symrise
always inspiring more...

Sharing values

Growing through Diversity

Financial Report 2014

Five-year Financial Overview

in € million		2010	2011	2012	2013	2014
Group – Results of operations						
Sales		1,571.9	1,583.6	1,734.9	1,830.4	2,120.1
Share of sales in emerging markets	in %	46	46	48	48	47
EBITDA [1]		331.2	315.9	338.9	373.1	464.5
EBITDA margin [1]	in %	21.1	20.0	19.5	20.4	21.9
Net income [1]		133.5	146.5	157.5	172.3	211.6
Earnings per share [1]	in €	1.13	1.24	1.33	1.46	1.69
Dividends paid		70.9	73.3	76.8	82.7	97.4 [2]
Dividend per share	in €	0.60	0.62	0.65	0.70	0.75 [2]
Group – Financial position / net assets						
Operating cash flow		235.1	200.9	219.5	274.8	343.2
Investments (without M & A)		70.5	67.3	70.3	70.7	101.3
Balance sheet total (as of December 31)		2,059.0	2,120.3 [3]	2,150.2 [3]	2,210.4	3,999.8
Capital ratio (as of December 31)	in %	40.9	40.9 [3]	40.9 [3]	43.0	35.8
Net debt (incl. pension provisions and similar obligations) (as of December 31)		733.7	772.3 [3]	808.0 [3]	744.8	1,640.1
Employees (as of December 31)	FTE [4]	5,288	5,434	5,669	5,959	8,160
Scent & Care						
Sales		804.5	801.4	882.8	960.4	980.4
EBITDA		160.8	157.6	161.1	194.5	222.9
EBITDA margin	in %	20.0	19.7	18.2	20.3	22.7
Flavor & Nutrition						
Sales		767.4	782.2	852.1	869.9	1,139.7
EBITDA [1]		170.4	158.3	177.8	178.6	241.6
EBITDA margin [1]	in %	22.2	20.2	20.9	20.5	21.2

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

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About This Report

This 2014 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 2014 – 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 2014 financial report was published simultaneously with the 2014 corporate report on March 10, 2015 and is available in German and English. The publication date of the financial report for the 2015 fiscal year is March 2016. Additional information on our company's activities can be found at www.symrise.com.

Group Management **Report**

January 1 to December 31, 2014

Overview of the 2014 Fiscal Year

The international economic situation was reserved on the whole in 2014. Numerous political disputes and some military escalations had a negative impact on the global economy while the decline in the price of crude oil in the second half of the year provided expansive impulses. For Symrise, the acquisition of the French Diana Group was a defining moment of 2014. The move was financed through an increase in equity, a bond issue and bank loans. Diana is a globally leading provider of natural, functional solutions in the areas of nutrition, pet food, food supplements, aquacultures and cosmetics. With this transaction, Symrise will substantially expand its market position in the Flavor & Nutrition segment, intensify backward integration for natural raw materials and expand into the highly attractive market segment for pet food.

The Symrise Group generated sales of € 2,120 million in the 2014 fiscal year. This also includes sales from the Diana Group since July of € 234 million. Sales increased 16 % (18 % at local currency) over the previous year. The share of sales generated in the emerging markets accounted for 47 % of Group sales and was therefore slightly below last year's mark of 48 %.

In the 2014 fiscal year, transaction and integration costs as well as one-off measurement effects from the purchase price allocation for the Diana acquisition had a negative impact on the operating result. These expenses were mainly incurred for legal and other consulting services, for termination benefits as well as in connection with the consolidation of locations. In this report, we use normalized results adjusted for these one-off, non-recurring specific influences.[1)] The normalized earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) of the Symrise Group increased by 24 % from € 373 million to € 465 million. The Group's EBITDA margin, as based on sales, improved from 20.4 % to 21.9 %, normalized.

1) A more detailed description on how the normalized results were calculated can be found on page 45.

The Scent & Care segment generated sales of € 980 million in 2014. Sales were therefore up 2 % on the previous year's level. At local currency, this corresponds to growth of 4 %. EBITDA was up 15 % on the previous year at € 223 million. The EBITDA margin therefore amounted to 22.7 % in 2014 compared to 20.3 % in 2013. Due to the Diana acquisition, Flavor & Nutrition increased its sales by 31 % to € 1,140 million. At local currency, this corresponds to 34 % growth. EBITDAN for the segment was also significantly higher than last year, amounting to € 242 million in 2014. The EBITDAN margin amounted to 21.2 %, compared to 20.5 % in the previous year.

The Symrise Group's normalized net income rose by 23 % over the previous year to € 212 million in the 2014 fiscal year. Despite an increased number of shares, normalized earnings per share improved from € 1.46 in the previous year to € 1.69 in the reporting year. The reported earnings per share was € 1.48. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.70 to € 0.75 per share at the Annual General Meeting on May 12, 2015.

Cash flow from operating activities increased 25 % and amounted to € 343 million in 2014, € 68 million more than in the previous year (€ 275 million). A key factor here was the improved operating result and the consolidation of the Diana companies. The Symrise Group's liquidity increased by € 64 million to € 199 million as of December 31. Net debt (including provisions for pensions and similar obligations) increased to € 1,640 million as of the reporting date for 2014, due in large part to higher non-current borrowings and an increase in the provisions for pensions stemming from the lower interest rate as compared to the previous year. On an annualized basis, the ratio of net debt to EBITDAN

OVERVIEW OF KEY PERFORMANCE INDICATORS

€ million		2013	2014	2014 Normalized	Change in % (2014 normalized vs. 2013)	at local currency
Sales		1,830.4	2,120.1	2,120.1	16	18
EBITDA		373.1	436.3	464.5	24	27
EBITDA margin	in %	20.4	20.6	21.9		
Net income		172.3	185.0	211.6	23	
Earnings per share	€	1.46	1.48	1.69	16	
Net debt (incl. provisions for pensions and similar obligations) as of Dec. 31 to EBITDA, or EBITDAN for 2014, on an annualized basis	ratio	2.0	–	3.2		

was 3.2 as of the reporting date of December 31 and is thus temporarily outside of Symrise's target corridor of 2.0 to 2.5 due to the Diana acquisition.

Basic Information on the Symrise Group

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise develops, produces and sells fragrances and flavors as well as active ingredients for the cosmetics industry. Its customers include companies in the perfume, cosmetics and food industries, as well as manufacturers of household products. In addition, Symrise provides biofunctional and bioactive ingredients and substances to the health and personal care sector. Symrise substantially expanded its portfolio of natural ingredients with the acquisition of the French Diana Group in July 2014. The acquisition also opened up new attractive market segments, such as the pet food market. In 2014, Symrise achieved sales of over € 2.1 billion, making it one of the largest companies in the global flavor and fragrances market based on pro forma sales in 2014. The Diana Group generated pro forma sales for the complete 2014 calendar year of roughly € 460 million. Symrise sells its products in 160 countries. In 2014, Symrise generated 53 % of sales in industrial countries in Western Europe, North America and parts of Asia. The number of customers served by Symrise totaled approximately 6,000 in the 2014 fiscal year. The business model is built upon long-term relationships with our customers. As is typical in the industry, however, the order situation is characterized by orders at short notice, which is reflected in an order backlog of approximately one month's sales. Symrise generated 47 % of its sales in the emerging markets in Asia, Latin America, Africa, Middle East and Eastern Europe. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets. There are about 8,200 employees working in the Symrise Group, including those from the Diana Group. With sites in more than 40 countries, Symrise has a local presence in its most important sales markets. Symrise supplements its internal growth through strategic acquisitions that offer it a stronger market position or access to important technologies as well as new market segments.

The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise stock has been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 6.5 billion at the end of 2014, Symrise stock is listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.

The two segments, Scent & Care and Flavor & Nutrition, are responsible for our operating business. They each have their own research and development, purchasing, production, quality

SYMRISE SITES 2014

control, marketing and sales departments. This system allows internal processes to be accelerated. We aim to simplify procedures while making them customer-oriented and pragmatic. We place great value on fast and flexible decision-making.

The Flavor & Nutrition segment consists of the Flavor and Diana divisions following the integration of the Diana Group. The Scent & Care segment is comprised of the Fragrances, Cosmetic Ingredients (was Life Essentials until the end of 2014) and Aroma Molecules divisions. The divisions themselves also break down into business units and the following regions: Europe, Africa and Middle East (EAME), North America, Asia/Pacific and Latin America.

Additionally, the Group has a Corporate Center which encompasses the central areas of finance and managerial accounting, corporate communications, investor relations, legal affairs, human resources, corporate compliance, corporate audit and global process design in order to exploit cross-segment synergies. Other supporting functions such as information technology are either outsourced to external service providers or bundled in separate Group companies. The latter have, in the divisions of technology, energy, safety, the environment and logistics, for example, business ties to customers outside the Group.

Symrise AG's headquarters are located in Holzminden, Germany. At this site, which is the Group's largest, Symrise employs around 2,200 people in the areas of research, development, production, marketing and sales. A large number of Corporate Center employees are also based in Holzminden. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Brittany). Important production facilities are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. The company also has development centers, most notably those in Germany, France, Brazil, China, Singapore and the USA. We have 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 four members until December 31, 2014. Dr. Heinz-Jürgen Bertram (CEO), Achim Daub (President Scent & Care Worldwide), Hans Holger Gliewe (President Flavor & Nutrition Worldwide) and Bernd Hirsch (CFO). Mr. Gliewe stepped down from his position as an Executive Board member as of December 31, 2014, in mutual agreement with the Supervisory Board. The Executive Board is responsible for managing the company with the primary aim of sustainably increasing the company's value.

Symrise AG's Supervisory Board has 12 members. It oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board. In compliance with the German Co-determination 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 manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of both segments extends across product research, development, purchasing and production as well as the sale of the 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 a combination of flavors and perfume oils with other innovative components include flavorings that enable the sugar or salt content of foods 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 big differences in sensory preferences, comprehensive consumer research is also an important part of our R & D activities.

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 in our own production plants. In some cases, we have longer-term delivery con-

tracts for obtaining important raw materials. We maintain close ties with our suppliers and establish uniform standards to guarantee that the quality of our base materials remains the same.

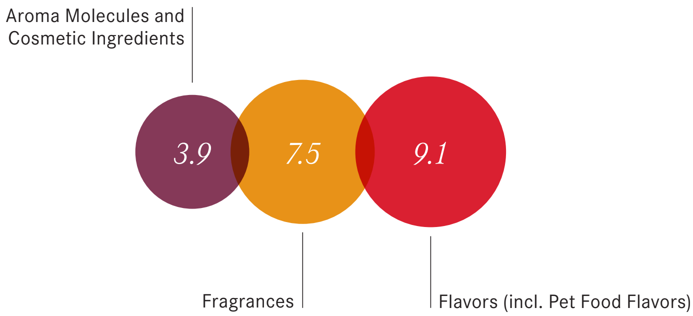
Scent & Care
The Scent & Care segment's approximately 15,000 products are sold in some 135 countries. Its portfolio includes fragrance compositions, cosmetic ingredients, aroma chemicals and mint products. It has sites in more than 30 countries. The Scent & Care segment is divided into the Fragrances, Cosmetic Ingredients and Aroma Molecules divisions, where our products are used in the different business units as follows.

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

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

Aroma Molecules: The division comprises the Menthols, Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals business units. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in the manufacture of oral care products, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals

RELEVANT AFF MARKET SIZE 2014 *in € billion*
(approx. € 20.5 billion overall)



Source: IAL (9th issue, Nov. 2014), internal estimates

encompass aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used for Symrise's own perfume oil production and are also sold to consumer goods manufacturers who make perfume oils from them.

Flavor & Nutrition
Flavor & Nutrition's range of products consists of approximately 15,000 items, which are sold in 140 countries. The flavorings that we produce are used by customers to make foods, beverages and pet foods and give the various products their individual tastes. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients, food coloring or microencapsulated components. The segment has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

In particular, the **Flavors** division's flavorings and ingredients are used in three business units:

Beverages: Our flavors are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, malt-based drinks and functional drinks. Symrise also has applications for dry or instant drinks such as tea and coffee specialties. The product range is rounded out with flavors, distillates and extracts for nearly all common types of alcoholic beverages – from strong drinks like spirits to wine liquors and non-alcoholic beers.

Savory: This includes meat flavors, herb and vegetable extracts, wine flavors for soups, sauces and prepared foods as well as meat extracts, fish and wine extracts, meat pastes and vegetable pastes – all with a focus on naturalness, health and well-being in addition to sustainability. The business unit also produces seasonings for snacks.

Sweet: This business unit focuses on the sweets, chocolates, baked goods, ice cream and dairy product areas. Flavors, fruit powders, natural food colors and the optics for flakes and crunchies are in the spotlight here while striving for naturalness, authenticity and sustainability.

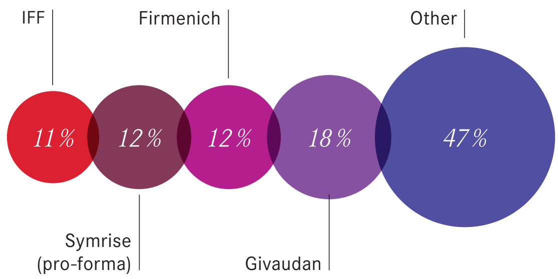
The product range in the **Diana** division is broken down into the following three business units:

Food: This unit, with 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. The aspects of quality, traceability and food safety are in the foreground here.

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 gaging progress on its work to improve sensory product characteristics. Furthermore, solutions for enhancing the acceptance of product by the pet owners are also a focus of development.

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

AFF MARKET SHARE 2014 *in %*
(Market volume approx. € 20.5 billion)



Source: Corporate data and internal estimates

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in different markets across the world. These include the traditional market for flavorings and fragrances (F&F market), whose volume amounted to € 16.6 billion in 2014, according to calculations made by the IAL Consultants market research institute (9th issue, Nov. 2014). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to our own estimates, achieved sales of € 3.9 billion in 2014. The markets have many trends and characteristics in common. The market relevant for Symrise therefore has a total volume of € 20.5 billion and is achieving average long-term growth of around 2 to 3 % per year.

More than 500 companies are active in the market worldwide. The four largest providers – including Symrise – together have a market share of about 53 %.

The F&F market is characterized by high barriers to entry worldwide. 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, due to local taste preferences, there are often many different recipes for one end product, depending on the country. Moreover, customer relations are often characterized by intensive cooperation in product development.

Apart from different local taste preferences and behavioral patterns, the demand for end products in which our products are used is influenced by additional factors. The increasing income of people in the emerging markets is having a positive impact on the development of demand for products containing fragrances and flavorings or cosmetic ingredients. Market growth is also based on simple products that meet basic needs and 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 € 20.5 billion, Symrise's market share is roughly 12 % in terms of pro forma sales in 2014. The company's biggest competitors, such as Givaudan, Firmenich or IFF, are primarily active in the traditional flavor, fragrance and perfume oil business. Symrise has expanded both segments with additional applications: for instance, with cosmetic ingredients in Scent&Care and pet foods and food ingredients within the Diana division of the Flavor&Nutrition segment. On the basis of these more complex product solutions, greater value creation can be achieved. In sub-markets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also competes with companies or segments of these companies that do not belong to the traditional F&F industry.

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

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 towards the environment, our employees and society at large. By increasing our sustainability regarding our footprint, innovation, sourcing and care, we minimize risk and promote Symrise's continued economic success.

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

- Financial situation: The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be in a corridor between 2.0 and 2.5 in the medium term. In our view, it is possible to exceed this range in the short term by making acquisitions, as with our purchase of the Diana Group in mid-2014, within the framework of our strategy. A consistently high cash flow from operating activities contributes to the company's financial stability.

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 is based on the three pillars of 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 the innovation leaders in our core competencies. This ensures our continued growth.

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

- Portfolio: We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise in the areas of nutrition and care. With the acquisition of the Diana Group, we have substantially expanded our diversified product range, particularly in the areas of baby and pet food. This ensures our unique market position.

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

VALUE-ORIENTED MANAGEMENT

Different variables are used within the framework of value-oriented company management. The EBITDA margin, for which we have defined an average target value of 19 to 22 %, serves as an indicator of the company's profitability. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, we attach great importance to the company's financial stability. An important key figure is the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA, for example.

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

RESEARCH AND DEVELOPMENT

GUIDELINES AND FOCUS AREAS

Our research and development (R & D) strategy aims to connect the individual components of product development, such as market and consumer research, R & D and creation, throughout the Group. All research activities are oriented toward the customer and the market. Through the close linkup of R & D with marketing and sales, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented and if they are profitable. External cooperations and networks (open innovation) are bringing a wealth of new methods and ideas to the development process. All R & D activities are geared to the guidelines of environmental compatibility, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities amounted to 0.5 % in the 2014 fiscal year and therefore continues to be insignificant.

The Scent & Care segment focuses on six areas in its R & D strategy:

- Innovations in the area of green chemistry for use in fragrances and cosmetic ingredients
- Functional substances for oral care products
- Bioactive ingredients for cosmetic applications
- Release systems for fragrances
- Malodor masking
- Sensory research and receptor biology

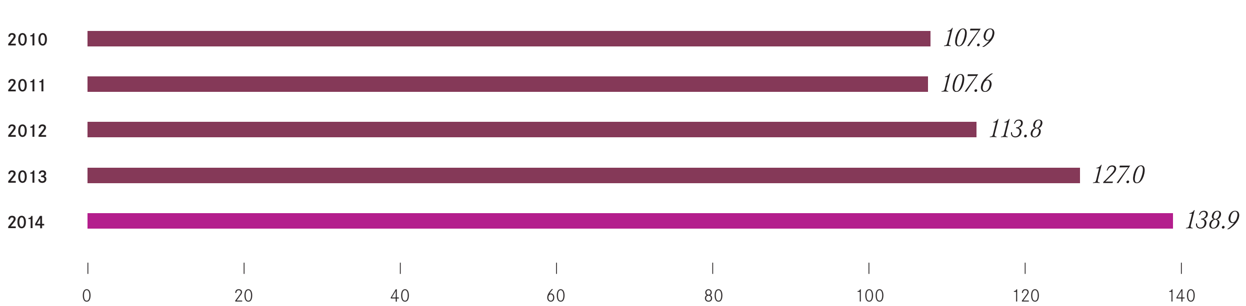
In the Flavor & Nutrition segment, the following areas are being reworked via six technology platforms:

- Developing and establishing concepts for ensuring the authenticity of natural aromatic substances
- Developing agro-based and declaration-compatible flavor systems such as plant extracts with improved fermentation properties for optimizing sweet flavors, authentic onion-based flavor systems, optimized and sustainable vanilla extracts and new savory flavor systems
- Developing natural aromatic substances as well as complex natural flavor preparations with authentic flavor profiles that integrate new botanical raw materials as well as the latest biocatalysis methods
- Optimizing high-protein foods in regards to masking unwanted flavors (bitterness and astringency masking)
- Identifying and validating functional effects in natural substances with physiological functional properties for the areas of Health and Nutrition
- New technologies for the selective enrichment and release of aromatic substances
- New, application-specific encapsulation technologies particularly for teas, chewing gums and snacks
- Formulating products with health-promoting characteristics while simultaneously optimizing the sensory profile with special attention to ingredients relevant for health
- Initial optimization of flavor systems and technologies for feed components aimed at increasing acceptance from pets in the Diana Pet Food business unit
- Evaluating and further developing agriculture-based raw materials from the Diana Food business unit

ORGANIZATION

Symrise's two segments each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to both segments in order to achieve synergies, such as in the fields of green chemistry and white biotechnology. The R & D resources of both segments are directly integrated into the organization. Multiple R & D centers around the world ensure that the regional activities of both segments are optimally supported. The activities in Holzminden concentrate in particular on fragrance, flavor and taste research as well as the implementation of the principles of green chemistry in the development of fragrances, aromatic substances and cosmetic ingredients. Furthermore, there is a focus on the development of new functional ingredients for application in foods. The majority of the R & D activities for the Diana division (Diana Pet Food and Food) is located in France, with additional research and development on plant cell culture-based technologies located in Oregon (USA). Development and application technologies for the segments are also located in Teterboro (USA), Singapore, Tokyo (Japan), Chennai (India), Paris (France) and São Paulo (Brazil).

R & D COSTS *in € million*



To expand the network within the scientific community, Symrise representatives participated in numerous scientific events, presenting the company's latest research. This included a presentation of the latest findings on the bioactivity of aromatic substances at the AChemS conference in Florida (USA), the most important conference on the biology and physiology of flavor and fragrance perception as well as diverse inputs on the characterization and effectiveness of natural flavor systems at the Weurman conference, one of the world's leading flavor conferences. Symrise also participated in the FEMA Annual Convention, which focused on the "Future of Food". An extensive presentation on methods for authenticating natural aromatic substances was given before the specialist audience at the annual meeting of the American Chemical Society in San Francisco. To strengthen its national network in the area of food technology, Symrise joined the Lower Saxony-based R & D association NieKE (Lower Saxony Competence Center for Nutrition). Its members include important research institutes like the DIL (German Institute for Food Technology) and other food manufacturing or processing companies. At the World Perfumery Congress in Deauville and the 28th IFSCC (International Federation of Societies of Cosmetic Chemists) in Paris there was a special focus on the areas of green chemistry and reusability in 2014. Along with the external presentations at scientific events, Symrise also holds annual meetings with numerous select scientific committees to assess future academic trends and to validate ongoing research. The focus of the annual St. Niclas Symposium, where renowned academic think tanks get together to lay out the product pipeline and best practices of Symrise in the area of green chemistry, lay on green chemistry and sustainability in 2014. A special highlight was the opening speech from Professor Roger Sheldon (University of the Netherlands) who introduced the E-factor for measuring the efficiency of green chemistry. A complete proceedings journal on current topics in fragrance chemistry was published for the GDHC Flavor & Fragrance conference in Leipzig, with Symrise researchers playing a significant role.

Symrise presented the topic of sustainability and fragrances at the Cleaning Products Europe Conference in Prague. Symrise presented the latest research results from phytochemistry, microalgae research, skin pigmentation, anti-aging and receptor biology at the 28th IFSCC (International Federation of Societies of Cosmetic Chemists) conference held by the French Association for Cosmetics and Fragrances in Rio de Janeiro as well as at the "9th International Meeting of China Dermatologist Association & National Congress of Cosmetic Dermatology."

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.

From idea to marketable product, the innovation process at Symrise is organized based on a uniform, stage model with decision filters. The process is established throughout the company. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project. An evaluation system for determining the sustainability of projects and the resulting products and processes was also developed and introduced in 2014.

PERSONNEL AND EXPENSES

At Symrise, nearly 18 %, or 1,457, of our employees work in the R & D area worldwide. In the previous year, 1,160 employees worked in R & D. The increase is mainly due to the acquisition of the Diana Group. Total R & D expenditures amounted to € 139 million in the 2014 fiscal year (previous year: € 127 million), comprising 6.6 % of sales (previous year: 6.9 %). Research expenses will remain at this level in the future in order to further increase Symrise's innovative strength.

EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2014, the Symrise Group employed 8,160 people (not including trainees and apprentices) worldwide. In comparison to December 31, 2013 (5,959), this represents an additional 2,201 employees. The increase in the number of employees in the Flavor & Nutrition segment was particularly notable (+2,151 employees). This segment employs 62 % of the Group's total workforce. This increase is primarily the result of the acquisition of the Diana Group and its 2,066 employees. 27 % of employees work in the Scent & Care segment. Here, the number of employees increased by 26 in 2014. About 11 % of the Group's employees work in the Corporate Services and Corporate Center segments as well as in the separate Group companies Symotion and Tesium, which also occasionally provide services for third parties in such areas as technology, energy, safety, environmental issues and logistics. The number of apprentices and trainees was up 12 % on the previous year at 141 (previous year: 126 apprentices and trainees). They are trained in particular 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 majority (48 %) of the Symrise Group's workforce is employed in the area of production and technology. This was also the area that experienced the greatest growth in personnel in 2014, adding 1,514 employees. 21 % of the workforce is employed in sales and marketing, while 18 % of employees work in research and development.

Of the Group's 8,160 employees, about 30 % work at sites in Germany, while the EAME region as a whole accounts for 53 % of the workforce. 20 % of our employees work in the Latin America region, 16 % in Asia/Pacific and 11 % in North America. The increase in employees in 2014 was especially notable in EAME (excluding Germany) at 133 % as a result of the Diana acquisition, though growth in Latin America and North America was also strong at 86 % and 37 % respectively.

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 60 %. We regularly assess the demographic development of our workforce. Demographic development 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.

Over 40 % of the Symrise Group's employees have been with the company for at least ten years – for German sites, this group accounts for 70 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.2 % in 2014. Globally, the figure was 4.8 %.

PERSONNEL STRATEGY

The strategic focuses for human resources in 2014 concentrated on personnel and manager development as well as the integration of Diana. Moreover, we enhanced our activities in the areas of health management, work-life balance, diversity and demographic change.

Employee and Manager Development

In 2014, Symrise started a program for the development of future managers under the title "Future Generation Leadership Development Program." This program aims to develop the next generation of the company's managers. We deliberately implemented diversity criteria regarding the selection of participants. 40 % of the participants are women. A total of 22 junior talents from our two segments and from eight countries were put on a two-year developmental path that entails an intensive English-language program consisting of four elements:

Development Center: In a three-day event, participants engage in various exercises and role-playing games while being observed by senior managers. The result is an extensive report on the participants' strengths and developmental areas and an 18-month human resources development plan that is individually tailored to the participant's daily routine.

Three Modules for Manager Training: Implemented by a renowned German business school, the participants learn about the various aspects of corporate management and leadership in three seminar modules. The seminars combine theoretical knowledge with practical application. The focus on implementation plays a central role.

Mentoring: Every participant is also assigned a mentor from the senior management at Symrise. Mentoring includes reflection and discussion as well as sharing experience. Mentors are selected and assigned with the aim of using their knowledge and experiences to provide an additional boost to the participants' development. This means that the mentor generally comes from a different division and function as the participant. This enables cross-functional learning.

Project: All participants are involved in a project within the framework of the program that is relevant to the future development of Symrise. Each project is sponsored and supervised by a senior manager. At the end of the program, each project group presents their results to the Symrise Executive Board. Ideally, the results will then be implemented within the company.

The program started with great success and is slated to become a core component of manager development at Symrise.

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2013	December 31, 2014	Change in %
Flavor & Nutrition	2,943	5,094	+ 73
Scent & Care	2,147	2,173	+ 1
Corporate functions and services	869	893	+ 3
Total (not including trainees and apprentices)	**5,959**	**8,160**	**+ 37**
Trainees and apprentices	126	141	+ 12
Total	**6,085**	**8,301**	**+ 36**

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

NUMBER OF EMPLOYEES BY FUNCTION

	December 31, 2013	December 31, 2014	Change in %
Production & Technology	2,431	3,945	+ 62
Sales & Marketing	1,561	1,747	+ 12
Research & Development	1,160	1,457	+ 26
Administration	440	629	+ 43
Service companies	367	382	+ 4
Total	**5,959**	**8,160**	**+ 37**

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

Integrating the Diana Group into the Symrise Organization
As an international company with headquarters in Germany, Symrise faced some notable HR-related challenges regarding the integration of its acquisition Diana. Diana employs about 2,100 employees worldwide, with about 1,000 of these working in France. Here, we needed to be considerate of the country's established HR-policy culture. Symrise sees the French workforce and management team as an asset with a special cultural value that is worth protecting and preserving. That is why we decided to integrate Diana into the Symrise organization as a separate division within the Flavor & Nutrition segment. The Diana division is also being headed by a French managing director joining Symrise from Diana, which is another component of this cultural respect. This manager participates in the regular meetings of the expanded management at Symrise. We have established a special incentive program that is oriented towards the targeted sales and earnings goals to support and motivate the Diana managers to achieve the ambitious medium-term goals.

Education
One of Symrise's strengths is in the training and development of our technical personnel, particularly in the creative segment. The flavorist and perfumer schools train specialists who can be quickly and successfully employed. Next, the technical training of our production employees is a core component of Symrise's professional development program with training courses for chemical production specialists, process chemical technicians or as inventory specialists at Symotion GmbH. Our high-performance sales training for sales personnel is also being continued and further expanded.

Symrise has made considerable investments into the continuation and expansion of its training at its Holzminden site. Each year, we hire roughly 45 new apprentices in various occupational training programs. This helps us prepare for the upcoming demographic change. Two additional Symrise employees with a chemical-technical professional background began studies in a dual degree program in Life Science Technologies as of the winter semester of 2014.

Symrise supports employees who engage in further training or educational measures, including Master's programs and PhDs, in a wide variety of ways. This support provides great motivation for the employees and ultimately benefits the company as well.

Company Daycare
Another important component of the corporate culture at Symrise is our family-oriented HR policy. Here, Symrise took the initiative, in cooperation with other companies in the region and an external operator, and co-founded a company daycare in Holzmin-

NUMBER OF EMPLOYEES BY REGION

	December 31, 2013	December 31, 2014	Change in %
Germany	2,398	2,462	+ 3
EAME not including Germany	786	1,829	+ 133
North America	673	922	+ 37
Asia/Pacific	1,235	1,333	+ 8
Latin America	867	1,614	+ 86
Total	**5,959**	**8,160**	**+ 37**

Basis: Full-time equivalents (FTE), not including apprentices, trainees and temporary workers den: the "Grasshoppers." The daycare launched in December 2014 with its first group of children and will move into its own new rooms in 2015. This important initiative aims to enhance and improve the compatibility of work and family life.

Working Life
A further strategic element of Symrise's HR policy is focused on demographic change. Though not in the short and medium term, Symrise will face major challenges in the longer term after 2020. The introduction of working time accounts for employees in Germany, which allow employees to retire early and/or more flexibly, is an initial step in the right direction.

Health management
Symrise boosted its activities in health management and formed a global network of participants under the title of "SymplyHealthy." This will link regional activities and allow team members to learn from one another. The focus in Germany this year was on production, which generally operates on a shift work schedule, with initiatives in three areas: exercise, nutrition and sleep.

Diversity
Diversity is a central element of Symrise's HR policy and will be built upon continually. In 2014, we initially began establishing greater transparency and KPIs on the central parameters of diversity, such as nationality and gender, in order to measure what ratio of men and women work at Symrise and how well this is reflected at the management level. This program will be continued in 2015 with various activities.

PERSONNEL MEASURES

Remuneration and Wage Agreements
Symrise uses the wage agreements applicable to the chemicals industry for its employees in Germany – both in terms of content and duration. In February 2014, a wage agreement was concluded for the chemical industry in Germany that calls for an increase of the tariff wages of 3.7 %. 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 industry tariff. As a result, the tariff wages of our employees in Germany will be increased by 3 % by the wage agreement. The adjusted tariff wages will remain valid until the end of March 2015.

