.

According to an EU directive, pharmaceutical companies needed to subject their additive manufacturers to a risk evaluation by March 2016. Along with examining the use of the additive, this evaluation also assessed the manufacturer's quality management. As a result, an adjusted GMP (Good Manufacturing Practice) was formulated. This also affected flavors in pharmaceutical applications. The necessary measures for implementing the directive were established by Symrise within the set time frame.

As of December 14, 2016, nutrition labeling for foods became mandatory in the EU. Even though this requirement does not apply to Symrise in its B2B business activities, the company adjusted its databases accordingly to be able to respond to customer inquiries on the subject. Furthermore, ingredient labeling become mandatory in Thailand as of November 4, 2016. Symrise also made the necessary IT adjustments to meet this requirement in a timely manner. Moreover, the Food Safety Modernization Act was successively expanded in the USA. This requires the renewal of registrations for production sites outside of the USA, which Symrise implemented accordingly. Finally, Symrise passed various energy audits at several European subsidiaries according to ISO 50001 as part of its efforts for optimized energy management.

The monitoring of the regulatory requirements was once more a focus of activity for securing competitive advantages in the Scent & Care segment in 2016. The pace of change further accelerated as additional countries expanded their chemical inventories and the corresponding control mechanisms require particular precision to ensure compliance along the entire development process.

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. Symrise keeps a close eye on developments in this field and works with nongovernmental organizations that have practical know-how in this area to ensure continued compliance.

In the Global Regulatory unit, the implementation of a culture of constant improvement was continued in 2016 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. Regulatory implementations in places like Brazil, India and South Africa are so different that they cannot be handled with a standardized approach but instead require individual management and close cooperation with the supervisory agencies in the respective countries.

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 2016 was the new registration of or updates to registered substances in important products and raw materials pursuant to the European chemicals directive REACH. Overall, new and updated files for more than 30 substances were submitted to the European Chemicals Agency (ECHA). Symrise also prepared files for another approximately 100 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

On January 7, 2016, with a transaction volume of USD 412 million, Symrise successfully completed the acquisition of the Pinova Group, USA, announced in the previous 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 substantially expanded its range of raw materials in fragrances and thus strengthened 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.

On January 6, 2016, Diana Naturals SAS, France, finalized a transaction, which had also been announced in the previous year, 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. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio of the Nutrition segment. The purchase price amounted to € 8.2 million.

In May 2016, the Diana division acquired the company Nutra Canada. The company, based in the Canadian province of Quebec, specializes in manufacturing fruit and plant extracts with functional added benefits. The purchase price amounted to € 4.3 million.

The Symrise holding Probi AB, a developer and manufacturer of probiotics headquartered in Sweden, signed an agreement on the purchase of the probiotics manufacturer Nutraceutix via its US subsidiary Probi USA Inc. in June 2016. The preliminary purchase price amounts to USD 106.5 million. The transaction was completed as scheduled on October 3, 2016. With this acquisition, Probi is expanding its market share in North America – the largest and quickest growing market for nutritional supplements.

In the course of its continuous portfolio optimization, Symrise made the decision in the fourth quarter of 2016 to sell the industrial division of the recently acquired the Pinova Group. The unit operating under the brand name Pinova, with product solutions for technical applications such as adhesives, paints and coatings as well as the tire and construction industry was purchased by DRT (Dérivés Résiniques et Terpéniques), a French company specializing in the processing of resins and turpentine extracted from pine. The preliminary purchase price amounts to USD 140.5 million. The share of sales for 2016 amounted to USD 99.9 million. The transaction was completed on December 9, 2016. The industrial applications had limited connections to Symrise's core areas of business. Symrise did, however, secure access to specific raw materials from renewable sources. DRT and Symrise will continue to work closely in the future as part of a supplier cooperation.

Symrise will, however, maintain the activities from the former Renessenz from the Pinova Group acquisition. These were completely integrated into the Aroma Molecules division during the year under review.

Sustainable Recognition

At the ninth German Sustainability Day on November 25, 2016, Symrise was named one of the five most sustainable large corporations in Germany. The company impressed the judges in particular with its systematic sustainability management, continual improvements both in the supply chain and within the company as well as measures to preserve biodiversity. The sustainability award was conferred across eleven categories to companies of various sizes as well as to municipalities and researchers. The award is an initiative of the German Sustainability Award Foundation in cooperation with the Federal Government of Germany and various municipal umbrella organizations, trade associations, civic organizations and research institutes. The panel of judges includes scientists and representatives from the environmental protection group NABU (Naturschutzbund Deutschland e. V.) and from the Association of German Chambers of Commerce and Industry DIHK (Deutscher Industrie- und Handelskammertag e. V.).

Symrise, Unilever and GIZ Partner With Save the Children

In the fourth quarter of 2016, Symrise, Unilever and the German Society for International Cooperation (GIZ) GmbH entered a partnership with Save the Children that aims to improve the standard of living for the vanilla farmers in the Sava region of Madagascar. The development partnership is being funded in part by develoPPP.de, a program of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The initiative is planned for three years and has the goal of eliminating certain complex social and economic constraints that have kept the farmers working in the vanilla supply chain and their families in a cycle of poverty for generations. It supports the farmers and their communities directly by improving their living conditions, creating more integrative communities and providing their children with better opportunities. The program should be rolled out in over 70 villages and help 50,000 people in about 10,000 households. According to estimates, 70 % of the people in these communities live below the poverty line and have very unstable incomes.

Reducing Environmental Influences With a New Power Plant in Holzminden

In November 2016, Symrise began operations at its new power plant in Holzminden following several years of planning and construction. It represents a new milestone in energy supply for Symrise. The new power plant works according to the principle of cogeneration and, with its conversion from sulfurous crude oil to natural gas, represents a sustainable and forward-thinking model. The new power plant emits 35 % less CO_2, 80 % less sulfur and 22 % less nitrous oxide. Furthermore, Symrise now generates about two-thirds of the power needed for its plant in Holzminden thanks to a gas turbine.

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 € 2,903 million in the 2016 fiscal year. Sales increased 12 % over the previous year in the reporting currency (16 % at local currency). Excluding the portfolio effects described above, sales growth amounted to 8 % at local currency. The emerging markets' share of total Group sales amounted to 43 %. With the acquisitions in the 2016 fiscal year, this share of sales decreased by three percentage points compared to the previous year, as the acquired companies mainly generate their sales in developed markets. Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN)[3] at the Group level increased by 9 % from € 572 million (not normalized) to € 625 million. This corresponds to an EBITDA margin of 21.5 % (non-normalized EBITDA margin from the previous year: 22.0 %).

Normalized net income for 2016 increased by € 19 million over the previous year to € 266 million. Normalized earnings per share amounted to € 2.05 (non-normalized 2015: € 1.90). Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.80 to € 0.85 per share at the Annual General Meeting on May 17, 2017.

3 In the 2016 fiscal year, acquisition and integration costs resulting from the purchase of the Pinova Group impacted the operating result. In the following section, we use normalized results (EBITN/EBITDAN, net income) for the 2016 fiscal year adjusted for these one-time specific influences. A detailed summary of special influences is supplied on page 53 of this report.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of 2016, we expressed our goal of posting sales growth at local currency well beyond the average market growth rate (around 3 %) in what were our two segments at the time.

We anticipated an EBITDA margin of about 20 % under the assumption that raw material prices would remain at the level of 2015 and exchange rates would not change significantly from 2015. Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations) to EBITDA, should be roughly 3.0 in 2016 due to the Pinova acquisition. In the medium term, we are aiming for a return to the debt range of 2.0 to 2.5.

Achievement of Targets in 2016

With sales growth of 16 % at local currency, or 8 % without the portfolio effects described above, we have significantly exceeded our sales goals. The EBITDA margin of 21.5 % was above the expected value for 2016. A net debt ratio to EBITDA of 3.1 was slightly higher than our expectations.

RESULT OF OPERATIONS

Group Sales

For 2016 as a whole, the Symrise Group generated sales of € 2,903 million. In comparison to the previous year, sales increased 12 % in the reporting currency and 16 % at local currency. Excluding portfolio effects, sales growth amounted to 8 % at local currency.

Segments: Sales in the **Scent & Care** segment reached € 1,311 million in the past fiscal year. This corresponds to an increase at local currency of 25 % compared to the previous year, due in large part to the acquisition of the Pinova Group. Without Pinova, organic growth at local currency for the Scent & Care segment would have amounted to 5 %. The **Flavor** segment was able to increase sales at local currency by 10 % to € 1,016 million. Sales in the **Nutrition** segment amounted to € 576 million in the past fiscal year, representing an increase at local currency of 9 % compared to the previous year. Adjusting further for the portfolio effects, organic growth of the segment amounts to 10 %.

Regions: Sales in the **EAME** region were up 6 % (8 % at local currency). The **North America** region achieved sales growth of 28 % compared to the previous year due in large part to the Pinova Group acquisition (at local currency: 28 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 9 % (at local currency: 11 %). Sales in the **Latin America** region increased by 7 % compared to the previous year (at local currency: 29 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 15 %. The share of this group of countries in total sales was 43 % in the 2016 fiscal year. With the acquisitions in the 2016 fiscal year, this share of sales decreased by three percentage points compared to the previous year, as the acquired companies mainly generate their sales in developed markets.

Flavor Sales

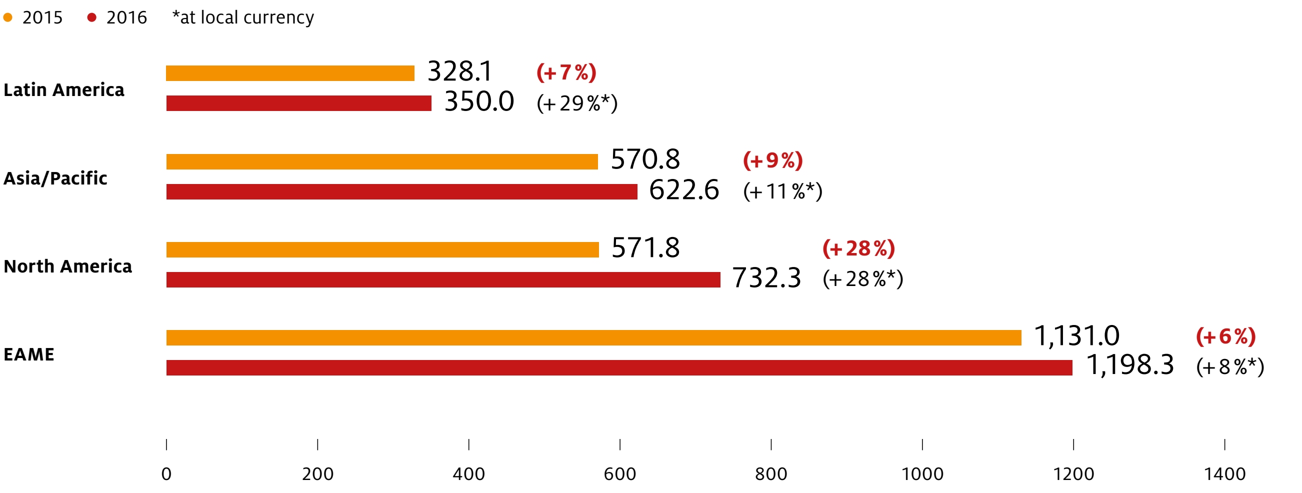
The **Flavor** segment generated sales of € 1,016 million in the 2016 fiscal year. Compared to the previous year, this corresponds to growth of 4 %. At local currency the increase was 10 %. All regions considerably increased sales in the year under review. Leading this development was the Latin America region, where significant impetus for growth came from the Sweet and Savory business units in Argentina and Mexico.

In the Asia/Pacific region, Indonesia, Thailand and Vietnam posted particularly dynamic growth with a considerable increase being seen in the Beverages and Savory business units. The EAME region achieved a strong increase in sales in Russia, Sweden, Turkey and Spain. Here, the Beverages and Sweet business units posted especially good growth. The Sweet and Beverages business units were also the leading growth drivers in the US.

ACHIEVEMENT OF TARGETS IN 2016

	Target at the Beginning of the Fiscal Year	Figure Achieved
Sales growth (at local currency)	notably above market growth rate of 2 to 3 %	16 % (8 % without portfolio effects)
EBITDAN margin	about 20.0 %	21.5 %
Net debt (incl. provisions for pensions and similar obligations) / EBITDAN	about 3.0	3.1

SALES BY REGION in € million



Nutrition Sales

In the 2016 fiscal year, the **Nutrition** segment generated sales of € 576 million. Compared to the previous year, this corresponds to growth of 5 %. At local currency the increase was 9 %. Excluding the portfolio effects, organic sales growth amounted to 10 % at local currency.

The greatest impetus for growth in the Diana division came from the Pet Food business unit, where all regions managed to expand their sales considerably. The strongest growth was generated in Latin America, particularly in Argentina, Brazil and Columbia. Similarly positive was the development in the EAME region, especially in Poland, France, Italy and Turkey. Sales performance in the Food business unit, however, was reserved, owing in large part to the sale of Compagnie Alimentaire Pleucadeucienne (CAP) pork specialties in the past year. The largest growth in the Food business unit was seen in the North America region with high growth with regional customers.

The Probi business unit also achieved high growth rates, partially due to the acquisition of the US company Nutraceutix via the Swedish company Probi AB.

Scent & Care Sales

In the 2016 fiscal year, the Scent & Care segment generated sales of € 1,311 million. Sales were therefore up 22 % on the previous year's level. At local currency, this corresponds to growth of 25 %. This includes Pinova Group sales of € 208 million. Without the Pinova contribution, the organic growth of the segment at local currency would have amounted to 5 %.

All of the segment's divisions posted positive sales developments in the year under review. The strongest growth was seen in the **Aroma Molecules** division, which is primarily due to the acquisition of the Pinova Group. Furthermore, the division generated high growth rates in the EAME and Asia/Pacific regions, particularly in Menthols and Fine Aroma Chemicals.

The **Cosmetic Ingredients** division generated solid, single-digit growth at local currency in 2016, especially in the Cosmetic Ingredients business unit, with global and regional customers mostly in the Asia/Pacific and Latin America regions. Particularly notable was the sales growth in the countries China, Japan, South Korea, Mexico and Brazil.

The **Fragrance** division also posted a solid, single-digit sales growth at local currency in the 2016 fiscal year. The highest growth rates were achieved in the Latin America region. Here, all business units expanded their sales substantially, particularly in the countries of Brazil, Mexico, Colombia and Argentina. In the Asia/Pacific and EAME regions, the Home Care and Oral Care business units showed particularly dynamic development. The highest growth rates for Asia were seen in China, India, Indonesia and South Korea and in Israel, Spain and Nigeria for the EAME region.

RECONCILIATION OF SPECIFIC INFLUENCES FROM THE PINOVA ACQUISITION TO EBITN/EBIT AND EBITDAN/EBITDA

€ million	EBIT 2015	EBIT 2016	EBITDA 2015	EBITDA 2016
Normalized presentation (before specific influences from Pinova Acquisition)	**395.2**	**423.3**	**572.2**	**625.2**
Inventory impairments	–	– 4.2	–	– 4.2
Integration costs	–	– 14.5	–	– 14.5
Total specific influences	**–**	**– 18.7**	**–**	**– 18.7**
of which cost of goods sold	–	– 10.8	–	– 10.8
of which selling and marketing expenses	–	– 2.3	–	– 2.3
of which research expenses	–	– 0.2	–	– 0.2
of which administration expenses	–	– 9.0	–	– 9.0
of which other operating income	–	3.5	–	3.5
after specific influences from the Pinova Acquisition	**395.2**	**404.6**	**572.2**	**606.6**

Development of Material Line Items in the Income Statement

On the whole, earnings performance was good in the 2016 fiscal year. As part of the acquisition of the Pinova Group, acquisition and integration costs of € 18.7 million were incurred in 2016. Furthermore, profit of € 3.5 million resulted from the disposal of Pinova Inc. on December 9, 2016. To simplify comparability with the previous year, the following contains a normalized result (EBITN/EBITDAN) without these one-time effects.

The **cost of goods sold** rose 15 % in 2016 to € 1,707 million and therefore increased disproportionately to sales. This was primarily due to the higher share of cost of goods sold from the Pinova Group. Gross profit increased 8 % and amounted to € 1,196 million (2015: € 1,112 million). The **gross margin** was 41.2 %, which puts its 1.5 percentage points lower than in the previous year (42.7 %). **Selling and marketing expenses** were up by 9 % compared to the previous year, amounting to € 467 million (2015: € 427 million). The increase compared to the previous year primarily relates to the inclusion of the Pinova Group in the consolidated financial statements. The share of selling and marketing expenses in Group sales amounted to 16.1 % (2015: 16.4 %). **R & D expenses** increased 10 % to € 186 million (2015: € 170 million). The R & D rate was therefore 6.4 % (previous year: 6.5 %) of sales. **Administration expenses** were nearly identical to the previous year at € 150 million (2015: € 149 million). Administration expenses as a share of Group sales amounted to 5.1 % in the year under review and therefore below the previous year's level of 5.7 %.

Earnings Situation

Group: Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN) were up 9 % in 2016 to

INCOME STATEMENT IN SUMMARY

€ million		2015	2016 *Normalized*	Change in %
Sales		2,601.7	2,903.2	12
Cost of goods sold		– 1,490.1	– 1,706.9	15
Gross profit		**1,111.6**	**1,196.2**	**8**
Gross margin	in %	42.7	41.2	
Selling and marketing expenses		– 426.9	– 466.5	9
Research and development expenses		– 169.6	– 186.0	10
Administration expenses		– 148.5	– 149.5	1
Other operating income		32.8	31.6	– 4
Other operating expenses		– 4.2	– 2.5	– 40
Income from operations/EBIT		**395.2**	**423.3**	**7**

€ 625 million (2015 EBITDA: € 572 million). The **EBITDAN margin** was 21.5 % in the reporting year, compared to an EBITDA margin of 22.0 % from the previous year.

Scent & Care: Scent & Care generated an EBITDAN of € 257.8 million in 2016, which was significantly higher (+ 12 %) than the EBITDA of € 231.2 million in the previous year – mainly due to the inclusion of the Pinova Group. The EBITDAN margin therefore amounted to 19.7 %, compared to 21.5 % in 2015.

Flavor: EBITDA for the Flavor segment was significantly higher than last year (2015: € 218.9 million), amounting to € 233.8 million in 2016. The EBITDA margin amounted to 23.0 % and was therefore also significantly higher than in the previous year (2015 EBITDA margin: 22.3 %).

Nutrition: The Nutrition segment generated an EBITDA of € 133.7 million in 2016. This represents a 10 % increase on the previous year (2015: € 122.0 million). The excellent EBITDA margin of 23.2 % was also notably higher than in the previous year (2015 EBITDA margin: 22.3 %).

Financial result: The financial result of € – 45.9 million for 2016 represents a downgrade of € 1.6 million compared to 2015. A notable growth in the exchange gain (€ + 7.3 million) is offset by an impairment loss on an investment of € 2.2 million in the Nutrition segment and interest payments for the promissory note loan (€ 5.8 million). The net interest loss declined € 4.9 million year over year: from € – 44.5 million in 2015 to € – 49.4 million in 2016.

Taxes: In the 2016 fiscal year, tax expenses amounted to € 97.5 million (2015: € 98.5 million). The resulting tax rate of 27.2 % was down slightly compared with the previous year (28.1 %). An adequate provision for tax risk was made, as in previous years.

Net income and earnings per share: Net income adjusted for specific influences amounted to € 266 million and therefore was € 19 million or 8 % higher than the figure from the previous year. Normalized earnings per share rose by € 0.15 to € 2.05 (2015: € 1.90). Net income for 2016 including specific influences totals € 253 million, which corresponds to an earnings per share of € 1.95.

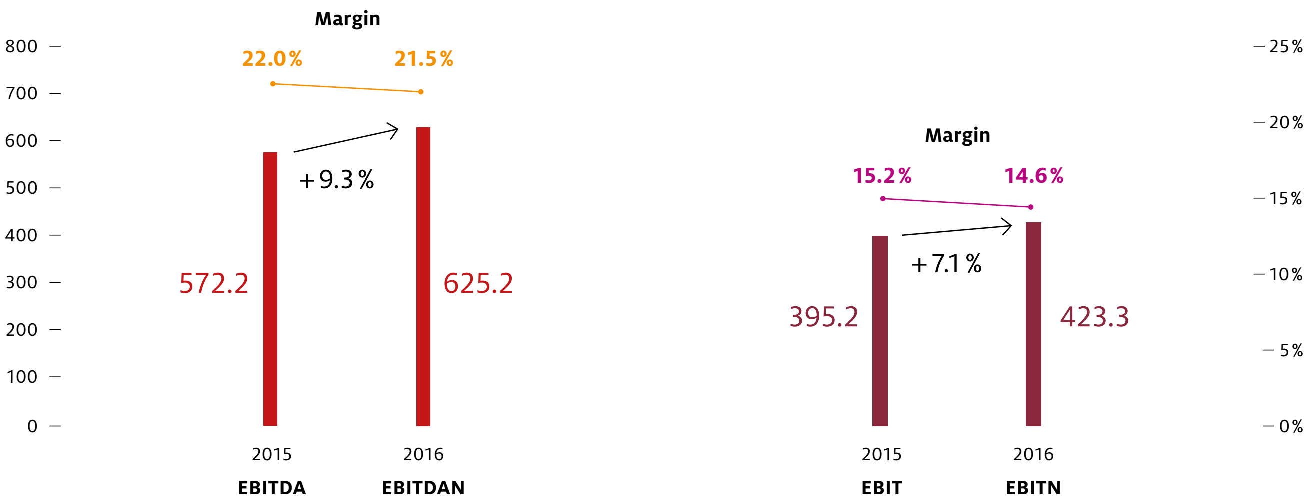
Dividend proposal for 2016: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.85 per share for the 2016 fiscal year at the Annual General Meeting on May 17, 2017. Symrise aims to continually achieve high yields for its shareholders and to enable 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.

OVERVIEW OF EARNINGS, in € million / in %



In accordance with the Symrise Treasury department's guidelines, the financing of the Group is managed centrally. The financial needs of 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 that internal financial capital can be used efficiently. If external credit lines are needed, they are safeguarded by guarantees from Symrise AG. The Group's financial liabilities are unsecured and connected to credit agreements (covenants) that are reviewed every quarter. The Group maintains good business relationships with a large number of 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 36 % as of December 31, 2016, 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, amortizing loans, bilateral bank borrowings 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 Group. These had a total volume of € 500 million and are distributed across three tranches with terms of five, seven and ten years. The first allocation of € 178 million was issued in 2015. The remaining portion of € 322 million was issued at the beginning of 2016.

