

## **SYMRISE AT A GLANCE**

Symrise is a global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements.

Its sales of €1.572 billion in 2010 place Symrise among the top four in the global flavors and fragrances market. Headquartered in Holzminden, Germany, the Company is represented in over 35 countries in Europe, Asia, the United States and Latin America.

Symrise works with manufacturers of perfumes, cosmetics and foods to develop new product ideas and market-ready concepts for things which are an indispensable part of everyday life: perfumes, personal care products, fabric care products, household cleaners, beverages, convenience food, snacks, confectionary and dairy products. The company's R&D work focuses on innovative substances and technologies which give consumers a specific added value in terms of quality or function. Examples include flavorings which make it possible to reduce the salt, fat or sugar in foods, or perfume oils with a cooling effect on the skin.

Symrise was formed in 2003 through the merger of Dragoco Gerberding & Co. AG and Haarmann & Reimer GmbH and has been a publicly traded company on the German MDAX since December 2006.

## **COMPANY PROFILE**

With a global market share of approx. 11% Symrise is the fourth largest supplier on the market of fragrances and flavorings. Symrise develops, produces and sells flavorings, cosmetic active ingredients and raw materials as well as functional ingredients. Customers include large multinational groups of companies as well as important regional and local manufacturers of foods, beverages, perfumes, cosmetics, personal care products, cleaning products and detergents as well as manufacturers of pharmaceuticals and nutraceuticals. In 2010, Symrise achieved sales of around €1.572 billion.

Around the world Symrise manufactures more than 30,000 products. The majority of these substances are based on natural raw materials such as vanilla, citrus products, flower and plant materials. The company sells its products in over 160 countries. In the 2010 fiscal year, Symrise generated 54% of its sales in industrial countries in Western Europe and the United States, as well as in parts of Asia. 46% of the sales were achieved in the so-called emerging markets in Asia, Latin America, Africa, the Middle East and Eastern Europe. As of December 31, 2010, the Executive Board had four members: Dr. Heinz-Jürgen Bertram (CEO), Achim Daub (Head of Scent & Care), Hans Holger Gliewe (Head of Flavor & Nutrition) and Bernd Hirsch (CFO).

### **History**

The Symrise Group was created by a merger between Haarmann & Reimer GmbH and Dragoco Gerberding & Co. AG in 2003. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock exchange. Since then, the Symrise share has been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of some €2.3 billion at the end of 2010, based on the free float of 94% according to the definition applied by the German Stock Exchange, the Symrise share is listed in the MDAX index.

### **Symrise across the world**

The company is represented in over 35 countries and has some 5,000 employees around the globe. Symrise's headquarters is located in Holzminden, Germany. At this site, the Group's largest, Symrise employs about 2,100 people in the areas of research, development, production, marketing and sales. A large number of the Corporate Center employees work in Holzminden. The company has regional headquarters in the USA (Teterboro, N.J.), Brazil (São Paulo) and Singapore.

## **Two divisions: Flavor & Nutrition and Scent & Care**

The company is composed of two business divisions: “Scent & Care” and “Flavor & Nutrition.” In the Flavor & Nutrition business division, Symrise develops, produces and sells flavors that are used by customers in the production of food products, health care products and beverages. These include culinary products, snacks, dairy products, ice cream, beverages and nutritional supplements.

In the Scent & Care business division, Symrise develops, produces and sells fragrances, cosmetic ingredients, aroma molecules and mint flavors. These substances are used in manufacturing perfumes, body-care products, cosmetic products, dental care products or for cleaning products and detergents. In terms of its strategic focus, Symrise concentrates on offering consumers and clients a functional added value in addition to a fragrance or flavoring, as is seen in the names of the divisions: “Scent“ is complemented by “Care“ and “Flavor” is combined with “Nutrition” (i.e. functionality and health).

## **Scent & Care**

The Scent & Care division has established a great number of specific competences in the areas of research, development, creation, production and marketing of products which belong to the world of fragrance, beauty and care. The business units of the Scent & Care business division are Fragrances, Life Essentials, Aroma Molecules and Oral Care, and these products are used in a variety of different applications:

**Fragrances:** Perfume makers combine aromatic raw materials such as aroma chemicals and ethereal oils into complex fragrance compositions (perfume oils). Symrise perfume oils are used in perfumes (fine fragrances), in body-care products (hair-care products, washing lotions, skin creams, and deodorants) and in household products (washing products).

**Oral Care:** Symrise offers the entire range of mint flavors and intermediate products for toothpaste, oral care products and chewing gum. Symrise is the market leader in aromatization of toothpastes and mouthwashes.

**Life Essentials:** At Life Essentials, beauty and health are inseparably linked to one another. The products manufactured by this business unit are used in skin care products, hair care products, suntan lotions, aftershave balsams, shower gels, washing lotions, antidandruff shampoos and deodorants. The unique feature of Life Essentials’ activities is the combination of conventional body care and plant-based bioactive ingredients.