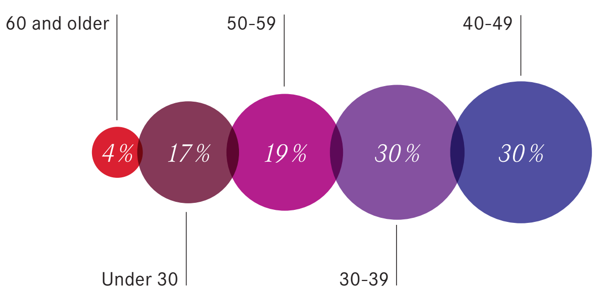
At the other Symrise sites, our tariff policies are oriented towards the local benchmarks and inflation rates. Symrise is also a competitive employer in these markets in regards to compensation and benefits.

Flexible remuneration systems, which honor employees' individual contributions with variable salary components and at the same time take the company's economic situation into account, are an important element of our modern remuneration policy. The remuneration systems are based on our salary range model, which was introduced at all of the major Symrise sites. The advantages of this job grade concept lie in a structured and comprehensible remuneration and in its international comparability. This makes our company more attractive as an employer and contributes toward recruiting and retaining employees.

In addition, a separate global performance bonus plan ensuring that company goals are reached by means of a variable remuneration geared toward results and performance applies to about 70 managers with global or regional responsibilities: Employee performance should pay off at Symrise.

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 be-

AGE STRUCTURE OF THE WORKFORCE 2014 *in %*



ginning 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

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 sub-markets in which we are active show different degrees of fluctuation depending on economic developments.

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 the supply of raw materials 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.

GLOBAL ECONOMIC CONDITIONS

The international economic situation was reserved on the whole in 2014. According to the January 2015 estimates from the International Monetary Fund (IMF), global economic output increased by 3.3 %, just as it did in 2013. Numerous political disputes and military escalations, particularly those in the Middle East, Africa and Ukraine, and their negative economic effects weighed down on the global economy. This was countered in the second half of 2014 by the drastic drop in oil prices, which provided expansionary impulses.

Economic performance in the industrialized countries showed a significantly divergent picture in 2014. While the US economy grew stronger than expected at 2.4 %, economic development in Japan (0.1 %) and the eurozone (0.8 %) lagged behind expectations. Mainly due to ongoing structural problems, the economies of Italy and France achieved little to no growth. The German economy grew 1.6 % in 2014 according to calculations from the Federal Statistical Office, after only 0.1 % in the previous year. Here, private consumption and industry investments were the key drivers of growth while exports minus imports only provided a relatively small contribution.

The economic output of the emerging and developing countries expanded by an estimated 4.4 % in 2014 after 4.7 % in the previous year. Here, too, the pace of growth varied greatly between the various markets. Countries in Asia achieved an average economic growth of 6.5 %, though China experienced something of a down year, particularly due to reserved investment behavior. On the other hand, India's economy achieved greater growth than in 2013. Economic development in Eastern Europe suffered from the conflict in Ukraine and the related sanctions as well as from the drop in oil prices, especially in Russia. Some countries in Latin America, namely Argentina, Brazil and Venezuela, also struggled with grave economic problems – for instance with high inflation or a drop in the value of their currency.

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

- Economic fluctuations in the developed markets 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 areas.

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

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

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

Symrise benefited from its favorable market position in the emerging markets as well as a broadly diversified customer portfolio in the 2014 fiscal year.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is growing at a long-term rate of 2 to 3%. For 2014, the global market volume amounted to € 20.5 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 which are used in Symrise's value chain as menthol intermediate products, solvents as well as raw materials for sun protection filters and special aromatic substances. In general, however, individual raw materials comprise only a very small part of the total requirement. Procurement costs saw moderate downturns for many raw materials in 2014. This was overcompensated, however, by significant unforeseen price increases in citrus-based raw materials such as juice concentrates and peel extracts. With the very important citral and terpene derivatives, which are used to manufacture fragrances, the supply and cost situation intensified in 2014. The same is true for most base chemicals, such as solvents.

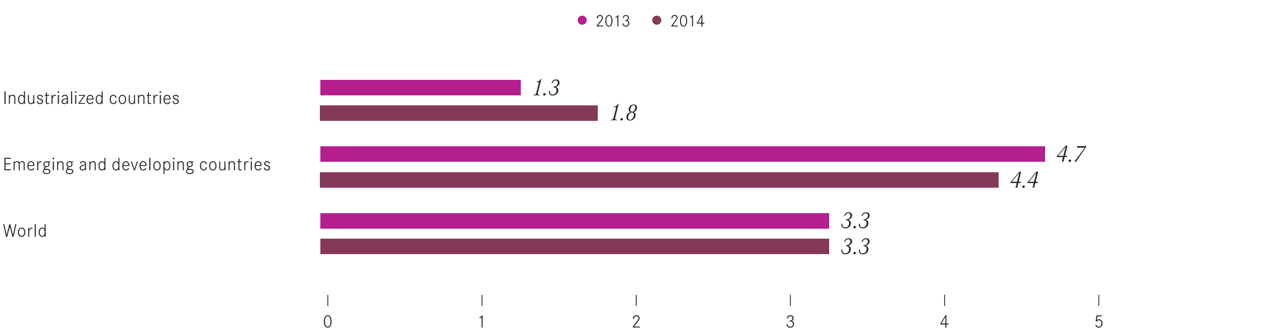
Overall, the prices for chemical raw materials decreased slightly over the course of the 2014 fiscal year. Natural raw materials experienced significant price distortions due to the unsettled market environment and continued high level of volatility. To increase supply security with base products, Symrise has for years pursued a strategy of long-term cooperation. Examples of this are the collaboration with LANXESS in the manufacture of synthetic menthols and a presence in Madagascar, the most importance source country for bourbon vanilla, with backward integration, meaning the inclusion of local farmers.

GENERAL POLITICAL AND REGULATORY CONDITIONS

The Flavor & Nutrition segment's products are primarily used in foods, beverages and pharmaceutical applications. The products in the Food and Nova business units in the Diana division are also used in the same areas. Furthermore, the Pet Food business unit supplies products for the pet food market. New maximum limits for certain aromatic substances must be complied with in the EU starting in October 2014 at the latest. Symrise already ensured in 2013 that it meets this new requirement. The company guarantees that all Symrise products meet these requirements and that corresponding documentation is made available to customers. Furthermore, the EU published the Union List of aromatic substances, which also contains exact purity requirements. Symrise began adjusting its data systems and informing its customers of these changes before the list was published.

Numerous changes to food law in China and other emerging markets are expected in 2015. For certain aromatic substances, Chinese purity regulations differ from their EU counterparts.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN 2013/2014 *in %*



Source: IMF

Symrise began looking into these changes at an early stage and can therefore meet these new criteria.

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

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 2014 was registering or updating important products and raw materials previously registered in 2010 and 2013 in accordance with the European chemicals directive REACH: Overall, files for more than ten materials (or phase-in substances; EINECS) were submitted to the European Chemicals Agency (ECHA). Symrise also prepared files for another approximately 50 substances.

Regulatory monitoring remains a key activity of the Scent & Care segment for ensuring compliance with all current and future regulatory requirements and to secure a competitive advantage. A growing number of regulatory challenges arose globally in 2014, from changes to approval lists for chemicals in China and South Korea, to continuous dialogue and exchange with European authorities on allergenic fragrances. In 2014, we proactively implemented internal measures to ensure compliance with future European requirements and to provide an industry-leading and constantly improving service to our customers.

An external audit by Regulatory Affairs in 2014 confirmed the existing solidity of Scent & Care's processes and procedures from a regulatory viewpoint: From the inspection of raw materials to briefing and creation, we ensure the delivery of compliant and safe perfumes and cosmetic ingredients for our customers by further developing our processes in line with the changing regulatory environment.

CORPORATE DEVELOPMENT

CURRENT DEVELOPMENTS WITHIN THE GROUP

German Sustainability Award 2014 – Symrise Among Top 3 in Special Award Category "Resource Efficiency"

The Germany Sustainability Awards were presented in November 2014. Symrise placed among the top 3 in the special award category "Resource Efficiency." With this award, the foundation is recognizing Symrise's responsible use of resources along the entire value chain and continual development and application of innovative approaches for greater efficiency. For seven years now, the Stiftung Deutscher Nachhaltigkeitspreis e. V. (German Sustainability Award Foundation) has been promoting sustainable developments by recognizing the best achievements in this area. In its statement, the jury noted that Symrise develops effective solutions with its products and processes that successfully contribute to resolving present and future societal challenges.

The world's population and its basic needs for products in the areas of health, nutrition, care and well-being are constantly growing. This fact makes it all the more necessary that companies use the available resources in an efficient and environmentally sound manner – particularly with regards to the cultivation, production and distribution of foods and the energy used to accomplish these feats. Symrise uses a wide range of natural raw materials and has therefore anchored the efficient use of resources along its entire value chain as a central element in its corporate strategy.

Founding of a New Subsidiary in Nigeria Strengthens Presence in West African Market

Symrise opened a new subsidiary in Lagos, Nigeria, and thereby enhanced its presence in the West African market. The company plans to establish sales offices, marketing activities and application-technology laboratories at the new site. Symrise wants to use the knowledge it has gained on site to develop products for local and international customers that are custom-tailored to the West African market.

The history of Symrise is closely connected with Nigeria. The Scent & Care and Flavor & Nutrition segments have been active in the country for almost 30 years. During this time, Symrise has worked intensively to familiarize itself with the local markets. Moreover, Symrise developed close and lasting relationships with customers here. In order to strengthen this commitment and take it to the next level, Symrise recently founded a new subsidiary. At the same time, Symrise wants to enhance its cooperation with its long-time partner Allied Technol.

New Production Site Opened in Madagascar

In October 2014, Symrise opened an extraction facility for vanilla in Madagascar and thus took another important step in sustainable vanilla production. The investment at the Benavony site amounted to approximately € 3 million. With the plant, every step in the processing of vanilla can now be performed locally on the East African island for the first time. The 3,500 m² facility offers production space for extraction, analysis, quality control and the proper storage of vanilla extracts. The site, which was completely newly constructed, has a total of 36 ha of space. In the medium term, Symrise plans to process additional important raw materials here such as vetiver, an important and popular fragrance for producing perfumes.

New Site in the Amazon Ecoparque
In 2014, Symrise began operations at a site in Benevides, Brazil, that focuses on the research, development and production of sustainable ingredients from the Amazon region. The Ecoparque, an industrial park, promotes and combines sustainability with the production of high-quality products. Companies from various market segments are moving into the park to share raw materials and work together on developing innovations. At the same time, the commitment will also benefit the local communities and families.

Natura Cosmetics, a large Brazilian producer of natural cosmetics and personal care products, founded the Ecoparque in Benevides in the Brazilian state of Pará and launched operations at its soap production site there in March 2014. Symrise joined this project and was the second company to invest in this region. Symrise will research, develop and manufacture high-quality products from local raw materials at the site. With its patented SymTrap® technology, the Group will produce essential oils and essences. Brazil nuts, murumuru, cupuaçu, cocoa, andiroba, buriti and passion fruit are just some of the raw materials that will be used. They are used in cosmetics and scented products. Furthermore, Symrise is supporting the communities' economic and social development and will be directly assisting more than 2,000 families in the Amazon region.

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 € 2,120 million in the 2014 fiscal year. This also includes sales from the Diana Group since July 2014 of € 234 million. Sales increased 16 % over the previous year in the reporting currency (18 % at local currency). The emerging markets' share of total Group sales amounted to 47 %. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets. Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) at the Group level increased by 24 %, from € 373 million to € 465 million. This corresponds to a sales margin of 21.9 % (previous year EBITDA margin: 20.4 %).

The normalized net income for 2014 increased by € 40 million over the previous year to € 212 million. Normalized earnings per share amounted to € 1.69 (2013: € 1.46). The reported earnings per share was € 1.48. Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.70 to € 0.75 per share at the Annual General Meeting on May 12, 2015.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of the 2014 fiscal year, we had expressed our goal of posting sales growth at local currency in both segments well beyond the average market growth rate (2-3 %).

Assuming that raw materials prices remained at the level of 2013 and exchange rates did not change significantly from 2013, we anticipated an EBITDA margin of about 20 % for 2014.

Our debt, as measured in terms of the key figure net debt (incl. provisions for pensions and similar obligations) to EBITDA, should remain between 2.0 and 2.5 in the medium term but can be above this temporarily as a resulty of potential acquisitions.

With sales growth of 18.0 % at local currency, we exceeded our sales goal by a considerable margin. Without the Diana acquisition, growth would have amounted to 5.1 % at local currency. The EBITDAN margin of 21.9 % was above the targeted range. Net debt, at 3.2 times EBITDAN, momentarily exceeded our target corridor due to the Diana acquisition.

ACHIEVEMENT OF TARGETS IN 2014

	Target at the Beginning of the Fiscal Year	Figure Achieved[1]
Sales growth (at local currency)	notably above market growth (2–3 %)	18.0 % (without Diana 5.1 %)
EBITDA margin	about 20.0 %	21.9 %
Net debt (incl. provisions for pensions and similar obligations)/EBITDA	medium-term 2.0 to 2.5	3.2

1) EBITDA based on normalized or pro forma figures

RESULT OF OPERATIONS

Group Sales

For 2014 as a whole, the Symrise Group generated sales of € 2,120 million. This also includes sales from the Diana Group since July 2014 (€ 234 million). In comparison to the previous year, sales increased 16 % in the reporting currency and 18 % at local currency.

Segments: Scent & Care was able to increase sales at local currency by 4 % to € 980 million. Sales in the Flavor & Nutrition segment reached € 1,140 million in the past fiscal year. This corresponds to an increase at local currency of 34 % compared to the previous year, due in large part to the Diana acquisition. Without the Diana acquisition, growth at local currency for the Flavor & Nutrition segment would have amounted to 6 %.

Regions: Sales in the **EAME** region were up 19 % for the year (at local currency: 21 %). The **North America** region also developed very positively in the 2014 fiscal year and achieved sales growth of 17 % compared to the previous year (at local currency: 17 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 8 % (at local currency: 10 %). Sales in the **Latin America** region increased by 16 % compared to the previous year (at local currency: 27 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 17 %. The share of this group of countries in total sales was 47 % in the 2014 fiscal year. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets.

Scent & Care Sales

In the 2014 fiscal year, the Scent & Care segment generated sales of € 980 million. Sales were therefore up 2 % on the previous year's level. At local currency, this corresponds to growth of 4 %.

All divisions posted positive sales developments in the year under review. The Cosmetic Ingredients division generated the strongest growth. However, the Fragrances and Aroma Molecules divisions also increased sales significantly.

Regions: All regions were able to notably increase their sales at local currency in the past fiscal year. Leading the way was the Latin America region, with the Fragrances and Cosmetic Ingredients divisions making the strongest contributions.

In the **EAME** region, sales at local currency increased by 5 %. Both in the developed markets of Western Europe as well as in the emerging markets of Eastern Europe, we managed to generate high single and even double-digit growth rates. The Fragrances and Cosmetic Ingredients divisions in particular posted high growth rates here.

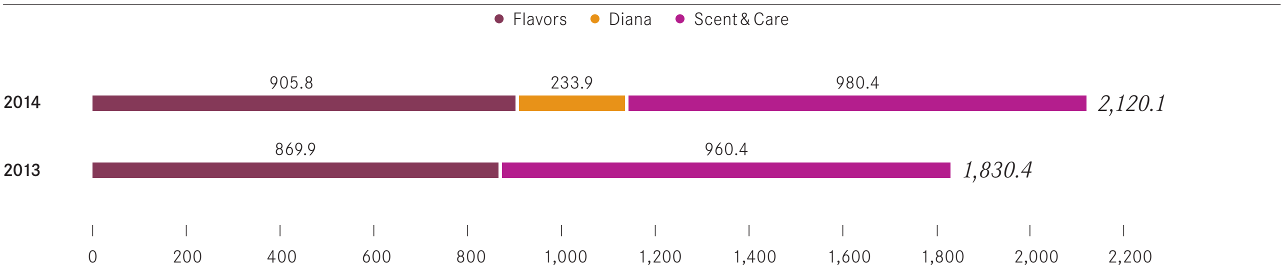
Sales rose by 2 % at local currency in **North America**. The growth was seen in the Fragrances division, which was especially due to the positive development in the Oral Care business unit.

In the **Asia/Pacific** region, sales at local currency increased by 2 %. Here, the growth in sales over the previous year came from the Aroma Molecules division in particular. While Cosmetic Ingredients generated moderate growth, Fragrances came in slightly below the previous year's figure. The greatest growth impulses were seen in India, Japan and Indonesia.

Scent & Care achieved its highest growth in the past fiscal year in **Latin America**. Sales increased 10 % compared to the previous year at local currency. Particularly the Fragrances and Cosmetic Ingredients divisions managed to achieve high growth rates sometimes reaching double-digits. Particularly dynamic was the development of business in the markets of Brazil, Argentina, Mexico and Colombia.

Divisions: The **Fragrances** division, which accounts for more than half of the sales in the Scent & Care segment, posted moderate single-digit sales growth at local currency in the 2014 fiscal year. In particular, the Personal Care and Household business units achieved high growth rates.

SALES DEVELOPMENT OF THE SYMRISE GROUP *in € million*



The **Cosmetic Ingredients** division generated a high single-digit growth rate at local currency in 2014, which was particularly due to good development in the business unit sharing the same name, Cosmetic Ingredients. Symrise also won two PCHi awards at the 2014 Personal Care and Homecare Ingredients (PCHi) trade fair in recognition of its development achievements. SymHair® Force 1631 won in the category for ground-breaking ingredient of the year thanks to its special properties that strengthen hair. Meanwhile, SymSave® H impressed with its multi-functional stabilizing properties and took the top spot in the category for functional ingredients/preservatives.

Sales performance in the **Aroma Molecules** division was positive in the 2014 fiscal year and achieved moderate growth at local currency. Key growth drivers here were the Menthols and Special Fragrance & Flavor Ingredients business units.

Flavor & Nutrition Sales

In the 2014 fiscal year, the Flavor & Nutrition segment generated sales of € 1,140 million. Compared to the previous year, this corresponds to growth of 31 %; at local currency the increase was 34 %. It also includes for the first time sales from the Diana Group since July 2014 of € 234 million. Without this effect, growth amounts to 6 % at local currency.

Regions: Compared to the previous year, Flavor & Nutrition increased sales substantially in every region in 2014, with the acquisition of the Diana Group making a significant contribution to this result.

In the **EAME** region, sales at local currency in the 2014 fiscal year eclipsed the figures from the previous year by 33 %. In addition to the sales contributions from the Diana acquisition, this growth is especially attributable to the emerging markets of Africa, the Gulf region and Eastern Europe. Sales in some Western European markets also saw significant improvements. Performance in Nigeria, Russia, the UK, Spain, Poland and Egypt was particularly dynamic. The Savory and Beverages business units generated the highest growth rates, especially with strategically important customers.

In **North America**, sales at local currency increased by 43 % in the 2014 fiscal year. The key growth driver here was also the sales generated by the Diana Group. Additionally, the Sweet business unit posted high double-digit growth rates. Here, vanilla flavors for strategic customers in particular contributed to sales growth.

In the **Asia/Pacific** region, sales at local currency increased in the past fiscal year by 20 %. The markets in the Philippines, Bangladesh, India, Thailand and Indonesia provided especially high, occasionally double-digit growth rates for the Flavor & Nutrition segment. The business units Beverages and Savory managed to notably expand their business and achieve double-digit and high single-digit growth. The Sweet business unit, on the other hand, was slightly below the level of the previous year.

In the **Latin America** region – again the strongest performing region – Flavor & Nutrition achieved growth of 57 % at local currency compared to the previous year. The key growth driver here was also the acquisition of the Diana Group. Moreover, sales in Argentina, Venezuela, Chile and Guatemala in particular were up considerably for the year. The Sweet, Savory and Beverages business units generated high single-digit, and sometimes double-digit, growth rates thanks to new business with global and regional customers.

Development of Important Items in the Income Statement

In the 2014 fiscal year, acquisition and integration costs of € 20 million relating to the purchase of the Diana Group impacted the operating result. As part of the preliminary purchase price allocation for the Diana acquisition completed in the fourth quarter, the acquired inventories had to be measured once at their fair value. These were consumed by the end of the year. The increased material costs related to these measured inventories lowered the operating result by € 10 million. In the following, we use normalized results (EBITN/EBITDAN) adjusted for these one-off, non-recurring specific influences. The consolidation of the Diana Group since July 2014 had a positive impact on our result (EBITDAN) of € 48.8 million. In 2014, the **cost of sales** rose by € 159 million, or 15 %, to € 1,218 million (2013: € 1,060 mil-

SALES BY REGION

€ million	2013	2014	Change in %	Change in % at local currency
EAME	828.3	989.0	19	21
North America	350.3	408.6	17	17
Asia/Pacific	419.6	452.6	8	10
Latin America	232.2	269.8	16	27
Total	**1,830.4**	**2,120.1**	**16**	**18**

INCOME STATEMENT IN SUMMARY

€ million		2013	2014	Change in %
Sales		1,830.4	2,120.1	16
Cost of sales		– 1,059.5	– 1,218.1	15
Gross profit		**770.8**	**902.0**	**17**
Gross margin	in %	42.1	42.5	
Other operating income		16.1	29.1	81
Selling and marketing expenses		– 290.0	– 340.4	17
Research and development expenses		– 127.0	– 138.9	9
Administration expenses		– 85.0	– 109.4	29
Other operating expenses		– 1.8	– 4.6	155
Income from operations/EBITN[1)]		**283.1**	**337.9**	**19**

1) for 2013: EBITN = EBIT

lion). The increase is mainly due to the acquisition of the Diana Group. Gross profit increased by 17 % and amounted to € 902 million (2013: € 771 million). The **gross margin** was 42.5 % and therefore 0.4 percentage points higher than in the previous year (42.1 %). **Selling and marketing expenses** were up by 17 % compared to the previous year, amounting to € 340 million (2013: € 290 million). This corresponds to 16.1 % of Group sales (2013: 15.8 %). **R&D expenses** increased by 9 % to € 139 million (2013: € 127 million). The R&D rate was therefore 6.6 % (previous year: 6.9 %). **Administration expenses** increased by 29 % to € 109 million (previous year: € 85 million). Administration expenses as a share of Group sales amounted to 5.2 % in the year under review (previous year: 4.6 %). The rise in selling and marketing, research and administration expenses compared to the previous year primarily relates to the inclusion of the Diana Group in the consolidated financial statements.

Earnings Situation

Group: Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) were up 24 % in 2014 to € 465 million (2013: € 373 million). The Diana acquisition, in particular, and the improved gross profit in particular had a positive effect on earnings compared to the previous year. The **EBITDAN margin** amounted to 21.9 % in 2014 compared to 20.4 % in the previous year.

Scent & Care: Scent & Care generated an EBITDA of € 222.9 million in 2014. It was therefore 15 % higher than the previous year's level of € 194.5 million. The EBITDA margin therefore amounted to 22.7 %, compared to 20.3 % in 2013.

Flavor & Nutrition: The EBITDAN in the Flavor & Nutrition segment in 2014, adjusted for the one-off non-recurring specific influences associated with the Diana acquisition, was significantly higher than the previous year's level (2013: € 178.6 million), reaching € 241.6 million. The EBITDAN margin amounted to 21.2 %, compared to 20.5 % in the previous year.

Financial result: The financial result in 2014 of € -48.4 million represents a downgrade of € 11.1 million compared to 2013. The reasons for this relate on the one hand to one-off expenses connected to the financing of the Diana Group acquisition (€ 5 million) and an increased interest expense associated with the new borrowings used to finance the acquisition, namely the Eurobond and the long-term syndicated loan. Furthermore, there

OVERVIEW OF EARNINGS

€ million		2013[1)]	2014	Change in %	Change in % at local currency
EBITDAN		**373.1**	**464.5**	24.5	26.7
EBITDAN margin	in %	20.4	21.9		
EBITN		**283.1**	**337.9**	19.3	21.9
EBITN margin	in %	15.5	15.9		

1) for 2013: EBIT resp. EBITDA

were one-time negative valuation effects relating to the first-time consolidation of Probi AB (€ -2.8 million). Interest expenses increased by € 7.9 million from € 33.8 million to € 41.7 million.

Taxes: In the 2014 fiscal year, tax expenses amounted to € 72.9 million (2013: € 73.5 million). The resulting tax rate of 28.1 % is therefore below that of the previous year (29.9 %). In 2013, the tax rate was influenced by the creation of tax provisions for ongoing audits. An adequate provision for risk was made, as in previous years.

Net income and earnings per share: Net income adjusted for specific influences amounts to € 212 million, which corresponds to a normalized earnings per share of € 1.69. The net income in 2014 including specific influences totaled € 185 million, € 13 million, or 7 %, higher than in the previous year (2013: € 172 million). Earnings per share therefore improved by € 0.02 to € 1.48 (2013: € 1.46) despite a higher number of shares.

Dividend proposal for 2014: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.75 per share for the 2014 fiscal year at the Annual General Meeting on May 12, 2015. Symrise views the dividend payment as being part of its corporate responsibility to continually achieve high yields for its shareholders and to enable shareholders to participate in the company's success by means of an appropriate dividend.

FINANCIAL POSITION

Financial Management

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

In accordance with the Treasury department's guidelines, the financing of the Symrise Group is managed centrally. The financial needs of Group subsidiaries are ensured by means of internal Group financing within the framework of a cash pool, among other things. The surplus liquidity of individual European Group units is put into a central account, so that liquidity deficits of other Group units can be offset without external financing and internal financial capital can be used efficiently. If external credit lines are needed, 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 all consortium banks and avoids becoming too dependent on individual institutes.

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

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

With an equity ratio of 36 % as of December 31, 2014, Symrise has a solid capital structure to drive 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 placement, borrowings from the European Investment Bank, revolving credit facility and a KfW loan from the KfW's energy efficiency program. Additionally, the Group secured liquidity through a combination of equity and debt capital to finance the acquisition of the Diana Group. Alongside of the two successful capital increases, Symrise placed a € 500 million Eurobond with a five-year term at the beginning of July. The interest coupon is 1.75 %. All of the remaining financing needs were covered by borrowings of € 225 million with a three-year term and the existing revolving credit line to finance the acquisition.

Symrise fulfilled all of the contractual obligations resulting from loans (covenants) in the 2014 fiscal year.

In addition to the credit line mentioned (revolving credit facility totaling € 300 million, of which € 93 million utilized), bilateral credit lines with the Commerzbank AG for € 12.5 million and the Deutsche Bank AG in Singapore for USD 5.0 million exist and are intended to cover short-term payment requirements. The interest rates agreed on are at the accepted market rate.

In addition, provisions for pensions are used for financing.

Cash Flow and Liquidity Analysis

OVERVIEW OF CASH FLOW

€ million	2013	2014
Cash flow from operating activities	274.8	343.2
Cash flow from investing activities	– 145.8	– 476.8
Cash flow from financing activities	– 99.8	195.4
Liquid funds (Dec. 31)	135.3	199.2

Cash flow from operating activities amounted to € 343.2 million in 2014, about € 68.4 million more than in the previous year (€ 274.8 million). The primary reasons were the improved operating result and the consolidation of the Diana companies. The cash flow rate relative to sales thus was about 16 %.

Cash outflow from investing activities was up about € 331.1 million to € 476.8 million. It primarily relates to payments for business combinations minus liquid funds. Due to the cash capital increase performed in connection with the acquisition (€ 401.4 million), the cash flow from financing activities amounted to € 195.4 million. The cash flow from financing activities also includes dividends paid in 2014 amounting to € 84.4 million, net interest payments to financial institutes totaling € 63.1 million (previous year: € 22.3 million) and the repayment of bank loans of € 51.7 million (previous year: € 1 million). The interest payments to financial institutions contain € 40.5 million that were due as repayment for the Diana Group's existing financing obligations. 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 for realizing the corporate strategy.

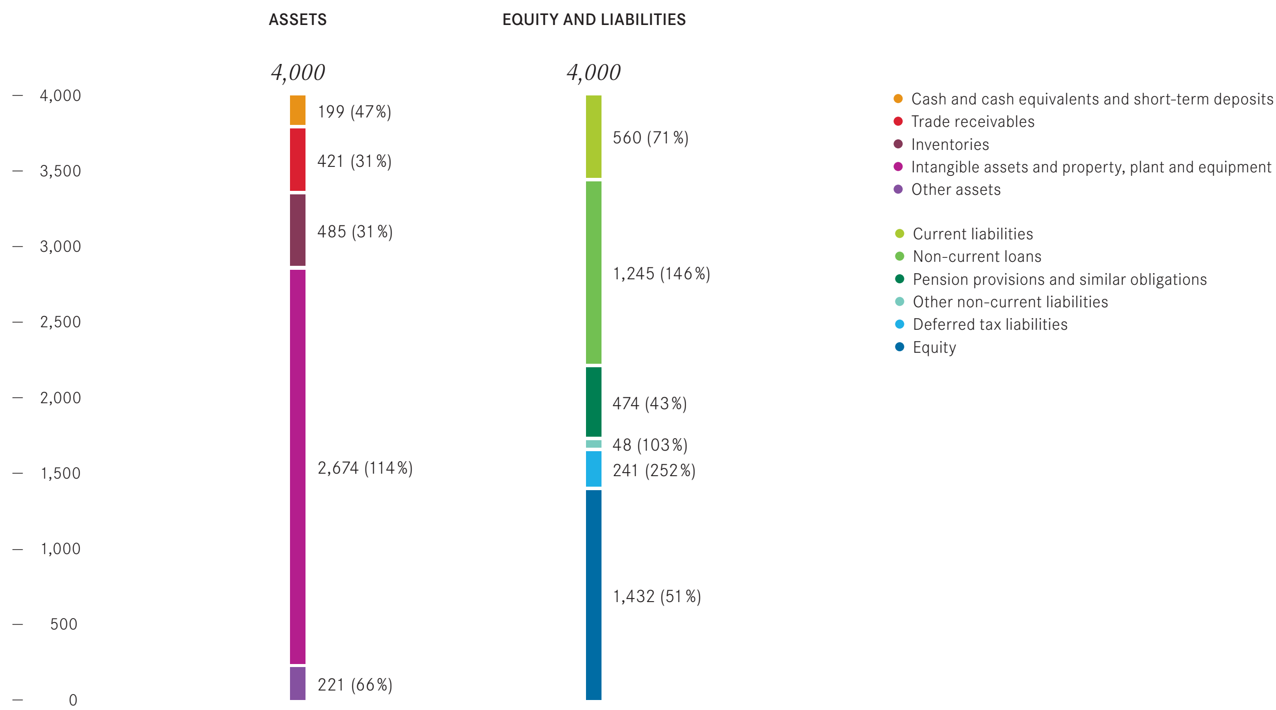
Investments and Acquisitions

The Symrise Group invested € 101 million in intangible assets and property, plant and equipment in the 2014 fiscal year, after spending € 143 million in the previous year. The € 143 million from the previous year contains € 71.5 million in intangible assets from the business combination of the American Belmay Group.