Symrise fulfilled all of the contractual obligations resulting from loans (covenants) in the 2016 fiscal year.

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

Cash Flow and Liquidity Analysis

OVERVIEW OF CASH FLOW

€ million	2015	2016
Cash flow from operating activities	375.2	338.8
Cash flow from investing activities	– 151.4	– 311.0
Cash flow from financing activities	– 115.3	1.8
Cash and cash equivalents (Dec. 31)	278.2	**301.6**

Cash flow from operating activities amounted to € 338.8 million in 2016, € 36.4 million less than in the previous year (€ 375.2 million). The main reason for this was an increase in working capital, in part due to the purchase of Pinova Group. The operating cash flow rate relative to sales was therefore about 12 %.

Cash outflow from investing activities increased by € 159.6 million to € – 311.0 million. This was mainly due to the acquisition of the Pinova Group, minus the income from the sale of Pinova Inc. Furthermore, the cash flow from investing activities also contains the acquisitions of Scelta Umami BV, Nutra Canada Inc. and Nutraceutix.

In the 2016 fiscal year, a cash inflow from financing activities of € 1.8 million resulted on a net basis. A cash outflow of € – 115.3 million was posted in the previous year. Material components came from financing the acquisition of the Pinvoa Group and include the payment of the remaining portion of the promissory note loan of € 321.5 million and borrowings in the amount of € 154.5 million, which were immediately extinguished. Also included is the 2016 dividend paid out to shareholders for 2015 amounting to € 108.2 million, the regular extinguishing of current bank borrowings in the amount of € 43.8 million and net interest payments to financial institutes totaling € 38.4 million (previous year: € 32.6 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 was extended for an additional year in May 2016 and that will now remain available until May 2021.

Only € 5 million of this line has been utilized as of December 31, 2016.

Investments and Acquisitions

The Symrise Group invested € 168 million in intangible assets and property, plant and equipment in the 2016 fiscal year, after spending € 177 million in the previous year.

Around € 17 million was spent on intangible assets (2015: € 47 million). Here, the focus was on the registration of chemicals according to the European chemical directive (REACH), investments in software and patents as well as the assets acquired from Nutraceutix. Investments in property, plant and equipment amounted to approximately € 151 million (previous year: € 129 million). The largest investment projects consisted of the new power plant in Holzminden, a new research and development center in Singapore and production capacity expansions in all divisions. All of the projects were funded through operating cash flow. As of December 31, 2016, the Group had obligations to purchase property, plant and equipment amounting to € 65.5 million (December 31, 2015: € 43.9 million). This mainly relates to production facilities, hardware and office equipment. Most will come due during the course of 2017.

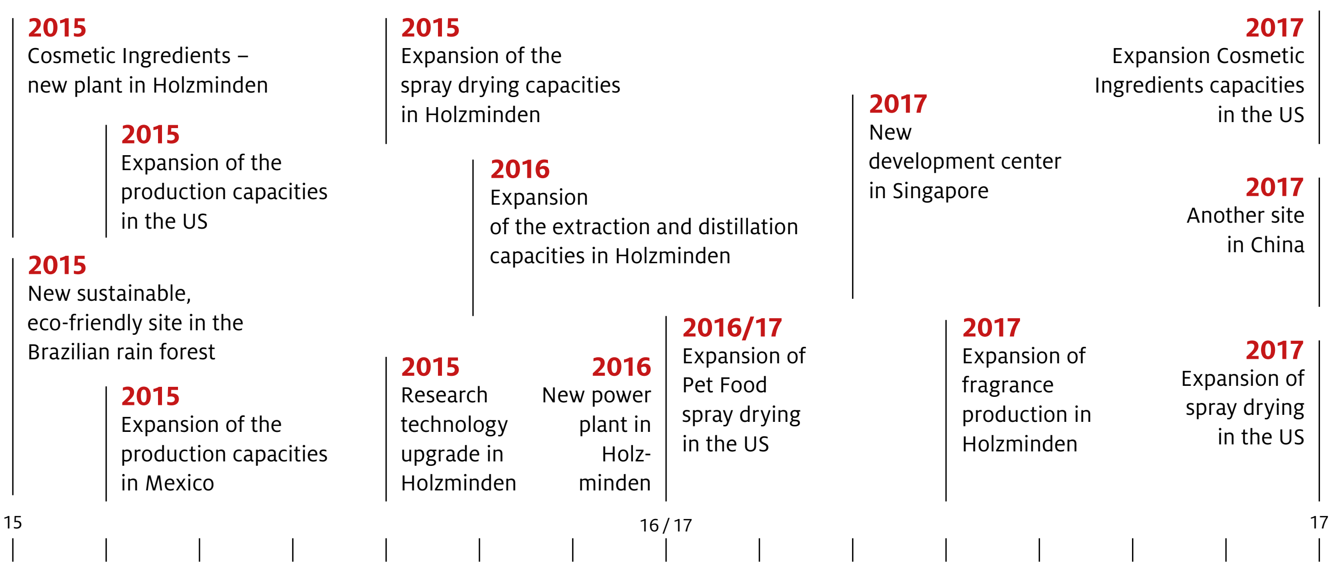
Symrise acquired the **Pinova** Group with locations in Brunswick, Colonel's Island (Georgia, USA) and Jacksonville (Florida, USA), in January 2016. The transaction volume was USD 412 million. The Pinova Group is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products.

Also in January 2016, 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. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio of the Nutrition segment. The purchase price amounted to € 8.2 million.

In May 2016, Diana Food Canada Inc. (Canada), a subsidiary of Diana Naturals SAS (France), finalized a purchase contract on the acquisition of all shares in **Nutra Canada Inc.** (Canada). Nutra Canada Inc. specializes in fruit and plant extracts from natural ingredients such as cranberries or spinach. The company produces, supplies and markets dry powders and plant extracts and thereby supplements the portfolio of natural, health-promoting substances in the Consumer Health business unit in the Nutrition segment. The purchase price amounted to € 4.3 million.

In October 2016, Probi USA Inc. (hereinafter: Probi) acquired the business operations of the company previously known as **Nutraceutix** from TnTGamble Inc., USA, via an asset deal. Nutraceutix has two locations, in Washington state and Colo-

INVESTMENTS 2015 TO 2017



rado, USA, and is one of the largest producers and suppliers of probiotics in North America with both domestic and international customers (end customers and B2B customers). The acquisition provides Probi with significantly expanded capacities and an improved market presence while facilitating its growth. Furthermore, Probi now has access to important new technologies and has established a strong platform for contributing to the future growth of the Nutrition segment. The preliminary purchase price amounts to € 106.5 million.

In the course of its continuous portfolio optimization, Symrise made the decision in the third quarter of 2016 to sell the industrial division of the recently acquired Pinova Group. The unit operating under the brand name Pinova, with product solutions for technical applications such as adhesives, paints and coatings as well as the tire and construction industry was purchased by DRT (Dérivés Résiniques et Terpéniques), a French company specializing in the processing of resins and turpentine extracted from pine. The preliminary purchase price amounts to USD 140.5 million. The transaction was completed on December 9, 2016.

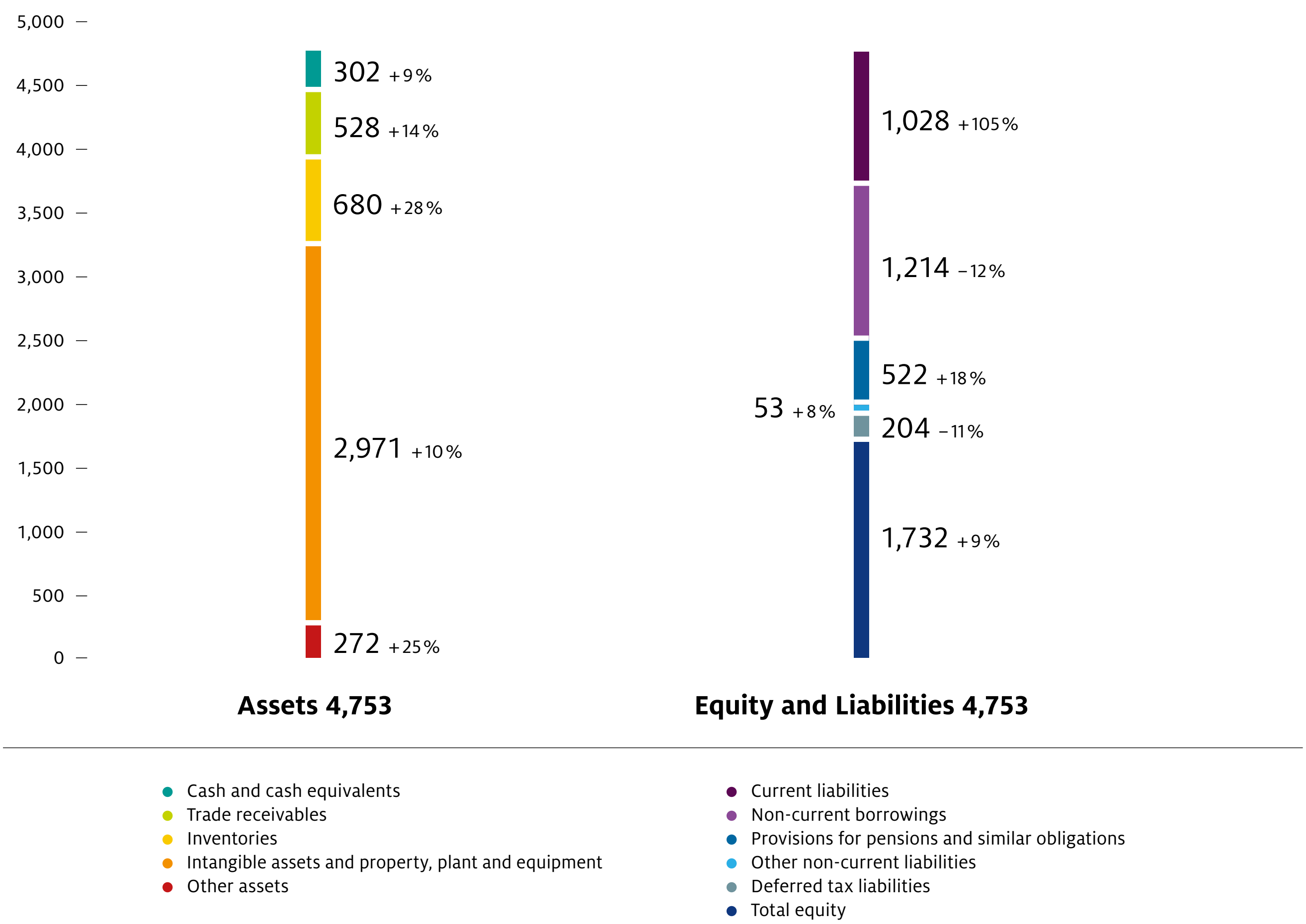
Symrise will, however, maintain the activities from the former Renessenz from the Pinova Group acquisition. These were completely integrated in the Aroma Molecules division during the year under review.

NET ASSETS

Select Line Items in the Statement of Financial Position

Total assets as of December 31, 2016, increased by € 569 million to € 4,753 million compared to the previous year (December 31, 2015: € 4,184 million). This mainly resulted from the assets and liabilities obtained via the acquisition of the Pinova Group as well as from a further expansion of working capital.

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2016, in € million
(Change compared to previous year's reporting date, in %)



Intangible assets amounted to € 2,113 million at the end of the 2016 reporting period and therefore were slightly above the previous year (December 31, 2015: € 2,005 million). The item accounts for 44 % of assets. Intangible assets include goodwill acquired through business combinations amounting to € 1,273 million (December 31, 2015: € 1,124 million), as well as formulas, technologies, customer bases, trademarks, software, patents and other rights amounting to € 840 million (December 31, 2015: € 881 million). **Property, plant and equipment** amounted to € 857 million at the end of 2016 (December 31, 2015: € 690 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2015: € 531 million), **inventories** increased € 149 million to € 680 million. The increase in inventories was primarily driven by the continued rise in sales and by the already mentioned acquisition of the Pinova Group, which also led to higher **trade receivables** (€ 528 million; December 31, 2015: € 462 million) and **trade payables** (€ 254 million; December 31, 2015: € 235 million) as of the end of the reporting period. The ratio of working capital to sales rose four percentage points to 33 % compared with the end of the previous year. Symrise Group's **cash and cash equivalents** amounted to € 302 million as of December 31, 2016 (December 31, 2015: € 278 million). In the course of selling Pinova Inc. in December 2016, higher cash equivalents were available as of the reporting date, which were placed in an interest-generating term deposit.

The increase in liabilities is primarily due to a further payment of the promissory note loan and the corresponding increase in financial liabilities. **Current liabilities** were higher than in the previous year (€ 1,028 million; December 31, 2015: € 501 million), though **non-current liabilities** decreased (€ 1,993 million; December 31, 2015: € 2,094 million). Due to comparatively lower interest rates, **provisions for pensions and similar obligations** increased from € 445 million to € 523 million (interest rate for Germany: 1.6 %, December 31, 2015: 2.4 %).

Equity attributable to shareholders of Symrise AG as of December 31, 2016, amounted to € 1,672 million (December 31, 2015: € 1,568 million). A dividend of € 104 million was paid out in 2016 for the 2015 fiscal year. As of the end of the 2016 reporting period, the equity ratio, including minority interests, was 36.4 % (December 31, 2015: 38.0 %).

Net Debt

€ million	2015	2016
Borrowings	1,409.3	1,749.8
Cash and cash equivalents	– 278.2	– 301.6
Net debt	**1,131.1**	**1,448.2**
Provisions for pensions and similar obligations	444.6	522.6
Net debt including provisions for pensions and similar obligations	**1,575.7**	**1,970.8**

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 evaluation to determine the leverage covenants uses the ratio of net debt to the EBITDAN of the last 12 months. This results in a ratio of net debt/EBITDAN of 2.3, which is relevant for the credit agreements. The ratio of net debt including provisions for pensions and similar obligations/EBITDAN amounts to 3.1.

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. Furthermore, it should be ensured that solid financing options can accompany acquisition opportunities.

CAPITAL STRUCTURE

	2015		2016		
€ million		*in % of total equity and liabilities*		*in % of total equity and liabilities*	Change in %
Equity	1,588.2	38	1,732.2	36	+ 9
Current liabilities	501.4	12	1,027.9	22	+ 105
Non-current liabilities	2,094.2	50	1,992.7	42	– 5
Liabilities	2,595.6	62	3,020.6	64	+ 16
Total assets	**4,183.8**	**100**	**4,752.8**	**100**	**+ 14**

Significant obligations not reflected on the balance sheet exist in the form of obligations for the purchase of goods amounting to € 150.0 million (2015: € 138.5 million) and obligations regarding the purchase of property, plant and equipment amounting to € 65.5 million (2015: € 43.9 million). Symrise AG has service contracts with various providers regarding the outsourcing of its internal IT. Some of these service contracts already existed in previous years and were expanded in 2016. The remaining total obligation toward these service providers amounts to € 55.5 million (2015: € 22.7 million), accounting for extraordinary termination rights

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. Our goal is a completely integrated corporate strategy. To further emphasize this goal, the new area of responsibility and position of Chief Sustainability Officer (CSO) was created for Symrise AG in 2016. The Executive Board is thereby accounting for the increasing strategic importance of sustainability issues. This strategic importance comprises both the internal coordination and innovation-related orientation of Symrise's sustainability objectives as well as their growing communication externally towards customers and with institutions focused on sustainability matters. Furthermore, the CSO is also tasked with implementing the strategy across all divisions and business units as well as monitoring the activities to ensure a consistent positioning of sustainability issues – both internally and externally. The CSO reports directly to the CEO of Symrise AG.

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, defines common goals 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 Sustainability 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. Direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG.

Symrise once again received external recognition of its sustainability efforts in 2016. 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 assurance process assesses all quantitative and qualitative sustainability information. In September 2015, Symrise AG was awarded the Sustainable Leadership Award from DQS GmbH. Two Excellence Awards soon followed in 2016: the Responsible Sourcing and LifeCycle Assessment awards from DQS. At the beginning of November 2015, Symrise AG was added to Carbon Disclosure Project's (CDP) "2015 Climate 100A

OUR SUSTAINABILITY AGENDA

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

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. In 2016, Symrise's place on the Climate A List was confirmed. 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. Also confirmed in October 2016 was Symrise's inclusion on the ETHIBEL Sustainability Index (ESI) Excellence Europe. Furthermore, the rating agency EcoVadis awarded Symrise the Gold status in recognition of its corporate social responsibility for the second time in a row. At the German Sustainability Awards 2016, Symrise was named one of the five most sustainable large corporations in Germany. The panel particularly recognized Symrise's systematic sustainability management, its ongoing improvements to both the supply chain and its own operations as well as its measures to protect biodiversity.

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 all three 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, we encourage all Symrise employees, including but also beyond the Executive Board, 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 all 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. With the established risk and rewards management system, the rewards observed in the various segments of the Group and integrated into strategic actions are systematically analyzed alongside the company 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.

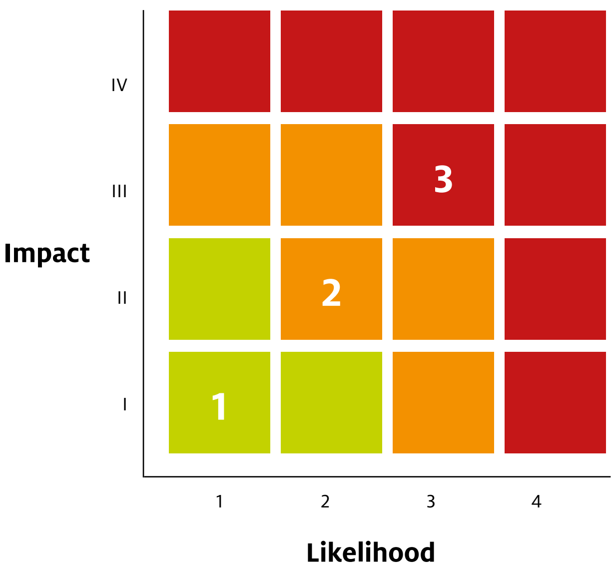
In individual cases where the respective risks are more than fully compensated for, established measures for controlling risk can also lead to possible revenue not currently provided for in the budget due to commercial prudence. Even measures against the risk of losing business can contain opportunities. 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 completed acquisitions 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 to provide 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.



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 %

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 under 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 under 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 0.9 % 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 7.4 % 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 something 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 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 income and corresponding return. 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 and safety measures, 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 a 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 (USD, 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 USD 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 2016 through currency forward contracts.

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

- USD 42.1 million (December 31, 2015: USD 0.0 million) for hedging USD/SEK
- USD 21.0 million (December 31, 2015: USD 27.0 million) for hedging EUR/USD
- USD 6.0 million (December 31, 2015: USD 9.0 million) for hedging USD/JPY
- USD 2.5 million (December 31, 2015: USD 3.5 million) for hedging USD/SGD
- AUD 2.1 million (December 31, 2015: AUD 0.0 million) for hedging EUR/AUD,
- USD 0.7 million (December 31, 2015: USD 2.1 million) for hedging USD/INR.

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. Overall, the ratio of fixed-rate debt amounted to 86 % of overall debt as of December 31, 2016. Symrise counters the remaining risk stemming from 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 monitored 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 its legal risks to be 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, only one type of legal procedure will be referenced here: In the US, the Group company Symrise Inc., along with many other companies, has been accused of selling flavors that, 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 that, 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 of 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 2016 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 that 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

No major changes in the economic environment or our industry situation occurred after the conclusion of the fiscal year. The Symrise Group also has no other events of significance to report.

General Statement on the Company's Economic Situation

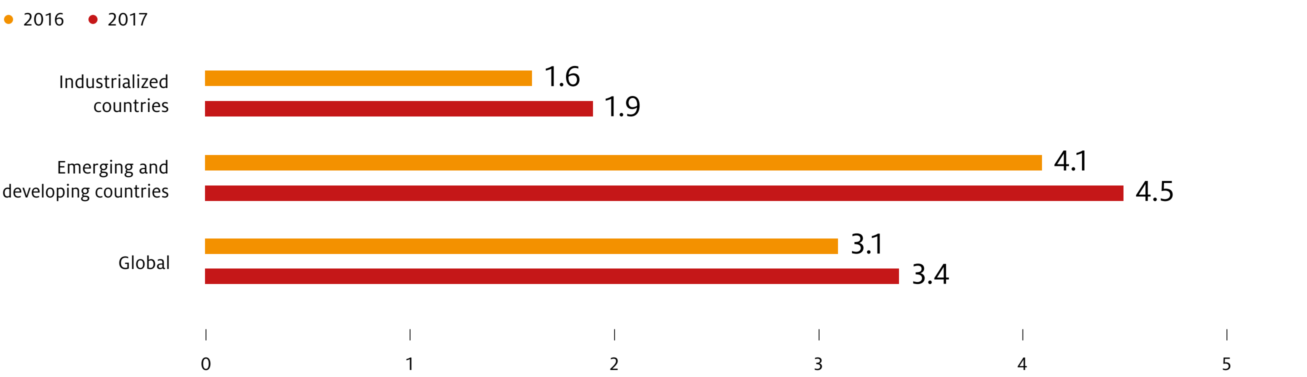
The Executive Board regards the Symrise Group's economic situation as positive. In 2016, the Group managed to once again substantially increase its sales with sustained high profitability. The company's financing is secured for the medium term. This holds true even when accounting for the acquisition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

Outlook

FUTURE GENERAL CONDITIONS

The International Monetary Fund (IMF) expects an economic upturn on a broad scale for 2017. This development could lead to positive effects for Symrise's business performance. Global economic growth is expected to increase from 3.1 % in the previous year to 3.4 % in 2017. Despite all uncertainties, the IMF expects that the new US administration will provide some notable short-term fiscal policy impulses to the world's largest economy. The organization is also more optimistic regarding the development of Germany, Japan, Spain and the UK than it was just a few months ago. According to the IMF's estimates, economic growth in the industrialized countries will amount to 1.9 % in 2017 compared to 1.6 % in the previous year.

GDP DEVELOPMENT 2016/2017, in %



Source: IMF

Economic growth in emerging and developing countries is expected to also be higher in 2017 at 4.5 % compared to 2016 (+4.1 %). The outlook for China (+6.5 %) in particular has improved due to a sustained expansive economic policy. Further, the economic situation in several larger countries (Brazil, Nigeria, Russia) should see some improvement after being impacted by exceptional factors in 2016. On the contrary, a deterioration of the economic environment is expected by the IMF for Mexico and Venezuela.