Symrise is the leader in the manufacture of sun protection filters and production of alpha-bisabolol, an important anti-inflammatory ingredient in many of today’s cosmetics.

**Aroma Molecules:** These products, which exist in liquid or crystalline form, are used in various applications. Nature-identical menthol is used in oral care products, chewing gums and shower gels. Symrise uses aroma chemicals (intermediate products for perfume oils) to produce its own perfume oils and sells them to customers, who use them in their perfume oils.

## **Flavor & Nutrition**

The Flavor & Nutrition division has comprehensive, up-to-date nutritional expertise that focuses on the needs and demands of consumers. The Division's core competency rests in identifying these needs and demands and translating that information into successful product concepts.

A key strategic instrument here is the integrated product portfolio called taste for life™: With its slogan "Making the tastes people love" Symrise develops creative and market-ready product concepts which are precisely customized to meet consumer needs and help clients to position their products successfully by creating a balance between health and enjoyment. The Competence Center for Health & Nutrition, part of the Consumer Health business unit, represents yet another pillar of Flavor & Nutrition. In addition to studying consumer insights, this group also focuses on research in fields such as nutritional physiology.

The flavors Symrise develops are used by customers to make foods (savory and sweet foods as well as dairy products) and beverages, giving the different products individual tastes.

Symrise supplies individual liquid, powdered, granulated or paste-based flavorings used in end products as well as complete solutions, which, in addition to the actual flavoring, can contain other functional raw materials, colorants or microencapsulated components.

Symrise's flavors and ingredients are used in four applications areas:

**Beverages:** The flavors developed by Symrise are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, mixed milk beverages, as well as functional drinks. New products are being added to the spectrum, including flavorings, distillates and extracts for nearly all common types of alcoholic beverages – for example, for liqueurs, spirits, and mixed beer and wine drinks. Special emphasis is paid to developing citrus flavorings.

**Savory:** This application area includes meat flavorings, herb and vegetable extracts, and wine flavorings for soups, sauces for instant foods, as well as seasonings for snacks. Special Symrise flavorings help reduce the salt and fat content in foods with no flavor loss. Vegetable and meat flavor solutions are among the core competencies at Symrise.

**Sweet:** This application area includes sweet products, baked goods, ice cream and dairy products. A focal point is products with improved aroma release and aroma systems with masking qualities that permit the use of functional ingredients and simultaneously conceal these ingredients' often unpleasant taste. Symrise especially concentrates on vanilla, citrus and mint flavors.

**Consumer Health:** The new global Consumer Health business unit serves numerous different markets, including the growing sector of food supplements and pharmaceutical products. This application area includes natural functional ingredients to promote heart and digestion function, flavor solutions for pharmaceutical products, as well as food colorings and coloring foods (specialities).

The value chain of both of Symrise's business divisions extends across product research, development, procurement and production, as well as sales of the products and customer-oriented solutions. In addition to typical characteristics such as fragrance and flavor, the value creation lies in the development of products with added benefits. Examples of a combination of flavorings and perfume oils with other innovative components include flavorings which lower the sugar or salt content of foods, or a moisturizing cosmetic substance that reduces the amount of preservatives in care products. The extensive research and development (R&D) department, which is supplemented by a wide-reaching network of research institutes and scientific facilities, forms the basis of the product development. Given the major differences in sensory preferences in Europe, Asia/Pacific, North and Latin America, comprehensive consumer research is an important part of the R&D activities.

## **Corporate strategy**

The Symrise strategy has a triple focus aimed at delivering the greatest value for Symrise: growth with global customers, growth in new markets and growth through innovations.

**Growth through innovations:** A major focus is on fields of business that have a higher growth potential than the general market for fragrances and flavors. In the Life Essentials business unit, Scent & Care concentrates a large part of its research on the field of applications for cosmetic substances. Last year, Flavor & Nutrition bundled its nutrition-related activities into the Consumer Health field.

**Growth with global customers:** The top 10 customers account for almost 30% of the sales. Symrise intends to further increase the percentage of the sales with these rapidly growing, strategically important international customers. With these customers, Symrise has achieved successful positions on core lists in the past.

**Growth in new markets:** Symrise geared its activities to emerging and developing countries early on. Today, 41% of the sales are generated in the most populous and fast-growing regions of the world.

## **Corporate Social Responsibility**

At Symrise the CSR strategy is solidly anchored in the structure of the corporation. Symrise's CSR measures focus on the four areas of the environment ("Caring for Nature"), employees ("Respecting People"), community ("Serving Society") and economy ("Securing Success"). In order to protect the climate and the environment, Symrise uses available resources responsibly. Symrise makes long-term investments in its employees and treats them with appreciation and respect. The health and well-being of the consumer is the focus of our research and product development activities. With the German flagship project "Naschgarten" ("Sweet Garden") Symrise promotes healthy nutrition for children, and it supports non-profit organizations on a regional level. Symrise is continuing to increase its commitment to the areas of "care" and "nutrition" and is thus creating added value for consumers and customers. In the process the company is securing its own economic prospects in emerging markets and segments.