Around € 11 million was spent on intangible assets (2013: € 81 million). This mainly consisted of investments in software, primarily SAP applications, as well as patents and registration of chemicals according to the European chemicals directive. Investments in property, plant and equipment amounted to approximately € 91 million (previous year: € 62 million). These

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014 *in € million*

(Change compared to previous year's reporting date, in %)



mainly concerned investments in capacity expansions as well as replacements in the mass spectrometry in research. Furthermore, the increase in comparison to the previous year is also due to the expanded scope of consolidation.

Symrise AG successfully completed the takeover of the Diana Group in July 2014. From that date, the Diana Group has been fully consolidated and included in the consolidated financial statements. The capital expenditure totals approximately € 1.3 billion.

Furthermore, the previously associated company Probi AB, Sweden, has been fully consolidated in the consolidated financial statements from April 29, 2014, pursuant to the new provisions specified in IFRS 10.

The most important investment in the Scent & Care segment was the expansion of chemical production in the Cosmetic Ingredients and Aroma Molecules divisions with a volume of € 8 million. In the Flavor & Nutrition segment, the capacity expansion of extraction and distillation as well as spray-drying and the expansion of production in Madagascar were the largest projects, accounting for an investment volume of € 5 million. All of the projects were funded through operating cash flow.

NET ASSETS

Select Balance Sheet Items

Total assets as of December 31, 2014, increased compared to the previous year by € 1,790 million to € 4,000 million (December 31, 2013: € 2,210 million). This mainly resulted from the intangible assets purchased as part of the acquisition of the Diana Group, including the acquired goodwill.

Intangible assets amounted to € 2,034 million as of the reporting date for 2014 and were therefore significantly above the previous year level (December 31, 2013: € 812 million). The item accounts for 60 % of our assets. Intangible assets include goodwill acquired through business combinations amounting to € 1,091 million (December 31, 2013: € 491 million), as well as recipes and technology, customer bases, trademarks, software, patents and other rights amounting to € 943 million (December 31, 2013: € 321 million). **Property, plant and equipment** amounted to € 640 million at the end of 2014 (December 31, 2013: € 440 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2013: € 369 million), inventories increased € 28 million to € 485 million when taking scope of consolidation additions into consideration (€ 88 million). The increase in inventories was primarily driven by the substantial rise in sales, which also led to higher **trade receivables** (€ 421 million, December 31, 2013: € 322 million) and **trade payables** (€ 214 million, December 31, 2013: € 151 million) as of the reporting date. The additions in trade receivables and trade payables related to changes in the scope of consolidation amounted to € 72 million and € 46 million respectively. The ratio of working capital to pro forma sales thus decreased by one percentage point to 29 %. The Symrise Group's **liquidity** amounted to € 199 million as of December 31, 2014 (December 31, 2013: € 135 million).

Current liabilities were higher than in the previous year at € 560 million (December 31, 2013: 328 million). This is especially due to the aforementioned increase in trade payables, current loan obligations and an increase in other liabilities (employee-related liabilities and other tax liabilities). **Non-current liabilities** increased by € 1,077 million to € 2,008 million. This includes **non-current borrowings**, which amounted to € 1,245 million at the end of 2014, significantly higher than in the previous year (€ 507 million). This is particularly due to the issue of a new bond with a volume of € 500 million. Due in large part to comparatively low interest rates, **provisions for pensions and similar obligations** increased from € 332 million to € 474 million (interest rate for Germany: 1.9 %, December 31, 2013: 3.5 %).

The Symrise Group's **equity** increased to € 1,432 million (December 31, 2013: € 951 million) as of December 31, 2014 – mainly due to the capital increases carried out in 2014. A dividend of € 83 million was paid out in the 2014 fiscal year for the year 2013. As of the 2014 reporting date, the equity ratio was 36 % (December 31, 2013: 43 %).

CAPITAL STRUCTURE

	2013		2014		
€ million		in % of balance sheet total		in % of balance sheet total	Change in %
Equity	951.1	43	1,432.2	36	51
Current liabilities	328.1	15	559.5	14	70
Non-current liabilities	931.3	42	2,008.1	50	116
Liabilities	1,259.4	57	2,567.6	64	104
Balance sheet total	**2,210.4**	**100**	**3,999.8**	**100**	**81**

Net debt

€ million	2013	2014
Borrowings	547.7	1,365.0
Cash and cash equivalents	– 135.3	– 199.2
Net debt	**412.4**	**1,165.8**
Provisions for pensions and similar obligations	322.4	474.3
Net debt incl. provisions for pensions and similar obligations	**744.8**	**1.640.1**

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. To determine the leverage covenants, the net debt is applied to the EBITDA(N) of the last 12 months. As information on the Diana Group based on the accounting standards used by Symrise is only available for the second half of 2014, the EBITDAN of the Diana Group based on reporting in accordance with French commercial law was used for the first six months to check that the leverage covenants had been adhered to. This amounts to net debt/EBITDAN of 2.2 and net debt incl. provisions for pensions and similar obligations/EBITDAN of 3.2. One of Symrise's fundamental principles is to maintain a strong capital base in order to retain the confidence of customers, investors and creditors and to be able to drive the future business development forward in a sustained manner. 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.

The financing structure changed in 2014, particularly due to the acquisition of the Diana Group. Alongside of two successful capital increases, a € 500 million Eurobond with a five-year term was also issued to finance the transaction. All of the remaining financing needs were covered by an amortizing loan for € 225 million with a three-year term and the existing revolving credit line.

Significant obligations not reflected on the balance sheet exist in the form of obligations for the purchase of goods amounting to € 127.2 million (2013: € 138.3 million) and obligations regarding the purchase of property, plant and equipment amounting to € 25.9 million (2013: € 16.0 million). Symrise AG signed a service contract for outsourcing internal IT with a term until 2019 with Atos Origin GmbH. The remaining total obligations towards Atos, accounting for extraordinary termination rights, amount to € 40.4 million (2013: € 33.8 million).

SUSTAINABILITY

For Symrise, business success and responsibility for the environment, its employees and society are inextricably linked. Symrise's corporate strategy therefore incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. Symrise's entrepreneurial activity involves the interests of many different stakeholder groups. Through an 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 of our stakeholders.

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

The successive, strategic integration of sustainability into our core processes is managed by a global, cross-divisional team – the Symrise Sustainability Board. It consists of senior management representatives and ensures both the development and implementation of issues relevant for sustainability across the entire extended value chain as well as the consideration of the interests of key stakeholders. Implementation of the sustainability objectives set by the Sustainability Board lies with the segments. For this reason, the Executive Board and Sustainability Board appointed global ambassadors to be responsible for the coordination of sustainability efforts in the Flavor & Nutrition and Scent & Care segments. Together with representatives from the Corporate Compliance and Corporate Communications departments, they manage the Group's sustainability strategy, while direct responsibility for the strategy lies with the Chief Executive Officer of Symrise AG.

The sustainability reporting conforms to the requirements of the application level A of the Global Reporting Initiative™ (GRI) and fulfills the G4 guidelines. Symrise once again received external recognition of its sustainability efforts in 2014.

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 continue to be of key importance for the further development of Symrise in view of the increase size and complexity stemming from the acquisition of the Diana Group in the 2014 fiscal year. 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. Every six months, all Group companies are instructed to verify the risks identified in their risk reporting and to make the necessary assessments and adjustments using the stipulated countermeasures. The effectiveness of implemented measures is checked as part of internal corporate audits. To minimize the financial effects of remaining risks, we acquire insurance if this is deemed economically sensible.

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

OPPORTUNITIES MANAGEMENT

The Symrise corporate culture attaches importance to entrepreneurial thinking and acting. We value a high degree of responsibility in our employees. Therefore, in addition to the Executive Board, we encourage all Symrise employees, regardless of their area and scope of responsibility, to continuously seek and take advantage of opportunities. Group companies are urged to identify opportunities on an operative level which, for example, arise within the framework of an operational activity or due to improved market conditions, and to realize these opportunities with the aim of achieving results that go beyond the scope of planning. Strategic opportunities are recorded in the two segments and in the Corporate Center. They are evaluated and plans are made to exploit them. Symrise's Executive Board is also responsible for discussing strategic opportunities on a regular basis.

The risk management system that was established across the Symrise Group a few years ago is currently being expanded into a risk and rewards management system. This will result in the opportunities already being observed and integrated into strategic actions in the various segments of the Group being systematically registered with the company's risks. The exploitation of and reporting on opportunities benefits the network of officers within the Group that have already been reporting the risks in their segments for years as part of the 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 position itself accordingly with new divisions and business units. Intensive market research and comprehensive R&D activities are the basis for our own developments to improve products or introduce new products. 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 our activities in these countries.

Similar to earnings, the cost side of the Symrise Group's subsidiaries also shows potential opportunities via savings that the companies already recognize but have yet to completely materialize in 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.

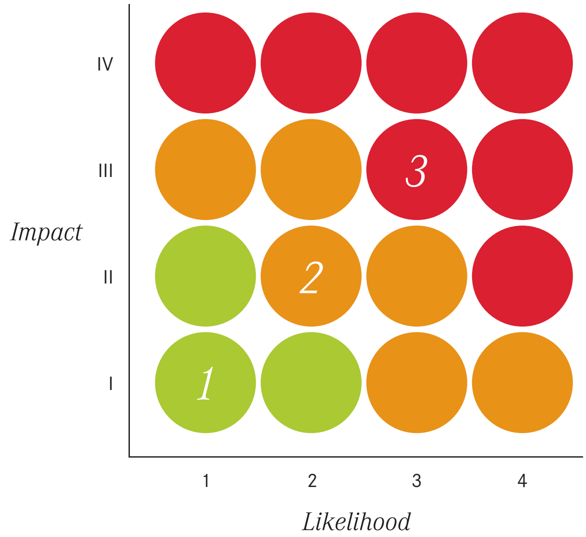
In individual cases where the respective risks are more than fully compensated for, established measures for controlling risk can also lead to possible earnings not currently provided for in the budget due to commercial prudence. Even measures against the risk of losing business can contain opportunities.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

Strategic opportunities also arise from the acquisition and integration of Diana and 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. In the 2014 fiscal year, a risk assessment was performed for the companies in the Diana division. The Group-wide coordination of risk assessment occurs in the Corporate Center within the "Risk Management" department. Risk reports are drawn up for the individual companies and are then compiled into a current overview of the risk situation at the Group level. This Group risk report is passed on 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 profits (net method) as well as the probability of their occurrence.

The classification of all individual risks of each company in terms of their effect on the sales or "impact" ("low", "medium", "high" or "very high") along with the probability of their occurrence or "likelihood" (also "low", "medium", "high" or "very high") is used to determine whether a risk is to be considered as "low", "medium" or "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 20% of sales as "medium", 20 to 40% of sales as "high" and over 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.



Impact

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

Likelihood

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

The charts show how risks are finally classified (either as "low", "medium" or "high") depending on their "impact" and "likelihood". For example, the risk represented in **field 1** would receive an overall classification of "low" as its impact is below 10% of sales and its likelihood below the 25% threshold. A risk in **field 2** would receive a "medium" classification as it has an impact between 10 and 20% of sales and a likelihood between 25 and 49%. However, a risk in **field 3** would receive a "high" classification as it has an impact between 20 and 40% of sales and a likelihood between 50 and 74%. The chart testifies of a high risk awareness and commercial prudence with the greatest number of fields being designated as high risks. Only 2% 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 9% are classified as "medium" at the level of the individual company.

Alongside of the purely mathematical classification described above, identified risks are also classified qualitatively according to their risk type as well as by the business unit and activities affected. In addition, appropriate control mechanisms and the employees responsible for them are listed. As a result, the risk report also forms the basis for managing risks as well as for examination by the Group's Corporate 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 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 as the trend towards consolidation in the customers for products from Symrise remains possible. As a result, there is the risk that Symrise could lose customers and thus market shares. We react to this, in particular, with the 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 finance 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

The implementation of the corporate strategy in the Group, which has grown due to the Diana acquisition, is naturally tied to risks. Negative consequences for the company's development can 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 lack of ability to market new products, the development expenditure is not offset by adequate income. Intensive market research is carried out to guarantee that our products remain marketable. 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. As of the end of 2014, the acquisition of Diana was viewed as a strategic risk that, thanks to the success in the integration and the low probability of occurrence as a result, is currently classified as a low risk.

Strategic risks also include possible removal from the core lists of our more important customers and the danger of not being put on such a list contrary to our expectations. We counter this risk by maintaining close contact with our customers. Further central factors for remaining or being included on core lists are pricing, delivery reliability, 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, the creditworthiness of suppliers is continuously examined. Finally, the initiatives in the area of backward integration help stabilize and reduce risk associated with raw material supply. All suppliers are bound to constantly upholding the Code of Conduct that applies for Symrise. It is expected that the high ethical requirements that Symrise has imposed upon itself, which are aimed at increasing business success while taking available resources, all employees and society into account, 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 can lie in the safety of the energy supply, equipment and processes, in fire safety, in the quality and safety of materials and in their correct classification as well as the qualification 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, insurances and occupational health and safety measures as well as through 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, an exchange of 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. Group-wide, only 1 % of the value of financial risks is tied to default risks. 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, an impairment procedure for receivables was introduced. This allowance consists of an individual depreciation and amortization and a general cost component. Symrise tries to limit the risk of non-payment due to bank boycott by engaging in continuous dialogue with banks and customers. Symrise manages financial crises in export countries with corresponding financial control.

Liquidity risk: The liquidity risk describes the danger that Symrise is not 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 approvals (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 emergency plans to avoid liquidity problems exist. With these plans, we ensure that we have sufficient means to fulfill our payment obligations as they become due, even under difficult conditions. We do not currently see a refinancing risk.

Interest and currency risks: Currency risks exist in economic areas where Symrise sells its products on a foreign-currency basis (US dollars, for example) but when at least some of these products were produced in a different currency area (the eurozone, for example). Many raw materials are purchased in euros. A fluctuation in the value of the US dollar can thus result in corresponding changes to the material prices. This risk is countered by negotiating corridors in contracts, outside of which prices can be adjusted. The remaining currency risk was reduced in 2014 through forward contracts. The following forward contracts existed as of the reporting date with nominal values of:

- USD 21.1 million (December 31, 2013: USD 7.5 million) for hedging €/USD,
- USD 7.5 million (December 31, 2013: USD 6.0 million) for hedging USD/JPY,
- USD 0.9 million (December 31, 2013: USD 3.1 million) for hedging USD/INR,
- USD 5.7 million (December 31, 2013: USD 0 million) for hedging SGD/USD,
- USD 1.6 million (December 31, 2013: USD 0 million) for hedging USD/AUD,
- GBP 0.05 million (December 31, 2013: GBP 0 million) for hedging €/GBP.

In order to avoid fluctuations in the financial result due to changes in valuation, the currency transactions were classified as cash flow hedges in terms of hedge accounting. These transactions have effectively reduced our currency risk.

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. The financing of the Diana acquisition in July 2014 took place in a favorable interest environment. Due to the expectation of a continued low interest rate, a portion of the acquisition financing was done using variable interest-bearing liabilities, so that 77 % of liabilities are now financed at fixed interest rates. Symrise counters the risk stemming from changing interest rates by means of contracted interest hedges.

Tax risk: Symrise is also exposed to tax risk. Due to structural changes at our worldwide sites, the local financial authorities have in some cases not been able to examine certain income tax-related matters to date and subsequently provide an overall assessment. In some cases, we have made provisions for these risks in preparation for additional tax obligations. On the whole, we have made all necessary provisions to prepare for known tax risks. Additionally, tax risks exist in some countries relating to possible changes to tax legislation, which could have an unforeseen negative impact in the taxation of Group companies.

PERSONNEL RISKS

Symrise counters personnel risks, which arise fundamentally from a fluctuation of personnel in key positions, by means of suitable incentive systems, further education 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 non-compliance with company guidelines, legal requirements or agreements made with employee representatives. Compliance with local laws and company guidelines is ensured via internal audits. Further, compliance with these requirements, which are based on international standards, is checked at regular intervals by external auditors. The initial training of new employees, together with later training sessions, ensures that every employee observes corporate guidelines such as the Code of Conduct. Career development opportunities and regular succession planning help prevent the loss of personnel, particularly at key positions. The constant contact with employee representatives also helps to avoid strikes and the related interruptions to operations.

LEGAL RISKS

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

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 27 % of the value of all compliance risks. The establishment of the Group's REACH organization and the associated monitoring systems serve to minimize this risk.

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

IT RISKS

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

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

In comparison to other sectors of industry and companies, Symrise's business model and that of the Diana Group, which was acquired during the 2014 fiscal year, have an above-average potential for opportunities thanks to increasing private consumption and wealth across the globe. Many products serve to fulfill various basic human needs and desires, such as "health" and "youthful appearance," that exist in every part of the world. The dynamic growth and high profitability of Symrise shows that these opportunities have been successfully taken advantage of. We will continue to follow this strategy in the future.

The entirety of the risks and rewards reported are assessed for possible aggregation effects for the Symrise Group. 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 is performed at the level of the individual company, as this corresponds to the decentralized business and management model of the Symrise Group. In the Group risk assessment, we have aggregated at the level of the respective categories and assigned the following amounts (for their respective impact on result after taxes) to the qualifications "low", "medium" and "high":

- "Low" corresponds to an amount up to € 20 million.
- "Medium" corresponds to an amount between greater than € 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 section Risk Management with respect to risks at the level of the individual companies.

The following risk profile for the Symrise Group in 2014 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, capital market-oriented corporations are obliged to describe the essential features of their internal accounting-related control and 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 a documentation of possible risks, the accompanying processes as well as the control of these processes, and of the examination of 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 auditing 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. Building on a basic training course for employees, experiences are regularly exchanged so that controls can continually be adapted to changing risks.

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 risk report is presented to the Executive Board. 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, the suitability and functionality of controls, and any weaknesses in the control system are identified and evaluated.

- **Accounting-related risk management:** Using a risk-oriented approach, the companies and processes which are essential for accounting are first of all identified. On the basis of the results, specific minimum requirements and objectives are defined to counteract the risks of financial reporting. The result is a centralized risk catalog which relates to financial reporting and which 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 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 2014, we were again able to substantially increase our sales and net income. The company's financing is ensured for the medium term. Financial stability is sufficient in every way, even when considering the financing of the Diana acquisition. Pending the passing of the resolution at the Annual General Meeting, Symrise AG shareholders will participate in the company's success by receiving a higher dividend than in the previous year.

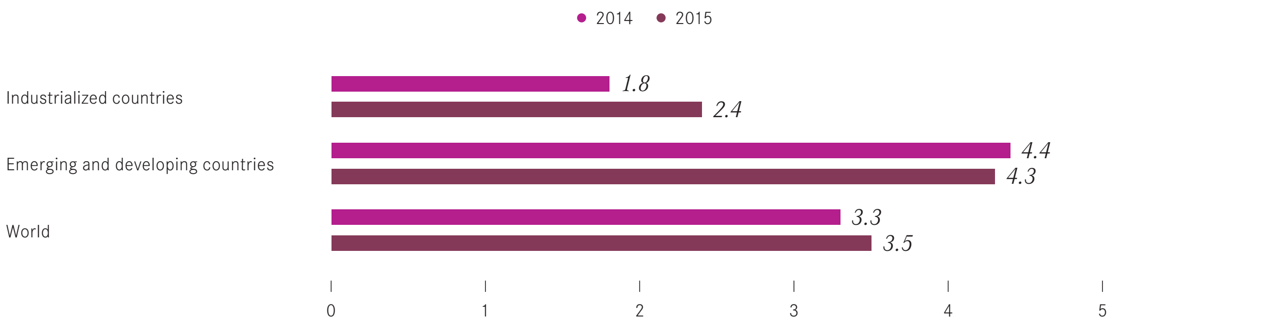
Outlook

FUTURE GENERAL CONDITIONS

The future development of the world economy in 2015 is not expected to have a major positive or negative effect on Symrise's business performance. The IMF forecasts a growth of 3.5 % in global economic output for the current year – only slightly higher than that of the previous year (3.3 %). It expects a continued slowdown in China's growth to 6.8 %, which will likely have some impact on those engaging in trade with Asia's largest economy. Economic output in Russia is expected to fall by 3.0 %. By contrast, the US economy is projected to grow 3.6 % while the eurozone is likely to see further reserved growth of a modest 1.2 %. However, this global snapshot is fraught with considerable risks: many of the political crises remain unresolved, the eurozone is facing new challenges from the ongoing debt problems in some countries and much lower oil prices could lead to upheavals in the world economy.

The AFF market relevant for Symrise reached a volume of € 20.5 billion in 2014. Of this amount, the sub-market for flavorings and fragrances accounts for about € 16.6 billion according to the most recent estimates by IAL Consultants (9th edition, Nov. 2014) while, according to our own estimates, the sub-market for

GDP DEVELOPMENT 2014/2015 *in %*



Source: IMF

aroma chemicals and cosmetic ingredients accounts for about € 3.9 billion. Symrise's long-term estimate is for an annual, average growth rate of about 2 to 3% for the sub-markets for flavorings and fragrances. Particularly the markets in Latin America and Asia could perform above average.

For the 2015 fiscal year, we also expect a high degree of volatility for raw material costs, as in the previous year. The fluctuations observed in individual markets point to very different developments depending on the raw materials segment. Based on estimates for each raw materials segment, Symrise has selected different contract periods or spot sourcing in order to optimize costs and predictability. This is accompanied by an optimization of the raw materials portfolio. Particularly high volatility is expected in 2015 in the areas of citrus derivatives, spices and special natural chemicals (in particular due to the stricter definition of "EU–Naturalness"). In addition, the situation with citral and terpene derivatives is mixed due to increasing demand, especially in the emerging markets. For instance, some shortages and therefore increasing prices are to be expected with the citral derivatives, while prices for terpene derivatives should remain stable thanks to sufficient availability. In the areas of menthols, Symrise's good positioning with our backward integration is working.

For the 2015 fiscal year, a moderate development of energy costs is to be expected. This is a result of the declining price of oil, which has been falling since the summer of 2014 and is likely to continue in 2015. With energy prices, the lower procurement prices on the EEX energy exchange and a dropping EEG tax should also lead to slight relief. Symrise aims to positively influence the company's energy costs with a combination of different measures for procuring electricity and a robust energy management system.

FUTURE CORPORATE DEVELOPMENT

For 2015, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market for fragrances and flavors. According to our own estimates and corporate data, the AFF market is expected to grow by 2 to 3% worldwide for the current year. Both segments, Scent & Care and Flavor & Nutrition, each 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 such as consistent price management and the development of innovative products and technologies. Assuming that raw materials prices remain at the level of 2014 and exchange rates do not change significantly from 2014, the company once again anticipates an EBITDA margin of about 20% for both segments in 2015. The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be below 3.0 in 2015. In the medium-term, we are aiming for a return to our targeted 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 its success in the future as well.

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 core segments and growth regions. We view the achievement of our set goals as confirmation of our proven strategy. These successes motivate us for the upcoming year. 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:** We strengthen our cooperation with our customers around the world and expand our business in the emerging markets.

- **Efficiency:** We constantly work to improve our processes and concentrate on products with a high level of value creation. We work cost-consciously in every division.

- **Portfolio:** We tap into new markets and segments. To achieve this, we continue to expand our expertise in the areas of nutrition and care.

In 2014, Symrise tapped into additional growth potential thanks to the acquisition of Diana. Symrise aims to grow primarily organically, however. Where it is sensible and creates added value, we will also – as was the case with Diana – make acquisitions or forge strategic alliances to ensure ourselves access to new technologies, new markets and customers or to ensure that we can obtain scarce raw materials.

Remuneration Report

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

REMUNERATION OF THE EXECUTIVE BOARD

Pursuant to the Appropriateness of Executive Board Remuneration Act (VorstAG) and according to Section 1 (3) of the rules of procedure of the Supervisory Board of Symrise AG, the full Supervisory Board meeting advises and determines the remuneration system for the Executive Board and regularly monitors its implementation. It does this upon request of the Personnel Committee. The current remuneration system was last approved by a majority of the shareholders at the 2014 Annual General Meeting. It fulfills all of the recommendations of the German Corporate Governance Code in its version from June 24, 2014.

The system and amount of the Executive Board's remuneration is regularly reviewed by the Supervisory Board. The last review took place during the Supervisory Board meeting in December 2014.

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 %.

In addition, Executive Board members generally have to supply their pension from their own wages in the form of deferred compensation. An employer top-up is not offered to Executive Board members.

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

FIXED REMUNERATION AND SUPPLEMENTARY PAYMENTS

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

ANNUAL VARIABLE REMUNERATION (BONUS)

The annual variable remuneration is comprised of an annual bonus that is dependent upon the company's success in the past fiscal year, specifically the attainment of certain financial targets (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 2014 calendar year. Corresponding goals are also applied to the levels below the Executive Board along with other goals. This ensures the consistent pursuit of the corporate goals. The annual variable remuneration for the 2014 calendar year will be paid out in the following year (2015) dependent on the degree of attainment on the basis of the approved financial statements for 2014.

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 2012-2014, 2013-2015 and 2014-2016, 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 in the food and cosmetics industry. The key indicator for measuring performance within the index peer group is the share price development plus dividends or other payments (total investor return). Symrise's development compared to the companies in the index is represented in the form of a percentile ranking. In order to ensure the best possible objectivity and transparency, the composition of the index and the determination of the percentile ranking will be 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 the three performance years. If this threshold is not met, the bonus is forgone without replacement or substitution. 100 % goal attainment (target amount) would correspond to a 60th percentile rank.

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

For Dr. Heinz-Jürgen Bertram, the multi-year variable remuneration of € 600,000 would be awarded for 100 % attainment of goals. The bonuses would amount to € 343,000 each for Mr. Achim Daub, Mr. Hans Holger Gliewe and Mr. Bernd Hirsch.

For the LTIP programs 2012-2014, 2013-2015 and 2014-2016, provisions were made as of the reporting date amounting to € 1,291,000 (previous year: € 342,226) (2014 expense: € 948,774) for Dr. Bertram, € 738,022 (previous year: € 195,639) (2014 expense: € 542,383) for Mr. Daub, € 738,022 (previous year: € 195,639) (2014 expense: € 542,383) for Mr. Gliewe and € 738,022 (previous year: € 195,639) (2014 expense: € 542,383) for Mr. Hirsch.

The remuneration received by the Executive Board members Dr. Bertram, Mr. Gliewe and Mr. Hirsch in the 2014 fiscal year correspond to those set by the resolution of the Supervisory Board on December 7, 2011. Dr. Bertram receives a fixed remuneration of € 600,000 as well as an annual bonus – for 100 % goal attainment – of € 515,000. For Mr. Daub, Mr. Gliewe and Mr. Hirsch, the fixed remuneration amounts to € 400,000 and the annual bonus – for 100 % goal attainment – is also set at € 400,000.

In its meeting from December 4, 2014 and on the recommendation of the Personnel Committee, the Supervisory Board resolved to increase the fixed remuneration of Dr. Bertram to € 665,000, his annual variable remuneration to € 570,000 as well as his multi-year variable remuneration (assuming 100 % attainment) to € 665,000, effective as of January 1, 2015. Also effective as of January 1, 2015, the fixed remunerations of Mr. Daub and Mr. Hirsch are to be increased to € 455,000, their annual variable remuneration reduced to € 390,000 and their multi-year variable remuneration for the 2015–2017 period adjusted to € 455,000. These adjustments to the remuneration of the Executive Board members were made against the background of the tasks and performance of the Executive Board members in addition to the general economic situation and the development of Symrise. Further, the expanded business responsibilities stemming from the acquisition of the Diana Group were also considered.

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

Table of the Financial Contributions in the 2014 Fiscal Year
The following table of financial contributions in the 2014 fiscal year is based on the recommendations of the German Corporate Governance Codex (DCGK) in its version from June 24, 2014. Here, values are provided for the minimum and maximum amount of remuneration that can be achieved.

Acting Executive Board Members in the 2014 Fiscal Year

	Dr. Heinz-Jürgen Bertram CEO since 2009				Achim Daub President Scent & Care Worldwide since 2006			
Financial Contributions €	**FY 2013**	**FY 2014**	**FY 2014 (min)**	**FY 2014 (max)**	**FY 2013**	**FY 2014**	**FY 2014 (min)**	**FY 2014 (max)**
Fixed remunerations	600,000	600,000	600,000	600,000	400,000	400,000	400,000	400,000
Supplementary payments*	9,078	19,890	19,890	19,890	4,621	19,221	19,221	19,221
Total	**609,078**	**619,890**	**619,890**	**619,890**	**404,621**	**419,221**	**419,221**	**419,221**
Annual variable remuneration**	515,000	515,000	0	772,500	400,000	400,000	0	600,000
Multi-year variable remuneration (total)***	600,000	600,000	0	1,200,000	343,000	343,000	0	686,000
LTIP 2013 (covering 2013 to 2015)	600,000	-	-	-	343,000	-	-	-
LTIP 2014 (covering 2014 to 2016)	-	600,000	0	1,200,000	-	343,000	0	686,000
Total	**1,724,078**	**1,734,890**	**619,890**	**2,592,390**	**1,147,621**	**1,162,221**	**419,221**	**1,705,221**
Service costs****	21,588	24,173	24,173	24,173	0	0	0	0
Total remuneration (DCGK)	**1,745,666**	**1,759,063**	**644,063**	**2,616,563**	**1,147,621**	**1,162,221**	**419,221**	**1,705,221**

	Hans Holger Gliewe President Flavor & Nutrition Worldwide until December 31, 2014				Bernd Hirsch CFO since 2009			
Financial Contributions €	**FY 2013**	**FY 2014**	**FY 2014 (min)**	**FY 2014 (max)**	**FY 2013**	**FY 2014**	**FY 2014 (min)**	**FY 2014 (max)**
Fixed remunerations	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Supplementary payments*	10,232	20,944	20,944	20,944	10,062	20,740	20,740	20,740
Total	**410,232**	**420,944**	**420,944**	**420,944**	**410,062**	**420,740**	**420,740**	**420,740**
Annual variable remuneration**	400,000	400,000	0	600,000	400,000	400,000	0	600,000
Multi-year variable remuneration (total)***	343,000	343,000	0	686,000	343,000	343,000	0	686,000
LTIP 2013 (covering 2013 to 2015)	343,000	-	-	-	343,000	-	-	-
LTIP 2014 (covering 2014 to 2016)	-	343,000	0	686,000	-	343,000	0	686,000
Total	**1,153,232**	**1,163,944**	**420,944**	**1,706,944**	**1,153,062**	**1,163,740**	**420,740**	**1,706,740**
Service costs****	26,342	24,739	24,739	24,739	0	0	0	0
Total remuneration (DCGK)	**1,179,574**	**1,188,683**	**445,683**	**1,731,683**	**1,153,062**	**1,163,740**	**420,740**	**1,706,740**

* 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 2014 (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 2014 (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 the Accrued Payments in the 2014 Fiscal Year
The following table shows the accrual of remuneration in or for the 2014 fiscal year. This is comprised of fixed remuneration, supplementary payments, annual variable remuneration and multi-year variable remuneration, differentiated according to the respective reference years, and service costs. Contrary to the table above, this table contains the actual value of multi-year variable remuneration earned from previous years and paid out in the 2014 fiscal year.