The AFF market relevant for Symrise reached a volume of € 27.5 billion in 2016. Of this amount, the submarket for flavorings and fragrances accounts for about € 22.3 billion according to the most recent estimates by IAL Consultants (10th edition, December 2016) while, according to the latest reports from TechNavio/Infiniti and Global Industry Analysts, 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 3 % for the submarkets for flavorings and fragrances. In view of the strong economic output of some countries in the Asia/Pacific region, demand for flavors and fragrances should rise sharply here according to IAL estimates (10th Edition, December 2016). This region will be followed by Latin America, North America and the EAME region.

For the 2017 fiscal year, Symrise expects moderate fluctuations in its raw materials costs. Generally, raw materials in the company can be broken down into natural, agriculture-based raw materials and petro-based raw materials. Symrise expects a slight increase in cost for natural raw materials, due to the increasing demand and some smaller than expected harvests. The higher oil price can also lead to a moderate increase in costs for synthetic raw materials. The company's strategic focus is on natural and renewable raw materials. For important natural raw materials, the Group continues to pursue its backward integration approach. This means that Symrise cooperates closely with the growers of key agricultural-based products like vanilla, onions, beets and fruits. The goal is to achieve a consistently high quality and planning security via long-term agreements. The acquisition of Renessenz LLC is yet another milestone in the expansion of our raw materials basis via backward integration. For menthols, Symrise relies on its leading market position and long-term supplier loyalty with multinational brand manufacturers.

For the 2017 fiscal year, another moderate development in energy costs is expected. The reasons for this are the low gas procurement costs and the fact that thanks to the production of our own energy through a cogeneration plant in Holzminden that began operations in the fourth quarter of 2016, we will be able to cover a large part of our energy needs ourselves. These measures will reduce oil consumption substantially; the same is true for CO_2 emissions. Additionally, producing our own energy will also reduce grid utilization costs. As was foreseeable in 2016, oil prices reached their ultimate low point towards the end of 2016. The price increase has been steady and another price drop is not to be expected for 2017.

With energy prices, when it comes to the baseline amount still being used, the slightly higher procurement prices on the EEX energy exchange are coupled with an increasing EEG levy. 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.

Impacts from the Brexit Referendum

Symrise does not expect any material impacts from the possible exit of Great Britain from the EU. However, an operating risk would exist should the exit negotiations have an overall negative result for international business. Due to the limited scope of business with the UK, there are no adverse material impacts to be expected for the Group as a whole. Our company in the UK is also well-positioned to be able to successfully continue its business activities even in the event of less than favorable conditions.

All key financing contracts are made with Symrise AG and are not subject to British law. The company itself is included in the European cash pool and makes a positive contribution to Group financing via receivables in euros. These receivables are regularly offset against dividends, for instance, so that no material risk arises.

FUTURE CORPORATE DEVELOPMENT

For 2017, 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 around

3 % worldwide in the current year. All segments, Scent & Care, Flavor and 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 2016 and exchange rates do not change significantly from 2016, for 2017 the company once again anticipates an EBITDA margin of roughly 20 % in all segments. Without the effects from possible acquisitions, the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be somewhere between 2.5 and 2.8 in 2017. 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.

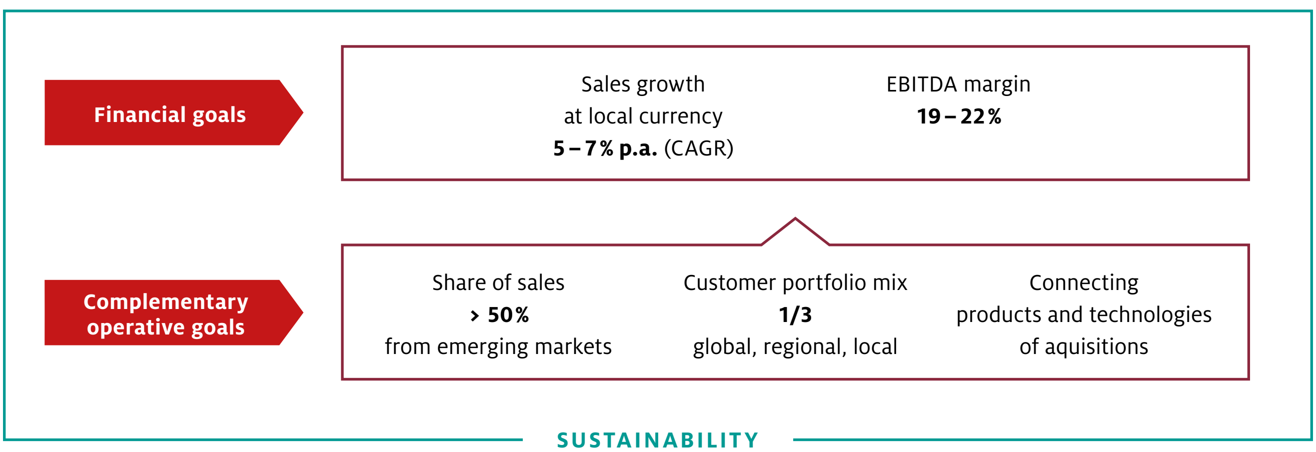
GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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
- **Portfolio:** Tapping into new markets and market segments beyond flavors and fragrances

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 sensory and terpene ingredients from the Pinova Group. 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.

LONG-TERM GOALS 2020



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 in September 2016 in connection with the appointment of the new Executive Board members.

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 23 times the average remuneration of Symrise employees in Germany and around 24 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 %.

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 2016 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 adopted by the Supervisory Board within the company. The annual variable remuneration for the 2016 calendar year will be paid out in the following year (2017) dependent on the degree of attainment on the basis of the approved financial statements for 2016.

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 2014–2016, 2015–2017 and 2016–2018, performance is measured via a share-based index composed of listed companies in the fragrance and flavor industry as well as supplier companies and companies of 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 are 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 awarded for 100 % attainment of targets amounts to € 665,000. The bonus for Achim Daub amounts to € 455,000 and € 400,000 for Olaf Klinger. Due to their midyear appointment, Dr. Jean-Yves Parisot and Heinrich Schaper will not receive any multi-year variable remuneration for 2016.

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.

For the LTIP programs 2014–2016, 2015–2017 and 2016–2018, provisions were made as of the reporting date amounting to € 977,847 (previous year: € 1,342,146) (2016 expense: € 267,701) for Dr. Bertram and € 596,631 (previous year: € 790,648) (2016 expense: € 167,276) for Mr. Daub.

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

The remuneration received by the Executive Board members Dr. Bertram, Mr. Daub and Mr. Klinger in the 2016 fiscal year correspond to those set by the resolution of the Supervisory Board on December 4, 2014 and July 10, 2015. Accordingly, 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.

In the Supervisory Board meeting on September 20, 2016, the Supervisory Board appointed Dr. Jean-Yves Parisot and Heinrich Schaper members of the Executive Board effective October 1, 2016, and resolved a pro rata remuneration based on the yearly rate of € 400,000 in fixed salary and € 300,000 in bonus in accordance with their midyear appointment.

Table of Financial Contributions in the 2016 Fiscal Year

The following table of financial contributions in the 2016 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 2016 FISCAL YEAR

	Dr. Heinz-Jürgen Bertram CEO since 2009				Olaf Klinger CFO since January 2016			
Financial Contributions €	FY 2015	FY 2016	FY 2016 (Min)	FY 2016 (Max)	FY 2015	FY 2016	FY 2016 (Min)	FY 2016 (Max)
Fixed remunerations	665,000	665,000	665,000	665,000	–	400,000	400,000	400,000
Supplementary payments*	20,150	21,013	21,013	21,013	–	21,359	21,359	21,359
Total	**685,150**	**686,013**	**686,013**	**686,013**	**–**	**421,359**	**421,359**	**421,359**
Annual variable remuneration**	570,000	570,000	0	855,000	–	300,000	0	450,000
Multi-year variable remuneration (total)***	665,000	665,000	0	1,330,000	–	400,000	0	800,000
LTIP 2015 (covering 2015 to 2017)	665,000	–	–	–	–	–	–	–
LTIP 2016 (covering 2016 to 2018)	–	665,000	0	1,330,000	–	400,000	0	800,000
Total	**1,920,150**	**1,921,013**	**686,013**	**2,871,013**	**–**	**1,121,359**	**421,359**	**1,671,359**
Service costs****	33,903	31,017	31,017	31,017	–	0	0	0
Total remuneration (DCGK)	**1,954,053**	**1,952,030**	**717,030**	**2,902,030**	**–**	**1,121,359**	**421,359**	**1,671,359**

	Achim Daub President Scent & Care since 2006				Dr. Jean-Yves Parisot President Nutrition since October 2016			
Financial Contributions €	FY 2015	FY 2016	FY 2016 (Min)	FY 2016 (Max)	FY 2015	FY 2016	FY 2016 (Min)	FY 2016 (Max)
Fixed remunerations	455,000	455,000	455,000	455,000	–	100,000	100,000	100,000
Supplementary payments*	19,980	20,610	20,610	20,610	–	5,057	5,057	5,057
Total	**474,980**	**475,610**	**475,610**	**475,610**	**–**	**105,057**	**105,057**	**105,057**
Annual variable remuneration**	390,000	390,000	0	585,000	–	75,000	0	112,500
Multi-year variable remuneration (total)***	455,000	455,000	0	910,000	–	0	0	0
LTIP 2015 (covering 2015 to 2017)	455,000	–	–	–	–	–	–	–
LTIP 2016 (covering 2016 to 2018)	–	455,000	0	910,000	–	0	0	0
Total	**1,319,980**	**1,320,610**	**475,610**	**1,970,610**	**–**	**180,057**	**105,057**	**217,557**
Service costs****	0	0	0	0	–	0	0	0
Total remuneration (DCGK)	**1,319,980**	**1,320,610**	**475,610**	**1,970,610**	**–**	**180,057**	**105,057**	**217,557**

	Heinrich Schaper President Flavor since October 2016			
Financial Contributions €	FY 2015	FY 2016	FY 2016 (min)	FY 2016 (max)
Fixed remunerations	–	100,000	100,000	100,000
Supplementary payments*	–	5,448	5,448	5,448
Total	**–**	**105,448**	**105,448**	**105,448**
Annual variable remuneration**	–	75,000	0	112,500
Multi-year variable remuneration (total)***	–	0	0	0
LTIP 2015 (covering 2015 to 2017)	–	–	–	–
LTIP 2016 (covering 2016 to 2018)	–	0	0	0
Total	**–**	**180,448**	**105,448**	**217,948**
Service costs****	–	20,471	20,471	20,471
Total remuneration (DCGK)	**–**	**200,919**	**125,919**	**238,419**

* 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 2016 (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 2016 (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 2016 Fiscal Year

The following table shows the accrual of remuneration in or for the 2016 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 for Executive Board appointments earned from previous years and paid out in the 2016 fiscal year.

ACTING EXECUTIVE BOARD MEMBERS IN THE 2016 FISCAL YEAR

Accruals	Dr. Heinz-Jürgen Bertram CEO since 2009		Olaf Klinger CFO since January 2016		Achim Daub President Scent & Care since 2006	
€	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016
Fixed remunerations	665,000	665,000	0	400,000	455,000	455,000
Supplementary payments*	20,150	21,013	0	21,359	19,980	20,610
Total	**685,150**	**686,013**	**0**	**421,359**	**474,980**	**475,610**
Annual variable remuneration**	594,681	601,578	0	324,390	397,098	397,137
Multi-year variable remuneration (total)***	632,000	643,500	0	0	361,293	367,868
LTIP 2013 (covering 2013 to 2015)	632,000	0	0	0	361,293	0
LTIP 2014 (covering 2014 to 2016)	0	643,500	0	0	0	367,868
Total	**1,911,831**	**1,931,091**	**0**	**745,749**	**1,233,371**	**1,240,615**
Service costs****	33,903	31,017	0	0	0	0
Total remuneration (DCGK)	**1,945,734**	**1,962,108**	**0**	**745,749**	**1,233,371**	**1,240,615**

Accruals	Dr. Jean-Yves Parisot President Nutrition since October 2016		Heinrich Schaper President Flavor since October 2016	
€	FY 2015	FY 2016	FY 2015	FY 2016
Fixed remunerations	0	100,000	0	100,000
Supplementary payments*	0	5,057	0	5,448
Total	**0**	**105,057**	**0**	**105,448**
Annual variable remuneration**	0	77,700	0	79,553
Multi-year variable remuneration (total)***	0	0	0	0
LTIP 2013 (covering 2013 to 2015)	0	0	0	0
LTIP 2014 (covering 2014 to 2016)	0	0	0	0
Total	**0**	**182,757**	**0**	**185,001**
Service costs****	0	0	0	20,471
Total remuneration (DCGK)	**0**	**182,757**	**0**	**205,472**

* 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)

ACTING EXECUTIVE BOARD MEMBERS IN THE 2016 FISCAL YEAR

	Fixed components		Performance-based components		
€	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					
2016	**665,000**	**21,013**	**601,578**	**643,500**	**1,931,091**
2015	665,000	20,150	594,681	632,000	1,911,831
Olaf Klinger					
2016	**400,000**	**21,359**	**324,390**	**0**	**745,749**
2015	–	–	–	–	–
Achim Daub					
2016	**455,000**	**20,610**	**397,137**	**367,868**	**1,240,615**
2015	455,000	19,980	397,098	361,293	1,233,371
Dr. Jean-Yves Parisot					
Oct. to Dec. 2016	**100,000**	**5,057**	**77,700**	**0**	**182,757**
2015	–	–	–	–	–
Heinrich Schaper					
Oct. to Dec. 2016	**100,000**	**5,488**	**79,553**	**0**	**185,041**
2015	–	–	–	–	–

* 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, 2016, for the LTIP program 2014–2016 and as of December 31, 2015, for the LTIP program 2013–2015.

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 2016, Dr. Bertram, Mr. Klinger and Mr. Schaper 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 € 336,456 (previous year: € 23,134), € 145,829 (starting date: January 1, 2016) for Mr. Klinger and € 103,488 for Mr. Schaper based on actuarial computations in 2016.

Due to their prior employment contracts with Symrise, pension commitments exist for Dr. Bertram and Mr. Schaper, which were also offered to all other employees of the former Haarmann & Reimer GmbH. For these benefit obligations, provisions of € 31,017 (previous year: € 33,903) for Dr. Betram and € 20,471 for Mr. Schaper (past service cost pursuant to IAS 19) were allocated in the 2016 fiscal year.

As of December 31, 2016, the present value of the provisions for pensions or deferred compensation obligations for Dr. Bertram amount to € 2,211,907 (previous year: € 1,741,686), € 145,829 for Mr. Klinger and € 1,054,496 for Mr. Schaper.

No provisions for pensions or deferred compensation obligations exist for Mr. Daub or Dr. Parisot.

CHANGE OF CONTROL

The employment contracts that form the basis for all 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 by the employer 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 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 termination benefits. Moreover, no termination benefits are 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 (AktG).

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.

€	Remuneration	Stipends	Total remuneration as of December 31, 2016	Total remuneration as of December 31, 2015
Dr. Thomas Rabe (Chairman)	120,000	7,500	127,500	126,000
Regina Hufnagel (Vice Chairperson)	90,000	12,000	102,000	98,500
Dr. Michael Becker	90,000	10,500	100,500	98,500
Ursula Buck (from May 11, 2016)	40,000	6,500	46,500	0
Harald Feist	60,000	10,000	70,000	66,000
Horst-Otto Gerberding	60,000	7,500	67,500	66,000
Dr. Peter Grafoner (until May 11, 2016)	25,000	3,000	28,000	68,500
Jeanette Härtling (from May 11, 2016)	40,000	4,000	44,000	0
Christiane Jarke (until May 11, 2016)	25,000	2,500	27,500	63,500
André Kirchhoff (from May 11, 2016)	40,000	4,000	44,000	0
Gerd Lösing (until May 11, 2016)	25,000	2,000	27,000	65,000
Prof. Dr. Andrea Pfeifer	60,000	6,000	66,000	65,000
Dr. Winfried Steeger	60,000	10,500	70,500	68,500
Helmut Tacke (until May 11, 2016)	25,000	2,000	27,000	67,500
Dr. Ludwig Tumbrink (from May 11, 2016)	40,000	4,000	44,000	0
Peter Winkelmann	60,000	11,500	71,500	68,500
	860,000	**103,500**	**963,500**	**921,500**

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 (AktG). 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 German Stock Corporation Act (AktG). Amendments to the articles of incorporation are based on Sections 133 and 179 of the German Stock Corporation Act (AktG).

- 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 million 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 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 (AktG).

  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 (AktG) 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 (AktG).

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 termination benefits 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 (HGB).

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 for the 2016 Fiscal Year

T€	2015	2016 Normalized	Special influences*	2016
Sales	2,601,730	2,903,187	0	2,903,187
Cost of goods sold	– 1,490,141	– 1,706,944	– 10,774	– 1,717,718
Gross profit	**1,111,589**	**1,196,243**	**– 10,774**	**1,185,469**
Selling and marketing expenses	– 426,912	– 466,530	– 2,261	– 468,791
Research and development expenses	– 169,640	– 185,980	– 172	– 186,152
Administration expenses	– 148,484	– 149,502	– 8,990	– 158,492
Other operating income	32,818	31,568	3,522	35,090
Other operating expenses	– 4,159	– 2,475	0	– 2,475
Income from operations/EBIT	**395,212**	**423,322**	**– 18,674**	**404,649**
Financial income	4,541	4,186		4,186
Financial expenses	– 48,860	– 47,835	– 2,224	– 50,059
Financial result	**– 44,319**	**– 43,649**	**– 2,224**	**– 45,873**
Earnings before income taxes	**350,893**	**379,673**	**– 20,898**	**358,776**
Income taxes	– 98,504	– 105,263	7,741	– 97,522
Net income	**252,389**	**274,411**	**– 13,157**	**261,254**
of which attributable to shareholders of Symrise AG	246,778	265,867	– 13,157	252,710
of which attributable to non-controlling interests	5,611	8,544	0	8,544
Earnings per share (€)				
- diluted and basic	1.90	2.05		1.95

* One-time effects include the one-time non-recurring specific influences from transaction and integration costs as well as one-time valuation effects related to the Pinova acquisition. Furthermore, the amortization on an investment is contained in financial expenses. The special Influences have an impact on the Scent & Care segment in the amount of T€ 18,674 and T€ 2,224 on the Nutrition segment.

Consolidated Financial Statements

January 1 to December 31, 2016

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Consolidated Income Statement – January 1 to December 31, 2016

T€	Notes	2015	2016
Sales	4	2,601,730	2,903,187
Cost of goods sold	5	– 1,490,141	– 1,717,718
Gross profit		**1,111,589**	**1,185,469**
Selling and marketing expenses	7	– 426,912	– 468,791
Research and development expenses	8	– 169,640	– 186,152
Administration expenses	9	– 148,484	– 158,492
Other operating income	10	32,818	35,090
Other operating expenses		– 4,159	– 2,475
Income from operations/EBIT		**395,212**	**404,649**
Financial income		4,541	4,186
Financial expenses		– 48,860	– 50,059
Financial result	**11**	**– 44,319**	**– 45,873**
Earnings before income taxes		**350,893**	**358,776**
Income taxes	12	– 98,504	– 97,522
Net income		**252,389**	**261,254**
of which attributable to shareholders of Symrise AG		246,778	252,710
of which attributable to non-controlling interests		5,611	8,544
Earnings per share (€) diluted and basic	14	1,90	1,95

Consolidated Statement of Comprehensive Income

T€	Notes	2015	2016
Net income		**252,389**	**261,254**
of which attributable to shareholders of Symrise AG		246,778	252,710
of which attributable to non-controlling interests		5,611	8,544
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		– 16,747	– 3,813
Gains/losses from net investments		– 10,619	5,679
Reclassification to the consolidated income statement		– 1,554	1,878
Financial assets available for sale			
Change in fair value of financial assets available for sale		– 74	5
Cash flow hedge (currency hedges)	34		
Gains/losses recorded during the fiscal year		– 1,815	– 1,553
Reclassification against goodwill		0	507
Reclassification to the consolidated income statement		1,832	882
Income taxes payable on these components		3,526	– 2,830
Items that will not be reclassified to the consolidated income statement			
Remeasurement of defined benefit pension plans and similar obligations	32	46,471	– 63,869
Income taxes payable on these components	12	– 13,789	18,625
Other comprehensive income		**7,231**	**– 44,489**
Total comprehensive income		**259,620**	**216,765**
of which attributable to shareholders of Symrise AG		253,838	207,895
of which attributable to non-controlling interests		5,782	8,870

Consolidated Statement of Financial Position

T€	Notes	December 31, 2015	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	15	278,178	301,648
Trade receivables	16	461,505	528,298
Inventories	17	531,446	680,431
Other assets and receivables	18	74,027	71,797
Financial assets	19	9,088	29,147
Income tax assets		23,252	23,567
		1,377,496	**1,634,888**
Non-current assets			
Intangible assets	20	2,005,489	2,113,200
Property, plant and equipment	21	690,135	857,378
Other assets and receivables	22	16,808	19,001
Financial assets	23	15,694	23,575
Investments in associated companies		0	2,000
Deferred tax assets	24	78,210	102,805
		2,806,336	**3,117,959**
TOTAL ASSETS		**4,183,832**	**4,752,847**

Consolidated Statement of Financial Position

T€	Notes	December 31, 2015	December 31, 2016
LIABILITIES			
Current liabilities			
Trade payables	25	234,702	254,383
Borrowings	26	35,995	536,336
Other liabilities	27	152,223	153,276
Other provisions	28	7,064	14,394
Other financial liabilities	29	5,573	11,968
Income tax liabilities	30	65,869	57,553
		501,426	**1,027,910**
Non-current liabilities			
Borrowings	26	1,373,260	1,213,545
Other liabilities		5,180	6,932
Other provisions	31	22,208	22,462
Provisions for pensions and similar obligations	32	444,652	522,552
Other financial liabilities	33	7,094	11,349
Deferred tax liabilities	24	227,848	203,956
Income tax liabilities		13,929	11,967
		2,094,171	**1,992,763**
TOTAL LIABILITIES		**2,595,597**	**3,020,673**
EQUITY	34		
Share capital		129,813	129,813
Capital reserve		1,375,957	1,375,957
Reserve for remeasurements (pensions)		– 136,389	– 181,633
Cumulative translation differences		– 62,707	– 62,520
Accumulated profit		259,210	408,111
Other reserves		2,448	2,316
Symrise AG shareholders' equity		**1,568,332**	**1,672,044**
Non-controlling interests	35	19,903	60,130
TOTAL EQUITY		**1,588,235**	**1,732,174**
LIABILITIES AND EQUITY		**4,183,832**	**4,752,847**

Consolidated Statement of Cash Flows

T€	Notes	2015	2016
Net income		**252,389**	**261,254**
Income taxes	12	98,504	97,522
Interest result	11	44,458	49,362
Amortization, depreciation and impairment of non-current assets	20, 21	176,969	201,903
Increase in non-current liabilities		9,032	347
Changes in non-current assets		14,664	– 2,944
Other non-cash expenses and income		1,091	– 13,398
Cash flow before working capital changes		**597,107**	**594,046**
Increase in trade receivables and other current assets		– 66,800	– 51,117
Increase in inventories		– 49,333	– 88,043
Increase in trade payables and other current liabilities		31,919	4,158
Income taxes paid		– 137,714	– 120,273
Cash flow from operating activities		**375,179**	**338,771**
Payments for business combinations plus acquired cash and cash equivalents, contingent purchase price components as well as investments in associates	37	– 36,063	– 261,870
Payments received from the sale of a subsidiary minus cash sold	37	11,566	114,049
Payments for investing in intangible assets		– 14,507	– 12,696
Payments for investing in property, plant and equipment		– 118,208	– 152,920
Payments for investing in non-current financial assets		– 821	– 593
Proceeds from the disposal of non-current assets		6,648	2,990
Cash flow from investing activities		**– 151,385**	**– 311,040**
Proceeds from (+)/redemption of (–) bank borrowings		– 155,437	– 43,779
Proceeds from (+)/redemption of (–) other borrowings		177,399	162,306
Interest paid		– 32,602	– 39,640
Interest received		43	1,242
Dividends paid	37	– 100,717	– 108,118
Acquisition of non-controlling interests		– 2,841	0
Payments from minority interests from capital increases after transaction costs and taxes	37	0	30,664
Payments for finance lease liabilities		– 1,175	– 921
Cash flow from financing activities		**– 115,330**	**1,754**
Net change in cash and cash equivalents		108,464	29,485
Effects of changes in exchange rates		– 29,514	– 6,015
Total changes		**78,950**	**23,470**
Cash and cash equivalents as of January 1		199,228	278,178
Cash and cash equivalents as of December 31	15	**278,178**	**301,648**

The consolidated statement of cash flows is explained in note 37.

Consolidated Statement of Changes in Equity

T€	Share capital	Capital reserve	Reserve for remeasurements (pensions)	Cumulative translation differences	Accumulated profit	Other reserves	Total Symrise AG shareholders' 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**

T€	Share capital	Capital reserve	Reserve for remeasurements (pensions)	Cumulative translation differences	Accumulated profit	Other reserves	Total Symrise AG shareholders' equity	Non-controlling interests	Total equity
January 1, 2016	**129,813**	**1,375,957**	**– 136,389**	**– 62,707**	**259,210**	**2,448**	**1,568,332**	**19,903**	**1,588,235**
Net income	0	0	0	0	252,710	0	**252,710**	8,544	**261,254**
Other comprehensive income	0	0	– 45,244	561	0	– 132	**– 44,815**	326	**– 44,489**
Total comprehensive income	**0**	**0**	**– 45,244**	**561**	**252,710**	**– 132**	**207,895**	**8,870**	**216,765**
Business combinations	0	0	0	0	0	0	**0**	2,750	**2,750**
Deconsolidation	0	0	0	0	1,878	0	**1,878**	0	**1,878**
Dividends paid	0	0	0	0	– 103,850	0	**– 103,850**	– 4,268	**– 108,118**
Changes in subsidiary shareholdings	0	0	0	– 374	– 1,837	0	**– 2,211**	2,211	**0**
Increase of minority interests from capital increases	0	0	0	0	0	0	**0**	30,664	**30,664**
Transactions with owners of the company	**0**	**0**	**0**	**– 374**	**– 103,809**	**0**	**– 104,183**	**31,357**	**– 72,826**
December 31, 2016	**129,813**	**1,375,957**	**– 181,633**	**– 62,520**	**408,111**	**2,316**	**1,672,044**	**60,130**	**1,732,174**

Equity developments are explained in note 34.

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, and is registered in the commercial register of the District Court of Hildesheim under registration number HRB 200436. 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, 2016, were, by resolution of the Executive Board, submitted to the Supervisory Board’s Auditing Committee for review on March 8, 2017, 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, 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 2016 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:

- The **"Amendments to IAS 7 – Disclosure Initiative"** have the objective of improving information provided about changes to a company's liabilities. With these amendments, a company must provide disclosures on changes in financial liabilities that involve payments made and received that are recognized in the statement of cash flows under cash flow from financing activities. Corresponding financial assets are also to be included in the disclosures (for example, assets held to hedge financial liabilities). Changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes are to be disclosed. The IASB proposes that the disclosures be presented in a reconciliation between the opening and closing balances in the statement of financial position but allows for other forms of presentation. The amendments are to become mandatory, subject to their adoption into EU law, for fiscal years starting on or after January 1, 2017, though earlier application is permitted. To comply with the new disclosure requirements, we intend to present a reconciliation of the opening and closing balances for changes in liabilities related to financing activities.

- The **"Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses"** clarify the recognition of deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments are to become mandatory, subject to their adoption into EU law, for fiscal years starting on or after January 1, 2017, though earlier application is permitted. Currently, we do not expect this adjustment to have a material impact on the consolidated financial statements.

- **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. The standard also contains new requirements on the application of hedge accounting. IFRS 9 was endorsed into EU law with the directive (EU) 2016/2067 from November 22, 2016, and is to be applied for the first time in fiscal years that begin on or after January 1, 2018. Early application is permitted. Symrise plans to apply the standard for the first time in the fiscal year starting on January 1, 2018.

  The precise effects of the initial application on the consolidated financial statements for the 2018 fiscal year cannot be determined nor reliably estimated as of today, since they will depend on which financial instruments are being held at the end of this reporting period, what the economic environment is and how accounting options and decisions will be made in the future.

  Symrise has already started assessing the effects of the initial application of IFRS 9 based on current accounted transactions. The assessment has so far been based on the information available to us within the Group and can change in the course of further analysis or future supplemental information.

  Based on the current information, we expect that the changes arising from the standard in classification and measurement as well as future hedge accounting will have no material impact on the consolidated financial statements of Symrise AG:

a) Classification and Measurement

IFRS 9 contains a new classification of and measurement for financial assets. Classification depends on both the company's business model for managing financial assets (business model characteristics) on the one hand and the contractual characteristics of the cash flows relating to the financial assets (cash flow characteristics) on the other hand. IFRS 9 uses the following measurement categories to classify financial assets: measured at amortized cost, measured at fair value through profit or loss (FVTPL) and measured at fair value through other comprehensive income (FVOCI). These replace the existing measurement categories from IAS 39.

By contrast, all the accounting provisions for financial liabilities contained in IAS 39 have been adopted into IFRS 9 without amendment. The only amendment implemented in IFRS 9 for financial liabilities relates to liabilities that are classified in the category "at fair value through profit or loss" (FVTPL) using the fair value option. Currently, there are no financial liabilities in the Symrise Group for which the fair value option is being applied.

Based on the current assessment results regarding the impact of IFRS 9 on the Symrise Group, we do not think that the new classification provisions would have had a material impact if they had been applied to the existing transactions as of December 31, 2016.

b) Impairment

The new impairment model in IFRS 9 is replacing the previous incurred loss model from IAS 39. The new impairment requirements focus more strongly on the future with their expected loss model. The model is applied to financial assets measured at amortized cost or at fair value through other comprehensive income as well as to contract assets pursuant to IFRS 15. It is not applied to equity instruments measured at fair value through other comprehensive income.

Symrise plans to apply the simplified approach for determining loss allowances on trade receivables, as laid out in IFRS 9. Due to the short terms and high quality of our trade receivables, we expect that the impact from implementing the new loss allowance model will be relatively minor.

c) Hedge Accounting

Due to the yet to be completed developments regarding the requirements on macro hedging, there is a one-time accounting option for the initial application of IFRS 9 to hedging relationships that allows for applying the requirements from IAS 39 instead of IFRS 9 until further notice. Symrise is currently planning to apply the new requirements specified in IFRS 9.

With the requirements on accounting hedging relationships, IFRS 9 aims to more strongly link hedge accounting with a company's risk management. Additionally, limitations such as the necessary effectiveness range of 80 to 125 % from IAS 39 have been dropped. The existence of the qualifying criteria previously named in IAS 39 remains, however, a requirement for accounting hedging relationships.

The hedging transactions designated in hedge accounting at the end of the reporting period would also fulfill the qualifying criteria for hedge accounting pursuant to IFRS 9. Certain value components of hedging instruments are to be measured more precisely with IFRS 9. The resulting changes are still being assessed. We do not expect any material effects.

Furthermore, IFRS 9 requires comprehensive new disclosures, particularly on the recognition of hedging transactions and credit risk. The analysis for determining how reporting will need to be expanded has not yet been completed. Regarding the transitional provisions defined in IFRS 9, we have not made any decisions beyond the ones mentioned here.

- **IFRS 15 "Revenue from Contracts with Customers"** will regulate the recognition of sales and replace IAS 11 "Construction Contracts" and IAS 18 "Revenue." IFRS 15 was endorsed into EU law with the directive (EU) 2016/1905 from September 22, 2016, and is to be applied for the first time in fiscal years that begin on or after January 1, 2018. Early application is permitted. Symrise plans to apply the standard for the first time in the fiscal year starting on January 1, 2018. The decision on which of the available transitional methods and simplifications will be used has not yet been made.

  Sales revenue is currently recognized in the moment when the opportunities and risks associated with ownership of the merchandise or products sold have been transferred to the buyer. That is to say, sales are recognized when it is probable that the economic benefit from the transaction will be attributed to Symrise and Symrise has no remaining ownership or effective control. Pursuant to IFRS 15, sales should generally be recognized when the customer obtains control of the goods/services being transferred. At Symrise, this is generally the moment of transfer of risk that is contractually specified with the customer in the INCOTERMs (International Commercial Terms).

  According to IFRS 15, sales revenue from the transfer of the stipulated goods or services is represented with the amount corresponding to the transaction price that the company will presumably receive for the delivered goods or services performed. 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 sales and cash flows.

  Symrise completed an initial assessment of the possible effects of implementing IFRS 15:

  Based on the analysis so far, we do not expect any material impact on overall sales recognized. Defined benefit obligations that are satisfied over time do not currently exist at Symrise. At this time, we also do not expect any material changes from the other diverse topics covered by IFRS 15, such as the treatment of costs to obtain or fulfill a contract, the right of return or customer loyalty programs.

  Based on the information we currently have available on existing transactions, we do not expect the application of IFRS 15 to have a material impact on the consolidated financial statements of Symrise other than the addition of some quantitative and qualitative disclosures in the notes. Nonetheless, we are continuing our project started last year of analyzing possible impacts in detail.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** addresses a question regarding the application of IAS 21. It clarifies what date is to be used to determine the exchange rate to use for advance considerations received or paid in foreign currencies. Essential for determining the exchange rate for the asset, income or expense in question is the date of the initial recognition of the asset resulting from the advance consideration or the date of the resulting liability. The interpretation is to be applied, subject to its endorsement into EU law, in fiscal years that start on or after January 1, 2018. Earlier application is permitted. We do not expect this to have a material impact on the consolidated financial statements.

- **IFRS 16 "Leases"** replaces IAS 17 and its corresponding interpretations and introduces a unified accounting model where leases are generally to be recognized in the lessee's statement of financial position. Accounting for the lessor is substantially unchanged from the current standard. Since Symrise is not currently engaged as a lessor, the impacts of IFRS 16 on lessors will not be covered here. IFRS 16 is applicable to fiscal years beginning on or after January 1, 2019. Earlier application is permitted under the prerequisite of simultaneous application of IFRS 15 "Revenue from Contracts with Customers." Subject to a corresponding EU endorsement, Symrise will apply the standard for the first time for the fiscal year starting on January 1, 2019.

  With IFRS 16, accounting for lessees is based on a right-of-use model. According to this, a lease exists when a contract stipulates the right to control the use of an identified asset for a specific period in exchange for a consideration. In such cases, the lessee is to recognize in the statement of financial position right-of-use assets for the leased property and liabilities for the payment obligations received. Furthermore, there is an accounting option where short-term leases with a total term of twelve months or less and leases with low-value assets, which having a new value of no more than USD 5,000, are exempt from the right-of-use method. Low-value assets are the subject of leases that, when viewed individually, are not material to the business activities of the company. When utilizing this accounting option, the lease agreement is accounted for using effectively the same regulations as under IAS 17 (Operating Leases). Furthermore, more comprehensive qualitative and quantitative disclosures will also be required in the future.

  We have started an initial analysis of the possible impact on Symrise's consolidated financial statements:

  For all operating leases, new assets and liabilities are to be recognized with the exception of the simplification rules named. Additionally, the type of expenses that are connected with these lease agreements will change since IFRS 16 replaces linear expenses for operating leases with the separate presentation of both a depreciation charge for right-of-use assets and the interest expense on the lease liability. Currently, no material impacts are expected for the Group's finance lease agreements. In IFRS 16, special transitional provisions have been defined for the standard's initial application to preexisting lease agreements as well as for the transitional application of IFRS 16 (retrospectively or retrospectively with the modification of regulations for an optional practical expedient). We have not yet made a decision regarding their use. We cannot yet determine the impacts of applying IFRS 16 to the assets and liabilities recognized. Without being able to make specific quantitative disclosures at the moment, it is clear that new assets and liabilities will, at initial application, significantly increase balance sheet total and therefore reduce the equity ratio. The quantitative impacts depend on the transitional method selected, the extent to which the regulations for the practical expedient and exemptions for recognition are applied, and all additional leases that the Group will enter into among other things.

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 endorse 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, AND 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 flows. 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 judgment is 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 amortizations 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 judgment is 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 tax.

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 diminished. 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 expenses deriving from defined benefit pension plans and the obligation to provide additional post-employment healthcare 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 and 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 the valuation 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 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 Principles Determining the Inclusion of Subsidiaries and Associated Companies in the Consolidated Financial Statements and Scope of Consolidation

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 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 exceeds 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 associated companies 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 associated company 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 associated company 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 associated companies 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 associated company 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.

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 2016 fiscal year, the scope of consolidation developed as follows:

	December 31, 2015	Additions	Disposals	December 31, 2016
Fully consolidated subsidiaries				
Domestic	10	–	–	10
Foreign	82	13	7	88
Associated companies				
Foreign	1	1	–	2
Total	**93**	**14**	**7**	**100**

The following companies were founded in the 2016 fiscal year:

- Symrise Parsian (Iran),
- Probi US, Inc. (USA),
- Diana Food Canada Inc. (Canada),
- Symrise Flavors & Fragrances (Nantong) Co. Ltd. (China) and
- SPF (Chuzhou) Pet Food Co. Ltd. (China).

Within the framework of business combinations, another six subsidiaries were added. For further details, please continue reading this section. Furthermore, we included two previously inactive companies to our consolidated subsidiaries.

The addition to associated companies accounted for using the equity method resulted from the acquisition of 26.28 % of the shares in the French company Octopepper SAS via the French subsidiary Spécialités Pet Food SAS on March 18, 2016.

The following mergers occurred during the 2016 fiscal year:

- Confoco USA International Ltd. into Diana Natural Inc. (both USA),
- DianaPlantScience Inc. and Diana Aquasea Inc. into Diana US Inc. (all USA),
- Diana Naturals Chile Ltda. into Diana Naturals Chile SpA (both Chile) and
- Pinova Holdings Inc. and Renessenz LLC into Symrise Inc. (all USA).

The US company Pinova Inc. was sold effective December 9, 2016. See details below.

Due to these changes, the number of consolidated companies has increased to 98 and the number of associated companies to two companies.

Business Combinations

PINOVA GROUP

The transaction was described in the previous consolidated financial statements in the notes under note 51 (Events After the Reporting Period). The following merely shows the changes from the previous description.

The final transaction amount comes to USD 412.4 million. Of that, the unchanged amount of USD 235.0 million goes to the redemption of borrowings acquired in the form of bank and shareholder loans. The remaining USD 177.4 million represents the purchase price in the sense of IFRS 3. The payment to be made at the beginning of January 2016 consisted of an underlying component, which was adjusted on the acquisition date by contractually fixed items in the statement of financial position. At the time of payment, preliminary figures underlaid the amount. Based on the now final figures, the purchase price was reduced by USD 3.1 million. This amount was offset by the payments due at the beginning of July 2016 and in the first quarter of 2017 from the fiduciary account totaling USD 20.0 million. As of the end of the reporting period on December 31, 2016, an outstanding payment of USD 8.5 million remains.

The acquired assets and liabilities including contingent liabilities are recognized at the following fair values:

TUSD	Recognized fair value as of the acquisition date
Cash and cash equivalents	1,859
Trade receivables	41,947
Inventories	98,311
Intangible assets	109,513
Property, plant and equipment	134,839
Other assets	1,208
Borrowings	– 235,030
Trade payables	– 27,561
Other liabilities	– 8,284
Deferred tax liabilities	– 14,396
Acquired net assets	**102,406**
Consideration transferred for acquiring the interests	**177,413**
Goodwill	**75,007**

The purchase price allocation for this transaction was finalized at the beginning of December 2016. The preliminary fair values at the acquisition date, which were recognized in the interim report on June 30, for intangible assets (USD – 17.5 million) and the corresponding deferred tax liabilities (USD 6.9 million) have changed. More exact information on business development that had already taken place by the acquisition date but that was not yet fully known to us as of June 30, 2016, made adjustments necessary. All other fair values remain unchanged from their presentation in the interim report.

Obligations from existing supply contracts of USD 1.1 million are recognized in other liabilities. The goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group. Of the recognized goodwill, none is likely to be deductible for tax purposes.

From the acquisition date, the group contributed € 208.3 million to sales and € – 7.5 million to consolidated net income. This consolidated net income is negatively impacted by a one-time expense of USD 4.7 million (€ 4.2 million) and is recognized in the cost of goods sold. As part of the purchase price allocation, the purchased inventories were recognized at their sale price minus any outstanding expenses for completion. Because these purchased inventories were processed and sold as end products before June 30, 2016, this appreciation was completely recognized in the first half of the year together with the other material and production costs through profit or loss.

In the Scent & Care segment, one-time, non-recurring ancillary acquisition costs related to acquisition and integration and totaling € 17.9 million were recognized in 2016 in the operating result (cost of goods sold: € 6.5 million, selling and marketing expenses: € 2.2 million, research and development expenses: € 0.2 million, administration expenses: € 9.0 million).

SCELTA UMAMI GROUP

The transaction was described in the previous consolidated financial statements in the notes under note 51 (Events After the Reporting Period). The following merely shows the changes from the previous description. The purchase price allocation for the purchase of 60 % of the shares in the Dutch company Scelta Umami Holding BV, which is the parent of the operating company Scelta Umami BV, was finalized at the end of June 2016.

The assets and liabilities acquired, as well as the portion that is attributable to non-controlling interests, are recognized at the following fair values:

T€	Recognized fair value as of the acquisition date
Cash and cash equivalents	298
Trade receivables	346
Inventories	930
Intangible assets	7,008
Property, plant and equipment	1,616
Other assets	48
Borrowings	– 1,155
Trade payables	– 282
Other liabilities	– 183
Deferred tax liabilities	– 1,751
Net assets	**6,875**
Non-controlling interests	– 2,750
Acquired net assets	**4,125**
Consideration transferred for acquiring the interests	**8,243**
Goodwill	**4,118**

The goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group. Of the recognized goodwill, none is likely to be deductible for tax purposes.

No notable transaction costs were incurred for this acquisition in 2016. The contributions of the acquired business to Group sales and consolidated net income for the period since the acquisition date (January 6, 2016) were negligible.

NUTRA CANADA INC.

With the contract signing on May 12, 2016, Diana Food Canada Inc. (Canada) a subsidiary of Diana Naturals SAS (France) finalized a purchase contract on the acquisition of all shares in Nutra Canada Inc. (Canada). The closing of this transaction and the acquisition of control occurred on the same day. Nutra Canada Inc. specializes in fruit and plant extracts from natural ingredients such as cranberries or spinach. The company produces, supplies and markets dry powders and plant extracts and thereby supplements the portfolio of natural, health-promoting substances in the Consumer Health unit in the Nutrition segment. With the exception of an installment of CAD 0.6 million that is to be kept for a term of 18 months in a fiduciary account, the purchase price of CAD 6.3 million, which amounts to € 4.3 million, was to be paid in cash.

The purchase price allocation for this transaction was finalized at the beginning of December 2016. The preliminary fair values at the acquisition date recognized in the interim report from June 30 as carrying amounts were replaced with the finalized fair values as of the acquisition date:

TCAD	Recognized fair value as of acquisition date
Cash and cash equivalents	174
Trade receivables	613
Inventories	1,225
Intangible assets	5,966
Property, plant and equipment	4,957
Other assets	646
Borrowings	– 5,544
Trade payables	– 502
Other liabilities	– 2,974
Deferred tax liabilities	– 1,498
Net assets	**3,063**
Consideration transferred for acquiring the interests	**6,252**
Goodwill	**3,189**

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. Of the recognized goodwill, none is likely to be deductible for tax purposes.

No notable ancillary acquisition costs were incurred for this acquisition in 2016. The contributions of the acquired business to Group sales and consolidated net income for the period since the acquisition date were negligible.

NUTRACEUTIX

Effective October 3, 2016 (closing), Probi US, Inc. (hereinafter: Probi) acquired the business operations of the company previously known as Nutraceutix from TnTGamble Inc. (USA) via an asset deal. Nutraceutix has two locations, in Washington state and Colorado, USA, and is one of the largest producers and suppliers of probiotics in North America with both domestic and international customers (end customers and B2B customers). The acquisition provides significantly expanded capacities and an improved market presence to Probi while facilitating its growth. Furthermore, Probi now has access to important new technologies and thereby contributes to future value creation in the Nutrition segment.

The purchase price consists of an underlying component of USD 105.0 million that was to be adjusted to contractually stipulated figures in the statement of financial position as of the acquisition date. At the closing, preliminary figures underlay the amount (USD 106.5 million or € 95.3 million). With the exception of an installment of USD 5.3 million that is to be kept for 18 months in a fiduciary account, the amount was to be paid in cash.

The fair value of the assets and liabilities obtained 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:

TUSD	Carrying amount as of the acquisition date
Trade receivables	5,124
Inventories	6,605
Intangible assets	4,081
Property, plant and equipment	4,306
Other assets	228
Other liabilities	– 1,500
Net assets	**18,844**
Consideration transferred for acquiring the interests	**106,452**
Goodwill (provisional)	**87,608**

There were no trade receivables at the time of acquisition that were classified as unrecoverable. The goodwill, which is tax deductible according to local tax provisions, results from synergy and earning potentials that are expected from the integration of the operating business into the Probi Group and therefore the Symrise Group. The first-time recognition of this acquisition should be viewed as preliminary and is based on estimates, which are subject to post-processing, in order to take facts and conditions that already existed as of the acquisition date into consideration.