Acting Executive Board Members in the 2014 Fiscal Year

Accruals €	Dr. Heinz-Jürgen Bertram CEO since 2009 FY 2013	FY 2014	Achim Daub President Scent & Care Worldwide since 2006 FY 2013	FY 2014
Fixed remunerations	600,000	600,000	400,000	400,000
Supplementary payments*	9,078	19,890	4,621	19,221
Total	**609,078**	**619,890**	**404,621**	**419,221**
Annual variable remuneration**	520,408	538,742	410,280	421,560
Multi-year variable remuneration (total)***	595,989	763,000	365,043	436,182
LTIP 2011 (covering 2011 to 2013)	595,989	0	365,043	0
LTIP 2012 (covering 2012 to 2014)	0	763,000	0	436,182
Other	0	0	0	0
Total	**1,725,475**	**1,921,632**	**1,179,944**	**1,276,963**
Service costs****	21,588	24,173	0	0
Total remuneration (DCGK)	**1,747,063**	**1,945,805**	**1,179,944**	**1,276,963**

Accruals €	Hans Holger Gliewe President Flavor & Nutrition Worldwide until December 31, 2014 FY 2013	FY 2014	Bernd Hirsch CFO since 2009 FY 2013	FY 2014
Fixed remunerations	400,000	400,000	400,000	400,000
Supplementary payments*	10,232	20,944	10,062	20,740
Total	**410,232**	**420,944**	**410,062**	**420,740**
Annual variable remuneration**	343,800	406,680	400,400	426,080
Multi-year variable remuneration (total)***	319,280	436,182	345,887	436,182
LTIP 2011 (covering 2011 to 2013)	319,280	0	345,887	0
LTIP 2012 (covering 2012 to 2014)	0	436,182	0	436,182
Other	0	0	0	0
Total	**1,073,312**	**1,263,806**	**1,156,349**	**1,283,002**
Service costs****	26,342	24,739	0	0
Total remuneration (DCGK)	**1,099,654**	**1,288,545**	**1,156,349**	**1,283,002**

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members.
** Annual variable remuneration 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

In compliance with the reporting requirements of the German Commercial Code and to enable a comparison with the previous year's report, the remuneration of the Executive Board members for the 2014 fiscal year in the structure previously used is presented below.

	Fixed components		Performance-based components		
€	Salary	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					
2014	**600,000**	**19,890**	**538,742**	**763,000**	**1,921,632**
2013	600,000	9,078	520,408	595,989	1,725,475
Achim Daub					
2014	**400,000**	**19,221**	**421,560**	**436,182**	**1,276,963**
2013	400,000	4,621	410,280	365,043	1,179,944
Hans Holger Gliewe					
2014	**400,000**	**20,944**	**406,680**	**436,182**	**1,263,806**
2013	400,000	10,232	343,800	319,280	1,073,312
Bernd Hirsch					
2014	**400,000**	**20,740**	**426,080**	**436,182**	**1,283,002**
2013	400,000	10,062	400,400	345,887	1,156,349

* 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, 2014 for the LTIP program 2012–2014 and as of December 31, 2013 for the LTIP program 2011–2013.

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 2014, Dr. Bertram, Mr. Gliewe and Mr. Hirsch made use of this option. There is no employer top-up 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 (converting salaries to build pension funds), Symrise made allocations to provisions for Dr. Bertram amounting to € 384,310 (previous year: € 41,276) as well as € 204,343 (previous year: € 58,427) for Mr. Gliewe and € 355,170 (previous year: € 56,526) for Mr. Hirsch based on actuarial computations in 2014.

Since their appointment to the Executive Board, Dr. Bertram and Mr. Gliewe have made use of the deferred compensation option for their pensions (see previous paragraph). Due to their prior employment contract, a pension commitment exists which was also offered to all other employees of the former Haarmann & Reimer GmbH. For these benefit obligations, the allocation to the provision for Dr. Bertram amounted to € 24,173 (previous year: € 21,588) while provision expenses of € 24,739 (previous year: € 26,342) (past service cost pursuant to IAS 19) was allocated to the provision for Mr. Gliewe in the 2014 fiscal year.

As of December 31, 2014, the present value of the provisions for pensions amount to € 1,746,739 (previous year: € 1,135,748) for Dr. Bertram, € 1,311,844 (previous year: € 815,995) for Mr. Gliewe and € 679,007 (previous year: € 323, 837) for Mr. Hirsch. No such provision exists for Mr. Daub.

CHANGE OF CONTROL

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

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

In the case of a change of control and a corresponding termination or early recall by the Supervisory Board, all Executive Board members are to receive compensation for the remaining terms of their contracts with severance equal to at least three years' pay. The overall limit of payments to be made is set at 150 % of the severance payment cap for all Executive Board members according to the provisions of the German Corporate Governance Code of June 24, 2014 – in other words a maximum of three year's remuneration including supplementary payments.

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

EARLY TERMINATION AND EXPIRATION OF EMPLOYMENT CONTRACTS

The members of the Executive Board do not receive any special remuneration upon expiration of their contracts and do not receive any 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.

Mr. Gliewe informed the Supervisory Board that he would not make himself available for an extension to his Executive Board contract, set to expire in November 2015, due to family-related reasons. Against the backdrop of the acquisition of the Diana Group and the Diana businesses to be integrated as a result, Mr. Gliewe and the Supervisory Board agreed that continuity within the Executive Board would be necessary beyond November 2015. For this reason, Mr. Gliewe abdicated his position as an Executive Board member as of December 31, 2014, in mutual agreement with the Supervisory Board and will take on other important strategic tasks within the Symrise Group

Mr. Gliewe received his contractually stipulated remuneration as an Executive Board member in full through December 31, 2014. Mr. Gliewe will receive his fixed remuneration until the expiry of his contract at the beginning of November 2015. He will have an entitlement to bonus payments for the 2015 fiscal year amounting to 40 % of his fixed remuneration, as is customary with all senior executives at Symrise. Due to his employment with the company since August 1, 1980, Mr. Gliewe will have his former employment contract renewed, which was in effect before his appointment as an Executive Board member, effective November 2015.

A post-employment non-compete provision was agreed upon with all Executive Board members for twelve months. By way of compensation, the member concerned shall receive 50 % of his or her fixed remuneration for these twelve months.

D & O INSURANCE

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

REMUNERATION OF THE SUPERVISORY BOARD

REMUNERATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board receive an annual remuneration amounting to € 60,000 since the fiscal year 2013. The Chairman of the Supervisory Board receives an additional annual remuneration amounting to € 60,000. The Vice Chairman of the Supervisory Board and the Chairman 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 only part of a fiscal year are to receive one-twelfth of their remuneration for every commenced month of their service. 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, 2014	Total remuneration as of December 31, 2013
Dr. Thomas Rabe (Chairman)	120,000	7,500	127,500	126,000
Regina Hufnagel (Vice Chairperson)	90,000	10,000	100,000	83,000
Dr. Michael Becker	90,000	9,000	99,000	100,000
Harald Feist	60,000	6,500	66,500	33,000
Horst-Otto Gerberding	60,000	7,500	67,500	67,000
Dr. Peter Grafoner	60,000	7,000	67,000	68,000
Francesco Grioli (until May 14, 2014)	25,000	4,000	29,000	70,500
Karl-Heinz Huchthausen (Vice Chairman until June 30, 2013)	0	0	0	50,500
Christiane Jarke	60,000	6,500	66,500	67,000
Gerd Lösing	60,000	6,000	66,000	66,000
Prof. Dr. Andrea Pfeifer	60,000	6,000	66,000	65,000
Dr. Winfried Steeger	60,000	9,000	69,000	70,000
Helmut Tacke	60,000	9,000	69,000	67,000
Peter Winkelmann (from May 14, 2014)	40,000	4,000	44,000	0
	845,000	**92,000**	**937,000**	**933,000**

D & O INSURANCE

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

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

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

- Sun Life Financial Inc., Toronto, Canada, informed us on behalf of its subsidiaries in January 2015 that its share in Symrise AG has exceeded the 10 % threshold at 10.01 %.

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

- The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the company until May 17, 2016, by up to € 23,000,000 through one or more issuances of new, no-par-value bearer shares against contribution in cash and/or in kind. In the year under review, this authorized capital was partially exercised and amounted to € 11,360,726 as of the reporting date. 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 event of a capital increase against contribution in kind, if the capital is increased in order to acquire businesses, business units or participating interests in businesses, or in order to grant shares to employees of the company or its affiliates in compliance with applicable law;

  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 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 Sec. 203 (1) and (2) and Sec. 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – than the 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 which 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 Sec. 186 (3) sentence 4 of the Stock Corporation Act.

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

- The Annual General Meeting from May 14, 2013, authorized the Executive Board, with the consent of the Supervisory Board, to issue option bearer bonds and/or convertible bearer bonds or combinations of these instruments, once or several times and with or without term restrictions, up until May 13, 2018, for a total nominal amount of up to € 1,000,000,000.00. These can also be issued simultaneously in various tranches. The Executive Board is also authorized to grant the bondholders option or conversion rights in respect of up to a total of 23,000,000 no-par value bearer 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 bearer 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 on 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 10, 2015. The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71a et seq. of the Stock Corporation Act may not at any time exceed 10% of the share capital. The authorization cannot 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) sub-paragraphs aa) to cc) above also cover the disposition of company shares that are acquired pursuant to Section 71 d sentence 5 of the Stock Corporation Act.

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

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) sub-paragraphs 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 compensation for the time remaining on their employment contracts, or at least termination benefits amounting to three years' worth of remuneration. Severance and settlement cannot 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 June 24, 2014.

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 Specific Influences from M & A and PPA Presented Separately

T€	2013	2014 normalized	Specific influences M & A*	Specific influences PPA**	2014
Sales	1,830,386	2,120,107	0	0	2,120,107
Cost of sales	– 1,059,548	– 1,218,093	– 3,816	– 9,795	– 1,231,704
Gross profit	**770,838**	**902,014**	**– 3,816**	**– 9,795**	**888,403**
Other operating income	16,065	29,064	0	0	29,064
Selling and marketing expenses	– 289,964	– 340,403	– 4,800	0	– 345,203
Research and development expenses	– 126,995	– 138,888	– 462	0	– 139,350
Administration expenses	– 85,028	– 109,369	– 10,911	0	– 120,280
Other operating expenses	– 1,789	– 4,554	0	0	– 4,554
Income from operations/EBIT	**283,127**	**337,864**	**– 19,989**	**– 9,795**	**308,080**
Financial income	1,522	2,746	0	0	2,746
Financial expenses	– 38,795	– 43,290	– 7,826	0	– 51,116
Financial result	**– 37,273**	**– 40,544**	**– 7,826**	**0**	**– 48,370**
Income before income taxes	**245,854**	**297,320**	**– 27,815**	**– 9,795**	**259,710**
Income tax expense	– 73,519	– 83,908	7,698	3,267	– 72,943
Net income	**172,335**	**213,412**	**– 20,117**	**– 6,528**	**186,767**
of which attributable to the shareholders of Symrise AG	172,335	211,645	– 20,117	– 6,528	185,000
of which attributable to non-controlling interests	0	1,767	0	0	1,767
Earnings per share (€)					
- diluted and basic	1.46	1.69			1.48

* One-time effects in M & A include the one-off non-recurring specific influences from transaction and integration costs as well as one-off valuation effects related to business combinations of Diana and Probi (see note 27).

** As part of the purchase price allocation for Diana, the acquired inventories were to be recognized at their fair values. This identification of hidden reserves was reversed in the fiscal year under review.

Consolidated Financial **Statements**

January 1 to December 31, 2014

CONSOLIDATED FINANCIAL STATEMENTS 2014

Consolidated Income Statement – January 1 to December 31, 2014

T€	Notes	2013	2014
Sales	4	1,830,386	2,120,107
Cost of sales	5	– 1,059,548	– 1,231,704
Gross profit		**770,838**	**888,403**
Other operating income	6	16,065	29,064
Selling and marketing expenses	8	– 289,964	– 345,203
Research and development expenses	9	– 126,995	– 139,350
Administration expenses	10	– 85,028	– 120,280
Other operating expenses		– 1,789	– 4,554
Income from operations/EBIT		**283,127**	**308,080**
Financial income		1,522	2,746
Financial expenses		– 38,795	– 51,116
Financial result	11	**– 37,273**	**– 48,370**
Income before income taxes		**245,854**	**259,710**
Income taxes	12	– 73,519	– 72,943
Net income		**172,335**	**186,767**
of which attributable to shareholders of Symrise AG		172,335	185,000
of which attributable to non-controlling interests		0	1,767
Earnings per share (€) – diluted and basic	14	1.46	1.48

Consolidated Statement of Comprehensive Income

T€	Notes	2013	2014
Net income		**172,335**	**186,767**
of which attributable to shareholders of Symrise AG		172,335	185,000
of which attributable to non-controlling interests		0	1,767
Items that may be reclassified subsequently to profit or loss			
Exchange rate differences resulting from the translation of foreign operations	2.5		
Exchange rate differences that occurred during the fiscal year		– 49,161	49,347
Losses from net investments		– 6,553	– 9,728
Reclassification to the consolidated income statement		– 1,681	– 8,898
Financial assets available for sale			
Change in fair value of financial assets available for sale		– 41	58
Cash flow hedge (currency hedges)	38		
Gains/losses recorded during the fiscal year		51	– 1,134
Reclassification to the consolidated income statement		– 14	604
Income taxes payable on these components		1,948	2,597
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plans and similar obligations	35	44,712	– 125,858
Income taxes payable on these components	12	– 13,955	37,242
Other comprehensive income		**– 24,694**	**– 55,770**
Total comprehensive income		**147,641**	**130,997**
of which attributable to shareholders of Symrise AG		147,641	129,494
of which attributable to non-controlling interests		0	1,503

Consolidated Statement of Financial Position

T€	Notes	December 31, 2013	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	15	135,343	199,228
Trade receivables	16	321,547	421,052
Inventories	17	368,567	484,690
Other assets and receivables	18	36,246	72,183
Financial assets	19	2,324	6,738
Current tax assets		8,341	11,576
		872,368	**1,195,467**
Non-current assets			
Deferred tax assets	20	46,192	81,294
Other assets and receivables	21	7,107	26,585
Financial assets	22	15,112	20,300
Investments in associates	23	15,082	0
Investment property	24	2,583	2,182
Intangible assets	25	812,356	2,034,325
Property, plant and equipment	26	439,622	639,683
		1,338,054	**2,804,369**
TOTAL ASSETS		**2,210,422**	**3,999,836**

Consolidated Statement of Financial Position

T€	Notes	December 31, 2013	December 31, 2014
LIABILITIES			
Current liabilities			
Trade payables	28	150,799	213,527
Borrowings	33	40,999	120,319
Other liabilities	29	75,921	132,123
Other provisions	30	5,048	9,886
Financial liabilities	31	4,003	10,535
Current tax liabilities	32	51,332	73,171
		328,102	**559,561**
Non-current liabilities			
Borrowings	33	506,741	1,244,659
Other liabilities		1,987	4,417
Other provisions	34	14,538	18,940
Provisions for pensions and similar obligations	35	332,400	474,303
Financial liabilities	36	6,968	9,125
Deferred tax liabilities	20	68,399	240,914
Current tax liabilities	37	224	15,744
		931,257	**2,008,102**
TOTAL LIABILITIES		**1,259,359**	**2,567,663**
EQUITY	38		
Share capital		118,173	129,813
Capital reserve		970,911	1,375,957
Revaluation reserve		2,735	2,735
Fair value reserve		– 12	31
Cash flow hedge reserve (currency hedges)		133	– 278
Reserve for remeasurements (pensions)		– 80,543	– 169,159
Cumulative translation differences		– 70,553	– 37,075
Accumulated profit		10,219	112,169
Symrise AG shareholders' equity		**951,063**	**1,414,193**
Non-controlling interests		0	17,980
TOTAL EQUITY		**951,063**	**1,432,173**
LIABILITIES AND EQUITY		**2,210,422**	**3,999,836**

Consolidated Statement of Cash Flows

T€	Notes	2013	2014
Net income		**172,335**	**186,767**
Income tax expense	12	73,519	72,943
Interest result	11	33,805	41,699
Sub-total		**279,659**	**301,409**
Amortization, depreciation and impairment of non-current assets	25, 26	90,010	128,211
Decrease in non-current provisions and liabilities		– 2,584	– 414
Decrease in non-current assets		356	1,332
Reclassification of exchange gains to the income statement		– 1,681	– 8,898
Impact on earnings from business combinations achieved in stages		0	2,799
Non-cash foreign exchange losses		13,879	9,144
Change in fair value of investment property		– 1,673	– 264
Other non-cash expenses and income		– 1,245	553
Sub-total		**97,062**	**132,463**
Cash flow before working capital changes		**376,721**	**433,872**
Increase in trade receivables or other assets that are not attributable to investing or financing activities		– 39,822	– 31,889
Increase in inventories		– 31,533	– 13,483
Increase in trade payables or other liabilities that are not attributable to investing or financing activities		24,273	23,974
Income taxes paid		– 54,855	– 69,260
Cash flow from operating activities		**274,784**	**343,214**
Payments for business combinations		– 67,059	– 387,271
Payments for investing in intangible assets		– 12,117	– 10,646
Payments for investing in property, plant, and equipment		– 57,999	– 80,923
Payments for investments in non-current assets and for investments in associates		– 12,369	– 1,082
Proceeds from the disposal of non-current assets		3,772	3,096
Cash flow from investing activities		**– 145,772**	**– 476,826**
Proceeds from bank borrowings		247,773	614,932
Redemption of bank borrowings		– 248,604	– 668,101
Proceeds from bonds		0	494,442
Redemption of other financial liabilities		0	– 493,017
Issue of new shares/capital increase	38	0	401,400
Transaction costs related to the issuing of new shares	38	0	– 6,091
Interest paid		– 22,742	– 63,774
Interest received		476	700
Dividends paid	38	– 76,813	– 84,421
Dividends received		151	0
Finance leases		0	– 661
Cash flow from financing activities		**– 99,759**	**195,409**
Net change in cash and cash equivalents		29,253	61,797
Effects of changes in exchange rates		– 11,355	2,088
Cash and cash equivalents as of January 1		117,445	135,343
Cash and cash equivalents as of December 31	15	**135,343**	**199,228**

The consolidated statement of cash flows is explained in note 41.

Consolidated Statement of Changes in Equity

2013 T€	Share capital	Capital reserve	Revaluation reserve	Fair value reserve	Cash flow hedge reserve (currency hedges)	Reserve for remea-surements (pensions)	Cumulative translation differences	Accu-mulated profit/ deficit	Total equity
January 1, 2013	**118,173**	**970,911**	**2,808**	**– 900**	**112**	**– 111,300**	**– 15,192**	**– 85,304**	**879,308**
Net income	0	0	0	0	0	0	0	172,335	**172,335**
Other comprehensive income	0	0	– 73	– 38	21	30,757	– 55,361	0	**– 24,694**
Total comprehensive income	**0**	**0**	**– 73**	**– 38**	**21**	**30,757**	**– 55,361**	**172,335**	**147,641**
Reclassification from financial instruments (available for sale) to investments in associates	0	0	0	926	0	0	0	1	**927**
Dividends paid	0	0	0	0	0	0	0	– 76,813	**– 76,813**
December 31, 2013	**118,173**	**970,911**	**2,735**	**– 12**	**133**	**– 80,543**	**– 70,553**	**10,219**	**951,063**

2014 T€	Share capital	Capital reserve	Reval-uation reserve	Fair value reserve	Cash flow hedge reserve (currency hedges)	Reserve for remea-surements (pensions)	Cumula-tive transla-tion dif-ferences	Accu-mulated profit	Total equity of Symrise AG share-holders	Non-con-trolling interests	Total equity
January 1, 2014	**118,173**	**970,911**	**2,735**	**– 12**	**133**	**– 80,543**	**– 70,553**	**10,219**	**951,063**	**0**	**951,063**
Net income	0	0	0	0	0	0	0	185,000	**185,000**	1,767	**186,767**
Other comprehensive income	0	0	0	43	– 411	– 88,616	33,478	0	**– 55,506**	– 264	**– 55,770**
Total comprehensive income	**0**	**0**	**0**	**43**	**– 411**	**– 88,616**	**33,478**	**185,000**	**129,494**	**1,503**	**130,997**
Issue of new shares/ capital increase	11,640	405,046	0	0	0	0	0	0	**416,686**	0	**416,686**
Business combinations	0	0	0	0	0	0	0	0	**0**	18,409	**18,409**
Dividends paid	0	0	0	0	0	0	0	– 82,721	**– 82,721**	– 1,700	**– 84,421**
Changes in subsidiary shareholdings	0	0	0	0	0	0	0	– 329	**– 329**	– 232	**– 561**
Transactions with owners of the company	**11,640**	**405,046**	**0**	**0**	**0**	**0**	**0**	**– 83,050**	**333,636**	**16,477**	**350,113**
December 31, 2014	**129,813**	**1,375,957**	**2,735**	**31**	**– 278**	**– 169,159**	**– 37,075**	**112,169**	**1,414,193**	**17,980**	**1,432,173**

Equity developments are explained in note 38.

Probi AB, Sweden, which has been fully consolidated since the second quarter, holds 250,000 own shares with a nominal value of SEK 5. This represents 2.7 % of the company’s equity.

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 company of the Symrise Group with its registered office at Muehlenfeldstrasse 1, 37603 Holzminden, Germany. Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products.

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

The consolidated financial statements and the Group management report of Symrise AG for the fiscal year ending December 31, 2014, were, by resolution of the Executive Board, submitted to the Supervisory Board's Auditing Committee for review on March 4, 2015 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 HGB ["Handelsgesetzbuch" or Commercial Code] that were valid at the balance sheet reporting date.

The following explanations include those disclosures and comments that are to be provided as notes 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 lines included in the consolidated statement of financial position and the consolidated income statement group together individual items; supplementary information relating to such items is separately presented in the notes. The consolidated income statement has been prepared using the cost of sales method.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation of the Financial Statements

The consolidated financial statements are prepared on the basis of historical cost with the exception of derivative financial instruments and investment property that 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 individual financial statements of the companies included in the consolidation were prepared at 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 following new or revised standards and interpretations were applied for the first time in 2014:

- **IFRS 10 "Consolidated Financial Statements"** regulates which companies are to be included in the consolidated financial statements based on a comprehensive concept of control. **IFRS 11 "Joint Arrangements"** regulates the reporting of cases where a company has joint control over a joint venture or a joint operation. **IFRS 12 "Disclosure of**

Interests in Other Entities" summarizes the disclosure requirements for the interests of a company towards subsidiaries, joint arrangements, associated companies and structured companies into a standard. The new standards were applied retrospectively. Due to IFRS 10, our de facto voting right majority in Probi AB, Sweden, resulted in a transition from including it according to the equity method to full consolidation in 2014. IFRS 12 also resulted in additional disclosures in the notes.

All of the other new or revised standards did not impact our reporting.

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

- **IFRS 9 "Financial Instruments"** will replace the recognition and measurement of financial instruments according to IAS 39. IFRS 9 introduces a unified approach to classifying and measuring financial assets as well as a new impairment model based on expected credit losses. IFRS 9 also contains new regulations on the application of hedge accounting. IFRS 9 is to be applied to fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The European Financial Reporting Advisory Group (EFRAG) delayed its recommendation on the approval of IFRS 9. Symrise is currently evaluating what impacts the initial application of IFRS 9 would have on its consolidated financial statements.

- **IFRS 15 "Revenue from Contracts with Customers"** will regulate the recognition of sales and replace IAS 11 "Construction Contracts" and IAS 18 "Revenue." According to IFRS 15, the realization of revenue relates to the transfer of the stipulated goods or services and is represented with the amount that the company will presumably receive as consideration for the delivered goods or services performed. Revenue is generally realized according to IFRS 15 when the customer receives power of disposition over the goods/services. IFRS 15 contains guidelines on disclosing surpluses and obligations resulting from contracts with customers, e.g. assets and liabilities, that result from services rendered by the company or customer payments. IFRS 15 also requires notes on the type, amount, timing and uncertainties of revenue and cash flows. If it is endorsed by the EU in its current form, IFRS 15 is to be applied to fiscal years beginning on or after January 1, 2017. Earlier adoption is permitted. Symrise is currently evaluating what impacts IFRS 15 would have on its consolidated financial statements.

The other published, revised standards that have not yet been endorsed by the EU are not expected to have a notable 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 adopt them early.

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 which influence the application of accounting policies, the amounts at which assets and liabilities are recognized, how contingent liabilities are disclosed at the balance sheet reporting date 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 on future developments to be reasonable in consideration of the underlying uncertainties, actual results can vary from the estimates we provide.

Any changes in values that result from such a review are recognized in the reporting period in which the change is made and 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 which can substantially impact the figures presented in the report. Recognizing these uncertainties is necessary for a clear assessment of the net assets, financial position and results of operations.

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

At least once a year, the Group reviews whether goodwill is impaired. This requires an estimate of the recoverable amounts of the cash-generating units to which the 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). The actual cash flows and values can therefore widely vary from the forecast future cash flows and values that were determined by means of the discounted cash flow. Although we believe that our assumptions and estimates made in the past were reasonable, differing assumptions and estimates could substantially impact our net assets, financial position and results of operations. Additionally, the results of the impairment tests for goodwill are influenced by the allocation of this goodwill to cash-generating units. Further information can be found in note 2.5.

All intangible assets (excluding goodwill) and property, plant and equipment (excluding land) have a definite useful life. That is why the acquisition cost is to be systematically allocated over the respective useful life of intangible assets and property, plant and equipment. Discretionary judgments are required for the determination of the useful life for 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 scheduled 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 developments 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 reported as an intangible asset on the balance sheet is connected with considerable discretion. Particularly the decision 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 is the task of management, which must make the decision based on assumptions on the size of future cash flows from assets, the applicable interest rates and the period of inflow from expected future cash flows.

RECOGNITION OF CURRENT INCOME TAXES AND DEFERRED TAXES

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

Every year, we assess whether the tax loss carried forward can be used and offset with future tax gains in a reasonable period. Whenever this is not possible, deferred tax assets are 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 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 increases and is therefore associated with significant discretion.

The discounting factors are to be based on the yields that could be obtained at the balance sheet reporting date for high-quality, fixed interest 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 result in significant impacts on the 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 debt losses 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 the occurrence of a debt loss is probable and whether the amount of such a loss can be reliably estimated. The determination of general individual value adjustments for the remaining receivables on the basis of previous debt losses is associated with significant discretion since the past is not necessarily representative of future developments. Changes to our estimates in relation to the value adjustments on doubtful receivables can have considerable impacts 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. In determining whether a provision is necessary, and if so, how large it should be, or whether a declaration of a contingent liability is necessary requires significant judgments. Due to the uncertainty relating to these cases, the provisions are based on the best-possible information that is 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 Symrise stock 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 have a considerable influence on the 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 significant adjustments to the carrying amounts of the affected assets or liabilities then need to be made.

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

SCOPE OF CONSOLIDATION

In addition to Symrise AG as parent company, 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. Subsidiary companies 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 vary the returns. Associated companies are companies over which Symrise AG exercises significant influence over business and financial policies but which are not subsidiary companies or joint ventures.

In the 2014 fiscal year, the scope of consolidation developed as follows:
In the second quarter of 2014, the previously associated company Probi AB, Sweden, was classified as a subsidiary (see note 27). In addition, two further companies were founded: Symrise IP-Holding GCV, Belgium, and Symrise Nigeria Limited, Nigeria. Four inactive companies were liquidated in the UK and the Netherlands.

Furthermore, 39 companies were acquired as part of the acquisition of the Diana Group (see note 27), which are listed individually in the List of Interests in Entities (see note 50), effective July 8, 2014.

The number of fully consolidated companies therefore rose to 93 (December 31, 2013: 55).

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 company and those of its subsidiaries are prepared as of the balance sheet reporting date 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 costs cannot be recovered in the future.

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which a controlling influence is gained by Symrise AG. Inclusion in the consolidated financial statements ceases on the date where the parent company's controlling influence ends.

Assets, liabilities and contingent liabilities deriving from business combinations are generally recognized at their fair values at the time of acquisition. In circumstances where the acquisition costs relating to the business combination exceed the proportionate share of newly measured net assets 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 subsidiary companies that are acquired are included in the consolidated income statement from the point in time at which the subsidiary is acquired.

The Equity Method of Accounting

Investments in associates are included according to the equity method and initially recognized with the acquisition costs including transaction costs.

After the date of acquisition, the share in the result of the associated company is recognized in the consolidated income statement. The share of any changes to equity which do not impact profit or loss is recognized directly in other comprehensive income under Group equity. Any accumulated changes that occur after the date of acquisition 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 at a scheduled rate. If the corresponding indicators arise, the carrying amounts for associates recognized according to the equity method are subjected to an impairment test.

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

We did not separately disclose our interests in Therapeutic Peptides Inc., USA, and Cuisi'nat, France, due to a lack of significance.

2.5 Summary of Significant Accounting Policies

FOREIGN CURRENCY TRANSLATION

The subsidiaries of Symrise AG maintain their accounting records in the respective functional currency. The functional currency is the currency that is predominantly used or generated as cash. As the Group companies conduct their business independently for financial, commercial and organizational purposes, the functional currency is generally the local currency. Assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the rates applicable at the respective period closing date, 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 in Group equity as "cumulative translation differences" with no impact on the income statement.

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 in equity as "cumulative translation differences" with no impact on the income statement 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 in equity as "cumulative translation differences" with no impact on the income statement. 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 in other comprehensive income with no impact on the income statement up to this point, will now be (proportionately) reclassified in profit or loss in the same period.

Transactions designated in foreign currencies are translated by us into the respective functional currency of our subsidiary companies at the rate of exchange that is valid on the day of the transaction. Monetary assets and liabilities that are designated in foreign currencies are measured using the rate of exchange on the reporting date. Any currency translation effects resulting from operational activities are recorded within cost of sales, 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, 2013**	**December 31, 2014**	**2013**	**2014**
UK	British Pound	GBP	0.833	0.779	0.850	0.806
USA	US Dollar	USD	1.377	1.216	1.328	1.328
Mexico	Mexican Peso	MXN	18.027	17.864	16.952	17.658
Brazil	Brazilian Real	BRL	3.252	3.230	2.867	3.120
Singapore	Singapore Dollar	SGD	1.739	1.606	1.661	1.682
China	Chinese Renminbi	CNY	8.334	7.437	8.165	8.184

ACCOUNTING PRACTICES IN COUNTRIES WITH HYPERINFLATION

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

RECOGNITION OF SALES REVENUE

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

GOVERNMENT GRANTS

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

LEASES

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

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

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

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

INCOME TAXES

Income taxes comprise both current and deferred taxes. Income taxes are recognized in the consolidated income statement unless they are related to items that are recognized in other comprehensive income in equity with no effect on the income statement.