For this acquisition, ancillary acquisition costs of € 1.7 million are included in administration expenses for 2016. From the acquisition date, Nutraceutix contributed € 7.6 million to sales and € – 0.4 million to consolidated net income.

Under the assumption that the purchase of Nutraceutix had taken place as of January 1, 2016, it would have contributed € 2,925.9 million to Group sales and € 256.7 million to consolidated net income. In the case of the Pinova Group, we did not disclose the pro-forma figures for Group sales and the consolidated net income for the period under the assumption that all 2016 acquisitions had already taken place on January 1, 2016, due to the temporal proximity between January 1, 2016, and the date of control (January 7, 2016). The same is true for the acquisition of the Scelta Group (January 6, 2016). The effects from the acquisition of Nutra Canada were not significant and are therefore not included in this presentation.

Business Disposal

PINOVA INC.

The US company Pinova Inc. was sold to DRT effective December 9, 2016. The purchase price consists of two components: the amount due at closing in cash based on an underlying component of USD 150.0 million, which is adjusted on the sale date by contractually fixed items in the statement of financial position. Initially, provisional values underlay the purchase price. This resulted in a preliminary purchase price of USD 140.5 million. 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. A partial payment of USD 10.0 million has been paid into a fiduciary account for a term lasting at the latest until 2018. The payment of this partial amount will be reduced for any possible purchase price reductions resulting from the final purchase price adjustment and any possible claims for damages.

Pursuant to the provisions of IFRS 5, the assets and liabilities of this company were to be classified as a disposal group held for sale from the date when the sale was highly likely (October 28, 2016) until its actual sale. The measurement provisions 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
Cash and cash equivalents	3,363
Trade receivables	13,802
Inventories	37,004
Intangible assets (without goodwill)	60,073
Property, plant and equipment	37,212
Other assets	218
Trade payables	– 14,838
Deferred tax liabilities	– 27,832
Other liabilities	– 1,293
Proportional disposal of goodwill	13,299
Equity transferred	**121,008**
Sale price	126,408
Income from disposal	**5,400**

The company was assigned to the Scent & Care segment. The goodwill contained in the carrying amount of the division sold (€ 13.3 million) was determined based on the relative value of the division sold and the portion of the cash-generating unit retained. Alongside the resulting deconsolidation income of € 5.4 million, accrued exchange rate differences from translation (losses) of € 1.9 million were recognized in other comprehensive income, which were to be reclassified in the income statement. The offset result of € 3.5 million is recognized within other operating income (see note 10).

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 Group companies conduct their business independently for financial, commercial and organizational purposes, the functional currency is generally the local currency or, in exceptional cases, the US Dollar. 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 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, 2015	December 31, 2016	2015	2016
Brazil	Brazilian Real	BRL	4.314	3.437	3.699	3.855
China	Chinese Renminbi	CNY	7.073	7.325	6.912	7.347
UK	British Pound	GBP	0.735	0.859	0.726	0.820
Mexico	Mexican Peso	MXN	18.923	21.842	17.622	20.678
Singapore	Singapore Dollar	SGD	1.540	1.526	1.526	1.528
USA	US Dollar	USD	1.089	1.056	1.110	1.107

ACCOUNTING PRACTICES IN COUNTRIES WITH HYPERINFLATION

The financial statements of foreign subsidiaries whose functional currency is one of a country with hyperinflation 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 recognized 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 recognized 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.

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 finance costs and the principal portion of the remaining obligation, which is determined according to the effective interest method. The leased asset is depreciated on a straight-line basis over its assumed useful life or the term of the lease, whichever is shorter.

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

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 in other comprehensive income in equity or directly in equity.

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 in the case that 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.

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 reorganization 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 costs 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, 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	5–25 years
Trademarks	6–40 years
Customer base	6–15 years
Patents and other rights	1–40 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 EXPENSES

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 occurs 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	3–33 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, loans receivable 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 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 lease agreements. 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 through other comprehensive income or in the income statement.

Financial assets are derecognized if the contractual rights regarding payments from financial assets no longer exist 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 and trade payables already recognized in the statement of financial position as well as 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 resulting from 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 though some 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.

If Symrise initiates the hedging measure with the economic goal of acquiring business operations, then this counts as non-financial circumstances. Upon conclusion of the acquisition, the valuation effects that have been accruing in other comprehensive income up to this point are offset against goodwill.

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 (AfS) are non-derivative financial instruments that were designated as available for sale or that 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 the 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 to net income occurs at the time of disposal. If the fair value of financial assets available for sale falls below acquisition 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 that 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 are identified as relating to corresponding disposal groups, 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, the manufacturing cost or the conversion cost and any 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 cost of completion or any necessary selling and marketing expenses.

Raw materials are measured at cost using the weighted average procurement cost. Finished goods, work in progress and services are measured using the cost 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 whose terms 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 the 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 as the yield at the end of the reporting period on high-quality corporate bonds that have maturity dates that approximate to 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 computation 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. If the plan assets exceed the corresponding obligation from pensions, the excess amount would be recognized in other receivables pursuant to the asset ceiling provision in IAS 19.

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, the return on plan assets excluding amounts included in net interest, and effects in the case of an asset ceiling. 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. 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.

IMPAIRMENTS

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 financial expert responsible.

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 exist that one or more events could have 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 no longer 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 not 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 must not be reversed in future periods. Within the Symrise Group, two segments (Scent & Care and Flavor & Nutrition) were previously defined as cash-generating units. Following the expansion of the Executive Board with one member responsible for Flavor and another one for Nutrition as of October 1, 2016, the segment structure was changed from the previous two cash-generating units to three separate segments and cash-generating units: Scent & Care, Flavor and Nutrition. The goodwill previously designated to the segment Flavor & Nutrition has been re-designated pursuant to the provisions of IAS 36.87 by applying a relative value approach to the two now separate cash-generating units Flavor and Nutrition.

Symrise normally carries out its annual impairment test for goodwill on September 30. Due to the disposal of Pinova Inc., whose business was allocated to the cash-generating unit Scent & Care, the impairment test for this cash-generating unit was performed instead on November 30, 2016, for this year's annual financial statements. The closing of the sale of Pinova Inc. was on December 9, 2016 (see note 2.4). For the sake of simplicity and in view of materiality, we deconsolidated the company as of November 30, 2016. The goodwill from this company, which was to be considered in determining the income from the disposal, was measured pursuant to IAS 36.86 based on the relative value of the division sold and the unit that was retained. The impairment test for the cash-generating unit Scent & Care was performed directly subsequent to this deconsolidation. Insofar as no special events arise in the course of 2017, the impairment test for Scent & Care will be performed as usual on September 30 for next year's annual financial statement.

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 2017 to 2020. 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 average capital cost factor after tax of 7.03 % for Scent & Care, 6.86 % for Flavor and 6.86 % for Nutrition (2015: 7.97 % for Scent & Care and 7.89 % 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 is 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 input factors for determining the fair value are classified in three levels pursuant to IFRS 13:

- Input factors of Level 1 are (unadjusted) quoted prices for identical assets or liabilities in active markets that the company can access at the measurement date.
- Input factors 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.
- Input factors 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 day of measurement 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 similar 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.

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. Following the expansion of the Executive Board with one member responsible for Flavor and one for Nutrition, the number of reporting segments has increased to three. The organization of the three segments, Scent & Care, Flavor and Nutrition, is based on our products. The presentation of the results from the previous year was accordingly adjusted for the segments.

SCENT & CARE

The Scent & Care segment develops, produces and sells fragrance ingredients and compositions, cosmetic ingredients 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

The Flavor segment develops, produces and sells flavors and functional ingredients used in the production of foods (savory and sweet foods as well as milk products), beverages and health products.

NUTRITION

Alongside functional ingredients, the Nutrition segment develops, produces and sells tailored solutions from natural raw materials. These are found in foods and beverages, pet foods, 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 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 reporting in the Symrise Group is based on the IFRS accounting principles detailed in note 2.

Transactions are only conducted between the 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 three segments to third parties and thus their sum equals consolidated sales of the Symrise Group.

The revenue and expenditure of the Symrise Group's central units and functions are completely included in the three segments Scent & Care, Flavor and Nutrition 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

2015 T€	Scent & Care	Flavor	Nutrition	Segment total = Group total
External sales	1,073,681	980,203	547,846	**2,601,730**
Cost of goods sold	– 604,691	– 532,761	– 352,689	**– 1,490,141**
Gross profit	**468,990**	**447,442**	**195,157**	**1,111,589**
Selling and marketing expenses	– 164,422	– 166,733	– 95,757	**– 426,912**
Research and development expenses	– 78,641	– 65,676	– 25,323	**– 169,640**
Administration expenses	– 50,649	– 52,474	– 45,361	**– 148,484**
Other operating income	7,719	8,339	16,760	**32,818**
Other operating expenses	– 788	– 2,146	– 1,225	**– 4,159**
Income from operations/EBIT	**182,209**	**168,752**	**44,251**	**395,212**
Amortization and impairment of intangible assets	26,453	19,358	55,397	**101,208**
Depreciation and impairment of property, plant and equipment	22,569	30,813	22,379	**75,761**
EBITDA	**231,231**	**218,923**	**122,027**	**572,181**
Financial result				**– 44,319**
Earnings before income taxes				**350,893**
Income taxes				**– 98,504**
Net income				**252,389**
Other segment information				
Investments[1])				
Intangible assets	9,092	5,405	3,956	**18,453**
Property, plant and equipment	47,151	52,349	29,895	**129,395**

1) Excluding additions related to the scope of consolidation

2016 T€	Scent & Care	Flavor	Nutrition	Segment total = Group total
External sales	1,311,302	1,015,856	576,029	**2,903,187**
Cost of goods sold	– 813,294	– 545,611	– 358,813	**– 1,717,718**
Gross profit	**498,008**	**470,245**	**217,216**	**1,185,469**
Selling and marketing expenses	– 194,761	– 176,070	– 97,960	**– 468,791**
Research and development expenses	– 89,730	– 65,953	– 30,469	**– 186,152**
Administration expenses	– 58,961	– 51,212	– 48,319	**– 158,492**
Other operating income	11,783	7,355	15,952	**35,090**
Other operating expenses	– 631	– 1,480	– 364	**– 2,475**
Income from operations/EBIT	**165,708**	**182,885**	**56,056**	**404,649**
Amortization and impairment of intangible assets	35,620	20,112	56,485	**112,217**
Depreciation and impairment of property, plant and equipment	37,758	30,809	21,119	**89,686**
EBITDA	**239,086**	**233,806**	**133,660**	**606,552**
Financial result				**– 45,873**
Earnings before income taxes				**358,776**
Income taxes				**– 97,522**
Net income				**261,254**
Other segment information				
Investments[1])				
Intangible assets	10,460	2,967	3,261	**16,688**
Property, plant and equipment	61,151	55,586	34,353	**151,090**

1) Without additions from business combinations; for further information please see note 2.4.

No single customer accounted for more than 10 % of Group sales either in the reporting year or previous year.

RESULT BY REGION

2015

T€	EAME	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[1]					2,712,432
Domestic					1,346,711
Foreign					1,365,721
Investments[2]					
Intangible assets	16,743	699	462	549	18,453
Property, plant and equipment	70,504	26,314	15,168	17,409	129,395

1) Excluding financial instruments and deferred tax assets
2) Without additions from business combinations

2016

T€	EAME	North America	Asia/Pacific	Latin America	Total
Sales					
Sales by region (point of delivery)	1,198,347	732,261	622,566	350,013	2,903,187
Domestic					262,038
Foreign					2,641,149
Other segment information					
Non-current assets[1]					2,991,579
Domestic					1,162,770
Foreign					1,828,809
Investments[2]					
Intangible assets	15,710	338	447	193	16,688
Property, plant and equipment	67,050	39,808	29,216	15,016	151,090

1) Excluding financial instruments and deferred tax assets
2) Without additions from business combinations; for further information please see note 2.4.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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. COSTS OF GOODS SOLD

Cost of goods sold mainly consists 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€	2015	2016
Wages and salaries	– 416,682	– 468,529
Social security expenses	– 87,728	– 96,710
Pension expenses (excluding interest expenses)	– 17,472	– 15,032
Termination benefits	– 2,955	– 6,690
Multi-year performance-based remuneration	– 1,523	– 473
Total	**– 526,360**	**– 587,434**

The rise in wages and salaries as well as social security expenses compared to the previous year is primarily due to the increase in employees stemming from acquisitions. Social security expenses include social security contributions that the organization is required to make by law. These include defined contribution plan benefits of € 19.3 million (2015: € 17.2 million).

The termination benefits relate especially to the reorganization of Scent & Care's Fragrance division and the integration of the Pinova Group.

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:

Full-time equivalents (FTE)	2015	2016
Manufacturing and technology	3,935	4,150
Sales and marketing	1,805	2,052
Research and development	1,503	1,564
Administration	643	736
Service units	387	395
Number of employees	**8,273**	**8,897**
Apprentices and trainees	137	135
Total	**8,410**	**9,032**

7. SELLING AND MARKETING EXPENSES

Selling and marketing expenses from the period mainly include expenses for advertising and customer service as well as distribution and storage for finished products. They also contain transportation 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, in particular, due to the expenses of the acquired Pinova Group being recognized in the consolidated income statement for the first time in the 2016 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 largely due to more intensive research and development projects being performed around the world. 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 of € 10.0 million is mostly due to transaction and integration costs relating to the Pinova Group acquisition.

10. OTHER OPERATING INCOME

T€	2015	2016
Income from the reversal of provisions and liabilities	5,294	8,933
Income from government subsidies	8,267	7,838
Income from service units	4,659	5,120
Deconsolidation income from the disposal of Pinova Inc.	0	3,522
Income from sidelines	3,810	3,209
Income from the reversal of impairment on receivables	1,970	1,391
Miscellaneous other income	8,818	5,077
Total	**32,818**	**35,090**

Income from the reversal of provisions and 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 28 and 31.

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

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

For more information on the deconsolidation income from the disposal of Pinova Inc., please refer to note 2.4.

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

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

11. FINANCIAL RESULT

T€	2015	2016
Interest income from bank deposits	3,807	2,772
Other interest income	456	1,213
Interest income	**4,263**	**3,985**
Other financial income	278	201
Financial income	**4,541**	**4,186**
Interest expenses from bank borrowings	– 5,232	– 4,520
Interest expenses from other borrowings	– 27,986	– 35,716
Other interest expenses	– 15,503	– 13,111
Interest expenses	**– 48,721**	**– 53,347**
Foreign currency gains/losses	1,552	8,843
Other financial expenses	– 1,691	– 5,555
Financial expenses	**– 48,860**	**– 50,059**
Financial result	**– 44,319**	**– 45,873**
of which interest result	– 44,458	– 49,362
of which other financial result	139	3,489

Interest expenses for liabilities from the Eurobonds, the US private placement and the promissory note loan are recognized under the interest expenses from other borrowings. Other interest expenses mainly comprise the compounding of provisions for pensions amounting to € 11.2 million (2015: € 9.7 million).

Other financial expenses from the reporting year contain an impairment loss on an investment amounting to € 2.2 million.

12. INCOME TAXES

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

T€	2015	2016
Current income taxes	**– 121,655**	**– 115,377**
Deferred tax expense/income from losses carried forward	– 6,745	– 16,598
Deferred tax expense/income from temporary differences	29,896	34,453
Deferred tax expense/income	**23,151**	**17,855**
Income taxes	**– 98,504**	**– 97,522**

Income taxes in the reporting year decreased by € 1.0 million to € 97.5 million. The tax rate decreased slightly from the previous year, amounting to 27.2 % (2015: 28.1 %).

The reduction of income taxes by € 6.3 million to € 115.4 million as well as the change to deferred tax income resulted mainly from the acquisition of the Pinova Group and corresponding ongoing depreciation and amortization from the purchase price allocation as well as the addition of tax deductible losses carried forward from the Pinova acquisition. These tax losses carried forward could already be used in the reporting year on a pro rata basis and led to a reduction in current income taxes and an increase in deferred taxes from losses carried forward. Also, the deferred tax income from the previous year was significantly impacted by the repayment of an internal borrowing in USD and the corresponding currency valuation.

DERIVATION OF THE EFFECTIVE TAX RATE

Income taxes disclosed in the reporting year, amounting to € 97.5 million (2015: € 98.5 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€	2015	2016
Earnings before income taxes	**350,893**	**358,776**
Expected tax expense at local tax rates	– 97,281	– 87,034
Tax effect from previous periods	– 7,992	– 13,590
Tax effect from tax-free income	20,307	19,855
Tax effect from non-deductible expenses and taxable income	– 7,834	– 16,522
Non-recoverable withholding tax	– 3,419	– 4,252
Tax effect from value adjustments to deferred tax assets	– 2,371	– 491
Tax effect from change in tax rate	– 273	6,034
Other tax effects	359	– 1,522
Income tax expense	**– 98,504**	**– 97,522**

The resulting theoretical expected tax expense decreased compared to the previous year. This mainly resulted from the relatively high profit shares in countries with lower nominal tax rates.

Tax effects from previous years resulted primarily from adjustments related to ongoing tax audits and the consideration of effects from continuing risk assessment.

The tax effect from non-deductible expenses and the taxable income mainly resulted from commercial tax additions in Germany as well as non-deductible interest expenses from the Diana Group. Another key effect stemmed from the sale of the shares in Pinova Inc. and the resulting taxable income from the disposal as well as from foreign dividends received, as 5 % of the dividend income in Germany is notionally treated as non-deductible operating expenses.

The slight increase of the tax effect from non-recoverable withholding taxes relates to a change in distributions of foreign dividends.

The effect of value adjustments to deferred tax assets resulted from the impairment of deferred tax assets for companies within the Diana Group that are not expected to be used in the future.

The increase in the line item tax effect from change in tax rate resulted in particular from the remeasurement of deferred taxes in France due to the reduction of the tax rate, which becomes effective January 1, 2019.

The proposed dividend for the 2016 fiscal year (see note 34) 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.

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

	2015			2016		
T€	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	– 28,920	3,477	– 25,443	3,744	– 2,872	872
Financial assets available for sale	– 74	21	– 53	5	0	5
Cash flow hedge (currency hedges)	17	33	50	– 164	45	– 119
Remeasurement of defined benefit pension plans	46,471	– 13,757	32,714	– 63,869	18,625	– 45,244
Change in tax rate	0	– 37	– 37	0	– 3	– 3
Other comprehensive income	**17,494**	**– 10,263**	**7,231**	**– 60,284**	**15,795**	**– 44,489**
of which current taxes		465			– 893	
of which deferred taxes		– 10,728			16,688	

13. AMORTIZATION AND DEPRECIATION

Amortization of intangible assets and depreciation of property, plant and equipment are shown 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.

	2015	2016
Consolidated net income attributable to shareholders of Symrise AG (T€)	246,778	252,710
Weighted average number of ordinary shares (shares)	129,812,574	129,812,574
Earnings per share (€)	**1.90**	**1.95**

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

T€	December 31, 2015	December 31, 2016
Cash	187,099	193,801
Cash equivalents	91,079	107,847
Total	**278,178**	**301,648**

In the course of selling Pinova Inc. in December 2016 (see note 2.4), higher cash equivalents were available over the year end, which were placed in an interest-generating term deposit.

16. TRADE RECEIVABLES

T€	December 31, 2015	December 31, 2016
Trade receivables	475,206	547,303
Allowance	– 13,701	– 19,005
Total	**461,505**	**528,298**

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

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

T€	2015	2016
Carrying amount (gross)	**475,206**	**547,303**
Not overdue and no allowance set up	404,337	452,024
Overdue with partial allowance set up	57,851	68,719
Overdue for 1–30 days	34,716	39,242
Overdue for 31–90 days	10,119	12,846
Overdue for 91–360 days	4,964	6,989
Overdue for more than 1 year	8,052	9,642
Not overdue but with a partial allowance set up	13,018	26,560
Specific allowance set up	**– 13,701**	**– 19,005**
Specific bad debt allowance	– 7,013	– 10,646
General bad debt allowance	– 6,688	– 8,359
Total	**461,505**	**528,298**

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€	2015	2016
January 1	**12,068**	**13,701**
Changes to the scope of consolidation	– 277	27
Allowances set up	7,580	7,127
Utilized in the reporting year	– 2,935	– 1,103
Reversals	– 1,970	– 1,391
Exchange rate differences	– 765	644
December 31	**13,701**	**19,005**

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 writeoffs are disclosed under selling and marketing expenses.

17. INVENTORIES

T€	December 31, 2015	December 31, 2016
Raw materials	187,356	259,204
Unfinished products	146,707	199,000
Finished products	222,205	250,560
Impairment losses	– 24,822	– 28,333
Total	**531,446**	**680,431**

The cost of goods sold include material costs without currency translation effects amounting to € 1,207.2 million (2015: € 1,076.2 million).

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

18. OTHER CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2015	December 31, 2016
Other taxes	37,855	33,027
Other prepayments	19,957	22,684
Receivables from research grants	13,394	12,405
Miscellaneous other assets	2,821	3,681
Total	**74,027**	**71,797**

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.

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, 2015	December 31, 2016
Financial assets (available for sale)	837	9,006
Fiduciary account balances	3,672	8,686
Right of recourse	1,816	3,776
Purchase price receivables from business disposal (see note 2.4)	0	2,367
Other financial assets	2,763	5,312
Total	**9,088**	**29,147**

Fiduciary account balances were deposited for purchase price obligations from business combinations that have yet to be paid and will become due in the near future.

The right of recourse was stipulated with the seller during the business combination with the Diana Group in 2014 and ensures repayment for any possible financial risks. Part of this right of recourse is recognized in non-current financial assets.