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

Deferred taxes are recognized by applying the so-called liability method to all temporary differences existing at the balance sheet reporting date 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 which affects neither the commercial accounting result nor the taxable result.

The effects of changes in tax rates on deferred taxes is recognized in the income statement, or in 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 (so-called outside basis differences) except for the amount for which Symrise is able to manage the chronological course of the reversal of the temporary differences and if it is likely that the temporary differences will not reverse in the foreseeable future.

EARNINGS PER SHARE

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

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

INVESTMENT PROPERTY

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

BUSINESS COMBINATIONS AND GOODWILL

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

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 values of the identifiable assets and liabilities acquired. The goodwill is not subject to a scheduled 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 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 costs 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 time of the acquisition. 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 any scheduled amortizations but rather are subject to an annual impairment test. As of the reporting date, the Symrise Group holds no intangible assets with an indefinite useful life apart from goodwill. For intangible assets with a definite useful life, the costs are amortized in the consolidated income statement on a straight-line basis over the term of their useful lives:

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

The useful lives and amortization methods for intangible assets are reviewed annually for suitability and prospectively adjusted if necessary. In addition, the carrying amounts of capitalized development costs are 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 minus accumulated amortization and impairment losses.

Gains and losses deriving from the disposal of intangible assets are recognized at the time of disposal as the difference between the proceeds from disposal and the carrying amounts of the intangible assets in the consolidated income statement.

RESEARCH AND DEVELOPMENT COSTS

Costs for research activities are recognized as expenses at their full amount. For accounting purposes, research activities are defined as costs in connection with ongoing or planned examinations that should deliver new scientific or technical findings or insights.

Development expenses are defined as costs in connection with the application of research results or specialist knowledge towards production and production processes as well as services and goods before commercial production or application. 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 and the product is both technically and financially feasible and if financial benefits that would cover the corresponding development costs are likely. 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 scheduled depreciation and impairment losses. If the costs of components for property, plant and equipment are significant (in comparison to the total costs), then these components are recognized by Symrise as separate items and they are separately depreciated.

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

Property, Plant and Equipment	Useful Life
Buildings	5–50 years
Plants and machinery	3–25 years
Equipment	3–20 years

Land is not depreciated at a scheduled rate 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 their exercise is probable.

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

FINANCIAL INSTRUMENTS

General Information

A financial instrument is a contract which 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 of 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 the 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 leases. Non-derivative liabilities are recognized in the consolidated statement of financial position if Symrise has a contractual obligation to transfer cash or other financial assets to another party. Non-derivative financial liabilities are initially recognized at the fair value of the return service received or at the value of the cash received minus transaction costs incurred, if applicable.

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

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

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 their 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.” 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 operative business and financing activities.

Selected future cash flows from trade receivables and 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 with no effect on net income in the cash flow hedge reserve and then reclassified to profit or loss in the period in which the hedged underlying transaction influences the net result for the period.

Measurement gains/losses from the derivative financial instrument will be reclassified to sales or cost of sales depending on the underlying transaction (trade payables or receivables in foreign currency). There they will be balanced 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 reduce 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 effectiveness of the hedging instrument implemented. The effectiveness of existing hedging measures is continuously monitored using the cumulative dollar offset method. When hedge relationships become ineffective, they are immediately reversed through profit or loss.

Even if some 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 sales.

Trade Receivables and Other Receivables

Trade receivables and other receivables are measured, where applicable by applying the effective interest method, with their market value at the date they arose minus 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 measured at amortized cost.

Financial Assets Available for Sale

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

Financial assets available for sale are recognized at fair value plus any directly attributable transaction costs. After their initial recognition, they are recognized at their fair value if it is directly ascertainable 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 valuation not recognized in profit or loss in the net income occurs at the time of disposal. If the fair value of financial assets available for sale falls significantly or over a longer period of time below amortized cost, the impairment expense is immediately recognized through profit or loss. If the reasons for the impairment cease to exist, the reversal for the impairment is recognized in the subsequent periods.

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

ASSETS HELD FOR SALE

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

INVENTORIES

Inventories are measured at the lower of cost or net realizable value. The costs include the cost of procuring the inventories, manufacturing or conversion costs and other costs incurred to bring the inventories to their existing location and condition. Net realizable value is determined as the estimated sales value minus any estimated costs of completion and any necessary selling and marketing expenses.

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

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

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

Defined Contribution Plans

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

Defined Benefit Plans

Defined benefit plans comprise all pension plans other than defined contribution plans. Claims relating to defined benefit plans are calculated separately for each plan with the actuarially calculated present value of the earned benefit entitlement. This is done by estimating the future pension benefit amount that employees have become entitled to in return for their service in current and prior periods; the amount of this pension benefit is discounted to determine its present value (defined benefit obligation, DBO). The discount rate is determined as the yield at the reporting date 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.

Changes to the present value of defined benefit obligations due to performance are comprised of current and past service costs as well as gains/losses from settlements and are recognized immediately in 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 financial result.

Remeasurements of net debt from defined benefit plans contain actuarial gains and losses from the change in present value of the defined benefit obligation as well as the return on plan assets excluding amounts included in net interest. They are immediately recognized in other comprehensive income with no impact on profit or loss 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, which makes the outflow of resources with financial benefits probable, and a reliable estimate of the size of the obligation is possible.

The size 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 reporting date. The discount rates are regularly adjusted to current market interest rates.

Allocations 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 from outside the period under review are concerned, these are recognized under other operating income.

IMPAIRMENT

Trade Receivables

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

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

- Following this, impairments for trade receivables based on homogeneous receivable classes are formed that correspond to the associated risk of loss, past receivable losses 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 a major restructuring of the debtor is likely;

- observable data indicates that there is a measurable decrease in the 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 assets 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 adjustment accounts. The decision as to whether a default is covered by a value adjustment 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 operative segments and differing regional conditions, this decision is made by the individual portfolio managers.

Other Financial Assets

Financial assets are measured at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recorded for financial assets if objective indications exist that one or more events have had 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 the 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 removed from other comprehensive income and recognized in the consolidated income statement. Impairment losses for equity instruments classified as available for sale once recognized in the consolidated income statement are not reversed with effect on profit or loss, 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 each balance sheet reporting date, the Group assesses whether indications exist that a non-financial asset is impaired. The carrying amount of the asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset is not covered by its recoverable amount. If such indications exist, or if a test for impairment of an asset needs to be made, an estimate of the recoverable amount is made. The recoverable amount of an asset is the higher of the fair value of the asset or cash-generating unit minus 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 groups of assets. 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 deriving 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 each closing date, 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 which 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 scheduled amortization or depreciation for future periods is adjusted as necessary in order to systematically spread the adjusted carrying amount of the asset minus 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 a test is carried out more frequently.

For impairment tests, goodwill is to be allocated to the cash-generating unit within the Group that is intended to benefit from the synergies of the business combination. Every unit with goodwill allocated to it represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is no larger than a business 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 minus any costs to sell (Level 3) and its value in use. If the recoverable amount attributable to the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses on goodwill may not be reversed in future periods. Symrise carries out its annual impairment test for goodwill on September 30.

Within the Symrise Group, the two segments Scent & Care and Flavor & Nutrition have been defined as cash-generating units. The recoverable amount is represented by the fair value less costs to sell and was determined as the present value of future cash flows. The future cash flows were derived from the Symrise Group's planning information. The calculation of the present value of estimated future cash flows is mainly based on assumptions relating to future selling prices, or respectively 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 2015 to 2018. A growth rate of 1.0 % (previous year: 0.5 %) was assumed for the measurement of perpetual annuity. The cash flows determined in this manner were discounted with a weighted after-tax capital cost factor of 7.74 % for Scent & Care and 7.60 % for Flavor & Nutrition (2013: 7.76 % for both segments). The cost of equity and debt was weighted with a capital structure based on a group of similar companies. Capital market data and data from similar companies was used in determining the cost of equity and debt. 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 capitalized goodwill.

DETERMINING FAIR VALUE

Many accounting policies require that a fair value is determined for financial and non-financial assets and liabilities. The fair values have been determined 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 at **Level 1** are (unadjusted) quoted prices for identical assets or liabilities in active markets accessible to the company at the measurement date.
- Input factors at **Level 2** are, in contrast to the quoted market prices from Level 1, those that are directly or indirectly observable for the asset or liability.
- Input factors at **Level 3** are input factors that are unobservable for assets or liabilities.

Property, Plant and Equipment

The fair value for items of 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 (for example customer base and trademarks) is based on the discounted cash flows that are expected to derive from the use and eventual sale of the assets.

Investment Property

The fair value for investment property is determined by an independent, qualified valuer using recognized measurement techniques, insofar as it is necessary. If prices from recent market transactions with comparable property are available, these transactions are used as references for determining the fair value.

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

3. SEGMENT INFORMATION

DESCRIPTION OF SEGMENTS WHERE REPORTING IS REQUIRED

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. Operational segments are divided into divisions. With Scent & Care and Flavor & Nutrition, we have two segments, organized according to our products, for which mandatory reporting is required.

SCENT & CARE

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

FLAVOR & NUTRITION

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

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

MEASUREMENT CRITERIA FOR THE SEGMENTS

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

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

The income and expenditure of the Symrise Group's central units and functions are completely included in the two segments Flavor & Nutrition and Scent & Care based on performance-related, or utilization-related, criteria. The result-related determining factor for the management of the segments is the earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDA). The depreciation and amortization charges that can be directly attributed to each segment are included in the determination of 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 net income.

The capital investment made by a segment comprises 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 25.

SEGMENT RESULTS

2013 T€	Scent & Care	Flavor & Nutrition	Segment total = Group total
External sales	960,436	869,950	**1,830,386**
Cost of sales	– 567,172	– 492,376	**– 1,059,548**
Gross profit	**393,264**	**377,574**	**770,838**
Other operating income	8,686	7,379	**16,065**
Selling and marketing expenses	– 143,775	– 146,189	**– 289,964**
Research and development expenses	– 69,092	– 57,903	**– 126,995**
Administration expenses	– 39,938	– 45,090	**– 85,028**
Other operating expenses	– 1,037	– 752	**– 1,789**
Income from operations/EBIT	**148,108**	**135,019**	**283,127**
Amortization of intangible assets	28,012	17,568	**45,580**
Depreciation of property, plant and equipment	18,428	26,031	**44,459**
Impairment reversals on property, plant and equipment	– 12	– 17	**– 29**
EBITDA	**194,536**	**178,601**	**373,137**
Financial result			**– 37,273**
Income before income taxes			**245,854**
Income taxes			**– 73,519**
Net income			**172,335**
Other segment information			
Investments			
Intangible assets	76,713	4,349	**81,062**
Property, plant and equipment	25,346	36,450	**61,796**

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

1) Excluding additions related to the scope of consolidation

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

RESULT BY REGION

2013 T€	EAME[1]	North America	Asia/Pacific	Latin America	Total
Sales					
Sales by region (point of delivery)	828,298	350,322	419,572	232,194	**1,830,386**
Domestic					**211,925**
Foreign					**1,618,461**
Other segment information					
Non-current assets[2]					**1,276,750**
Domestic					**740,880**
Foreign					**535,870**
Investments					
Intangible assets	3,622	69,966 [3]	1,338	6,136	**81,062**
Property, plant and equipment	35,102	7,301 [3]	11,758	7,635	**61,796**

2014 T€	EAME[1]	North America	Asia/Pacific	Latin America	Total
Sales					
Sales by region (point of delivery)	989,046	408,633	452,589	269,839	**2,120,107**
Domestic					**226,274**
Foreign					**1,893,833**
Other segment information					
Non-current assets[2]					**2,702,845**
Domestic					**961,521**
Foreign					**1,741,324**
Investments[4]					
Intangible assets	9,350	249	284	698	**10,581**
Property, plant and equipment	53,784	14,906	9,988	12,002	**90,680**

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

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED INCOME STATEMENT

4. SALES

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

5. COST OF SALES

The cost of sales mainly consists of expenses for raw materials as well as production costs. Amortizations 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 sales by segment.

6. OTHER OPERATING INCOME

T€	2013	2014
Income from the reclassification of exchange rate differences from the currency reserve	1,681	8,898
Income from the reversal of provisions and other liabilities	1,934	4,725
Income from government subsidies	1,056	4,362
Income from service units	1,859	3,317
Income from the reversal of impairments on receivables	2,436	2,143
Miscellaneous other income	7,099	5,619
Total	**16,065**	**29,064**

Income from the reclassification of exchange rate differences from the currency reserve resulted from the capital reduction at a subsidiary in Singapore as well as the cessation of business activity in Switzerland.

Income from the reversal of provisions and other liabilities affects such obligations, where utilization is no longer expected or where it is certain it will not be utilized. This mainly relates to income from the reversal of provisions in the USA for medical benefits as part of a redesign of the benefit plan (past service costs, see note 35).

Government subsidies were mainly granted in France to promote research projects. See note 21 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.

Income from the reversal of impairments on receivables mainly results from incoming payments for receivables previously impaired.

The figure of the remaining other income comprises various individually insignificant cases that are not related to the sale of products.

7. PERSONNEL EXPENSES

T€	2013	2014
Wages and salaries	– 318,993	– 360,869
Social security expenses	– 61,652	– 74,439
Pension expenses (excluding interest expenses)	– 12,419	– 9,272
Termination benefits	– 3,655	– 9,078
Multi-year performance-based remuneration	– 1,136	– 2,674
Total	**– 397,855**	**– 456,332**

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 € 18.2 million (2013: € 12.9 million).

Pension expenses consist of employer contributions to defined benefit plans. In the year under review, one-off income of € 2.5 million resulted from the revision to medical benefits in the USA and was recognized in other operating income. Interest deriving from provisions for pensions is recognized as a component of the financial result as of December 31, 2014 (see note 11).

Termination benefits were mainly accrued in connection with the restructuring of the management stemming from the purchase of the Diana 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:

FTE	2013	2014
Manufacturing and technology	2,411	3,208
Sales and marketing	1,546	1,663
Research and development	1,158	1,308
Administration	436	533
Service units	363	376
Number of employees	**5,914**	**7,088**
Apprentices and trainees	116	127
Total	**6,030**	**7,215**

8. SELLING AND MARKETING EXPENSES

Selling and marketing expenses mainly include expenses from the period for advertising and customer service as well as distribution and storage for finished products. It also contains transport costs, expenses for commissions and licenses as well as amortizations of capitalized customer bases and trademarks. Please refer to the segment reporting information for a presentation of selling and marketing expenses by segment.

9. 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 sales. Such costs cannot be capitalized.

10. ADMINISTRATION EXPENSES

Administration expenses mainly contain expenses for information technology, finance, controlling and human resources as well as for factory security, work safety and administration buildings. The increase in administrative expenses compared to the previous year is especially due to one-off non-recurring transaction and integration costs from the acquisition of the Diana Group of € 10.9 million (see note 27).

11. FINANCIAL RESULT

T€	2013	2014
Interest income		
from bank deposits	1,000	1,727
other	157	840
Interest income	**1,157**	**2,567**
Other financial income	365	179
Financial income	**1,522**	**2,746**
Interest expenses		
from bank borrowings	– 3,321	– 4,312
from other borrowings	– 17,762	– 22,149
other	– 13,879	– 17,805
Interest expenses	**– 34,962**	**– 44,266**
Foreign currency gains/losses	– 2,549	2,559
Fees for financing the Diana acquisition	0	– 5,027
Impact on earnings from business combinations achieved in stages for Probi AB	0	– 2,799
Other financial expenses	– 1,284	– 1,583
Financial expenses	**– 38,795**	**– 51,116**
Financial result	**– 37,273**	**– 48,370**
of which interest result	– 33,805	– 41,699
of which other financial result	– 3,468	– 6,671

Interest expenses for liabilities from the Eurobonds and the US private placement are recognized under the interest expenses for other borrowings. Other interest expenses mainly comprise the compounding of provisions for pensions amounting to € 11.9 million (2013: € 11.0 million).

The financial result for the Group contains one-off non-recurring specific influences relating to the financing of the purchase of the Diana Group amounting to € 5.0 million, as well as one-off non-recurring specific influences of € 2.8 million stemming from the first-time consolidation of Probi AB, Sweden (see note 27).

12. INCOME TAXES

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

T€	2013	2014
Current tax expense	**– 76,666**	**– 90,303**
Deferred tax expense/income		
from losses carried forward	– 14,550	– 57
from temporary differences	17,697	17,417
Total deferred tax expense/income	**3,147**	**17,360**
Income taxes	**– 73,519**	**– 72,943**

Income taxes in the year under review decreased by € 0.6 million to € 72.9 million. The tax rate for the reporting year amounted to 28.1 % (2013: 29.9 %).

The increase in current income tax expenses of € 13.6 million to € 90.3 million mainly resulted from improved consolidated net income. The changes to deferred tax income resulted primarily from the purchase price allocation of the acquisition of the Diana Group and the depreciation and amortization related to this. In the previous year, deferred tax income had been influenced by the use of tax losses carried forward as well as remeasurement of tax losses carried forward in Singapore related to a development and expansion certificate, which reduces the tax rate to 5 %. In 2014, tax losses carried forward were used, which were opposed by an increase in tax losses carried forward from the Diana Group.

DERIVATION OF THE EFFECTIVE TAX RATE

The income taxes disclosed in the year reported, amounting to € 72.9 million (2013: € 73.5 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 tax according to the German Commercial Code (HGB):

T€	2013	2014
Consolidated earnings before taxes	**245,854**	**259,710**
Expected tax expense at local tax rates	– 69,361	– 70,912
Tax effect from previous periods	– 10,606	2,886
Tax effect from tax-free income	8,495	9,852
Tax effect from non-deductible expenses	– 3,559	– 6,579
Non-recoverable withholding tax	– 1,344	– 5,247
Tax effect from measurement adjustments to deferred tax assets	997	– 3,565
Tax effect from change in tax rate	2,019	288
Other tax effects	– 160	334
Income tax expense	**– 73,519**	**– 72,943**

Tax effects from previous years were notably lower in 2014 as many key audits have been largely completed.

The effect deriving from tax-free income resulted from foreign tax benefits.

The tax effect from non-deductible expenses mainly resulted from non-deductible interest expenses from the Diana Group as well as commercial tax additions in Germany. A further effect resulted from foreign dividends received, as 5 % of the dividend income in Germany is notionally treated as non-deductible operating expenses.

The increase in tax effects from non-refundable withholding taxes resulted from foreign dividends received.

The effect of value adjustments to deferred tax assets resulted from the derecognition of deferred tax assets due to the closure of a subsidiary as well as the impairment of deferred tax assets for companies within the Diana Group.

The proposed dividend for the 2014 fiscal year (see note 38) will not have any income tax consequences for Symrise. Future income and withholding taxes resulting from planned distributions of Group companies will be recognized under deferred tax liabilities.

No deferred tax liabilities were recognized for temporary differences from interests in subsidiaries amounting to € 170.2 million in 2014 and € 102.4 million in 2013 as these gains are either not subject to taxation on pay out or are expected to be reinvested for indefinite periods of time. The significant increase is due to the acquisition of the Diana Group.

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

	2013			2014		
T€	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	– 57,395	2,034	– 55,361	30,721	2,493	33,214
Financial assets available for sale	– 41	3	– 38	58	– 15	43
Cash flow hedge (currency hedges)	37	– 16	21	– 530	119	– 411
Remeasurement of defined benefit pension plans	44,712	– 13,955	30,757	– 125,858	37,242	– 88,616
Tax rate change	0	– 73	– 73	0	0	0
Other comprehensive income	**– 12,687**	**– 12,007**	**– 24,694**	**– 95,609**	**39,839**	**– 55,770**
of which current taxes		421			– 72	
of which deferred taxes		– 12,428			39,911	

13. AMORTIZATION AND DEPRECIATION

Amortization of intangible assets and depreciation of property, plant and equipment are visible in the movement summary in notes 25 and 26.

14. EARNINGS PER SHARE

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

11,150,000 new shares were issued in the second quarter of 2014 and 489,274 in the third quarter of 2014. These shares are entitled to dividends from January 1, 2014 and have correspondingly been included in the calculation for the earnings per share on a pro rata basis.

No option or conversion rights were issued in 2013 or 2014. As a consequence, there is no dilutive effect on the earnings per share. The diluted and basic results are therefore identical.

	2013	2014
Consolidated net income attributable to the shareholders of Symrise AG (T€)	172,335	185,000
Weighted average number of ordinary shares (in shares)	118,173,300	125,317,373
Earnings per share (€)	**1.46**	**1.48**

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

T€	December 31, 2013	December 31, 2014
Cash	120,803	188,378
Cash equivalents	14,540	10,850
Total	**135,343**	**199,228**

Cash and cash equivalents mainly consist of balances with banks whose carrying amounts correspond to their fair values. The increase compared with the previous year is especially due to additions to the scope of consolidation (see note 27).

16. TRADE RECEIVABLES

T€	December 31, 2013	December 31, 2014
Trade receivables	329,168	433,120
Allowance for doubtful accounts	– 7,621	– 12,068
Total	**321,547**	**421,052**

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

The due dates for trade receivables at the reporting date and the allowances therefore have developed as follows:

T€	Carrying amount (gross)	No allowance set up and not overdue	Full or partial allowance set up	Specific allowance set up	Overdue for 1–30 days	Overdue for 31–90 days	Overdue for 91–360 days	Overdue for more than 1 year	Overdue but no allowance set up
December 31, 2013									
Trade receivables	329,168	283,668	45,500	7,621	29,102	8,273	2,833	5,292	0
December 31, 2014									
Trade receivables	433,120	370,716	62,404	12,068	39,596	10,148	6,108	6,552	0

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

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

T€	2013	2014
January 1	**8,509**	**7,621**
Changes to the scope of consolidation	0	3,114
Allocations set up	2,445	5,048
Utilized in the reporting year	– 664	– 1,654
Reversals	– 2,436	– 2,143
Exchange rate differences	– 233	82
December 31	**7,621**	**12,068**

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

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

17. INVENTORIES

T€	December 31, 2013	December 31, 2014
Raw materials	138,264	179,840
Unfinished products	106,616	129,661
Finished products	136,409	193,318
Impairment losses	– 12,722	– 18,129
Total	**368,567**	**484,690**

The cost of sales include material costs without foreign currency effects amounting to € 893.4 million (2013: € 789.6 million).

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

18. OTHER CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2013	December 31, 2014
Other taxes	19,347	40,781
Other prepayments	15,497	27,799
Miscellaneous other assets	1,402	3,603
Total	**36,246**	**72,183**

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.

Other assets and receivables are not secured. Symrise carries the risk that receivable losses 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, 2013	December 31, 2014
Balance on a fiduciary account	0	3,291
Security deposits, guarantees and rental deposits	992	1,550
Receivables from customers and employees	644	719
Other financial assets	688	1,178
Total	**2,324**	**6,738**

The balance on a fiduciary account is related to the acquisition of the Belmay Group performed in the previous year.

20. DEFERRED TAX ASSETS/LIABILITIES

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

	December 31, 2013			December 31, 2014		
T€	Tax assets	Tax liabilities	Income (+)/ expenses (–)	Tax assets	Tax liabilities	Income (+)/ expenses (–)
Intangible assets	15,160	58,590	9,203	16,565	259,662	8,206
Property, plant and equipment	6,723	43,801	1,706	9,121	57,529	647
Financial assets	106	32	– 14	1,105	200	931
Inventories	10,389	248	527	13,746	340	4,692
Trade receivables, prepayments and other assets	3,632	1,855	3,208	3,236	10,486	– 9,839
Provisions for pensions	37,359	7	65	76,133	0	1,961
Other provisions and other liabilities	9,786	7,073	2,002	30,471	15,864	10,722
Interests in subsidiaries	0	1,993	1,000	0	1,900	97
Losses carried forward	8,237	0	– 14,550	35,984	0	– 57
Sub-total	**91,392**	**113,599**	**3,147**	**186,361**	**345,981**	**17,360**
Offsetting	– 45,200	– 45,200		– 105,067	– 105,067	
Total	**46,192**	**68,399**	**3,147**	**81,294**	**240,914**	**17,360**

Deferred tax income amounted to € 17.4 million in 2014 in contrast to a deferred tax income of € 3.1 million in 2013.

The change to deferred tax income primarily resulted from the expansion to the scope of consolidation. Deferred tax liabilities (net) of € 192.1 million were recognized as a result of the acquisition of the Diana Group as well as the full consolidation of Probi AB, Sweden. Ongoing depreciation and amortization from the purchase price allocation for the acquisition of the Diana Group as well as the capitalization of deferred tax assets on tax losses carried forward from the Diana Group had a substantial influence on deferred tax income.

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

Overall, corporation tax losses carried forward amounting to € 146.7 million (December 31, 2013: € 70.6 million) existed as of the reporting date. Additionally, tax losses carried forward amounting to € 6.6 million (December 31, 2013: € 3.7 million) existed from commercial taxes in Germany. Of the corporation tax losses, € 1.0 million are subject to time limits.

The use of tax losses carried forward and therefore the measurement of the corresponding deferred tax assets are substantiated through tax planning. Impairment on deferred tax assets amounted to € 3.5 million as of the reporting date (December 31, 2013: € 0 million).

The calculation of foreign income taxes is based on the particular country's legal regulations. The tax rates of the individual companies range between 0 % and 38 % without considering financing companies.

Foreign currency translation effects are contained in the deferred tax assets and liabilities amounting to € 1.9 million in the year under review (December 31, 2013: € 0.8 million).

21. OTHER NON-CURRENT ASSETS AND RECEIVABLES

T€	December 31, 2013	December 31, 2014
Receivables from research grants	0	19,957
Prepayments	6,814	5,107
Miscellaneous other assets	293	1,521
Total	**7,107**	**26,585**

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. The reduction resulted from the reclassification of elements which have become current to other current assets and receivables.

22. NON-CURRENT FINANCIAL ASSETS

T€	December 31, 2013	December 31, 2014
Right of recourse	0	10,100
Financial assets (available for sale)	5,317	5,427
Security deposits, guarantees and rental deposits	1,073	1,694
Balance on fiduciary account	7,263	1,645
Receivables from customers, employees and suppliers	1,380	1,174
Other financial assets	79	260
Total	**15,112**	**20,300**

The right of recourse was stipulated with the seller over the course of the purchase of the Diana Group and ensures repayment for any possible financial risks (see note 27).

The item financial assets contains securities that have to be held in compliance with legislative requirements for pension obligations in Austria as well as other investments.

The balance on the fiduciary account is related to the acquisition of the Belmay Group performed in the previous year and was partially reclassified to current financial assets as of December 31, 2014.

23. INVESTMENTS IN ASSOCIATES

The purchase of additional shares in Probi AB, Sweden, during the fiscal year 2014 resulted in Symrise gaining control of Probi AB as Symrise had thereby established a de facto voting right majority. Probi AB was therefore consolidated into the Symrise Group for the first time in 2014 (see note 27). No other notable associates exist.

24. INVESTMENT PROPERTY

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

The fair value for investment property is not determined by an independent, qualified valuer, but rather based on observed transactions that are comparable with the location and type of the property in question (market value simulation). The prices per square meter used for the evaluation ranged between CHF 130 and 255.

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

T€	December 31, 2013	December 31, 2014
January 1	**0**	**2,583**
Reclassifications from property, plant and equipment	1,211	0
Additions	117	0
Disposals	– 426	– 716
Fair value changes		
Recognized in profit or loss	1,673	264
Exchange rate differences	8	51
December 31	**2,583**	**2,182**

The changes to fair value were recognized in other operating income.

If the underlying price per square meter were to fluctuate by +/–10 %, this would increase or decrease the fair value of the investment properties by T€ 218.

In 2014, rental income amounting to T€ 98 was recorded. Maintenance expenses amounted to T€ 77 for rented properties and T€ 83 for non-rented properties.

25. INTANGIBLE ASSETS

2013 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, 2013	**528,128**	**609,923**	**142,184**	**15,384**	**14,044**	**1,309,663**
Additions from business combinations	18,625	5,821	47,057	0	0	71,503
Additions from acquisitions	0	21	3,118	0	4,684	7,823
Additions from internal development	0	0	0	278	1,458	1,736
Disposals	0	0	– 2,523	0	0	– 2,523
Transfers	0	0	10,011	653	– 10,664	0
Exchange rate differences	– 17,153	– 12,094	– 6,723	0	– 211	– 36,181
December 31, 2013	**529,600**	**603,671**	**193,124**	**16,315**	**9,311**	**1,352,021**
Accumulated amortization and impairment losses						
January 1, 2013	**– 36,813**	**– 400,081**	**– 59,778**	**– 7,991**	**0**	**– 504,663**
Scheduled amortization for the fiscal year	0	– 25,975	– 15,723	– 3,882	0	– 45,580
Disposals	0	0	2,270	0	0	2,270
Transfers	0	0	– 382	382	0	0
Exchange rate differences	– 2,071	8,178	2,201	0	0	8,308
December 31, 2013	**– 38,884**	**– 417,878**	**– 71,412**	**– 11,491**	**0**	**– 539,665**
Carrying amounts						
January 1, 2013	491,315	209,842	82,406	7,393	14,044	805,000
December 31, 2013	**490,716**	**185,793**	**121,712**	**4,824**	**9,311**	**812,356**

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

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

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

Regarding the changes to the scope of consolidation, please see note 27.

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

Capitalized development costs, including those currently in progress, amounted to € 5.9 million as of the reporting date (December 31, 2013: € 7.3 million).

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

T€	December 31, 2013	December 31, 2014
Goodwill according to segment		
Scent & Care	173,193	179,094
Flavor & Nutrition	317,523	912,311
Total	**490,716**	**1,091,405**

26. PROPERTY, PLANT AND EQUIPMENT

2013 T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2013	**331,565**	**328,297**	**151,622**	**40,423**	**851,907**
Additions from business combinations	0	516	99	0	615
Other additions	4,089	10,181	11,047	35,864	61,181
Disposals	– 2,022	– 2,312	– 3,025	– 199	– 7,558
Transfers	5,899	17,990	4,690	– 28,579	0
Reclassification to investment property	– 4,265	0	0	0	– 4,265
Exchange rate differences	– 9,231	– 7,877	– 6,435	– 1,123	– 24,666
December 31, 2013	**326,035**	**346,795**	**157,998**	**46,386**	**877,214**
Accumulated depreciation and impairment losses					
January 1, 2013	**– 114,004**	**– 197,274**	**– 102,512**	**0**	**– 413,790**
Scheduled depreciation for the fiscal year	– 12,205	– 20,977	– 11,277	0	– 44,459
Reversals	29	0	0	0	29
Disposals	1,036	2,092	2,702	0	5,830
Reclassification to investment property	3,054	0	0	0	3,054
Exchange rate differences	3,387	4,605	3,752	0	11,744
December 31, 2013	**– 118,703**	**– 211,554**	**– 107,335**	**0**	**– 437,592**
Carrying amounts					
January 1, 2013	217,561	131,023	49,110	40,423	438,117
December 31, 2013	**207,332**	**135,241**	**50,663**	**46,386**	**439,622**

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

Regarding the changes to the scope of consolidation, please see note 27.

Other additions mainly concerned investments in capacity expansions as well as replacements in the mass spectrometry in research. Additions contain capitalized borrowing costs amounting to € 0.5 million. The underlying capitalization rate amounts to 4.04 % (December 31, 2013: 4.06 %).

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

27. BUSINESS COMBINATIONS

PROBI AB

Probi AB, headquartered in Lund, Sweden, (hereafter: Probi) researches and develops in the area of probiotics and is one of the leading manufacturers of probiotic cultures for beverages, milk products and nutritional supplements. Probi is highly regarded among internationally operating food and consumer goods manufacturers, thanks to its pioneering concepts in the research, development and manufacture of probiotics. The company markets probiotics for products that support intestinal health and help to maintain a healthy immune system. Since its founding in 1991, Probi has developed a strong and innovative research and development platform and possesses extensive, patented know-how. With expansion into new areas, Probi is tapping into additional growth potential and complementing the existing activities in the Flavor & Nutrition segment.

Symrise and Probi are working together to identify probiotics with health-promoting characteristics. The focus of the strategic collaboration is the development of functional ingredients for oral care products. Probi already has commercialized probiotic cultures as well as new strains with specific efficacy profiles. Symrise is among the world's leading suppliers of products for dental care and oral hygiene. With the combination of Symrise's know-how in the areas of sensory and functional ingredients and Probi's wealth of experience in patented probiotics, completely new products with high-quality profiles can be developed for consumers – particularly those that have or will have proven health benefits.

The purchase of additional shares in Probi AB led Symrise's holdings in the company to exceed the 30 % threshold in January 2014, which required Symrise to present the other Probi shareholders with a mandatory public offer in the first quarter of 2014. The offer price amounted to SEK 40.10 per share. 1.6 million shares (16.6 %) were tendered to Symrise. After acquiring these shares, Symrise held 46.6 % of the voting rights. The resulting acquisition costs amounted to € 7.4 million.

Based on the provisions of IFRS 10, it must be assessed whether a company, even a company holding less than 50 % of the voting rights, exercises de facto control and whether the company under control is to be listed as fully consolidated in the consolidated financial statements as a result. As of March 31, 2014, this assessment was tied to uncertainty as there was no way of knowing how the increase in Symrise's holding would affect participation at Probi's Annual General Meeting. The low turnout at Probi's Annual General Meeting on April 29, 2014, provides us with an adequate basis for declaring that Symrise exercises de facto control over Probi. For this reason, Probi is to be classified as a subsidiary from April 29, 2014 and was fully consolidated from this date. The carrying amount of the investment in the associate totaled € 22.5 million as of April 29, 2014. A one-off non-recurring valuation effect of € –2.8 million resulted from the transition of applying the equity method to full consolidation. This is recognized in the financial result (see note 11).

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

T€	Initially recognized fair value as of the acquisition date
Cash and cash equivalents	10,476
Trade receivables	2,371
Intangible assets	11,640
Other assets	1,250
Trade payables	– 1,001
Other liabilities	– 3,284
Net assets	**21,452**
Non-controlling interests	– 11,449
Acquired net assets	**10,003**
Consideration transferred for acquiring the shares (cash only)	**19,717**
Goodwill	**9,714**

The (preliminary) goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group. The fair values on the basis of the first-time consolidation of this acquisition should be viewed as preliminary and are based on estimates, which in turn are based on post-processing, in order to take facts and conditions that already existed as of the purchase date into consideration. There were no trade receivables at the time of acquisition that were classified as unrecoverable.

Since the acquisition date, Probi contributed € 12.0 million to sales and € 0.8 million to the consolidated net income of the Symrise Group.

DIANA GROUP

On July 8, 2014, Symrise acquired all of the shares held by Kerisper SAS and Kerisper Management SAS in the Diana Group as part of a share deal. The companies are based in Saint Nolff, France. The Diana Group is one of the leading suppliers of sensory solutions based on natural ingredients and has become a preferred partner to manufacturers of foods, pet food, functional foods, aquacultures and cosmetics. It operates production sites and sales branches in 23 countries across Europe, North and Latin America as well as Asia.

With the acquisition, the portfolio of natural ingredients has been considerably expanded. New fields of business, such as the market for pet food, are also being tapped into, backwards integration with agricultural raw materials is expanded and our customers are further supported in their requirements regarding the traceability of ingredients used. This business combination provides Symrise with an opportunity for profitable growth beyond our traditional target markets and contributes to future value creation in the Flavor & Nutrition segment.

The preliminary purchase price amounts to € 457.9 million (equity value) and consists of components to be remunerated in cash (€ 438.3 million) and, to a lesser extent, in Symrise shares (€ 19.6 million). The number of shares needed to cover this part of the purchase price is based on the closing price for the Symrise share on the day of the legal closing of the business combination contract (July 28, 2014). This corresponded to a total of 489,274 ordinary shares issued at a rate of € 40.08 per share.

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

T€	Initially recognized fair value as of the acquisition date
Cash and cash equivalents	51,686
Trade receivables	72,188
Inventories	87,489
Intangible assets	655,020
Property, plant and equipment	152,505
Other assets	33,743
Current tax assets	6,055
Deferred tax assets	28,312
Trade payables	– 45,674
Borrowings	– 869,747
Provisions	– 8,789
Other liabilities	– 42,721
Deferred tax liabilities	– 218,460
Contingent liabilities	– 8,731
Net assets	**– 107,124**
Non-controlling interests	– 6,960
Acquired net assets	**– 114,084**
Consideration transferred for acquiring the interests	**457,884**
Goodwill	**571,968**

The (preliminary) goodwill results from synergy and earning potentials that are expected from the integration of the operating business into the Symrise Group.

Acquired borrowings generally (€ 849.7 million) correspond to financial loans made available by shareholders (€ 530.8 million) and from bank-backed loans (€ 318.9 million) – each including accrued interest. These became due with the acquisition and were immediately redeemed by Symrise. Together with the consideration of € 457.9 million for the acquired net assets, this represents a transaction volume of € 1.3 billion.

Trade receivables include gross amounts of the contractual receivables of € 75.3 million, of which € 3.1 million were classified as presumably unrecoverable at the date of acquisition.

Contingent liabilities include obligations from potential risks that were measured at € 18.8 million as part of the purchase price allocation and € 10.1 million for the right of recourse towards the seller.

The first-time consolidation of the Diana Group should be viewed as preliminary as it is based on estimates, which in turn are based on post-processing, in order to take facts and conditions that already existed as of the purchase date into consideration.

From the acquisition date, the Diana Group contributed € 233.9 million to sales and € 4.6 million to consolidated net income in 2014. This consolidated net income is negatively impacted by an one-off expense of € 9.8 million and is recognized in the cost of sales. As part of the purchase price allocation, the purchased inventories were recognized at their sale price minus any outstanding expenses for completion. Since these purchased inventories were processed and sold as end products in the second half of 2014, this appreciation was recognized together with the other material and production costs through profit or loss.

In the Flavor & Nutrition segment, one-off non-recurring ancillary acquisition costs related to the acquisition and integration totaling € 20.0 million were recognized in the operating result up in 2014 (cost of sales: € 3.8 million, selling and marketing expenses: € 4.8 million, research and development expenses: € 0.5 million, administration expenses: € 10.9 million). There are also considerations for financing the acquisition of € 5.0 million recognized in the financial result. The expenses were mainly incurred for legal and other consulting services, for termination benefits as well as in connection with the consolidation of locations.

Assuming that the business combinations performed in 2014 had been completed by January 1, 2014, Group sales would have amounted to € 2,357.0 million and consolidated net income € 202.9 million. The pro forma figures are estimates. Here, simplified assumptions were made: Sales and expenses, including depreciation, amortization and financial expenses, were extrapolated for the full year (2014) on a linear basis (pro rata temporis).

28. TRADE PAYABLES

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

29. OTHER CURRENT LIABILITIES

T€	December 31, 2013	December 31, 2014
Employee-related liabilities	39,402	63,863
Other taxes	5,983	22,438
Liabilities to customers	11,062	15,941
Taxes on wages/salaries, social security contributions and other social benefits	11,352	15,640
Insurance premiums	1,698	1,202
Miscellaneous other liabilities	6,424	13,039
Total	**75,921**	**132,123**

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

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

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

30. OTHER CURRENT PROVISIONS

T€	Termination benefits	Performance-based remuneration	Jubilee	Miscellaneous other provisions	Total 2014
January 1	**2,025**	**1,768**	**817**	**438**	**5,048**
Changes to the scope of consolidation	1,026	0	0	631	1,657
Increases	2,106	952	152	3,210	6,420
Reversals	– 1,026	0	0	– 253	– 1,279
Utilized	– 1,440	– 1,780	– 808	– 2,200	– 6,228
Transfers	0	1,268	900	1,930	4,098
Sub-total	**2,691**	**2,208**	**1,061**	**3,756**	**9,716**
Exchange rate differences	57	0	0	113	170
December 31	**2,748**	**2,208**	**1,061**	**3,869**	**9,886**

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

The provisions for termination benefits primarily relate to structural changes to management stemming from the acquisition of the Diana Group.

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

We expect that the cash outflow for all provisions will take place within the next few months and by the end of the year 2015 at the very latest.

31. CURRENT FINANCIAL LIABILITIES

The item mainly consists of the current portion of the purchase price obligation from the previous year's acquisition of the Belmay Group, which was not due immediately (€ 7.5 million, December 31, 2013: € 2.8 million). Please refer to note 42 for the development of this obligation. The obligation is classified as "measured at fair value through profit or loss." The fair value changes are recognized in other operating income/expenses.

32. CURRENT TAX LIABILITIES

Tax provisions contain current income taxes for periods not yet assessed. The increase of this item compared to the previous year is mainly due to tax arrears for the financial year 2014 in Germany. For additional information, please see note 12.

33. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2013			December 31, 2014		
T€	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	37,077	82,177	119,254	111,709	298,462	410,171
Other borrowings	53	424,564	424,617	356	945,607	945,963
Accrued interest	3,869	0	3,869	8,254	590	8,844
Total	**40,999**	**506,741**	**547,740**	**120,319**	**1,244,659**	**1,364,978**

Of current bank borrowings from the revolving credit facility, a nominal value of € 92.6 million (December 31, 2013: € 31.9 million) relates to current loans under the terms of a revolving credit facility for € 300.0 million that is available to the Group until November 19, 2015. In addition to the credit facility mentioned, credit lines with the Commerzbank AG for € 12.5 million and the Deutsche Bank AG for USD 5.0 million exist to cover short-term payment requirements. Accordingly, as of December 31, 2014, Symrise had unutilized lines of credit available, totaling € 224.0 million (December 31, 2013: € 284.3 million).

Non-current borrowings mainly comprise a US private placement, a term loan, a loan from the European Investment Bank (EIB), a loan from the KfW, the two Eurobonds as well as the local debt of the Diana companies and contains carrying amounts in foreign currencies (USD, INR) totaling € 225.3 million (December 31, 2013: € 192.5 million).

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

	Maturity date	Nominal interest rate		Nominal value in issue currency (T)	Carrying amount in T€ December 31, 2013	Carrying amount in T€ December 31, 2014
Symrise AG						
Eurobond 2014	July 2019	1.75 %	fixed	EUR 500,000	–	494,949
Eurobond 2010	October 2017	4.125 %	fixed	EUR 300,000	297,747	298,301
US private placement	November 2020	4.09 %	fixed	USD 175,000	126,817	143,722
Term loan	July 2017	0.73 %	Euribor + 0.65 %	EUR 225,000	–	224,589
EIB loan	April 2020	2.586 %	fixed	USD 90,000	65,369	74,043
KfW loan	September 2019	1.45 %	fixed	EUR 15,922	19,274	15,922
Revolving credit facility USD (2014)	January 2015	1.07 %	Libor + 0.9 %	USD 70,000	–	57,481
Revolving credit facility EUR (2014)	January 2015	0.93 %	Euribor + 0.9 %	EUR 35,000	–	34,725
Revolving credit facility USD (2013)	January 2014	0.87 %	Libor + 0.7 %	USD 37,000	26,649	0
Revolving credit facility EUR (2013)	January 2014	0.93 %	Euribor + 0.7 %	EUR 5,000	4,430	0
Ecuaprotein SA, Ecuador						
Shareholder loan	March 2018	5.00 %	fixed	USD 4,065	–	3,344
Term loan	May 2016	8.00 %	fixed	USD 250	–	206
Aquasea Costa Rica, Costa Rica						
Shareholder loan	December 2020	5.00 %	fixed	USD 3,595	–	2,958
Diana Naturals Chile SpA, Chile						
Term loan	May 2015	3.90 %	fixed	USD 2,100	–	1,773
DianaPlantSciences SAS, France						
Promotional loan	December 2024	0.00 %	fixed	EUR 783	–	783
Diana Naturals SAS, France						
Promotional loan	December 2024	0.00 %	fixed	EUR 684	–	684
Symrise Private Limited, India						
Term loan	December 2017	10.55 %	fixed	INR 75,000	1,180	979
Working capital facility (2014)	January 2015	0.73 %	fixed	USD 538	–	443
Working capital facility (2013)	June 2014	0.86 %	fixed	USD 3,190	2,317	0
Spécialités Pet Food SAS, France						
Promotional loan	December 2016	0.00 %	fixed	EUR 600	–	600
Promotional loan	June 2025	0.00 %	fixed	EUR 100	–	100
Kerisper SAS, France						
Promotional loan	December 2024	0.00 %	fixed	EUR 440	–	440
Other borrowings	–	–	–	–	88	92
Accrued interest	–	–	–	–	3,869	8,844
Total					**547,740**	**1,364,978**

34. OTHER NON-CURRENT PROVISIONS

T€	Jubilee	Restoration obligations	Performance-based remuneration	Miscellaneous other provisions	Total 2014
January 1	**7,756**	**2,905**	**1,029**	**2,848**	**14,538**
Changes to the scope of consolidation	1,434	0	0	1,469	2,903
Increases	677	0	1,722	2,036	4,435
Reversals	– 20	0	0	– 4	– 24
Transfers	– 900	0	– 1,268	– 2,658	– 4,826
Sub-total	**8,947**	**2,905**	**1,483**	**3,691**	**17,026**
Interest expenses	1,195	16	125	236	1,572
Exchange rate differences	16	281	0	45	342
December 31	**10,158**	**3,202**	**1,608**	**3,972**	**18,940**

The jubilee obligations were discounted using an interest rate of 2.1 % in the fiscal year compared to 3.4 % 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 are recognized in the period where 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 estimated.

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

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

35. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

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

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

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

GERMANY

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

The active participation of employees of the former Haarmann & Reimer GmbH, Germany, in the Bayer mutual pension fund VVaG was terminated with effect from March 31, 2003. The employees of Haarmann & Reimer GmbH who had already acquired pension rights as of this date automatically became passive members of the pension fund from April 1, 2003, onwards. Active members, who had unvested rights as of March 31, 2003, had the option to have their pension entitlement (excluding employer contributions) paid out at this date in the form of a capital sum and from that point in time ceased to be members of the Bayer pension fund. For all individuals in the Bayer pension fund who were active members as of March 31, 2003, a benefit scheme was introduced in Germany with effect from April 1, 2003, in the form of a direct benefit promise, which is financed through a deferred gross compensation arrangement (3 % of the respective maximum income threshold for assessment of contributions as defined by the German State Pension Authority West). For those people with components of remuneration that exceed the respective income threshold for assessment of contributions, employer-financed retirement benefits up to a maximum amount are provided based on a benefit scheme. At the time that the new benefit scheme was introduced, the former Haarmann & Reimer employees were guaranteed that their benefits under the company retirement benefit scheme would not worsen as a result of the business combination. The benefits have to be maintained at the same level that existed before the business combination took place. This is assured under the new benefit scheme. As a consequence of this guarantee, the company has also offered those former Haarmann & Reimer GmbH employees – whose earnings are regulated by tariff agreement – a further voluntary deferred compensation scheme in the form of a direct benefit promise. The employee contribution and 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 which was provided in the form of a direct benefit promise through deferral of compensation; this benefit scheme was closed effective as of December 31, 2010. The employee contribution and 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 tops up the contribution with the same amount. Voluntary contributions are also possible and are also topped up with 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 of the RPK scheme on a voluntary basis up to September 30, 2010.

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

The pension plan through RPK as an external benefit provider is classified as a defined contribution plan and therefore no provisions for pensions are established. All other obligations from benefit commitments are recognized as defined performance-based 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 are closed for new entries as well as for further entitlements since 2012 and 2003, respectively. The amount of the benefits from the Mass Mutual Plan is determined by the average final salary as well as years of service to the company. The plan assets held for this benefit plan are retained in pooled separate accounts at the Massachusetts Mutual Life Insurance Company, which invests the assets in a diversified manner so as to minimize concentrations of risk. The investment decisions are made by an investment committee, the Benefit Oversight Committee, which is also responsible for the legal management and has fiduciary responsibility. It is composed of five Symrise employees. The legal and regulatory framework of both plans is based on the US Employee Retirement Income Security Act (ERISA). Symrise Inc. fulfills the minimum financing levels stipulated by this law, which are based on an annual measurement. Plan participants do not make payments into the plan assets.

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

	Present value of the defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
T€	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**
January 1	**403,219**	**368,855**	**– 36,714**	**– 36,455**	**366,505**	**332,400**
Changes to the scope of consolidation	**–**	**4,230**	**–**	**–**	**–**	**4,230**
Recognized in profit or loss						
Current service cost	12,419	11,800	–	–	12,419	11,800
Past service cost	–	– 2,528	–	–	–	– 2,528
Interest expense (+)/interest income (–)	12,364	13,375	– 1,385	– 1,441	10,979	11,934
Recognized in other comprehensive income						
Remeasurements						
Actuarial gains/losses						
arising from changes in demographic assumptions	30	8,156	–	–	30	8,156
arising from changes of the financial assumptions	– 42,395	113,754	–	–	– 42,395	113,754
arising from experience-based adjustments	1,900	4,561	–	–	1,900	4,561
Return on plan assets (excluding amounts included in net interest)	–	–	– 4,247	– 613	– 4,247	– 613
Exchange rate differences	– 4,009	7,100	2,418	– 4,281	– 1,591	2,819
Other						
Employer contributions	–	–	– 200	– 467	– 200	– 467
Benefits paid	– 14,673	– 13,723	3,673	1,980	– 11,000	– 11,743
December 31	**368,855**	**515,580**	**– 36,455**	**– 41,277**	**332,400**	**474,303**
of which pension plans	356,698	502,573	– 36,455	– 41,277	320,243	461,296
of which post-employment healthcare benefits	12,157	13,007	–	–	12,157	13,007

As of the end of the year under review, the entire present value of the defined benefit obligation contains T€ 295,884 for active employees (December 31, 2013: T€ 192,039), T€ 43,091 for former employees with vested claim entitlements (December 31, 2013: T€ 31,282) and T€ 176,605 for retirees and their dependents (December 31, 2013: T€ 145,534). From this entire present value of the defined benefit obligation, T€ 502,126 (December 31, 2013: T€ 357,588) is allocated to vested claims, while the remaining T€ 13,454 (December 31, 2013: T€ 11,267) relates to non-vested claims.

The average weighted term for the present value of the defined benefit obligation from defined benefit plans amounts to a total of 19.9 years (December 31, 2013: 16.7 years). It breaks down with 24.1 years for active employees, 23.0 years for former employees with vested claim entitlements and 11.4 years for retirees and their dependents.

The defined benefit plans are not covered by plan assets except for the pension schemes in the USA (Mass Mutual Plan), Japan and India. Plan assets secure a present value of the defined benefit obligation of T€ 52,927 (December 31, 2013: T€ 39,733) as of the end of the year. Financing for the obligations not covered by plan assets is made through the cash flow from operating activities of Symrise AG and its subsidiaries.

Plan assets of T€ 41,277 (December 31, 2013: T€ 36,455) are mainly used for provisions for pension in the USA (T€ 36,699; December 31, 2013: T€ 32,201) and are invested in Pooled Separate Accounts at the Massachusetts Mutual Life Insurance Company. Shares in fund assets are held in these accounts, which are invested in money market instruments and bonds as well as special growth and value oriented securities. Price quotes for these shares are derived from active markets (fair value hierarchy level 2). Plan assets also exist in Japan (T€ 4,425; December 31, 2013: T€ 4,127) and India (T€ 153; December 31, 2013: T€ 127). 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 2014 – the prices of which were also derivable from active markets. The plan assets in India are deposited in a life insurance policy for which there is no active market for estimating the price. The return on plan assets amounted to T€ 2,054 (2013: T€ 5,632). In 2015, Symrise expects contribution payments of T€ 517 (expectation in 2013 for 2014: T€ 559) into the plan assets.

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

T€	2013	2014
EAME	312,231	444,414
North America	14,366	24,158
Latin America	4,089	4,344
Asia/Pacific	1,714	1,387
Total	**332,400**	**474,303**

The actuarial measurements are based on the following assumptions:

%	2013	2014
Discount rate		
Germany	3.50	1.90
USA	4.79	3.95
Other countries	3.38	2.56
Salary trends		
Germany	2.50	2.50
Other countries	3.51	3.52
Pension trends		
Germany	1.75	1.75
Other countries	2.17	2.01
Medical cost trend rates		
USA	7.48	7.48
Other countries	7.50	7.50

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 from Prof. Dr. Klaus Heubeck. The Mass Mutual Plan in the USA is based on the reference table RP 2000 Combined Sex Distinct Generational Table and the RP-2014 Mortality Tables for Annuitants and Non-Annuitants with Scale MP-2014 Table T-3 Table less. All other actuarial measurements outside of Germany are based on country-specific mortality tables.

The present value of the defined benefit obligation is dependent on the previously mentioned actuarial assumptions. The following table shows what the present value as of December 31, 2014, would have been if the actuarial assumptions had changed by 1.0 percentage point each:

	Change in present value of the defined benefit obligation			
	Increase		Decrease	
T€	2013	2014	2013	2014
Discount rate	– 54,240	– 91,031	70,836	122,634
Salary trends	6,691	16,234	– 5,447	– 13,734
Pension trends	43,673	66,767	– 36,702	– 55,312
Medical cost trend rates	1,284	1,679	– 1,096	– 1,364

To determine the sensitivity regarding life expectancy, the mortality rate for the beneficiaries covered by the plans was increased or reduced by 10.0 %. The reduction to the mortality rate results in an increase of life expectancy and is dependent on the ages of the individual beneficiaries. The 10.0 % increase to the mortality rate results in a reduction of the present value of the defined benefit obligation by T€ 19,590, while the 10.0 % reduction results in an increase of T€ 22,805 for provisions for pensions provided by Symrise.

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

	Change in current service costs			
	Increase		Decrease	
T€	2013	2014	2013	2014
Medical cost trend rates	121	111	– 100	– 93

The calculation of the sensitivity of the present value of the defined benefit obligation was performed using the same method used to determine the present value of the obligations from the pension provision commitments (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.

36. NON-CURRENT FINANCIAL LIABILITIES

This item mainly includes liabilities deriving from finance lease agreements (€ 6.3 million; December 31, 2013: € 0.0 million) and the portion of the purchase price obligation from the acquisition of the Belmay Group performed in the previous year, which was not immediately due (€ 1.6 million; December 31, 2013: € 7.0 million). Further, a subsequent purchase price component of € 1.2 million (USD 1.5 million) from a business combination by the Diana Group performed before the business combination by Symrise was recognized in non-current financial liabilities. Please refer to note 42 for the development of these purchase price obligations.

37. NON-CURRENT TAX LIABILITIES

For more information on this item, see note 27.

38. EQUITY

Symrise carried out a capital increase based on authorized capital in the second quarter of 2014. The capital increase was implemented with the authorization granted to the Executive Board at the Annual General Meeting on May 18, 2011, and with the exclusion of subscription rights. 11,150,000 new shares were issued to institutional investors. The shares were issued at an issue price of € 36 per share. The transaction was entered into the commercial register on May 15, 2014.

In the third quarter of 2014, a further capital increase from this authorized capital of 489,274 shares was carried out and was used to pay a portion of the purchase price for the Diana acquisition. The shares were measured at the closing price for the Symrise stock on the day of the legal closing of the business combination on July 28, 2014 (€ 40.08 per share). The transaction was entered into the commercial register on August 21, 2014.

The new shares are entitled to dividends from January 1, 2014.

SHARE CAPITAL

The share capital of Symrise AG amount to € 129,812,574 (December 31, 2013: € 118,173,300) and is fully paid in. It is divided into 129,812,574 no-par value bearer shares, each with a calculated nominal share value of € 1.00 per share.

AUTHORIZED CAPITAL

The Annual General Meeting authorized the Executive Board on May 18, 2011, to increase the share capital in the period up to May 17, 2016, with the consent of the Supervisory Board, by up to € 23.0 million in one or more issues of new no-par value bearer shares for cash and/or assets in kind.

Existing shareholders are to be granted a subscription right. This subscription right can however be denied by the Executive Board in the following cases with the consent of the Supervisory Board:

1. 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.

2. 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.

3. Insofar as this is necessary in order to grant holders of warrants and convertible bonds issued by Symrise AG 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.

4. To exclude fractional amounts from subscription rights.

5. 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 Sec. 203 (1) and (2) and Sec. 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – than the 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 which 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 Sec. 186 (3) sentence 4 of the Stock Corporation Act.

In the year under review, this authorized capital was partially exercised and amounted to € 11,360,726 as of the reporting date.

ACQUISITION OF TREASURY STOCK

Following a resolution by the annual general meeting held on May 11, 2010, the Executive Board is authorized in accordance with Section 71 (1) No. 8 AktG to purchase its own shares up to a level of 10 % of the share capital at the time the resolution was made up until May 10, 2015. The purchase of treasury stock is to be made through the stock exchange or by means of a public offer made by the company.

- In the case of an acquisition through the stock market, the equivalent paid by the company for each share shall not exceed or undercut the opening auction price of the company's shares on Xetra on the trading day by more than 5 %.

- In the case of acquisition by means of a public offer to purchase, the offered purchase price or the margins of the purchase price range per share shall not exceed or undercut the average closing price quoted by the Xetra trading system for the three stock exchange trading days prior to the day of publication of the offer by more than 10 %.

- The authorization was granted for all legally permitted purposes, particularly the following:
  - For redemption purposes, without the necessity for the redemption or its execution to be authorized by a further resolution of a general meeting of shareholders.
  - For disposal purposes – also in the case of disposal other than through the stock exchange or by means of 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.
  - For disposal against non-cash consideration, particularly in connection with the acquisition of companies.

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

With the consent of the Supervisory Board, the Executive Board is authorized 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 bearer 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:

(1) 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;

(2) to the extent that this is necessary for fractional amounts resulting from the subscription ratio;

(3) 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 bearer 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 increases that were carried out as part of the initial public offer and that were performed this year. It increased by € 409,370,828 minus transaction costs of € 6,090,539 and subsequent taxes of € 1,766,256 from € 970,910,669 to € 1,375,957,214 compared to December 31, 2013.

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 amount that was transferred during the period from other comprehensive income into the consolidated income statement as part of cash flow hedge accounting amounts to T€ 604 before taxes (2013: T€ –14 before taxes).

The following table presents a reconciliation of the cash flow hedge reserve for hedging currency risks:

T€	2013	2014
January 1	**112**	**133**
Allocations (effective fair value changes)	51	– 1,134
Reclassifications		
in sales	– 199	613
in cost of sales	185	– 9
Deferred taxes	– 16	119
December 31	**133**	**– 278**

Reclassifications of ineffective parts from cash flow hedges into profit or loss for the period did not occur in 2014.

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

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2013 T€	Revaluation reserve	Fair value reserve	Cash flow hedge reserve (currency hedges)	Reserve for remeasurements (pensions)	Cumulative translation differences	Total other comprehensive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	–	–	–	– 49,208	**– 49,208**
Losses from net investments	–	–	–	–	– 4,519	**– 4,519**
Reclassification to the consolidated income statement	–	–	–	–	– 1,681	**– 1,681**
Exchange rate differences from non-current assets held for sale (IFRS 5)	–	–	–	–	47	**47**
Change in fair value of financial assets available for sale	–	– 38	–	–	–	**– 38**
Cash flow hedge (currency hedges)						
Income recorded during the fiscal year	–	–	5	–	–	**5**
Reclassification to the consolidated income statement	–	–	16	–	–	**16**
Remeasurement of defined benefit pension plans	–	–	–	30,757	–	**30,757**
Tax rate change	– 73	–	–	–	–	**– 73**
Other comprehensive income	**– 73**	**– 38**	**21**	**30,757**	**– 55,361**	**– 24,694**

2014 T€	Fair value reserve	Cash flow hedge reserve (currency hedges)	Reserve for remeasurements (pensions)	Cumulative translation differences	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	–	–	–	49,611	**49,611**	– 264	**49,347**
Losses from net investments	–	–	–	– 7,235	**– 7,235**	–	**– 7,235**
Reclassification to the consolidated income statement	–	–	–	– 8,898	**– 8,898**	–	**– 8,898**
Change in fair value of financial assets available for sale	43	–	–	–	**43**	–	**43**
Cash flow hedge (currency hedges)							
Income recorded during the fiscal year	–	– 835	–	–	**– 835**	–	**– 835**
Reclassification to the consolidated income statement	–	424	–	–	**424**	–	**424**
Remeasurement of defined benefit pension plans	–	–	– 88,616	–	**– 88,616**	–	**– 88,616**
Other comprehensive income	**43**	**– 411**	**– 88,616**	**33,478**	**– 55,506**	**– 264**	**– 55,770**

OTHER

In accordance with the German Stock Corporations Act, 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 law and presented in the annual financial statements of Symrise AG. At the Annual General Meeting held on May 14, 2014, a resolution was passed to distribute a dividend for the 2013 fiscal year of € 0.70 for each ordinary share with a dividend entitlement (2012: € 0.65); the total amount of the dividend was T€ 82,721 (2012: T€ 76,813).

The Executive Board and the Supervisory Board recommend a dividend of € 0.75 per share based on Symrise AG's unappropriated net profit under commercial law as of December 31, 2014. This amounts to dividends of T€ 97,359.

HYPERINFLATION

The financial statements for the subsidiary operating in Venezuela are mainly based on the concept of historical cost. In 2014, these needed to be adjusted due to changes in the general purchasing power of the functional currency and are therefore expressed in the measuring unit valid as of the reporting date. The consumer price index published by the Venezuelan "Instituto National de Estadística" was consulted (inflation rate 2014: 66.5 %, 2013: 56.1 %).