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, 2015	**1,133,178**	**706,543**	**808,852**	**19,532**	**8,844**	**2,676,949**
Additions from business combinations	12,154	1,041	15,553	0	0	**28,748**
Disposals of subsidiaries	0	0	– 7,811	– 80	– 7	**– 7,898**
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**
Disposals of subsidiaries	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.
2) Other intangible assets mainly contain customer bases, trademarks, software, patents and other rights, as well as 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, 2016	**1,169,426**	**722,508**	**837,147**	**21,285**	**10,530**	**2,760,896**
Additions from business combinations	153,729	24,929	91,986	1,949	101	**272,694**
Disposals of subsidiaries	– 13,299	– 22,189	– 40,291	– 1,906	0	**– 77,685**
Additions from acquisitions	0	0	4,794	0	10,237	**15,031**
Additions from internal development	0	0	0	1,657	0	**1,657**
Disposals	0	0	– 2,283	0	– 102	**– 2,385**
Transfers	0	0	3,487	433	– 3,920	**0**
Exchange rate differences	9,142	4,490	295	– 222	24	**13,729**
December 31, 2016	**1,318,998**	**729,738**	**895,135**	**23,196**	**16,870**	**2,983,937**
Accumulated amortization and impairment losses						
January 1, 2016	**– 45,035**	**– 508,146**	**– 185,956**	**– 16,270**	**0**	**– 755,407**
Additions from business combinations	0	0	– 3,453	0	0	**– 3,453**
Disposals of subsidiaries	0	1,490	2,681	142	0	**4,313**
Scheduled amortization for the fiscal year	0	– 35,450	– 73,952	– 1,648	0	**– 111,050**
Impairment	0	0	0	– 1,167	0	**– 1,167**
Disposals	0	0	1,558	0	0	**1,558**
Exchange rate differences	– 1,080	– 3,750	– 751	50	0	**– 5,531**
December 31, 2016	**– 46,115**	**– 545,856**	**– 259,873**	**– 18,893**	**0**	**– 870,737**
Carrying amounts						
January 1, 2016	1,124,391	214,362	651,191	5,015	10,530	**2,005,489**
December 31, 2016	**1,272,883**	**183,882**	**635,262**	**4,303**	**16,870**	**2,113,200**
of which finance leases	0	0	1,821	0	0	**1,821**

1) Recipes mainly consist of production recipes and technologies.
2) Other intangible assets mainly contain customer bases, trademarks, software, patents and other rights, as well as own IT developments.

Regarding the additions from business combinations and the disposals from business disposals, please refer to note 2.4. The additions from acquisitions mostly relate to advance payments for rights, to software, primarily SAP applications, and to the registration of chemicals according to the European chemicals directive (REACH).

Capitalized development costs, including those currently in progress, amounted to € 4.2 million as of the end of the reporting period (December 31, 2015: € 5.4 million).

The amortization of recipes is allocated to production and is therefore included in the cost of goods sold. Amortization on customer bases and trademark rights are recognized in selling and marketing expenses while amortization on other intangible assets are allocated to the corresponding functional areas in the consolidated income statement.

GOODWILL ACCORDING TO SEGMENT

T€	December 31, 2015	December 31, 2016
Scent & Care	186,322	245,488
Flavor & Nutrition	938,069	–
Flavor [1]	–	539,932
Nutrition [1]	–	487,463
Total	**1,124,391**	**1,272,883**

1) The Flavor & Nutrition segment was split in the reporting year; for further details please see notes 2.5 and 3.

21. PROPERTY, PLANT AND EQUIPMENT

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**
Additions from business combinations	0	0	29	0	**29**
Disposals of subsidiaries	– 11,108	– 11,041	– 725	– 64	**– 22,938**
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**
Disposals of subsidiaries	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**

T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2016	**476,988**	**616,459**	**211,040**	**91,708**	**1,396,195**
Additions from business combinations	26,436	105,644	1,362	7,338	**140,780**
Disposals from business disposals	– 9,335	– 23,346	– 1,374	– 6,022	**– 40,077**
Other additions	4,877	17,200	16,199	112,814	**151,090**
Disposals	– 1,890	– 7,830	– 6,086	– 585	**– 16,391**
Transfers	18,891	45,626	12,391	– 76,908	**0**
Exchange rate differences	5,510	10,039	4,628	1,834	**22,011**
December 31, 2016	**521,477**	**763,792**	**238,160**	**130,179**	**1,653,608**
Accumulated depreciation and impairment losses					
January 1, 2016	**– 195,083**	**– 370,711**	**– 139,996**	**– 270**	**– 706,060**
Additions from business combinations	– 564	– 6,974	– 301	0	**– 7,839**
Disposals from business disposals	507	2,124	234	0	**2,865**
Scheduled depreciation for the fiscal year	– 18,954	– 51,222	– 18,207	0	**– 88,383**
Impairment	0	– 605	– 698	0	**– 1,303**
Disposals	1,553	6,835	5,818	270	**14,476**
Transfers	26	– 2	– 24	0	**0**
Exchange rate differences	– 2,030	– 5,291	– 2,665	0	**– 9,986**
December 31, 2016	**– 214,545**	**– 425,846**	**– 155,839**	**0**	**– 796,230**
Carrying amounts					
January 1, 2016	281,905	245,748	71,044	91,438	**690,135**
December 31, 2016	**306,932**	**337,946**	**82,321**	**130,179**	**857,378**
of which finance leases	5,917	1,759	31	0	**7,707**

Regarding the additions from business combinations and the disposals of subsidiaries, please refer to note 2.4.

The other additions result primarily from capacity expansions in spray drying as well as in perfumery and chemical production. In addition, investments were made for a new research and development center in Singapore. Additions contain capitalized borrowing costs amounting to € 0.7 million. The underlying capitalization rate amounts to 2.71 % (December 31, 2015: 2.59 %).

22. OTHER NON-CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2015	December 31, 2016
Receivables from research grants	11,782	12,159
Prepayments	3,171	5,373
Miscellaneous other assets	1,855	1,469
Total	**16,808**	**19,001**

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.

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.

23. NON-CURRENT FINANCIAL ASSETS

T€	December 31, 2015	December 31, 2016
Purchase price receivables from business disposal (see note 2.4)	0	7,102
Right of recourse (see note 19)	7,794	5,832
Fiduciary account balances (see note 19)	0	4,972
Financial assets (available for sale)	5,548	3,291
Other financial assets	2,352	2,378
Total	**15,694**	**23,575**

24. DEFERRED TAX ASSETS/LIABILITIES

	December 31, 2015			December 31, 2016		
T€	Tax assets	Tax liabilities	Income (+)/ Expenses (–)	Tax assets	Tax liabilities	Income (+)/ Expenses (–)
Intangible assets	10,525	237,410	16,212	3,409	219,981	25,787
Property, plant and equipment	9,197	62,900	– 5,295	9,204	72,423	– 1,134
Financial assets	1,162	7	250	1,157	8	– 6
Inventories	16,978	264	3,308	18,108	313	1,081
Trade receivables, prepayments and other assets	4,200	8,708	2,742	4,089	17,011	– 5,543
Provisions for pensions	65,823	0	2,859	85,782	0	1,725
Other provisions and other liabilities	36,316	10,089	11,620	41,621	2,851	12,543
Interests in subsidiaries	0	3,700	– 1,800	0	3,700	0
Losses carried forward	29,239	0	– 6,745	51,766	0	– 16,598
Sub-total	**173,440**	**323,078**	**23,151**	**215,136**	**316,287**	**17,855**
Offsetting	– 95,230	– 95,230		– 112,331	– 112,331	
Total	**78,210**	**227,848**	**23,151**	**102,805**	**203,956**	**17,855**

Deferred tax income amounted to € 17.9 million in 2016 in contrast to a deferred tax income of € 23.2 million in 2015.

The change to deferred tax income primarily resulted from the expansion to the scope of consolidation.

The change to deferred tax income regarding intangible assets relates, among other things, to ongoing depreciation and amortization from the purchase price allocation for the acquisition of the Pinova Group in January 2016. Furthermore, the remeasurement of deferred taxes in France due to the reduction of the tax rate starting January 1, 2019, positively influenced tax income.

Also, the change to deferred tax income regarding property, plant and equipment is linked to the acquisition of the Pinova Group.

Deferred tax income from the previous year relating to trade receivables, prepayments and other assets was influenced by the repayment of an internal borrowing in US Dollar and the corresponding currency valuation.

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

Deferred tax expenses relating to losses carried forward were influenced by the acquisition of the Pinova Group. The acquisition resulted in the addition of tax-deductible losses carried forward in the US. These losses carried forward could already be offset on a pro rata basis in 2016 against the taxable disposal profits from the sale of Pinova Inc.

Overall, corporation tax losses carried forward amounted to € 176.6 million (December 31, 2015: € 99.7 million) as of the end of the reporting period. Of the corporation tax losses, € 0.6 million are subject to time limits. The increased use of tax losses carried forward compared with the previous year led to an increase in deferred tax expenses.

The use of tax losses carried forward and therefore the measurement of the corresponding deferred tax assets are substantiated through tax planning. The change in the nonrecognition of deferred tax assets amounts to € 0.5 million (December 31, 2015: € 2.4 million) as of the end of the reporting period.

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 40 %.

Currency translation effects are contained in the deferred tax assets and deferred tax liabilities and amount to € 2.9 million in the reporting year (December 31, 2015: € 3.5 million).

Pursuant to IAS 12 (Income Taxes), deferred tax liabilities are to be recognized on the difference between a subsidiary's proportional equity as recognized in the consolidated statement of financial position and the carrying amount of the investment in the subsidiary as recognized in the parent's tax accounts if realization is to be expected (this amount is known as an outside-basis difference). The cause of these differences is mainly undistributed profits from domestic and foreign subsidiaries.

No deferred tax liabilities were recognized on these temporary differences of € 223.0 million in 2016 and € 180.0 million in 2015 since they will be reinvested for indefinite periods or are not subject to taxation. In the case of distributions from subsidiaries, these were subject to a dividend tax of 5 %. Distributions from foreign countries could trigger withholding taxes. As of December 31, 2016, deferred tax liabilities from shares in subsidiaries were recognized for planned dividend distributions of € 3.7 million (December 31, 2015: € 3.7 million).

25. TRADE PAYABLES

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

26. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2015			December 31, 2016		
T€	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	25,616	231,736	**257,352**	227,085	45,683	**272,768**
Other borrowings	1,822	1,140,625	**1,142,447**	300,404	1,167,650	**1,468,054**
Accrued interest	8,557	899	**9,456**	8,847	212	**9,059**
Total	**35,995**	**1,373,260**	**1,409,255**	**536,336**	**1,213,545**	**1,749,881**

The obligations from the term loans, the loan from the European Investment Bank (hereafter: EIB), the loan from the Kreditanstalt für Wiederaufbau (hereafter: KfW) 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.

Current bank borrowings mainly contain the two term loans due in 2017 as well as the components of the EIB and KfW borrowings that are due in 2017. It also contains components from the revolving credit facility due in the short term. A term loan was included in non-current bank borrowings in the previous year and was reclassified to current bank borrowings in the reporting year. The second term loan has a term of one year and was added in 2016.

The line item other current financial liabilities relates particularly to the Eurobond 2010 that was reclassified to current financial liabilities and is due in 2017. Other non-current financial liabilities mainly comprise the US private placement 2010, the components of the borrowings from the EIB and KfW due in the long term, the Eurobond 2014, the promissory note loan as well as the local liabilities of the Diana companies and contain carrying amounts in foreign currencies (USD, CAD) totaling € 211.1 million (December 31, 2015: € 220.3 million).

The increase in financial liabilities primarily resulted from the continued payment of the promissory note loan (carrying amount as of December 31, 2016: € 498.4 million; December 31, 2015: € 177.7 million).

Of current bank borrowings from the revolving credit facility, a nominal value of € 5.0 million (December 31, 2015: € 5.0 million) relates to loans utilized this fiscal year under the terms of a revolving credit facility for € 300.0 million that is available to the Group until May 22, 2021. In addition to the credit line mentioned, other bilateral credit lines exist with various banks to cover short-term payment requirements. Accordingly, as of December 31, 2016, Symrise had unutilized lines of credit available, totaling € 345.4 million (December 31, 2015: € 312.1 million).

In April 2016, Symrise used the extension option for the revolving credit line and extended it by one year through May 2021. Its value remains € 300.0 million, and it has a term of five years. However, Symrise has the option of extending the term for an additional year and increasing its value to € 500.0 million.

As part of the revolving credit facility, the KfW loan, the term loan, the US private placement and the EIB loan, Symrise has entered into an obligation to keep the relationship between net debt and EBITDAN (leverage covenant, see note 36) within defined limits. This ratio is reviewed on a quarterly basis for compliance and was consistently observed as in the previous year.

	Maturity date	Nominal interest rate		Nominal amount in issue currency (T)	Carrying amount in T€ 12/31/2015	Carrying amount in T€ 12/31/2016
Symrise AG						
Eurobond 2014	July 2019	1.75 %	fixed	500,000 EUR	496,033	497,143
Eurobond 2010	October 2017	4.13 %	fixed	300,000 EUR	298,880	299,487
US private placement	November 2020	4.09 %	fixed	175,000 USD	160,455	165,546
Term loan	July 2017	0.73 %	Euribor + 0.65 %	120,000 EUR	169,762	119,913
Term loan 2016	August 2017	0.50 %	fixed	60,000 EUR	–	60,000
Promissory note loan (5Y)	December 2020	0.91 %	fixed	122,500 EUR	12,441	122,117
Promissory note loan (5Y)	December 2020	0.70 %	Euribor + 0.7 %	38,500 EUR	2,985	38,378
Promissory note loan (7Y)	December 2022	1.34 %	fixed	224,000 EUR	101,516	223,253
Promissory note loan (7Y)	December 2022	0.85 %	Euribor + 0.85 %	37,500 EUR	10,947	37,373
Promissory note loan (10Y)	December 2025	1.96 %	fixed	67,500 EUR	40,805	67,264
Promissory note loan (10Y)	December 2025	1.10 %	Euribor + 1.1 %	10,000 EUR	8,958	9,965
EIB loan	April 2020	2.59 %	fixed	57,273 USD	67,606	54,236
KfW loan	September 2019	1.45 %	fixed	9,218 EUR	12,570	9,218
Revolving credit facility EUR	May 2021	0.45 %	Euribor + 0.45 %	5,000 EUR	3,814	4,047
Ecuaprotein SA, Ecuador						
Shareholder loan	September 2020	5.00 %	fixed	3,988 USD	3,758	3,777
Term loan	December 2017	8.41 %	fixed	687 USD	375	650
Aquasea Costa Rica, Costa Rica						
Shareholder loan	December 2020	5.00 %	fixed	3,595 USD	3,301	–
Symrise C.A., Venezuela						
Term loan	October 2016	23.90 %	fixed	596,000 VEF	2,754	–
DianaNova SAS, France						
Promotional loan	December 2016	0.00 %	fixed	783 EUR	783	–
Diana Naturals SAS, France						
Promotional loan	December 2024	0.00 %	fixed	679 EUR	679	–
Symrise Private Limited, India						
Term loan	December 2017	9.95 %	fixed	25,000 INR	347	–
Spécialités Pet food SAS, France						
Promotional loan	January 2017	0.00 %	fixed	75 EUR	300	75
Promotional loan	June 2025	0.00 %	fixed	100 EUR	100	100
Kerisper SAS, France						
Promotional loan	December 2024	0.00 %	fixed	440 EUR	440	–
Diana US Inc., USA						
Promotional loan	June 2019	0.00 %	fixed	1,595 USD	–	1,511

(Continuation from page 108)	Maturity date	Nominal interest rate		Nominal amount in issue currency (T)	Carrying amount in T€ 12/31/2015	Carrying amount in T€ 12/31/2016
Scelta Umami Holding BV, Netherlands						
Term loan	September 2029	5.50%	fixed	792 EUR	–	792
Nutra Canada Inc., Canada						
Promotional loan	April 2023	0.00%	fixed	2,839 CAD	–	1,996
Probi AB, Sweden						
Revolving credit facility USD	June 2019	2.25%	Libor + 1.40%	25,000 USD	–	23,593
Other current financial liabilities	–	–	–	–	190	388
Accrued interest	–	–	–	–	9,456	9,059
Total					**1,409,255**	**1,749,881**

27. OTHER CURRENT LIABILITIES

T€	December 31, 2015	December 31, 2016
Employee-related liabilities	71,987	78,382
Liabilities to customers	20,033	21,638
Other taxes	23,010	20,838
Taxes on wages/salaries, social security contributions and other social benefits	15,998	15,049
Insurance premiums	1,926	3,035
Miscellaneous other liabilities	19,269	14,334
Total	**152,223**	**153,276**

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.

Liabilities to customers contain accruals for rebates and bonuses as well as credits to customers.

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

28. OTHER CURRENT PROVISIONS

T€	Termination benefits	Other personnel provisions	Miscellaneous other provisions	Total
January 1, 2016	**662**	**2,580**	**3,822**	**7,064**
Change to the scope of consolidation	– 66	0	0	– 66
Increases	3,433	3,463	2,540	9,436
Reversals	– 188	0	– 1,022	– 1,210
Utilized	– 134	– 2,269	– 1,805	– 4,208
Transfers	0	2,809	0	2,809
Exchange rate differences	80	414	75	569
December 31, 2016	**3,787**	**6,997**	**3,610**	**14,394**

The additions to the provisions for termination benefits primarily relate to the reorganization of Scent & Care's Fragrance division and the integration of the Pinova Group.

Other personnel provisions were recognized primarily for possible social security obligations in Latin America, for jubilee obligations and for performance-based remuneration.

Miscellaneous other provisions do not contain any material items, which is why a separate disclosure 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 2017 at the very latest.

29. OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities primarily contain the purchase price obligations from the acquisitions performed in 2016 that are due in 2017 (€ 8.4 million). It also contains financial liabilities from finance lease contracts (€ 1.4 million; December 31, 2015: € 0.7 million).

30. 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 and the USA. For additional information, please see note 12.

31. OTHER NON-CURRENT PROVISIONS

T€	Jubilee	Restoration obligations	Reorganization	Litigations	Miscellaneous other provisions	Total
January 1, 2016	**9,926**	**3,519**	**2,400**	**1,352**	**5,011**	**22,208**
Changes to the scope of consolidation	0	0	0	0	837	**837**
Increases	893	0	0	341	559	**1,793**
Reversals	– 3	0	0	– 255	– 1,171	**– 1,429**
Transfers	– 811	0	0	0	– 1,998	**– 2,809**
Interest expenses	997	16	65	64	218	**1,360**
Exchange rate differences	1	98	0	363	40	**502**
December 31, 2016	**11,003**	**3,633**	**2,465**	**1,865**	**3,496**	**22,462**

The jubilee obligations were discounted using an interest rate of 1.6 % in the fiscal year compared to 2.4 % 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 reorganizing measures in China.

The provisions for litigation exist for pending proceedings in Latin America. All of these legal disputes are minor and will have no significant influence on Symrise AG's economic situation.

Provisions for performance-based remuneration, which were approved for the Executive Board and select employees, are part of other miscellaneous provisions, which also contain various immaterial items that are not separately disclosed.

32. 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 healthcare benefits to its employees. Retirement benefits and healthcare 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 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 % up to 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 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.

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 December 31, 2010. The employee contribution and the 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 additional 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 have been 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 been 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). It stipulates the minimum financing level, which is based on an annual measurement. Plan participants do not make payments into the plan assets.

The net defined benefit liability recognized 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€	2015	2016	2015	2016	2015	2016
January 1	**515,580**	**486,554**	**– 41,277**	**– 41,902**	**474,303**	**444,652**
Changes to the scope of consolidation	**– 1,023**	**–**	**–**	**–**	**– 1,023**	**–**
Recognized in income statement						
Current service cost	17,576	15,032	–	–	17,576	15,032
Past service cost	– 104	–	–	–	– 104	–
Interest expense (+)/interest income (–)	11,321	12,652	– 1,595	– 1,417	9,726	11,235
Recognized in other comprehensive income						
Remeasurements						
Actuarial gains/losses						
arising from changes in demographic assumptions	– 4,112	1,068	–	–	– 4,112	1,068
arising from changes in financial assumptions	– 44,088	59,169	–	–	– 44,088	59,169
arising from experience-based adjustments	– 211	4,459	–	–	– 211	4,459
Return on plan assets (excluding amounts included in net interest)	–	–	1,940	– 1,446	1,940	– 1,446
Effect of asset ceiling	–	–	–	619	–	619
Exchange rate differences	7,172	2,032	– 4,657	– 1,486	2,515	546
Other						
Employer contributions	–	–	– 512	– 548	– 512	– 548
Benefits paid	– 15,557	– 14,541	4,199	2,307	– 11,358	– 12,234
December 31	**486,554**	**566,425**	**– 41,902**	**– 43,873**	**444,652**	**522,552**
of which pension plans	474,321	553,776	– 41,902	– 43,873	432,419	509,903
of which post-employment healthcare benefits	12,233	12,649	–	–	12,233	12,649

As of the end of the reporting year, the entire present value of the defined benefit obligation contains T€ 323,955 for active employees (December 31, 2015: T€ 270,870), T€ 50,658 for former employees with vested claim entitlements (December 31, 2015: T€ 45,034) and T€ 191,812 for retirees and their surviving dependents (December 31, 2015: T€ 170,650). From this entire present value of the defined benefit obligation, T€ 554,420 (December 31, 2015: T€ 471,224) is allocated to vested claim entitlements, and the remaining T€ 12,005 (December 31, 2015: T€ 15,330) relates to unvested claims.

The average weighted term for the present value of the defined benefit obligation from defined benefit plans amounts to a total of 19.5 years (December 31, 2015: 21.3 years). It breaks down with 23.6 years for active employees, 22.5 years for former employees with vested claim entitlements and 14.0 years for retirees and their surviving 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€ 61,090 (December 31, 2015: T€ 54,383) 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€ 43,873 (December 31, 2015: T€ 41,902) are mainly used for provisions for pensions in the USA (T€ 38,070; December 31, 2015: T€ 36,517) and are invested in what is known as 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€ 5,517; December 31, 2015: T€ 5,151) and India (T€ 286; December 31, 2015: T€ 234). 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 2016 – the prices of which were also derivable from active markets. It exceeds the net defined benefit liability and was limited to the asset ceiling. 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€ 2,863 (2015: T€ –345). In 2017, Symrise expects contribution payments of T€ 141 (expectation in 2015 for 2016: T€ 98) into the plan assets.

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

T€	2015	2016
EAME	414,406	488,089
North America	24,178	29,106
Latin America	4,546	4,056
Asia/Pacific	1,522	1,301
Total	**444,652**	**522,552**

The actuarial measurements are based on the following assumptions:

%	2015	2016
Discount rate		
Germany	2.40	1.60
USA	4.21	4.02
Other countries	2.60	2.11
Salary trends		
Germany	2.25	2.25
Other countries	3.49	2.99
Pension trends		
Germany	1.75	1.50
Other countries	2.02	2.01
Medical cost trend rate		
USA	7.20	7.20
Other countries	9.00	8.25

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. 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, 2016, 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€	2015	2016	2015	2016
Discount rate	– 83,237	– 98,788	108,418	130,645
Salary trends	14,466	15,749	– 12,487	– 14,507
Pension trends	58,965	70,573	– 49,115	– 58,545
Medical cost trend rate	1,483	1,624	– 1,219	– 1,334

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. A 10.0 % increase to the mortality rate results in a reduction of the present value of the defined benefit obligation by T€ 21,236 (December 31, 2015: T€ 18,775). In comparison, a 10.0 % reduction results in an increase of the present value of the defined benefit obligation by T€ 23,604 (December 31, 2015: T€ 20,616).