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

39. NON-CONTROLLING INTERESTS

Non-controlling interests mainly relate to the interest of 52.29 % in Probi AB, Sweden, which was classified as non-controlling due to lack of participation at the company's Annual General Meeting in 2014. This was accounted at the acquisition date and measured with the (provisionally established) proportion of the identifiable net assets from the purchase of Probi AB (see note 27). The proportion of net income in 2014 allocated to the non-controlling interest amounted to T€ 829, the carrying amount as of December 31, 2014 was T€ 11,232. Dividends of T€ 391 were distributed to the non-controlling interests in 2014. The following table contains the summarized financial information required by IFRS 12. B10(b) on Probi AB:

T€	December 31, 2014 or 2014 since purchase
Non-current assets	11,424
Current assets	16,010
Non-current liabilities	1,777
Current liabilities	4,177
Sales	11,965
Net income	1,585
Total comprehensive income	– 422

The remaining non-controlling interests mainly relate to the interest of 48.4 % in SPF Thailand, Thailand. This was accounted at the acquisition date and measured with the (provisionally established and allocated to SPF Thailand) proportion of the identifiable net assets from the purchase of the Diana Group (see note 27). The proportion of net income in 2014 allocated to the non-controlling interest amounted to T€ 951, the carrying amount as of December 31, 2014 was € 2,822 million. Dividends of T€ 812 were distributed to the non-controlling interests in 2014. The following table contains the summarized financial information required by IFRS 12.B10(b) on SPF Thailand:

T€	December 31, 2014 or 2014 since purchase
Non-current assets	1,803
Current assets	6,002
Non-current liabilities	15
Current liabilities	1,939
Sales	7,980
Net income	1,965
Total comprehensive income	273

40. 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 reporting date on December 31, 2014.

With an equity ratio (equity in relation to the balance sheet total) of 35.8 % (December 31, 2013: 43.0 %), 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 the future business development forward in a sustained manner.

Net debt is determined as follows:

T€	December 31, 2013	December 31, 2014
Borrowings	547,740	1,364,978
Cash and cash equivalents	– 135,343	– 199,228
Net debt	**412,397**	**1,165,750**
Provisions for pensions and similar obligations	332,400	474,303
Net debt including provisions for pensions and similar obligations	**744,797**	**1,640,053**

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 of the leverage covenants uses net debt against the EBITDAN of the last 12 months. As information on the Diana Group based on the accounting standards used by Symrise is only available for the second half of 2014, the EBITDAN of the Diana Group based on reporting in accordance with French commercial law was used for the first six months to check that the leverage covenants had been adhered to. This amounts to net debt/EBITDAN of 2.2 and net debt including provisions for pensions and similar obligations/EBITDAN of 3.2.

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 2.9 % (2013: 3.7 %).

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

41. ADDITIONAL DISCLOSURES ON THE CASH FLOW STATEMENT

In accordance with IAS 7, the consolidated statement of cash flows for the reporting year 2014 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 balance sheet item "Cash and cash equivalents."

Since the second quarter of 2014, the holding in Probi AB, Sweden, which was previously recognized using the equity method, has been recognized as a fully consolidated subsidiary. The shares purchased in 2014 are recognized as payments for business combinations after deduction of cash and cash equivalents received.

Payments for business combinations also include payments (after deducting acquired cash and cash equivalents) in connection with the acquisition of the Diana Group in July 2014 and the partial payment of the contingent purchase price component due in September 2014 for the Belmay Group acquired in 2013 of USD 4.0 million (T€ 3,176).

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

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

		Value recognized under IAS 39			
December 31, 2013 T€	**Carrying amount**	Amortized cost	Fair value in other comprehensive income	Fair value in profit or loss	**Fair value**
ASSETS					
Loans and receivables (LaR)	**468,747**	**468,747**	**–**	**–**	**468,747**
Cash and cash equivalents	135,343	135,343	–	–	135,343
Trade receivables	321,547	321,547	–	–	321,547
Other financial assets	11,857	11,857	–	–	11,857
Financial assets available for sale (AfS)	**5,317**	**–**	**5,317**	**–**	**5,317**
Securities	3,358	–	3,358	–	3,358
Other financial assets	1,959	–	1,959	–	1,959
Financial assets held for trading (FAHfT)	**138**	**–**	**–**	**138**	**138**
Derivative financial instruments without hedge relationship	138	–	–	138	138
Derivative financial instruments with hedge relationship (n.a.)	**124**	**–**	**124**	**–**	**124**
LIABILITIES AND EQUITY					
Financial liabilities at amortized cost (FLAC)	**699,679**	**699,679**	**–**	**–**	**727,861**
Trade payables	150,799	150,799	–	–	150,799
Borrowings (current and non-current)	547,740	547,740	–	–	575,922
Other financial liabilities	1,140	1,140	–	–	1,140
Financial liabilities at fair value through profit or loss (FLaFVtPL)	**9,788**	**–**	**–**	**9,788**	**9,788**
Other financial liabilities	9,788	–	–	9,788	9,788
Financial liabilities held for trading (FLHfT)	**43**	**–**	**–**	**43**	**43**
Derivative financial instruments without hedge relationship	43	–	–	43	43
Derivative financial instruments with hedge relationship (n.a.)	**0**	**–**	**0**	**–**	**0**

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

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

FAIR VALUE ACCORDING TO HIERARCHY

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

					2013				2014
T€		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS									
Securities	AfS	3,358	–	–	**3,358**	3,314	–	–	**3,314**
Other financial assets	AfS	–	–	1,959	**1,959**	–	–	2,113	**2,113**
Derivative financial instruments without hedge relationship	FAHfT	–	138	–	**138**	–	696	–	**696**
Derivative financial instruments with hedge relationship	n.a.	–	124	–	**124**	–	64	–	**64**
Investment property	n.a.	–	–	2,583	**2,583**	–	–	2,182	**2,182**
LIABILITIES AND EQUITY									
Contingent purchase price obligations	FLaFVtPL	–	–	9,788	**9,788**	–	–	10,311	**10,311**
Derivative financial instruments without hedge relationship	FLHfT	–	43	–	**43**	–	619	–	**619**
Derivative financial instruments with hedge relationship	n.a.	–	0	–	**0**	–	542	–	**542**
Liabilities from finance leases	n.a.	–	–	–	**–**	–	7,904	–	**7,904**

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

DETERMINING FAIR VALUE

The financial assets classified as available for sale in Level 1 relate to securities, whose fair value as of the reporting date 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 forward contracts in Level 2 for currency forwards. These are established by the interest difference of the currencies involved while accounting for term duration.

Regarding the determination of the fair value of the investment property, please see note 24.

The fair values of bank borrowings, liabilities deriving from promissory note loans and liabilities arising from finance leases are determined as the present values of future payments relating to the 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. The measurement is performed regularly by corporate headquarters.

		Non-observable input factors		
Type	Valuation method		2013	2014
Other financial assets	Discounted cash flow	Weighted average cost of capital	13.5 %	13.5%
		Terminal growth rate	3.0 %	3.0 %
		EBITDA margin	Ø 9.1 %	Ø 10.8 %
Contingent purchase price obligations	Present value of the payments relating to the obligation based on the Group's average refinancing rate while accounting for the probability of occurrence (sales and damage claim)	Discount rate	4.06 %	4.06 %
		Sales	80 %	100 %
		Damage claim	0 %	0 %

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

T€	Other financial assets 2013	Other financial assets 2014	Contingent purchase price obligations 2013	Contingent purchase price obligations 2014
January 1	**1,835**	**1,959**	**0**	**9,788**
Change to the scope of consolidation	0	0	0	1,099
Additions	97	154	10,065	0
Redemption	0	0	0	– 3,176
Fair value changes				
Recognized in other comprehensive income	27	0	0	0
Recognized with effect on profit or loss in other operating income	0	0	0	790
Recognized with effect on profit or loss in the interest result	0	0	299	382
Exchange rate differences		0	– 576	1,428
December 31	**1,959**	**2,113**	**9,788**	**10,311**

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

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

SENSITIVITY ANALYSIS – MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS

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

	Effect on other comprehensive income			
	2013		2014	
T€	Increase of the input factor	Decrease of the input factor	Increase of the input factor	Decrease of the input factor
Other financial assets (AfS)				
Weighted average cost of capital (change of +/– 1.5 percentage points)	– 266	278	– 327	377
Terminal growth rate (change of +/– 1.0 percentage point)	104	– 148	123	– 152
EBITDA margin (change of +/– 2.0 percentage points)	215	– 305	159	– 214

	Effect on gains (+) and losses (–)			
	2013		2014	
T€	Increase of the input factor	Decrease of the input factor	Increase of the input factor	Decrease of the input factor
Contingent purchase price obligations (FLaFVtPL)				
Discount rate (change of +/– 0.5 percentage points)	61	– 62	21	– 21
Sales (change of +/–10.0 percentage points)	– 363	363	–	–
Damage claim (change of + 0.5 percentage points)	344	–	240	–

NET GAINS AND LOSSES ACCORDING TO VALUATION CATEGORY

T€	2013	2014
Loans and receivables (LaR)	7,233	7,638
Financial assets held to maturity (HtM)	0	32
Financial assets available for sale (AfS)	108	0
Financial assets and liabilities held for trading (FAHfT and FLHfT)	– 61	460
Financial liabilities measured at amortized cost (FLAC)	– 14,594	– 63,517
Total	**– 7,314**	**– 55,387**

The changes in relation to the previous year mainly result from the increase in current and non-current bank borrowings as well as other borrowings and the associated exchange and interest rate effects (see note 33).

Changes in value for financial assets available for sale that were recognized in equity with no effect on other comprehensive income amounted to T€ 58 as of the reporting date (December 31, 2013: T€ –41) 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 measured at fair value through profit or loss, amounted to € –26.1 million in 2014 (2013: € –19.5 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 insignificant due to the large variety of transactions with various counterparties.

43. 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 previous years.

INTEREST RISK

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

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

2013	Nominal	Of which fixed	Of which variable	Of which unhedged	1.0 percentage point increase	1.0 percentage point decrease
T€	324,362	319,362	5,000	5,000	50	– 50
TUSD	305,190	265,000	40,190	40,190	402	– 402

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

An increase to all relevant interest rates of one percentage point would have resulted in T€ 3,176 less net income as of December 31, 2014 (December 31, 2013: T€ 342). A further decline in the interest rates would have had no notable effect on net income due to provisions on negative interest rates stipulated in the credit agreements. The sensitivity of equity towards interest rate changes is minimal.

CURRENCY RISK

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

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

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

The presentation of the existing currency risk as of the reporting date is done in accordance with IFRS 7 using a **sensitivity analysis**. The foreign currency sensitivity is determined from the aggregation of all financial assets and liabilities that are denominated in a currency that is not the functional currency of the respective reporting company. The net foreign currency risk determined by this analysis is measured at the reporting date rate and at a sensitivity rate that represents a 10 % appreciation/depreciation of the functional currency as compared to the foreign currency. The difference between this hypothetical valuation represents the effect on earnings before 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 translation gains or losses result 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 USD, both for this fiscal year and the previous year. The net foreign currency risk from this amounted to USD 40.3 million as of the reporting date (December 31, 2013: USD 25.6 million). The addition mainly resulted from a higher trading volume due to the acquisition of the Diana Group and the full consolidation of Probi AB, Sweden, compared to the previous year.

T€	2013	2014
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/–10%		
Impact on profit/loss	+/– 2,239	+/– 2,854
Impact on equity	– /+ 254	– /+ 1,166
Total	**+/– 1,985**	**+/– 1,688**

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

- with a nominal value of USD 21.1 million (December 31, 2013: USD 7.5 million) for hedging €/USD,
- with a nominal value of USD 7.5 million (USD 6.0 million) for hedging USD/JPY,
- with a nominal value of USD 0.9 million (USD 3.1 million) for hedging USD/INR,
- with a nominal value of USD 5.7 million (USD 0 million) for hedging SGD/USD,
- with a nominal value of USD 1.6 million (USD 0 million) for hedging USD/AUD and
- a nominal value of GBP 0.05 million (GBP 0 million) for hedging €/GBP.

Forward contracts with positive market values amounted to T€ 760 as of the reporting date (December 31, 2013: T€ 262), while forward contracts with negative market values totaled T€ 1,161 (December 31, 2013: T€ 43).

The forward contracts have terms of up to nine months.

Further information on the positive and negative fair values for forward contracts with and without hedge relationships can be found in the table on financial instruments in note 42 as well as in the notes on liquidity risk.

LIQUIDITY RISK

The liquidity risk – i.e. the risk that Symrise is unable to meet its financial obligations – is limited by creating the necessary financial flexibility within the existing financing arrangements and through effective cash management. Symrise manages the liquidity risk through the use of a 12-month rolling financial plan. This makes it possible to finance forecast deficits under normal market conditions at normal market terms. Based on current liquidity information, no liquidity risks are foreseen at the moment.

As of the balance sheet reporting date, Symrise had access to credit lines that are explained in greater detail in note 33.

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:

2013 T€	Carrying amount	Expected payments	Maturity dates for expected payments up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	547,740	641,569	57,494	424,967	159,108
Trade payables	150,799	150,799	150,799	0	0
Other non-derivative financial obligations	10,928	10,415	3,447	6,968	0

2014 T€	Carrying amount	Expected payments	Maturity dates for expected payments up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,364,978	1,493,222	143,392	1,191,671	158,159
Trade payables	213,527	213,527	213,527	0	0
Other non-derivative financial obligations	11,425	11,425	8,625	2,800	0
Liabilities from finance leases	7,074	7,074	749	3,250	3,075

The fair value and the expected incoming and outgoing payments from derivative financial liabilities are presented in the following table. The terms of the forward contracts amount to a maximum of nine months.

T€	2013	2014
Forward contracts		
Assets	262	760
Liabilities	– 43	– 1,161
Expected incoming payments	12,211	29,268
Expected outgoing payments	– 11,992	– 29,669

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 the Symrise Group's wide-ranging business structure, there is no particular concentration of credit risks either in relation to customers or in relation to individual countries.

We only enter into financial contracts for cash investments with banks which we have carefully chosen and which are permanently monitored. The Symrise Group is exposed to credits risks related to derivative financial instruments, which would arise from the contractual partner not fulfilling his obligations. This credit risk was 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.

44. LEASE AGREEMENTS

OPERATING LEASE AGREEMENTS AS LESSEE

Payment obligations exist for operating lease agreements, which have non-cancellable fixed lease terms of up to 38 years and mainly relate to vehicles and buildings. Some of the agreements contain renewal options or price escalation clauses but do not include purchase options. In the current fiscal year, payments for leases recognized as expenses amounted to € 13.0 million (December 31, 2013: € 12.6 million).

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

T€	2013	2014
Up to one year	10,122	11,640
Longer than one year and up to five years	24,648	32,154
Longer than five years	25,343	25,618
Total	**60,113**	**69,412**

OPERATING LEASE AGREEMENTS AS LESSOR

The Group leases its investment property as a lessor (see note 24).

As of the reporting date, future minimum lease payments from non-cancellable lease agreements were phased as follows:

T€	2013	2014
Up to one year	60	61
Longer than one year and up to five years	207	211
Longer than five years	168	172
Total	**435**	**444**

FINANCE LEASE AGREEMENTS AS LESSEE

As part of the purchase of the Diana Group, Symrise acquired assets that were used as part of finance leases. The net carrying amount of the assets accounted for was € 12.0 million as of the reporting date. This relates exclusively to leased property, plant and equipment as well as land used as part of leaseholds. Details on the future minimum lease payments for the finance lease agreements are shown in the following table arranged according to maturity:

	2014		
T€	Minimum lease payments	Interest	Present value of the minimum lease payments
Up to one year	1,048	299	749
Longer than one year and up to five years	4,376	1,126	3,250
Longer than five years	3,374	299	3,075
Total	**8,798**	**1,724**	**7,074**

The terms of the lease agreements are between one and twelve years. No agreements on contingent lease payments were made. The fair value of the Group's leasing obligations is roughly equal to their carrying amount.

45. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

Contingent liabilities relate to potential future events, which, upon occurring, would result in an obligation. As of the reporting date, 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 create provisions for such cases where we see a realistic possibility of it resulting in an obligation due to a past event, and which can be reliably estimated and whose fulfillment will likely result in the outflow of resources with economic value. For all currently pending legal proceedings, we have a provision of € 1.5 million. We are currently of the opinion that all of the suits and proceedings brought against us, both individually and as a whole, will have no notable negative influence on our business operations, financial situation, profit or cash flow. The arranged provisions are therefore neither individually nor collectively essential. The results of current and future proceedings are not predictable, meaning that legal or official decisions or settlement agreements could lead to expenses that are not or not completely covered by our insurance services and could therefore have substantial 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, 2014, the Group had obligations to purchase property, plant and equipment amounting to € 25.9 million (December 31, 2013: € 16.0 million). This mainly relates to production facilities, hardware and office equipment. Most are due during the course of 2015. Other obligations amounting to € 127.2 million (December 31, 2013: € 138.3 million) exist from not yet fulfilled non-current commitments for purchases of goods.

Symrise AG signed a service contract for outsourcing internal IT with a term until 2019 with Atos Origin GmbH. The remaining total obligations towards Atos, accounting for extraordinary termination rights, amount to € 40.4 million (December 31, 2013: € 33.8 million).

Miscellaneous other financial obligations amounted to € 10.3 million as of December 31, 2014 (December 31, 2013: € 12.3 million), which included tax risks of € 3.9 million for which no provisions had to be established based on the opinion of our tax advisors (December 31, 2013: € 6.9 million for risks from litigation and tax disputes) as well as € 3.7 million in obligations from consulting, service and cooperation contracts (December 31, 2014: € 2.1 million).

46. TRANSACTIONS WITH RELATED PARTIES

Fully consolidated 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 2014.

Contribution payments were made to the Rheinische Pensionskasse (RPK) amounting to T€ 1,068 (2013: T€ 918). These were allocated to their corresponding function according to their assignment. There were no liabilities or receivables to the RPK as of the reporting date (December 31, 2013: liabilities of T€ 146). For additional information, see note 35.

In the 2014 fiscal year, members of the Executive and Supervisory Board received the following remuneration:

			2013			2014
T€	Executive Board	Supervisory Board	Total	Executive Board	Supervisory Board	Total
Short-term benefits	3,509	933	**4,442**	3,674	937	**4,611**
Other long-term benefits	963	0	**963**	2,482	0	**2,482**
Post-employment benefits	48	0	**48**	49	0	**49**
Total	**4,520**	**933**	**5,453**	**6,205**	**937**	**7,142**

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

T€	2013	2014
Total remuneration for active members		
Executive Board	5,135	5,745
Supervisory Board	933	937
Total remuneration for former members and their surviving dependents		
Executive Board	292	303

Provisions for current pensions and pension entitlements contains contributions of € 9.8 million (December 31, 2013: € 7.5 million) for former members of the Executive Board and € 3.7 million (December 31, 2013: € 2.3 million) for current members of the Executive Board.

The individualized remuneration of members of the Executive Board and Supervisory Board is disclosed in the Group management report.

47. EXECUTIVE BOARD AND SUPERVISORY BOARD SHAREHOLDINGS

Pursuant to no. 6.6 of the German Corporate Governance Codex, 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, 2014, was more than 1 %. Of the 6.14 % of shares in Symrise AG held by members of the Executive and Supervisory Boards, 6.01 % are held by members of the Supervisory Board while 0.13 % are held by members of the Executive Board.

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

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

49. AUDIT OF FINANCIAL STATEMENTS

The Annual General Meeting of Symrise AG, held on May 14, 2014, appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the fiscal year 2014.

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

T€	2013	2014
Audit of financial statements	801	846
Tax advisory services	612	320
Other services	62	196
Other audit assurance services	12	116
Total	**1,487**	**1,478**

50. LIST OF INTERESTS IN ENTITIES

Fully Consolidated Subsidiaries as of December 31, 2014

Name and Registered Office of the Entity	Share
Germany	
Symrise Beteiligungs GmbH, Holzminden	100.00 %
DrinkStar GmbH, Rosenheim	100.00 %
Schimmel & Co. Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
Symrise BioActives GmbH, Hamburg	100.00 %
Tesium GmbH, Holzminden	100.00 %
Symotion GmbH, Holzminden	100.00 %
Busiris Vermögensverwaltung GmbH, Holzminden	100.00 %
Symrise US-Beteiligungs GmbH, Holzminden	100.00 %
Symrise IP-Verwaltungs GmbH, Holzminden	100.00 %
Symrise IP-Holding GmbH & Co. KG, Holzminden	100.00 %
Haarmann & Reimer Unterstützungskasse Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
France	
Anaid SAS, Saint Nolff	100.00 %
Aromatics SAS., Clichy-la-Garenne	100.00 %
Arôme de Chacé SAS, Chacé	100.00 %
Compagnie Alimentaire Pleucadeucienne, Pleucadeuc	100.00 %
Diana Naturals SAS, Antrain	100.00 %
DianaPlantSciences SAS, Rennes	100.00 %
Diana SAS, Saint Nolff	100.00 %
Diana Trans, Saint Nolff	100.00 %
Kerisper SAS, Saint Nolff	100.00 %
Société de Protéines Industrielles SNC, Berric	100.00 %
Spécialités Pet Food SAS, Elven	100.00 %
Symrise SAS., Clichy-la-Garenne	100.00 %
Villers SAS, Villers Les Pôts	100.00 %
Rest of Europe	
OOO Symrise Rogovo, Russia	100.00 %
SPF RUS, Russia	100.00 %
Symrise SA, Switzerland	100.00 %
Symrise Limited, UK	100.00 %

Symrise Holding Limited, UK	100.00 %
MAP Technologies Ltd, UK	100.00 %
Confoco International Ltd, UK	100.00 %
SPF UK Ltd, UK	60.00 %
Symrise Iberica S.L., Spain	100.00 %
SPF DIANA Espana SL, Spain	100.00 %
Symrise S.r.l., Italy	100.00 %
Symrise Vertriebs GmbH, Austria	100.00 %
Symrise Kimya Sanayi Ticaret Ltd. Sirketi, Turkey	100.00 %
Symrise Luxembourg S.a.r.l., Luxembourg	100.00 %
Symrise Group Finance Holding 1 BVBA, Belgium	100.00 %
Symrise Group Finance Holding 2 CV, Belgium	100.00 %
Symrise IP-Holding GCV, Belgium	100.00 %
SPF Hungary Kft, Hungary	99.67 %
Probi AB, Sweden	47.71 %

North America	
SPF Canada – Group Diana Inc., Canada	100.00 %
Symrise Inc., USA	100.00 %
Symrise Holding Inc., USA	100.00 %
Symrise US LLC, USA	100.00 %
Confoco USA, USA	100.00 %
Diana Natural Inc., USA	100.00 %
SPF USA Inc., USA	100.00 %
SPF North America Inc., USA	100.00 %
Diana Aquasea Inc., USA	100.00 %
Diana US Inc., USA	100.00 %
DianaPlantSciences Inc., USA	100.00 %

Latin America	
Symrise Aromas e Fragrâncias Ltda., Brazil	100.00 %
SPF Do Brasil Ltd, Brazil	99.99 %
Symrise S.R.L., Argentina	100.00 %
SPF Argentina, Argentina	99.97 %
Symrise S.A., Chile	100.00 %
Diana Naturals Chile Ltda, Chile	100.00 %
Diana Naturals Chile SpA, Chile	100.00 %
Symrise Ltda., Colombia	100.00 %
Symrise C.A., Venezuela	100.00 %
Symrise S. de R.L. de C.V., Mexico	100.00 %
SPF Mexico SA de CV, Mexico	99.99 %
Aquasea Costa Rica, Costa Rica	55.00 %
Confoco SA, Ecuador	99.90 %
Ecuaprotein SA, Ecuador	53.00 %

Asia and Pacific	
Symrise Pty. Ltd., Australia	100.00 %
SPF Diana Australia PTY Ltd, Australia	100.00 %
Symrise Shanghai Limited, China	100.00 %
SPF (Qingdao) Trading Co., Ltd, China	100.00 %
Symrise SDN. BHD, Malaysia	100.00 %
Symrise Holding Pte. Limited, Singapore	100.00 %

Symrise Pte. Ltd., Singapore	100.00 %
Symrise Asia Pacific Pte. Ltd., Singapore	100.00 %
Diana Group Pte Ltd, Singapore	100.00 %
Symrise Limited, South Korea	100.00 %
Symrise Ltd., Thailand	100.00 %
SPF Thailand, Thailand	51.60 %
P.T. Symrise, Indonesia	100.00 %
Symrise Inc., Philippines	100.00 %
Symrise Private Limited, India	100.00 %
Symrise K.K., Japan	100.00 %
Diana Naturals Private Ltd, India	100.00 %
Africa and Middle East	
Symrise S.A.E., Egypt (formerly Aroma Labs For Flavours S.A.E.)	100.00 %
Futura Labs International S.A.E., Egypt	100.00 %
Roseland Flavors & Fragrances Corp., Dubai	100.00 %
Symrise (Pty) Ltd., South Africa	100.00 %
SPF South Africa (RSA), South Africa	100.00 %
Symrise S.a.r.L., Madagascar	100.00 %
Origines S.a.r.L., Madagascar	100.00 %
Symrise Nigeria Limited, Nigeria	100.00 %

Associated Companies as of December 31, 2014

Name and Registered Office of the Entity	Share
Therapeutic Peptides Inc., USA	20.0 %
Cuisi'nat, France	33.3 %

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

DrinkStar GmbH, Tesium GmbH and Symotion GmbH are included in the consolidated financial statements of Symrise AG in accordance with the provisions applicable for corporate entities and have taken advantage of the exemption provisions covering the preparation, audit and publication of separate annual financial statements pursuant to Section 264 (3) of the HGB.

52. CORPORATE GOVERNANCE

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) has been submitted for 2014 and has been made available to shareholders on an ongoing basis through our website **www.symrise.com**.

Holzminden, February 18, 2015

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram | Achim Daub | Bernd Hirsch

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, February 18, 2015

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram	Achim Daub	Bernd Hirsch

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 flows, 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, 2014. 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 Sec. 315a (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 Sec. 317 HGB 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 Sec. 315a (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 and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hanover, February 20, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

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

Corporate Governance

Corporate Governance Statement Pursuant to Sec. 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 HGB (German Commercial Code) 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 June 24, 2014, as published in the official part of the electronic Federal Gazette (Bundesanzeiger) by the German Federal Ministry of Justice on September 30, 2014. It is also available on Symrise AG's website. It can be found at: **http://www.symrise.com/investors/corporate-governance/corporate-governance-statement-and-corporate-governance-report**.

CORPORATE GOVERNANCE STATEMENT

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance. The Executive Board – also acting on behalf of the Supervisory Board – has issued the following Corporate Governance Statement. The Corporate Governance Statement pursuant to Section 289a of the German Commercial Code (HGB) comprises the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act, relevant information on corporate governance practices, a description of the working methods of the Executive and Supervisory Boards as well as the composition and working methods of their committees. Pursuant to the currently valid version of no. 3.10 of the German Corporate Governance Code (DCGK) from June 24, 2014, published in the official section of the Federal Gazette by the German Federal Ministry of Justice on September 30, 2014, the Corporate Governance Report, which is required to be issued annually by the Executive Board and the Supervisory Board, must be published together with the Corporate Governance Statement.

Due to the similarity of content between the Corporate Governance Report and the Corporate Governance Statement, we have once more decided to integrate the Corporate Governance Report in the meaning of no. 3.10 of the German Corporate Governance Code into the Corporate Governance Statement pursuant to Section 289a of the German Commercial Code in order to simplify orientation for the reader. By contrast, the remuneration report is no longer part of the Corporate Governance Report pursuant to the current version of no. 4.2.5 of the German Corporate Governance Code (DCGK) from June 24, 2014, as published in the official section of the Federal Gazette by the German Federal Ministry of Justice on September 30, 2014. The remuneration report is part of the management report included on pages 35 to 41 of the 2014 financial report.

DECLARATION OF COMPLIANCE AS OF DECEMBER 2014 PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

INTRODUCTION

Under Section 161 of the German Stock Corporation Act (AktG – Aktiengesetz), the Executive Board and the Supervisory Board of a listed company must issue an annual declaration detailing whether the company was and is in compliance with the German Corporate Governance Code and detailing recommendations of the Code that have not been applied.

WORDING OF THE DECLARATION

On the basis of their deliberations, the Executive Board and the Supervisory Board of Symrise AG issued a new Declaration of Compliance on December 4, 2014, 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: June 24, 2014) published by the German Federal Ministry of Justice on September 30, 2014, in the official part of the Federal Gazette (Bundesanzeiger) without exception and will continue to do so in the future."

The Declaration of Compliance has also been made publicly available on Symrise AG's website. It can be found at: **http://www.symrise.com/investors/corporate-governance/declaration-of-compliance**.

RELEVANT INFORMATION ON COMPANY PRACTICES

INTRODUCTION

This part of the Corporate Governance Statement provides relevant information on corporate governance practices beyond the scope of legal requirements. In other words, the discussion encompasses all regulations that are derived neither from legal regulations nor from the recommendations and suggestions of the Government Commission on the German Corporate Governance Code.

OUR CODE OF CONDUCT

In order to ensure uniform and exemplary actions and conduct within the company, a Code of Conduct was devised in 2006 which applies as a binding guiding principle equally to all Symrise employees in Germany and other countries, i.e. to the Executive Board and the Supervisory Board, as well as to Group managerial staff and employees. This Code of Conduct was last subject to fundamental revisions in 2012 and adapted to the latest developments. The Code of Conduct defines minimum standards and sets out behavior enabling all employees to cooperate in meeting these standards. The purpose of the Code is to help all employees cope with the ethical and legal challenges of their everyday work and provide them with guidance in conflict situations. In the interest of all employees and the Group, noncompliance with standards will be investigated and their causes remedied. This means that misconduct will be consistently prosecuted in accordance with national laws.

Our Code of Conduct provides the framework for interactions with our key stakeholders: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, media and the public.

The Code of Conduct is based on our values and principles. By following it, we guarantee that every person is handled fairly and with respect while ensuring that our behavior and business activities remain transparent, honest and consistent throughout the world.

Our Code of Conduct has been made permanently available on Symrise AG's website. It can be found at **http://www.symrise.com/newsroom/publications/code-of-conduct**.

OUR COMPLIANCE ORGANIZATION

At Symrise, we understand "compliance" as an integrated organizational model ensuring adherence to legal regulations as well as intercompany guidelines and the corresponding processes and systems. In this respect, the focus of compliance activities at Symrise is on quality, environmental protection, health, work safety, energy, product safety, food safety, risk and value management, antitrust laws and combating corruption. For this reason, the Executive Board of Symrise AG has bundled the corresponding functional units from the integrated management system, internal auditing, risk management and sustainability in the Corporate Compliance organization. The results of all audits and knowledge from risk management are joined together in this organizational unit. As a result, the measures will now be coordinated more efficiently.