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€	2015	2016	2015	2016
Medical cost trend rate	107	84	– 84	– 67

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 provision for pensions (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.

33. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities contain liabilities from financial lease agreements (€ 5.8 million; December 31, 2015: € 7.1 million) and liabilities from purchase price obligations (€ 5.0 million) as of the end of the reporting period.

34. EQUITY

SHARE CAPITAL

The share capital of Symrise AG amounts to € 129,812,574 (December 31, 2015: € 129,812,574) and has been 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

With the resolution from May 12, 2015, the Annual General Meeting established an authorized capital of nearly 20 % of the current share capital.

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

Following a resolution by the Annual General Meeting on May 12, 2015, the Executive Board is authorized in accordance with Section 71 (1) sentence 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 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.

- 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, 2015.

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

Cumulative translation differences contain gains and losses deriving from differences from the currency translation of foreign subsidiaries. The adjustment to the financial statements required by IAS 29 for companies whose functional currency is one from a country with hyperinflation is also included in cumulative translation differences. The subsidiary in Venezuela was specifically affected by the adjustments pursuant to IAS 29. The financial statements for this company are mainly based on the concept of historical cost. In 2016, these again 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 at the end of the reporting period. As of December 31, 2016, no official inflation rates have been published by either the Venezuelan “Instituto Nacional de Estadística” or the “Banco Central de Venezuela.” In our view, the most reliable and available information comes from the International Monetary Fund (IMF) – World Economic Outlook published in October 2016. It listed a rate of 720 %, which is what we used for the statements from December 31, 2016. No adjustments were necessary in Argentina during the fiscal year under review. However, we continue to keep a close eye on developments on the situation.

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€	2015	2016
January 1	**– 278**	**– 233**
Increases (effective fair value changes)	– 1,815	– 1,553
Reclassifications		
in sales	2,155	340
in cost of goods sold	– 323	542
against goodwill	0	507
Deferred taxes	28	42
December 31	**– 233**	**– 355**
of which attributable to shareholders of Symrise AG	– 233	– 370
of which attributable to non-controlling interests	0	15

Reclassifications of ineffective parts from cash flow hedges into the profit or loss for the period did not occur in 2016.

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2015 T€	Reserve for remeasurements (pensions)	Cumulative translation differences	Other reserves	Total other comprehensive income of Symrise AG shareholders	Non-controlling interests	Total other comprehensive 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
Income/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**

2016 T€	Reserve for remeasurements (pensions)	Cumulative translation differences	Other reserves	Total other comprehensive income of Symrise AG shareholders	Non-controlling interests	Total other comprehensive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	– 4,124	–	– 4,124	311	– 3,813
Income/losses from net investments	–	2,807	–	2,807	–	2,807
Reclassification to the consolidated income statement	–	1,878	–	1,878	–	1,878
Change in fair value of financial assets available for sale	–	–	5	5	–	5
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	– 1,118	– 1,118	15	– 1,103
Reclassification offset against goodwill	–	–	507	507	–	507
Reclassification to the consolidated income statement	–	–	477	477	–	477
Remeasurement of defined benefit pension plans	– 45,244	–	–	– 45,244	–	– 45,244
Change in tax rate	–	–	– 3	– 3	–	– 3
Other comprehensive income	**– 45,244**	**561**	**– 132**	**– 44,815**	**326**	**– 44,489**

DIVIDENDS

In accordance with the German Stock Corporation Act (AktG), the distributable dividend for shareholders of Symrise AG is to be determined with reference to the unappropriated profit calculated in accordance with the rules of German Commercial Code (HGB) and presented in the annual financial statements of Symrise AG. It was decided at the Annual General Meeting on May 11, 2016, that dividends of € 0.80 would be paid for the 2015 fiscal year (for 2014: € 0.75); the total amount of the dividend was T€ 103,850 (for 2014: T€ 97,359).

The Executive Board and the Supervisory Board recommend a dividend of € 0.85 per share based on Symrise AG's unappropriated net profit under commercial law as of December 31, 2016. This amounts to dividends of T€ 110,341.

NON-CONTROLLING INTERESTS

This item contains the shareholdings of third parties in Group companies. The addition disclosed under transactions with owners in the statement of changes in equity stemming from business combinations resulted from the acquisition of the Scelta Umami Group (see note 2.4). The acquisition of additional third-party shares in subsidiaries is shown as changes in subsidiary shareholdings. The publicly traded Group company Probi AB (Sweden) performed a capital increase against cash contributions in the reporting year. The payments received in this context are recognized in the item increase of minority interests from capital increases minus the proportional transaction costs and applicable taxes.

The changes in other comprehensive income relating to non-controlling interests stem mostly from currency translation.

35. NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to Probi Group and SPF Diana (Thailand) Co Ltd.

As of the end of the reporting period, Symrise holds 51.40 % of the shares of Probi Group, i.e., the shares attributable to non-controlling interests amount to 48.60 % (December 31, 2015: 49.98 %). Their proportion of net income in 2016 amounted to T€ 5,742 (2015: T€ 2,368); the carrying amount as of December 31, 2016, was T€ 48,450 (December 31, 2015: T€ 12,976). Dividends of T€ 468 were distributed to the non-controlling interests in 2016 (2015: T€ 419). The following table contains the summarized financial information required by IFRS 12.B10(b) on Probi Group:

T€	December 31, 2015	December 31, 2016
Current assets	21,135	30,196
Non-current assets	12,483	108,054
Current liabilities	5,222	32,517
Non-current liabilities	2,424	6,541
Sales	23,065	46,406
Net income	4,738	11,815
Other comprehensive income	292	292

As of the end of the reporting period, Symrise holds 51.0 % of the shares of SPF Diana (Thailand) Co Ltd, i.e., the shares attributable to non-controlling interests amount to 49.0 % (December 31, 2015: 48.4 %). Their proportion of net income in 2016 amounted to T€ 2,587 (2015: T€ 3,216); the carrying amount as of December 31, 2016, was T€ 3,384 (December 31, 2015: T€ 3,929). Dividends of T€ 3,312 were distributed to the non-controlling interests in 2016 (2015: T€ 2,127). The following table contains the summarized financial information required by IFRS 12.B10(b) on SPF Diana (Thailand) Co Ltd:

T€	December 31, 2015	December 31, 2016
Current assets	8,591	8,595
Non-current assets	1,980	2,549
Current liabilities	2,361	4,134
Non-current liabilities	19	32
Sales	22,994	23,577
Net income	6,645	5,280
Other comprehensive income	17	131

36. 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, 2016.

With an equity ratio (equity attributable to shareholders of Symrise AG in relation to total equity and liabilities) of 35.2 % (December 31, 2015: 37.5 %), 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, 2015	December 31, 2016
Borrowings	1,409,255	1,749,881
Cash and cash equivalents	– 278,178	– 301,648
Net debt	**1,131,077**	**1,448,233**
Provisions for pensions and similar obligations	444,652	522,552
Net debt including provisions for pensions and similar obligations	**1,575,729**	**1,970,785**

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 evaluation to determine the leverage covenants uses the ratio of net debt to the EBITDAN of the last 12 months. This results in a ratio of net debt/EBITDAN of 2.3. The non-relevant leverage for the credit agreements regarding net debt including provisions for pensions and similar obligations/EBITDAN amounts to 3.1.

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 2.3 % (2015: 2.4 %).

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

37. ADDITIONAL DISCLOSURES ON THE STATEMENT OF CASH FLOWS

In accordance with IAS 7, the consolidated statement of cash flows for the reporting year 2016 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

In addition to subsequent purchase price payments for the Belmay Group acquired in 2013 (TUSD 2,000; T€ 1,816) and Flavor Infusion LLC acquired in 2015 (TUSD 2,000; T€ 1,778), payments for business combinations (T€ 261,870) contain the purchase price components due immediately in 2016 for the acquisitions of the Pinova Group (TUSD 168,951; T€ 155,679), the Scelta Umami Group (T€ 8,243), Nutra Canada Inc. (TCAD 5,627; T€ 3,838), Nutraceutix (TUSD 101,202; T€ 90,642), which was acquired as part of an asset deal via Probi US, Inc., and the acquisition of the associated company Octopepper SAS (T€ 2,000; see note 2.4) minus any cash and cash equivalents acquired (T€ 2,126).

The payments received from the sale of a subsidiary (T€ 114,049) contain the portion from the sale of Pinova Inc. due immediately (TUSD 130,512; T€ 117,412) minus the cash deducted as part of the transaction (TUSD 3,738; T€ 3,363). For additional information, please see note 2.4.

CASH FLOW FROM FINANCING ACTIVITIES

Dividends of T€ 103,850 were paid to the shareholders of Symrise AG (2015: T€ 97,359), the remaining amount (T€ 4,268, 2015: T€ 3,358) was paid to non-controlling interests of subsidiaries. Payments from minority interests from capital increases after transaction costs and taxes mainly are a result of the capital increase performed by Probi AB in the 2016 reporting year.

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

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

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
Financial assets available for sale (AfS)	**7,292**	**–**	**7,292**	**–**	**7,292**
Cash and cash equivalents	594	–	594	–	594
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
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**
Liabilities from finance leases (n.a.)	**7,747**	**–**	**–**	**–**	**8,357**

December 31, 2016 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)	**866,771**	**866,771**	**–**	**–**	**866,771**
Cash and cash equivalents	299,396	299,396	–	–	299,396
Trade receivables	528,298	528,298	–	–	528,298
Other financial assets	39,077	39,077	–	–	39,077
Financial assets available for sale (AfS)	**14,549**	**–**	**14,549**	**–**	**14,549**
Cash and cash equivalents	2,252	–	2,252	–	2,252
Securities	12,283	–	12,283	–	12,283
Other financial assets	14	–	14	–	14
Financial assets held for trading (FAHfT)	**1,233**	**–**	**–**	**1,233**	**1,233**
Derivative financial instruments without hedge relationship	1,233	–	–	1,233	1,233
Derivative financial instruments with hedge relationship (n.a.)	**115**	**–**	**115**	**–**	**115**
EQUITY AND LIABILITIES					
Financial liabilities at amortized cost (FLAC)	**2,018,731**	**2,018,731**	**–**	**–**	**2,066,598**
Trade payables	254,383	254,383	–	–	254,383
Borrowings	1,749,881	1,749,881	–	–	1,797,748
Other financial liabilities	14,467	14,467	–	–	14,467
Financial liabilities held for trading (FLHfT)	**966**	**–**	**–**	**966**	**966**
Derivative financial instruments without hedge relationship	966	–	–	966	966
Derivative financial instruments with hedge relationship (n.a.)	**741**	**–**	**741**	**–**	**741**
Liabilities from finance leases (n.a.)	**7,143**	**–**	**–**	**–**	**7,638**

Due to the fact that most of the financial instruments are short-term in nature, their carrying amounts, except for 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.

		2015				2016			
T€		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS									
Securities	AfS	4,432	–	–	**4,432**	12,283	–	–	**12,283**
Cash and cash equivalents	AfS	594	–	–	**594**	2,252	–	–	**2,252**
Other financial assets	AfS	–	–	2,266	**2,266**	–	–	14	**14**
Derivative financial instruments without hedge relationship	FAHfT	–	1	–	**1**	–	1,233	–	**1,233**
Derivative financial instruments with hedge relationship	n.a.	–	46	–	**46**	–	115	–	**115**
EQUITY AND LIABILITIES									
Contingent purchase price obligations	FLaFVtPL	–	–	1,968	**1,968**	–	–	–	**–**
Derivative financial instruments without hedge relationship	FLHfT	–	309	–	**309**	–	966	–	**966**
Derivative financial instruments with hedge relationship	n.a.	–	376	–	**376**	–	741	–	**741**
Liabilities from finance leases	n.a.	–	8,357	–	**8,357**	–	7,638	–	**7,638**

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

DETERMINING FAIR VALUE

The assets classified as available for sale in Level 1 relate to securities and short-term 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 these financial liabilities 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 input factors for the recurring measurement of fair value in Level 3 of the fair value hierarchy. Measurement is performed regularly by corporate headquarters.

Type	Valuation method	Non-observable input factors	2015	2016
		Weighted average cost of capital	13.5 %	12.5 %
		Terminal growth rate	3.0 %	1.0 %
Other financial assets	Discounted cash flow	EBITDA margin	Ø 10.8 %	Ø – 11.1 %
		Discount rate	2.59 %	2.59 %
		Sales	0 %	–
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)	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€	2015	2016	2015	2016
January 1	**2,113**	**2,266**	**10,311**	**1,968**
Additions	153	0	0	0
Disposals	0	0	– 1,234	0
Redemption	0	0	– 8,436	– 1,816
Fair value changes				
Recognized directly in other comprehensive income	0	– 28	0	0
Recognized in profit or loss (financial result)	0	– 2,224	184	0
Exchange rate differences	0	0	1,143	– 152
December 31	**2,266**	**14**	**1,968**	**0**

The final tranche of the contingent purchase price obligation from the 2013 acquisition of Belmay totaling USD 2.0 million was paid in the first quarter of 2016 (see note 37).

SENSITIVITY ANALYSIS – MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS

The contingent purchase price obligation was paid in the current fiscal year. Other financial assets amounted to T€ 14 as of the reporting date. Due to a lack of materiality, a sensitivity analysis was not performed on December 31, 2016. For the effects of a change to the input factors for the previous year, please refer to the 2015 Financial Report.

NET GAINS AND LOSSES ACCORDING TO VALUATION CATEGORY

T€	2015	2016
Loans and receivables (LaR)	8,223	11,994
Financial assets and liabilities held for trading (FAHfT and FLHfT)	307	– 1,323
Financial assets available for sale (AfS)	37	– 1,359
Financial assets held to maturity (HtM)	– 366	0
Financial liabilities at amortized cost (FLAC)	– 70,457	– 50,405
Total	**– 62,256**	**– 41,093**

The changes in relation to the previous year mainly result from currency translation effects in current and non-current bank borrowings as well as other financial liabilities classified as FLAC pursuant to IAS 39.

Changes in value for financial assets available for sale that were recognized in equity with no effect on profit or loss amounted to T€ 5 as of the reporting date (December 31, 2015: T€ – 74) before accounting for taxes. There were no reclassifications to the consolidated income statement.

The net interest result for financial assets and liabilities that were not recognized at fair value through profit or loss amounted to € – 38.4 million in 2016 (2015: € – 35.2 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.

39. 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 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 interest risk.

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

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

2016	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
T€	1,495,573	1,284,573	211,000	211,000	2,110
TUSD	263,543	238,543	25,000	25,000	250

An increase to all relevant interest rates of one percentage point would have resulted in T€ 2,347 less net income as of December 31, 2016 (December 31, 2015: T€ 1,980). A further decline in the interest rates would have had no material 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 US Dollar.

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 recognized 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 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 income taxes 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 that of the Symrise Group 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 US Dollar, both for this fiscal year and the previous year. The foreign currency risk before hedging transactions amounted to USD 109.0 million as of the end of the reporting period (December 31, 2015: USD 46.7 million). The addition mainly resulted from a higher level of internal Group borrowings in US Dollar, which were largely secured via currency forward contracts.

T€	2015	2016
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/– 10%		
Impact on profit/loss	+/– 4,412	+/– 6,188
Impact on equity	–/+ 1,698	–/+ 2,057
Total	**+/– 2,714**	**+/– 4,131**

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 21.0 million (December 31, 2015: USD 27.0 million) for hedging €/USD,
- with a nominal value of USD 6.0 million (December 31, 2015: USD 9.0 million) for hedging USD/JPY,
- with a nominal value of USD 0.7 million (December 31, 2015: USD 2.1 million) for hedging USD/INR,
- with a nominal value of USD 2.5 million (December 31, 2015: USD 3.5 million) for hedging SGD/USD,
- with a nominal value of USD 0.0 million (December 31, 2015: USD 2.2 million) for hedging USD/AUD,
- with a nominal value of AUD 2.1 million (December 31, 2015: AUD 0.0 million) for hedging €/AUD,
- with a nominal value of USD 44.4 million (December 31, 2015: USD 0.0 million) for hedging USD/SEK.

Forward contracts with positive market values amounted to T€ 1,348 as of the end of the reporting period (December 31, 2015: T€ 47), while forward contracts with negative market values totaled T€ 1,083 (December 31, 2015: T€ 685).

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 38 as well as in the notes on liquidity risk.

Symrise does not expect any material impacts from the possible exit of Great Britain from the EU. More information on this topic is available in the management report.

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 deficits that can be forecast under normal market conditions at normal market terms. Based on current planning, no liquidity risks are foreseen at the moment.

As of the reporting date, Symrise had access to credit lines that are explained in greater detail in note 26.

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		
2015 T€	Carrying amount	Expected outgoing 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

			Maturity dates for expected payments		
2016 T€	Carrying amount	Expected outgoing payments	up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,749,881	1,857,270	565,997	941,778	349,495
Trade payables	254,383	254,383	254,383	0	0
Other non-derivative financial obligations	14,467	14,467	9,495	4,972	0
Liabilities from finance leases	7,143	7,143	1,380	3,454	2,309

The fair value and the expected incoming and outgoing payments from derivative financial assets and liabilities are presented in the following table. The terms of the currency forward contracts amount to a maximum of nine months. The interest and currency swaps have terms lasting until September 2018 at the latest.

T€	2015	2016
Currency forward contracts		
Assets	47	1,348
Liabilities	685	1,083
Expected incoming payments	39,509	71,370
Expected outgoing payments	40,146	71,105
Interest and currency swaps		
Liabilities	0	624
Expected incoming payments	0	30,062
Expected outgoing payments	0	30,556

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 his 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 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 with an investment grade and that we consistently monitor. The Symrise Group is exposed to credit 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.

40. LEASE AGREEMENTS

OPERATING LEASE AGREEMENTS AS LESSEE

Payment obligations exist for operating lease agreements, which have non-cancelable fixed lease terms of up to 36 years and that mainly relate to vehicles and buildings. Some of the agreements contain renewal options or price escalation clauses but rarely include purchase options and no contingent rent. In the current fiscal year, payments for leases recognized as expenses amount to € 19.0 million (December 31, 2015: € 13.3 million).

The future net cash outflows from operating leases are phased as follows:

T€	2015	2016
Up to one year	12,093	15,773
Longer than one year and up to five years	27,658	38,443
Longer than five years	18,098	24,546
Total	**57,849**	**78,762**

FINANCE LEASE AGREEMENTS AS LESSEE

The net carrying amount of the assets accounted for as of the reporting date was € 9.5 million (December 31, 2015: € 11.1 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:

	2015		
T€	Minimum lease payments	Interest	Present value of 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**

	2016		
T€	Minimum lease payments	Interest	Present value of minimum lease payments
Up to one year	1,625	245	1,380
Longer than one year and up to five years	4,227	773	3,454
Longer than five years	2,436	127	2,309
Total	**8,288**	**1,145**	**7,143**

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 38.

41. 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 of € 2.7 million. We are currently of the opinion that all the lawsuits 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, 2016, the Group had obligations to purchase property, plant and equipment amounting to € 65.5 million (December 31, 2015: € 43.9 million). This mainly relates to production facilities, hardware as well as laboratory and office equipment. Most are due during the course of 2017. Other obligations amounting to € 150.0 million (December 31, 2015: € 138.5 million) exist from not yet fulfilled obligations for the purchase of goods.

Symrise AG has service contracts with various providers regarding the outsourcing of its internal IT. Some service contracts already existed in previous years and were expanded in 2016. The remaining total obligations toward these service providers amount to € 55.5 million accounting for extraordinary termination rights (December 31, 2015: € 22.7 million).

Miscellaneous other financial obligations amounted to € 16.6 million as of December 31, 2016 (December 31, 2015: € 10.2 million) and are mostly obligations from consulting, service and cooperation contracts (€ 8.0 million; December 31, 2015: € 4.4 million).

42. TRANSACTIONS WITH RELATED PARTIES

Consolidated companies and associated companies, 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 associated companies in 2016.

Contribution payments were made to the Rheinische Pensionskasse (RPK) amounting to T€ 2,404 (2015: T€ 1,163). 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 32.

In the 2016 fiscal year, members of the Executive and Supervisory Board received the following remuneration:

			2015			2016
T€	Executive Board	Supervisory Board	Total	Executive Board	Supervisory Board	Total
Short-term benefits	3,049	922	**3,971**	3,274	964	**4,238**
Other long-term benefits	1,302	0	**1,302**	429	0	**429**
Post-employment benefits	34	0	**34**	51	0	**51**
Total	**4,385**	**922**	**5,307**	**3,754**	**964**	**4,718**

The supplemental disclosures pursuant to Section 315a of the German Commercial Code (HGB) are as follows:

T€	2015	2016
Total remuneration for active members		
Executive Board	4,404	4,285
Supervisory Board	922	964
Total remuneration for former members and their surviving dependents		
Executive Board	700	306

Provisions for current pensions and pension entitlements contains contributions of € 12.0 million (December 31, 2015: € 10.2 million) for former members of the Executive Board and € 3.4 million (December 31, 2015: € 2.5 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.

43. 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, 2016, was more than 1 %. Of the 6.24 % 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 0.23 % is held by members of the Executive Board.

44. LONG-TERM OBJECTIVES AND METHODS FOR MANAGING FINANCIAL RISK

Please refer to the risk report, which is a component of our Group management report.

45. AUDIT OF FINANCIAL STATEMENTS

The Annual General Meeting of Symrise AG, held on May 11, 2016, appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the 2016 fiscal year.

The following table provides an overview of the fees paid to the auditors:

T€	2015	2016
Audit of financial statements	808	826
Other audit assurance services	28	24
Tax advisory services	192	393
Other services	0	0
Total	**1,028**	**1,243**

46. LIST OF INTERESTS IN ENTITIES

Fully Consolidated Subsidiaries as of December 31, 2016

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%
Diana SAS, Saint Nolff	100.00%
Diana Trans, Saint Nolff	100.00%
DianaNova SAS, Rennes	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	51.40%
Probi Feed AB, Sweden	51.40%
Probi Food AB, Sweden	51.40%
Scelta Umami BV, Netherlands	60.00%
Scelta Umami Holding BV, Netherlands	60.00%
SPF DIANA Espana SLU, 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%

Rest of Europe (Continuation from page 136)	
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	
Diana Food Canada Inc., Canada	100.00 %
Diana Natural Inc., USA	100.00 %
Diana US Inc., USA	100.00 %
Nutra Canada Inc., Canada	100.00 %
Probi US, Inc., USA	51.40 %
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	100.00 %
Confoco SA, Ecuador	100.00 %
Diana Naturals Chile SpA, Chile	100.00 %
Ecuaprotein SA, Ecuador	53.00 %
Spécialités Pet Food SA de CV, Mexico	100.00 %
SPF Argentina, Argentina	99.97 %
SPF Do Brazil Industria e Comércio Ltda, Brazil	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 %
P.T. Symrise, Indonesia	100.00 %
Probi Asia Pacific Pte Ltd, Singapore	51.40 %
SPF (Chuzhou) Pet Food Co., Ltd, China	100.00 %
SPF (Qingdao) Trading Co., Ltd, China	100.00 %
SPF Diana (Thailand) Co Ltd, Thailand	51.00 %
SPF Diana Australia PTY Ltd, Australia	100.00 %
Symrise Asia Pacific Pte. Ltd., Singapore	100.00 %
Symrise Flavors & Fragrances (Nantong) Co. Ltd., China	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 %

Asia and Pacific (Continuation from page 137)	
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%
Spécialités Pet Food South Africa (RSA), South Africa	100.00%
Symrise (Pty) Ltd., South Africa	100.00%
Symrise Middle East Ltd., Dubai	100.00%
Symrise Nigeria Limited, Nigeria	100.00%
Symrise Parsian, Iran	100.00%
Symrise S.A.E., Egypt	100.00%
Symrise S.a.r.L., Madagascar	100.00%

Associated Companies as of December 31, 2016

Name and registered office of the entity	Share
Octopepper SAS, France	26.28%
Therapeutic Peptides Inc., USA	20.00%

47. EXEMPTION FROM THE OBLIGATION TO PREPARE ANNUAL FINANCIAL STATEMENTS PURSUANT TO SECTION 264 (3) OF THE GERMAN COMMERCIAL CODE (HGB)

Busiris Vermögensverwaltung GmbH, DrinkStar GmbH, Symotion GmbH, Symrise US-Beteiligungs GmbH and Tesium 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 (HGB).

48. CORPORATE GOVERNANCE

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) has been submitted for 2016 and has been made available to shareholders on an ongoing basis through our website www.symrise.com.

Holzminden, Germany, February 21, 2017

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram | Achim Daub | Olaf Klinger

Dr. Jean-Yves Parisot | Heinrich Schaper

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 21, 2017

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram   Achim Daub   Olaf Klinger

Dr. Jean-Yves Parisot   Heinrich Schaper

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, 2016. 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 and 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, complies with the German statutory requirements, and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hanover, February 22, 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Ufer	Dirk Papenberg
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Corporate Governance

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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 comprises the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act, relevant information on corporate governance practices and a description of the working methods of the Executive and Supervisory Boards as well as of the composition and working methods of their committees. Pursuant to the currently valid version of no. 3.10 of the German Corporate Governance Code 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 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 now part of the management report included on pages 43 to 49 of the 2016 financial report.

DECLARATION OF COMPLIANCE AS OF DECEMBER 2016 PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

INTRODUCTION

Under Section 161 of the German Stock Corporation Act, 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 6, 2016, 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 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 fundamentally revised in 2016 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 treated 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 by the Group Compliance Officer and reported to the Executive Board and the Auditing Committee of the Supervisory Board. As a result, any measures that may arise will now be 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, and 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 align with our fundamental principles is not business for Symrise."

The Group Compliance Officer 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

As early as 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 the fall of 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 2016, five cases were reported via the Integrity Hotline worldwide. A further five cases of irregularities were reported directly to the Group Compliance office. In each case, investigations were initiated. In two cases, labor law sanctions were imposed. 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. It also gives employees greater flexibility in terms of where and when they complete their training. 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. Our employees were regularly trained on workplace safety, health, environment, hygiene and compliance issues in 2016. Alongside this regular training, we invited about 1,250 employees to a training course on competition law issues in March 2016. In November 2016, another course was held on hazard recognition. About 2,500 employees participated. Finally, about 4,500 employees from Purchasing, Research & Development and Sales were trained on legal export-control issues in early December 2016.

CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance at Symrise is based on the German Corporate Governance Code, which has established itself as guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever before 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 have 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 2016 fiscal year, the Executive and Supervisory Boards dealt intensively with all corporate governance issues on numerous occasions across all areas.

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 2016. The only consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2016 fiscal year involved Mr. Horst-Otto Gerberding, as in the previous year.

Mr. Horst-Otto Gerberding is entitled to a pension from Symrise AG stemming from an employment and supply contract between him and the company that existed through the end of September 2003. The total sum is € 25,505 per month.

OBJECTIVES OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

The Supervisory Board is to name specific goals for its composition pursuant to no. 5.4.1 (2) sentence 1 of the German Corporate Governance Code 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 "Act for the Equal Participation of Women and Men in Management Positions", passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, was implemented in 2016.

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 19 of the EU Market Abuse Directive (previously Section 15a of the German Securities Trading Act), which came into force on July 3, 2016, 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. Symrise immediately publishes disclosures on such transactions on its website and transmits this information to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and the company register for retention. All of the reports received by Symrise AG as of December 31, 2016, have been 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, 2016, was more than 1 %. Of the 6.24 % 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 0.23 % 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 158 to 160 of the 2016 financial report.

A report on relationships to related companies and parties can be found on pages 134/135 of the 2016 financial report.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise AG shareholders exercise their codetermination and control rights at the Annual 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 17, 2017, 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 16, 2017. 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 provide shareholders with comprehensive information on the past fiscal year and the individual agenda items for the upcoming Annual General Meeting. All documents and information pertaining to the Annual General Meeting are available on our website. The registration and legitimation process for the Annual General Meeting is simple, with the 21st day before the Meeting representing the deadline for shareholder registration. 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 inform company shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar published in the Corporate Report and Financial Report, the interim report and quarterly statements as well as 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/2017**.

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 being developed and adapted to changing conditions. A Group-wide survey, assessment and classification of potential risks takes place at least twice a year – performed by the officers assigned to each risk class. These surveys are consolidated at the Group level and flow into the risk report, which is the subject of the Auditing Committee's deliberations at least twice a year, and is presented to the Supervisory Board at least once a year in detail.

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 Officer.

This overlapping mechanism allows risks to be identified and assessed at an early stage. The Executive Board regularly and in an on-going manner informs the Supervisory Board and Auditing Committee of existing risks and their development via the risk report. Specific measures are proposed and implemented right from this early stage to mitigate the identified risks. The Group's internal auditors also check on the implementation of these new measures and the results are given a critical assessment. 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 AUDITOR

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in the 2016 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. As in the previous year, the 2016 annual financial statements, management report and consolidated annual financial statements of Symrise AG as well as the 2016 Group management report were audited 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 five 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 genders. Against the backdrop of the current situation at Symrise and the 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. The term of office for all Supervisory Board members ended with the conclusion of the Annual General Meeting on May 11, 2016. Shareholders therefore elected six shareholder representatives to the Supervisory Board at the Annual General Meeting on May 11, 2016. The elections for the Supervisory Board were conducted by separate votes. The six employee representatives were chosen from among the German staff on February 24, 2016, in compliance with the legally prescribed election process.

The following shareholder representatives were elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year:

Dr. Thomas Rabe, Chief Executive Officer of Bertelsmann Management SE, Berlin; Ursula Buck, Managing Director of Top Management Consulting, Possenhofen; Horst-Otto Gerberding, Managing Partner at Gottfried Friedrichs (GmbH & Co.) KG, Holzminden; and Prof. Dr. Andrea Pfeifer, Chief Executive Officer of AC Immune S. A., Légier, Switzerland. Due to reaching the age limit according to Section 8 (4) of the articles of incorporation, Dr. Michael Becker, retired; Darmstadt, was elected to the Supervisory Board for a term that runs until the end of the Annual General Meeting that will decide on discharges for the 2017 fiscal year. Also due to reaching the age limit, Dr. Winfried Steeger, Managing Director of Jahr Holding GmbH & Co. KG, Hamburg, was elected to the Supervisory Board for a term that runs until the end of the Annual General Meeting that will decide on discharges for the 2019 fiscal year.

In accordance with item 5.4.3 sentence 3 of the German Corporate Governance Code, mention was made of the intention to propose Dr. Thomas Rabe as a candidate for Chairman of the Supervisory Board in the event of his reelection.

The following employee representatives were elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year:

Regina Hufnagel, Chairperson of the works council and Chairperson of the general works council of Symrise AG; Harald Feist, Vice Chairman of the works council and Vice Chairman of the general works council of Symrise AG; André Kirchhoff, independent member of the works council at Symrise AG; Dr. Ludwig Tumbrink, Vice President Compounding Flavor EAME at Symrise AG; Jeannette Härtling, IG BCE trade union secretary for the North region; and Peter Winkelmann, Regional Head of the IG BCE district Alfeld.

When nominating candidates for election to the Supervisory Board, particular attention was 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 eight independent members and four women: Ms. Buck, Ms. Härtling, Ms. Hufnagel and Prof. Dr. Pfeifer. The Supervisory Board will continue to 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 Codetermination 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.

The Personnel Committee 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, Prof. Dr. Andrea Pfeifer and Peter Winkelmann. The Personnel Committee convened three times in the 2016 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 Officer 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), Ursula Buck, Harald Feist, Regina Hufnagel, Dr. Winfried Steeger and Peter Winkelmann. The Auditing Committee convened six times in the 2016 fiscal year. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to nominate Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Hanover as the new auditor. Furthermore, the Auditing Committee solicited a statement of independence from the previous and the new auditor. It commissioned the previous auditor, coordinated certain focuses of the audit with this auditor and prepared the resolution for the Supervisory Board regarding the auditing fees for the previous auditor. 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 Codetermination Act. It currently consists of four members: Dr. Thomas Rabe (Chairman), Ursula Buck, Regina Hufnagel and Dr. Ludwig Tumbrink. Once again, it was not necessary to convene the Arbitration Committee during the 2016 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. It was not necessary to convene the Nominations Committee during the 2016 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,

In 2016, international economic development witnessed a moderate growth trend. The year was more or less free from major economic turbulences. However, the effects of the British vote to leave the European Union, which was cast in June 2016, have yet to be determined. This also applies to the future foreign and economic policies of the new US government. Against this backdrop, our company has managed to once again generate substantial gains in sales and net income. The acquisitions of the previous years played a crucial role here. Symrise has an excellent product portfolio that stretches well beyond the industry's customary business areas of activity and offers significant potential for further profitable growth.

DR. THOMAS RABE, Chairman of the Supervisory Board of Symrise AG

In this report, I would like to inform you about the key activities of the Supervisory Board in this still challenging environment. In 2016, 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 Board held a separate meeting in 2016 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, continued low interest rates, political crises (particularly in Syria and Turkey) and their consequences for current and future business development were repeatedly a subject of our discussions with the Executive Board as was the status of essential projects and key business transactions in both Group segments.

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 2016.

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 Codetermination 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. 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, Prof. Dr. Andrea Pfeifer and Peter Winkelmann.

The Personnel Committee convened three times in the 2016 fiscal year. Its agenda points included evaluating the Executive Board members' performance during the 2015 fiscal year, setting new goals for the 2016 fiscal year and reviewing the Executive Board members' remuneration with a focus on the multiyear remuneration program (LTIP). In view of the positive growth of our company, another topic was the future structure and distribution of responsibility in an expanded Executive Board. Against the backdrop of the (remaining) terms for the current Executive Board members, the Personnel Committee once more intensively focused on succession planning and identified individuals who could be developed into possible candidates for an Executive Board position in the medium term.

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 Officer 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), Ursula Buck, Regina Hufnagel, Harald Feist, Dr. Winfried Steeger and Peter Winkelmann. The Auditing Committee convened six times in the 2016 fiscal year, one of which was a conference call. One member of the Auditing Committee was unable to attend one meeting. 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 2016 annual financial statements and consolidated financial statements, the interim reports, the financial and liquidity situation and the auditor's reports as well as on refining the risk management system and compliance management system. The Auditing Committee completed the process for selecting the auditor for Symrise AG in compliance with the requirements of the modified European Audit Directive 2014/56/EU, the EU regulation no. 537/2014 and their corresponding national laws. It then provided a recommendation to the Supervisory Board for the appointment of the auditor (Article 16 (2) 1 of EU regulation no. 537/2014). The recommendation was substantiated and came with three suggestions for the audit mandate as well as a reasoned preference of the Auditing Committee for one of the suggestions submitted. Further, the Auditing Committee discussed issues relating to the Group's upcoming regularly scheduled refinancing. 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 nominate Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft of Hanover as the new auditor for the 2017 fiscal year. Furthermore, the Auditing Committee solicited the corresponding statement of independence from the previous auditor KPMG and the new auditor Ernst & Young. It commissioned the previous auditor KPMG with a risk-oriented auditing approach, established the main focuses of the audit and determined the auditing fees for the 2016 fiscal year.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act. It currently consists of four members: Dr. Thomas Rabe (Chairman), Ursula Buck, Regina Hufnagel and Dr. Ludwig Tumbrink. Once again, it was not necessary to convene the Arbitration Committee during the 2016 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. It was not necessary to convene the Nominations Committee during the 2016 fiscal year.

TOPICS OF THE SUPERVISORY BOARD MEETINGS

The effects of various situations and developments on Symrise – such as international crises, slow global economic growth, persistently low interest rates, continuously 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, net income 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 2016 fiscal year, the Supervisory Board held six ordinary meetings, two of which focused on specific topics. 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 2017. 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 3, 2016, we consulted and coordinated with the Executive Board on the approval of the annual financial statements and the consolidated financial statements for 2015. We also discussed the preparation for the Annual General Meeting 2016, the Corporate Governance Statement and the Corporate Governance report. The Executive Board provided information on the implementation status of the company's strategy, among other items, and presented key data on current investment projects to the Supervisory Board. Another topic of this meeting was, happily, the future structure and distribution of responsibilities within the Executive Board in view of the company's constant expansion. Along with the target structure, the timing of the necessary additions to the Executive Board were also part of the deliberations. In this meeting, the Supervisory Board also resolved the reappointment of Achim Daub as a member of the Executive Board for an additional five years starting on January 1, 2017, and finalized a corresponding employment contract with Mr. Daub. All members of the Supervisory Board and the auditor attended this meeting.

In our meeting on May 10, 2016, the Executive Board's report on the company's performance during the first quarter of 2016 and its outlook for the rest of the year represented the main focus of the meeting as did the impending Annual General Meeting. The Executive Board informed the Supervisory Board of the status of the Pinova integration. The EU Market Abuse Directive, which came into force on July 3, 2016, was also discussed during this meeting – particularly regarding the revision to directors' dealings and the corresponding modifications, including those concerning legal or natural persons associated with members of the Supervisory Board. All Supervisory Board members attended this meeting with the exception of two.

In the constituent meeting on May 11, 2016, the Chairman of the Supervisory Board and Deputy Chairman were elected. The various Supervisory Board committees and their members were also established. All Supervisory Board members attended this meeting.

In the meeting on August 5, 2016, 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 2016 and its update to the outlook for the rest of the 2016 fiscal year as well as the risk report and the Auditing Committee's report. In its report, the Chairman of the Auditing Committee presented a detailed description of the technical compliance system in the Flavor, Nutrition, and Scent & Care segments and their functionality within the Auditing Committee. The focus of this meeting was the key features and content of the Auditing Committee's previous tendering process for selecting the auditor. In this meeting, the Supervisory Board approved the use of a new bilateral credit line of up to € 75 million with a bank, following a detailed examination and discussion of the matter. All Supervisory Board members attended this meeting with the exception of one.

The meeting on September 20, 2016, focused solely on the corporate strategy. The Executive Board highlighted the goals achieved as part of the strategy's continual development with a look back at 2015. Here, various strategies from other companies were used as a reference for comparison regarding their features and quality. Along with the diversification of the portfolio, we also discussed the growing competitive relevance of sustainability with the Executive Board. Our strategic deliberations were also largely influenced by the megatrends expected to develop by the year 2030 and their influence on the fragrance and flavor industry as well as the growing awareness of consumers regarding environmental and safety issues. Furthermore, the Executive Board presented new technology platforms that allow for the efficient use of (preferably renewable) materials and eliminate waste. They also help the company minimize the use of toxic and/or hazardous reagents and solvents in the production and application of chemical products. The significant changes to consumer behavior will result in new and shifting innovation requirements from Symrise's customers. The company will increasingly become a supplier of complex product solutions that must be authentic in order to be successful. This requires an understanding of natural processes, which allows us to offer customers the best of both nature and science. Natural taste solutions must be made from ingredients that consumers accept. Against this backdrop, technologies that allow for a sustainable and mobile recovery of natural flavors will continue to gain importance. All Supervisory Board members attended this meeting.

The meeting on December 6, 2016, was devoted to the corporate planning for the upcoming 2017 fiscal year. The Supervisory Board approved the corporate planning for the 2017 fiscal year in this meeting. Together with the Executive Board, we submitted the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act and confirmed the goals regarding the composition of the Supervisory Board, which were identical to the previous year. The Supervisory Board 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. The results of the employee engagement survey were also presented to the Supervisory Board and explained during this meeting. In reference to the selection process for the auditor presented at the August meeting and the substantiated recommendation and preference from the Auditing Committee, the Supervisory Board resolved to recommend the selection of Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Hanover, as the auditor of Symrise AG for the 2017 fiscal year at the Annual General Meeting. Further, the Supervisory Board resolved the reappointment of Dr. Heinz Jürgen Bertram as Chief Executive Officer for a term of five additional years, effective as of November 1, 2017. All Supervisory Board members attended this meeting.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2016

The auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, audited the annual financial statements for the fiscal year from January 1, 2016, to December 31, 2016, which were prepared by the Executive Board according to the standards of the German Commercial Code, as well as the Symrise AG management report. The Auditing Committee issued the order for the audit in accordance with the Annual General Meeting resolution dated May 10, 2016. The auditor issued an unqualified audit opinion.

The Symrise AG consolidated financial statements were prepared in accordance with Sec. 315a of the German Commercial Code on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, 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 14 and March 8, 2017, and in the full meeting of the Supervisory Board of March 9, 2017. 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 Auditing Committee and 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 9, 2017, 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 43 to 49 of this financial report.

The Corporate Governance Statement can be found on pages 144 to 151 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 6, 2016. In 2016, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future.

On December 6, 2016, 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

During the reporting year there were five personnel changes regarding the future size, composition and structure of the Executive Board.

Due its attained and targeted growth, the company needed to expand the Executive Board – particularly in regard to the two segments Flavor and Nutrition. As a result, the vacated fourth Executive Board position from the end of 2014 was once again filled and an additional fifth position was created. Two internal candidates were added as members of the Executive Board for three years, effective as of October 1, 2016, Heinrich Schaper and Dr. Jean-Yves Parisot. Mr. Schaper assumed responsibility for the Flavor segment, and Dr. Jean-Yves Parisot assumed responsibility for the Nutrition segment.

Olaf Klinger was appointed to the Executive Board as CFO as of January 1, 2016.

Dr. Heinz-Jürgen Bertram was appointed as Chief Executive Officer for another five years effective as of November 1, 2017.

Similarly, Achim Daub was also appointed to the Executive Board for another five years effective as of January 1, 2017.

The following changes resulted from the scheduled elections regarding the composition of the Supervisory Board:

The following were re-elected as shareholder representatives at the Annual General Meeting on May 11, 2016: Dr. Thomas Rabe (Chairman), Dr. Michael Becker, Horst-Otto Gerberding, Prof. Dr. Andrea Pfeifer and Dr. Winfried Steeger. Ursula Beck was elected for the first time.

The six employee representatives were chosen from among the German staff on February 24, 2016, in compliance with the legally prescribed election process. These are Regina Hufnagel (Vice Chairperson of the Supervisory Board), Harald Feist, Jeannette Härtling, André Kirchoff, Dr. Ludwig Tumbrink and Peter Winkelmann.

Further information on the re-elected and newly elected members can be found on pages 149/150 in the Corporate Governance Statement.

About 9,000 employees work for the Symrise Group around the world. They make valuable contributions to the success of our company. The Supervisory Board would like to thank all of the members of the Executive Board, the Group's employees in Germany and abroad as well as all employee representatives for their outstanding commitment and accomplishments in the 2016 fiscal year.

On behalf of the Supervisory Board,

Dr. Thomas Rabe
Chairman

Holzminden, March 9, 2017

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM:
Chief Executive Officer
President Flavor & Nutrition (until October 1, 2016)

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 (until February 2016)
- Novozymes A/S, Bagsvaerd, Denmark, Member of the Supervisory Board

ACHIM DAUB:
Global President Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

OLAF KLINGER:
Chief Financial Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

HEINRICH SCHAPER:
President Flavor Division (since October 1, 2016)

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JEAN-YVES PARISOT:
President Nutrition Division (Diana) (since October 1, 2016)

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)
- Probi AB, Lund, Sweden, Chairman of the Supervisory Board (since April 2015)
- VetAgroSup, Lyon, France, Chairman of the Board (since November 2016)

SUPERVISORY BOARD:

DR. THOMAS RABE:
Chief Executive Officer at 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 (until August 3, 2016)

Membership in Comparable Supervisory Bodies (Domestic and International)
- 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, Denver, USA, Member of the Supervisory Board (until January 1, 2016)
- 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

URSULA BUCK (since May 11, 2016):
Managing Director at Top Management Consulting, Munich

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HARALD FEIST:
Vice Chairman of the works council and Vice Chairman of the general works council 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

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 (until May 11, 2016):
Freelance Consultant

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board
- Coperion GmbH, Stuttgart, Vice 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

JEANETTE HÄRTLING (since May 11, 2016):
IG BCE trade union secretary for the North region

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)
- Esco GmbH, Hanover, Member of the Advisory Board

REGINA HUFNAGEL:
Chairperson of the works council and Chairperson of the general works council at 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 (until May 11, 2016):
Director Strategic Regulatory Affairs Flavor 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

ANDRÉ KIRCHHOFF (since May 11, 2016):
Independent member of the works council 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 (until May 11, 2016):
Vice President Global Quality Control 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

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:

Chief Executive Officer 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
- Blue Elephant Energy AG, Hamburg, Member 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 (until May 11, 2016):

Member of the works council at Symrise AG (until July 31, 2016)

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. LUDWIG TUMBRINK (since May 11, 2016):

Vice President Compounding Flavor EAME at Symrise AG, Holzminden

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

B2B CUSTOMERS
Corporate customers (Business to Business)

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

Financial Calendar 2017

March 14, 2017
Corporate and Financial Report 2016

May 9, 2017
Quarterly Statement January – March 2017

May 17, 2017
Annual General Meeting, Holzminden

August 9, 2017
Interim Group Report January – June 2017

November 8, 2017
Quarterly Statement January – September 2017

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