The Executive Board of Symrise AG has explicitly expressed both internally and externally 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 Corporate Compliance management system that combines sustainable, risk and value-oriented, as well as legal and ethical aspects and rules; we have made this into a fundamental principle for everything we do in business. We act on the basis of our understanding and conviction that adherence to these fundamental rules is an inalienable and non-negotiable component of our Symrise identity. Only a clearly defined and transparent framework of what type of conduct is allowed and what type of conduct is not allowed guarantees the success and sustainability of our business.

Our principle is clear and applies to all countries: "A transaction that cannot be brought into line with our fundamental principles is not a transaction for Symrise."

The Corporate Compliance office as well as Internal Auditing report directly to the CFO. This ensures their independence and authority. The Corporate 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

Already in the summer of 2008, Symrise's Corporate 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 Corporate 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 own native language. By entering an access code, employees can leave a message with the Corporate Compliance office. They receive a number that enables them to call back later and listen to the answer left for them by the Corporate Compliance office. This procedure can be continued as long as one likes, enabling intensive communication between the Corporate 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 Corporate 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 Corporate Compliance office over the phone. Of course, all employees can also contact the Corporate Compliance office directly and personally at any time.

In 2014, five cases were reported via the Integrity Hotline worldwide. A further seven cases of irregularities were reported directly to the Corporate Compliance Office via e-mail. Two additional reports were received by mail. In each case, investigations were then initiated. No material damage to third parties or to our company resulted from these cases.

OUR TRAINING COURSES ON COMPLIANCE ISSUES

In order to ensure that all compliance requirements are consistently met, the need for training is regularly determined and appropriate measures are implemented. In addition to training courses where employees are present on site, we are also increasingly offering internet-based training. This allows us to reach more employees in a shorter period of time. Furthermore, this method gives employees greater flexibility in deciding when and where to work through which training module. Final tests ensure that the course material has been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training when they join the company on the fundamental principles of our Code of Conduct. In addition to this, we run a variety of training courses on specific aspects. In 2014, compliance training was again carried out at our company sites in all countries for the areas of management, purchasing and sales. During the course of this training, around 650 employees were trained on anti-corruption issues and communication behavior. Another approximately 4,700 employees were invited to a general in-depth training on the Code of Conduct in 2014. Here, certain sections of our Code of Conduct were explained specifically and in detail as part of our three-year training program. Sensitizing our employees to act in a sustainable manner on a day-to-day basis is a focus of our training courses every year. Overall, our employees received 40 hours of training in 2014 on topics such as work safety, fire safety, health, environmental issues, hygiene and compliance. We have already begun familiarizing the more than 2,000 employees that joined the company as part of the Diana Group acquisition during the summer of 2014 with our Code of Conduct and are quickly integrating them into our training program.

We plan to hold training sessions once again on these issues in 2015. The primary focus of our efforts will be on those employee groups whose work generally has the greatest improvement potential. We will also more actively train employees who act as multipliers and can pass on the training content within the company.

CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance at Symrise is based on the German Corporate Governance Code (DCGK), which has established itself as guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever 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 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 2014 fiscal year, the Executive and Supervisory Boards dealt intensively with all corporate governance issues on numerous occasions across all areas. In particular, the new version of the German Corporate Governance Code (DCGK) from June 24, 2014, as published in the official section of the Federal Gazette by the German Federal Ministry of Justice on September 30, 2014, was once again the focus of deliberations.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest involving members of the Executive Board, which have to be disclosed to the Supervisory Board without delay, did not occur in fiscal year 2014. The only consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2014 fiscal year involved Mr. Horst-Otto Gerberding, as in the previous year:

In connection with the retirement of Mr. Gerberding as managing director of the former Symrise Holding GmbH, the Company and Mr. Gerberding entered into an “Amended and Restated Service Agreement” on September 4, 2003. Under the terms of this agreement, Mr. Gerberding is entitled to an annual retirement pension of € 100,000 until his death. This amount increases by € 7,500 for each year that Mr. Gerberding remained in the service of the company as managing director after the conclusion of the agreement. Mr. Gerberding is also entitled to a pension from Symrise AG through an employment and supply contract dated July 29, 1983. The total sum is € 24,358 per month.

OBJECTIVES OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

The Supervisory Board confirmed its existing goals in the meeting on December 4, 2014, pursuant to no. 5.4.1 (2) sentence 1 of the DCGK in the current version from June 24, 2014. In keeping with the company’s specific situation, these take account of, among other things, (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 and (v) diversity. One of its main goals is ensuring an appropriate participation of women.

The current Supervisory Board at Symrise AG has a total of twelve members, including seven independent members and three women: Ms. Hufnagel, Ms. Jarke and Prof. Dr. Pfeifer. Subject to the implementation of a compulsive statutory regulation, the Supervisory Board seeks to ensure that its future composition is also comprised of at least one-fourth female members. The Supervisory Board considers this to be an appropriate share of women. They arrived at this figure by doubling the current proportion of women among the Group’s managerial staff, which amounted to one-eighth at the end of the last fiscal year. 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. All of these targets are currently being met. Concerning future nominations, it will be ensured that the targets defined by the Supervisory Board continue to be fulfilled.

TRANSPARENCY

Pursuant to Section 15a of the German Securities Trading Act (WpHG – Wertpapierhandelsgesetz), the members of the Executive and Supervisory Boards of Symrise AG as well as certain employees with management duties and persons with whom they have a close relationship must disclose the purchase or sale of Symrise shares and related financial instruments. This duty of disclosure applies if the value of the transactions undertaken by one of the aforementioned persons reaches or exceeds the sum of € 5,000.

All of the reports received by Symrise AG as of December 31, 2014, are published on our website at **http://www.symrise.com/investors/corporate-governance/directors-dealings**. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive Board or the Supervisory Board.

The direct or indirect total holding of shares in Symrise AG by all members of the Executive and Supervisory Boards as of December 31, 2014, was more than 1 %. Of the 6.14 % of shares in Symrise AG held by members of the Executive and Supervisory Boards, 6.01 % is held by members of the Supervisory Board while 0.13 % is held by members of the Executive Board (values are rounded).

A summary of the respective mandates of the members of the Executive Board and the Supervisory Board outside of the Symrise Group can be found on pages 136/137 of the 2014 financial report.

A report on the relationships to associated companies and related parties can be found on pages 113/114 of the 2014 financial report.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise AG shareholders exercise their co-determination and control rights at the General Meeting, which takes place at least once each year. The Meeting makes decisions on all statutory matters that are binding for all shareholders and the Company. For every decision, each share is entitled to one vote. All shareholders that register within the specified period are entitled to participate in the Annual General Meeting. Shareholders who are not able to attend the Meeting in person are entitled to have their voting rights exercised by a bank, a shareholder association, a voting proxy of Symrise AG who is bound by its instruments or another proxy of their own choosing. Shareholders also have the possibility of voting online in the run-up to the Annual General Meeting or authorizing the voting proxy provided by the company on the web. Instructions on how voting rights are to be exercised may be given to a voting proxy before and during the Annual General Meeting on May 12, 2015, 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 11, 2015. The invitation to the Annual General Meeting and the reports and information required for the decisions are published according to stock corporation law and made available on Symrise AG's website in German and English.

It is our intention to provide our shareholders with quick, comprehensive and effective information before and during the Annual General Meeting and to make it easy for them to exercise their rights. The corporate report, the financial report and the invitation to the Annual General Meeting, which are also available on the website of Symrise AG, provide the shareholders with comprehensive information on the past fiscal year and the individual agenda items of the upcoming Annual General Meeting. Like the corporate and financial reports, all documents and information pertaining to the Annual General Meeting are available on the website of the Symrise AG.

The registration and legitimation process for the Annual General Meeting is simple and is based on the 21st day before the Meeting. The 21st day before the Meeting is the cutoff date for the legitimation of the shareholders.

Subsequent to the Annual General Meeting, we also publish the attendance figures and voting results on our website.

INFORMATION SERVICE FOR OUR SHAREHOLDERS

Corporate communication is undertaken with the objective of guaranteeing the greatest possible transparency and equality of opportunities through timely and equal information to all target groups. All major press and capital market releases by Symrise AG are also published on the company's website in German and in English. The articles of incorporation as well as rules of procedure for the Executive and Supervisory Boards, the annual and consolidated financial statements and quarterly results can also be found on our website along with the annual and half-yearly financial reports.

We regularly notify company shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar published in the corporate and financial reports, the quarterly reports and on the company website. Regular meetings with analysts and institutional investors are part of our investor relations activities. This includes an annual analysts' conference as well as conference calls for analysts and investors coinciding with the publication of our quarterly and half-yearly figures.

The most important presentations prepared for these and other events, such as the Annual General Meeting and investor conferences, can also be viewed online. The location and dates of investor conferences can also be found on our website at **http://www.symrise.com/investors/financal-calendar/2015/**.

RISK MANAGEMENT

Dealing with risks of all kinds responsibly has the utmost importance for the success of a company. For this reason, a comprehensive risk management system is a mandatory element of suitable corporate governance. The Executive Board ensures appropriate risk management and risk controlling throughout the

Group. The risk management system is constantly developed and adapted to changing conditions. Previously, potential risks were analyzed and classified throughout the Group twice a year. Now, the analysis and classification of possible risks is performed constantly using electronic systems across the entire Group. This ensures that the company's risk situation is always available and up to date.

The risk management system at Symrise AG, its security mechanisms, internal guidelines and monitoring instruments, are checked by the internal Group auditors without prior notice. Risks identified in this manner are immediately reported to the Executive Board.

The early recognition system for risk in accordance with Section 91 (2) of the Stock Corporation Act is monitored by auditors in Germany and abroad.

Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management system. This also includes, for example, regular reporting by Internal Auditing and Symrise's Corporate Compliance officer.

This overlapping mechanism allows risks to be identified and assessed at an early stage. The Executive Board regularly informs the Supervisory Board and Auditing Committee of existing risks and their development. Specific measures are proposed and implemented right from this early stage to mitigate the identified risks. The Group's internal auditors also check 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 AUDITORS: KPMG

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in fiscal year 2014 was again based on the International Financial Reporting Standards (IFRS) as required to be applied in the European Union. The legally prescribed individual accounts of Symrise AG that are decisive for the payment of dividends have been prepared in accordance with the regulations of the German Commercial Code (HGB – Handelsgesetzbuch). As in the previous year, the annual accounts of Symrise AG as well as the management report and the consolidated annual financial statements of Symrise AG as well as the group management report were also audited in 2014 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.

THE EXECUTIVE BOARD

The Executive Board of Symrise AG currently has three members. All members of the Executive Board are appointed by the Supervisory Board. The Executive Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value. The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation.

The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant issues of corporate planning and strategic development, on company performance, on the state of the Group, including a risk profile, and on risk management. The reporting of the Executive Board also includes the topic of compliance, 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 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 is comprised of twelve members, with six representatives elected by the shareholders and six by the employees for an identical period of office. In accordance with the recommendations of the German Corporate Governance Code, the shareholder representatives are elected individually at the Annual General Meeting. All members of the Supervisory Board were last elected in the 2011 fiscal year as part of the rotation system. Shareholders elected six shareholder representatives to the Supervisory Board on May 18, 2011 at the Annual General Meeting.

The six employee representatives were chosen from among the German staff on February 21, 2011. Francesco Grioli resigned from the Supervisory Board as of May 14, 2014. Peter Winkelmann was appointed a member of the Supervisory Board with the resolution of the District Court of Hildesheim from April 30, 2014, effective as of the end of the Annual General Meeting on May 14, 2014. The Supervisory Board appointed Mr. Winkelmann to the Auditing and Arbitration Committees on August 6, 2014.

All members are appointed to the Supervisory Board for a period until the end of the Annual General Meeting in the fourth fiscal year after beginning their term, at which point a decision about their discharge is made. The initial year of service is not included in this calculation. The period of service for the members of the Supervisory Board will therefore presumably end in early 2016. When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. The current Supervisory Board at Symrise AG includes seven independent members and three women: Ms. Hufnagel, Ms. Jarke and Prof. Dr. Pfeifer.

As in previous years, no former Executive Board members are serving on the Supervisory Board in order to ensure its neutral and independent consulting and monitoring of the Executive Board. At least one independent member has expertise in accounting or auditing.

SUPERVISORY BOARD COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. To the extent that this is legally admissible, in individual cases the Supervisory Board delegates decision-making to its committees. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The task of the latter is to recommend suitable candidates to represent the shareholders when new Supervisory Board elections are coming up. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the full meetings, the chairmen of the committees report regularly and comprehensively on the content and results of the committee meetings.

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. This committee is also responsible for succession planning at the Executive Board level and it deals with the development of the Executive Board remuneration system, specifies the amount of remuneration and makes corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The members are: Dr. Thomas Rabe (Chairman), Harald Feist, Horst-Otto Gerberding, Regina Hufnagel, Christiane Jarke and Prof. Dr. Andrea Pfeifer. The Personnel Committee convened three times in the 2014 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 the annual financial statements and consolidated financial statements, 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 Corporate Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Dr. Michael Becker (Chairman), Dr. Peter Grafoner, Regina Hufnagel, Dr. Winfried Steeger, Helmut Tacke and Peter Winkelmann. The Auditing Committee convened five times in the 2014 fiscal year. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to again nominate KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover as the auditor. Furthermore, the Auditing Committee solicited a statement of independence from the auditor. It commissioned the auditor, established the main focuses of the audit and determined the auditing fees. The Auditing Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly. Additionally, the Auditing Committee drew up its own regulation regarding its concrete procedure.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG). It currently consists of four members: Dr. Thomas Rabe (Chairman), Dr. Peter Grafoner, Regina Hufnagel and Peter Winkelmann. Once again, it was not necessary to convene the Arbitration Committee during the 2014 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 2014 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,

At the international level, the year 2014 was shaped by numerous political conflicts – some even resulting in military escalations. This was especially true in the Middle East, Africa and Ukraine. The development of the global economy was slowed by these crises and the fear of trickle-down effects. On the whole, global economic growth was roughly the same as in 2013 with a rate of 3.3 %. Projections at the outset of 2014 were generally much more optimistic. Despite these developments, our company managed once more to generate substantial gains in sales and earnings. In addition to our solid performance compared to competitors, Symrise also took another significant and strategically important step forward with its purchase of the French Diana Group. With Diana, Symrise is expanding its portfolio of natural ingredients considerably while opening up new business opportunities and additional growth potential. This successful and quickly implemented transaction marks another milestone in the development of our company.

In this report, I would like to inform you about the key activities of the Supervisory Board in this challenging environment.
In 2014, 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 2014 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

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

significance to the company in our full assembly. To this end, the Executive Board provided us with regular, current and comprehensive reports in written and oral form on all aspects important to the company. This includes above all the development of the business and financial situation, the employment situation, ongoing and planned investments, basic corporate strategy and planning issues as well as the risk situation, risk management and the compliance program. The Executive Board informed us of matters that, according to legal requirements and/or the articles of incorporation, are subject to our approval at an early stage and allowed us the needed time for making a decision. Wherever required by law or by the articles of association, we submitted our vote on the reports and proposed resolutions of the Executive Board after thorough analysis and discussion. In urgent special cases, decisions were made in consultation with the Chairman of the Supervisory Board, either by telephone or in writing.

The Executive Board provided us with a monthly report on all of the key financial figures. When there were deviations in the course of business from the set plans and objectives, we received detailed explanations in written and oral form, enabling us to discuss the reasons for the deviations and targeted correction measures with the Executive Board.

Additionally, during the periods between the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Auditing Committee in particular were in close and continuous dialogue with the Executive Board. Restrained global economic growth and its consequences for current and future business development as well as the status of essential projects and key business transactions in both Group segments were repeatedly a subject of our discussions with the Executive Board.

As in the previous year, conflicts of interest of members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2014.

THE SUPERVISORY BOARD'S WORK IN COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. To the extent that it was legally admissible, the Supervisory Board delegated decision-making to its committees in individual cases. This practice of delegation has proved successful in our experience. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The task of the latter is to recommend suitable candidates as shareholder representatives on the Supervisory Board when new Supervisory Board elections are coming up. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee.

In the Supervisory Board meetings, the chairmen of the committees report regularly and extensively on the content and results of the committee meetings. As a result, the Supervisory Board always has a comprehensive basis of information for its consultations.

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. It is also responsible for succession planning at the Executive Board level. 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, Christiane Jarke and Prof. Dr. Andrea Pfeifer. All of the members attended every meeting.

The Personnel Committee convened three times in the 2014 fiscal year. Its agenda points included evaluating the Executive Board members' performance during the 2013 fiscal year, setting new goals for the 2014 fiscal year, reviewing the Executive Board members' remuneration with a focus on the multi-year remuneration program (LTIP) as well as the self-assessment of the Supervisory Board. The Personnel Committee also dealt with the consensual withdrawal of Hans Holger Gliewe from the Executive Board as of December 31, 2014, for family-related reasons.

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 reports and the proposal regarding appropriation of earnings. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Dr. Michael Becker (Chairman), Dr. Peter Grafoner, Regina Hufnagel, Dr. Winfried Steeger, Helmut Tacke and Peter Winkelmann. The Auditing Committee convened five times in the 2014 fiscal year. Two members of the Auditing Committee were each 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 interim reports, the annual financial statements and consolidated financial statements, the auditor's reports as well as on refining the risk management system and compliance program. The topics of financing the Diana Group acquisition and further future growth were also a focus of the consultations. The Auditing Committee also closely examined the IT strategy within the Symrise Group. 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 reviews of the interim financial statements following the conclusion of the first half of the year.

The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to again nominate KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover as the auditor. Furthermore, the Auditing Committee obtained a statement of independence from the auditor. It commissioned the auditor with a risk-oriented auditing approach, established the main focuses of the audit and determined the auditing fees.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Co-determination Act (MitbestG). It currently consists of four members: Dr. Thomas Rabe (Chairman), Dr. Peter Grafoner, Regina Hufnagel and Peter Winkelmann. Once again, it was not necessary to convene the Arbitration Committee during the 2014 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 2014 fiscal year.

TOPICS OF THE FULL SUPERVISORY BOARD MEETINGS

The effects of various situations and developments on Symrise, such as international crises, slow global economic growth, continuing high raw materials costs, the ongoing European debt crisis and high energy costs despite a dropping oil price, represented the main focuses of our work and objects of regular discussions by the Supervisory Board. In light of these matters, we discussed with the Executive Board in detail the measures it had enacted as well as those planned for the future. Regular deliberations within the Supervisory Board also covered the development of sales, earnings and employment at Symrise and its two segments in the individual regions given the economic conditions present there. It also discussed the company's financial and liquidity situation as well as important investment projects and their development as measured against the planned objectives. In the 2014 fiscal year, the Supervisory Board held eight ordinary meetings, two of which focused on specific topics, and three extraordinary meetings, two of which were held as conference calls. 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 2015. No member of the Supervisory Board was present at less than half of the meetings.

In its extraordinary meeting on February 24, 2014, which was held as a conference call, the Executive Board presented the Supervisory Board with the key figures for its entrepreneurial rationale, their place within Symrise's strategy and the results of a detailed market due diligence assessment performed by an independent third party regarding the purchase of the French Diana Group. After extensive discussion, the Executive Board submitted a non-binding purchase offer with the approval from the Supervisory Board.

In our meeting on March 6, 2014, we consulted and coordinated with the Executive Board on the approval of the annual financial statements and the consolidated financial statements for 2013. We also discussed the preparation for the Annual General Meeting 2014, the Corporate Governance Statement and the Corporate Governance Report. The Executive Board informed us about the most recent developments regarding its M&A activities at that time, particularly regarding the Diana Group. The IT strategy, its current state of implementation and Symrise's possible options for action were also a subject of the meeting. All members of the Supervisory Board and the auditor attended this meeting.

In the extraordinary meeting on April 4, 2014, the Supervisory Board continued its discussions from its meeting on March 6, 2014, on the intended acquisition of the Diana Group and the results of the due diligence assessment. The Supervisory Board gave the Executive Board its consent for submitting a binding offer on the purchase of all shares in the Diana Group. All Supervisory Board members attended this meeting.

In our meeting on May 13, 2014, the Executive Board's report on the company's performance during the first quarter of 2014 and its outlook for the rest of the year represented the main focus of the meeting as did the impending Annual General Meeting. We also discussed the status quo regarding the acquisition of the Diana Group with the Executive Board following the signing and the tasks still needing to be completed until closing. All Supervisory Board members attended this meeting with the exception of one.

In our conference call for the extraordinary meeting on June 16, 2014, the Supervisory Board gave its consent to the financing concept presented for the acquisition of the Diana Group and discussed the future management structure at Symrise with the Executive Board in view of the acquisition of the Diana Group. Similarly, the allocation of responsibilities within the Executive Board was also agreed on again.

In the meeting on August 6, 2014, 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 2014 and its update to the outlook for the rest of the 2014 fiscal year as well as the risk report and the Auditing Committee's report. All Supervisory Board members attended this meeting with the exception of two. Due to the resignation of Francesco Grioli from the Supervisory Board and the appointment of Peter Winkelmann as his successor, the Supervisory Board performed the necessary by-elections for the allocation of its committees.

As part of its meeting on September 18, 2014, the Executive Board clarified the corporate strategy and highlighted the goals achieved as part of its constant development in 2013 and consulted with the Supervisory Board. In view of the Group's changing business portfolio, particularly due to the acquisition of the Diana Group, a detailed discussion with the Executive Board was held on strengthening the core business in flavors with the Diana Group's pet food business and expanding the nutrition business with a focus on natural ingredients as well as on the implementation of these plans. The status of Diana Group's integration into the Symrise organization, particularly the essential key results of the individual phases of the integration, was explained to the Supervisory Board. In this meeting, both segments provided us with detailed insights into their strategic activities and their implementation as well as presenting their main investment plans. All Supervisory Board members attended this meeting.

The meeting on December 4, 2014, was devoted to the corporate planning for the upcoming 2015 fiscal year. The Supervisory Board approved the corporate planning for the 2015 fiscal year in this meeting. During this meeting, we also received the report from the Personnel Committee. Furthermore, we submitted the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act together with the Executive Board and confirmed the objectives on the composition of the Supervisory Board as originally drafted in 2012. We assessed the status of Corporate Governance at Symrise together with the Executive Board and coordinated the content of the Corporate Governance Report in the Corporate Governance Statement. All Supervisory Board members attended this meeting with the exception of one.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2014

The auditor KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover audited the annual financial statements for the fiscal year from January 1, 2014, to December 31, 2014, which were prepared by the Executive Board according to HGB (German Commercial Code) standards, as well as the Symrise AG management report. The Auditing Committee issued the order for the audit in accordance with the May 14, 2014, resolution of the Annual General Meeting. The auditor issued an unqualified audit opinion.

The Symrise AG consolidated financial statements were prepared in accordance with Sec. 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor also certified the consolidated financial statements and the Group management report without qualification.

The auditor's report on these financial statements as well as additional auditing reports and documentation were delivered to all members of the Supervisory Board in a timely manner. They were discussed thoroughly in the meetings of the Auditing Committee of February 12 and March 4, 2015, and in the full meeting of the Supervisory Board of March 5, 2015. The auditors participated in the deliberations on the annual and consolidated financial statements in both committees. Here they reported on the key audit results and were available to the Supervisory Board to answer any questions and provide additional information.

Following our own review of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we accepted the findings of the auditor. In our meeting of March 5, 2015, 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 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 as well as 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 June 24, 2014, published in the official section of the Federal Gazette by the German Federal Ministry of Justice on September 30, 2014, 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 June 24, 2014, is no longer part of the Corporate Governance Report. The remuneration report is now part of the management report included on pages 35 to 41 of this financial report.

The Corporate Governance Statement can be found on pages 122 to 129 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 4, 2014. In 2014, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future.

On December 4, 2014, 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: June 24, 2014) published by the German Federal Ministry of Justice on September 30, 2014, in the official part of the Federal Gazette (Bundesanzeiger) without exception and will continue to do so in the future.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

There was one personnel change in the Executive Board during the reporting year. Hans Holger Gliewe informed the Supervisory Board that he would not make himself available for an extension to his Executive Board contract, set to expire in November 2015, due to family-related reasons. Mr. Gliewe and the Supervisory Board agree that the newly added and yet to be integrated Diana business requires continuity in regards to the Executive Board, even beyond November 2015. Against this backdrop, Mr. Gliewe abdicated his position as an Executive Board member as of December 31, 2014, in mutual agreement with the Supervisory Board. In the future, Mr. Gliewe will take on strategic tasks within the Symrise Group outside of the Executive Board.

Francesco Grioli resigned from the Supervisory Board as of May 14, 2014. Peter Winkelmann was appointed a member of the Supervisory Board with the resolution of the District Court of Hildesheim from April 30, 2014, effective as of the end of the Annual General Meeting on May 14, 2014. The Supervisory Board appointed Mr. Winkelmann to the Auditing and Arbitration Committees on August 6, 2014.

The Supervisory Board would like to thank all of the members of the Executive Board, the employees of all Group companies in Germany and abroad as well as all employee representatives for their commitment and accomplishments in the 2014 fiscal year. You contributed to another successful business year for Symrise.

On behalf of the Supervisory Board,

Dr. Thomas Rabe
Chairman

Holzminden, March 5, 2015

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM:

Chief Executive Officer,
President Flavor & Nutrition (since January 1, 2015)

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

ACHIM DAUB:

President Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

BERND HIRSCH:

Chief Financial Officer

Membership in Legally Mandated Domestic Supervisory Boards

- Evotec AG, Hamburg, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HANS HOLGER GLIEWE (until December 31, 2014):

President Flavor & Nutrition

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

SUPERVISORY BOARD:

DR. THOMAS RABE:

Chief Executive Officer of Bertelsmann Management SE

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Chairman of the Supervisory Board
- Arvato AG, Gütersloh, Chairman of the Supervisory Board
- Druck- und Verlagshaus Gruner + Jahr AG, Hamburg, Chairman of the Supervisory Board (until December 17, 2014)

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bertelsmann Digital Media Investments S.A., Luxembourg, Member of the Supervisory Board
- Bertelsmann Inc., Wilmington, USA, Chairman of the Supervisory Board
- Edmond Israel Foundation, Luxembourg, Member of the Supervisory Board (until November 14, 2014)
- RTL Group S.A., Luxembourg, Chairman of the Supervisory Board
- Penguin Random House LLC, UK, Member of the Supervisory Board

DR. MICHAEL BECKER:

Retired;
Managing Partner at Merck KGaA until December 31, 2011

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bâloise Holding AG, Basel, Switzerland, Member of the Board of Directors

HARALD FEIST:

Vice Chairman of the works council and Vice Chairman of the general works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HORST-OTTO GERBERDING:

Managing Partner at Gottfried Friedrichs GmbH & Co. KG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. PETER GRAFONER:

Freelance Consultant

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- SAG Group GmbH, Langen, Chairman 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

FRANCESCO GRIOLI (until May 14, 2014):
State Head of the IG BCE Rhineland-Palatinate/Saarland

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board
- Gerresheimer AG, Düsseldorf, Vice Chairman of the Supervisory Board
- BASF SE, Ludwigshafen, Member of the Supervisory Board (since May 2014)
- Steag New Energies GmbH, Saarbrücken, Vice Chairman of the Supervisory Board (since April 2014)
- Villeroy & Boch AG, Mettlach, Member of the Supervisory Board
- Villeroy & Boch Fliesen GmbH, Merzig, Member of the Supervisory Board (since June 2014)

Membership in Comparable Supervisory Bodies (Domestic and International) None

REGINA HUFNAGEL:
Chairperson of the works council and Chairperson of the general works council of Symrise AG

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

CHRISTIANE JARKE:
Director Flavor & Nutrition Strategic Regulatory Affairs EAME at Symrise AG

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

GERD LÖSING:
Vice President Quality Control EAME of Symrise AG

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

PROF. DR. ANDREA PFEIFER:
Chief Executive Officer at AC Immune S.A.

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

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board
- Druck- und Verlagshaus Gruner + Jahr AG, Hamburg, Vice Chairman of the Supervisory Board (until December 31, 2014)
- Verwaltungsgesellschaft Otto mbH (co-determined limited liability company of the Otto Group), Hamburg, Member of the Supervisory Board
- Eurokai KGaA, Hamburg, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)
- August Prien Verwaltung GmbH, Hamburg, Chairman of the Supervisory Board
- Otto Dörner GmbH & Co. KG, Hamburg, Member of the Advisory Board

HELMUT TACKE:
Member of the works council of Symrise AG

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER WINKELMANN (since May 14, 2014):
Regional Head of the IG BCE district Alfeld

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board
- Sappi Deutschland Holding GmbH, Alfeld, Vice Chairman of the Supervisory Board
- amendes Holding AG, Hamburg, Vice Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

Glossary

AFF
Aroma Molecules, Flavors & Fragrances

AKTG
Stock Corporation Act (Aktiengesetz)

AROMA
A complex mix of flavors and/or fragrances often based on aromatic compounds, which can be aromatics themselves

BILMOG
German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz)

BIOCATALYSIS
Implementation, acceleration or alteration of chemical reactions (catalysis), in which enzymes serve as biological catalysts

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

LAVANDIN
(Lavandula intermedia, Provence lavender): Hybrid of real and spike lavender that is of great importance for the industry

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)

PHYTOCHEMISTRY
Also called plant chemistry, phytochemistry is a sub-area of biochemistry and botany that researches chemical substances in plants

REACH
European Union regulation for the registration, evaluation, authorization and restriction of chemicals

REVOLVING CREDIT FACILITY
Credit limits which the borrower can access at any time and offer very flexible repayment options

SUPPLY CHAIN
Process chain from procurement, through production and all the way to the sale of a product, including suppliers, manufacturers and end customers

US PRIVATE PLACEMENT
Non-public sale of debt securities to US investors, which is regulated, however, by the SEC (United States Securities and Exchange Commission)

WORKING CAPITAL
Financial indicator derived by subtracting current operating liabilities from current operating assets

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www.symrise.com/en
www.symrise.com/en/sustainability
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Financial Calendar

MARCH 10, 2015
Corporate and Financial Report 2014

MAY 5, 2015
Interim Report January – March 2015

MAY 12, 2015
Annual General Meeting, Holzminden

AUGUST 5, 2015
Interim Report January – June 2015

NOVEMBER 10, 2015
Interim Report January – September 2015

FORWARD-LOOKING STATEMENTS

This financial report contains forward-looking statements that are based on current assumptions and forecasts by Symrise AG. The future course of business and the results actually achieved by Symrise AG and its affiliates are subject to a large number of risks and uncertainties and may therefore differ substantially from the forward-looking statements. Many of these factors are outside of Symrise AG's sphere of influence and cannot be assessed in detail ahead of events. They include, for example, unfavorable development of the global economy, a change in consumer behavior, and changes to laws, regulations and official guidelines. Should one of these uncertainty factors, named or otherwise, occur or should the assumptions on which the forward-looking statements are based prove to be incorrect, the actual results may differ significantly from the results anticipated. Symrise undertakes no obligation to update forward-looking statements continuously and to adjust them to future events or developments.

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