

Annual Report 2011

GLOBAL NEEDS



BUSINESS DIVISIONS

Among the customer industries of our fragrances and flavors are the perfume, cosmetics and food industries, as well as household products' suppliers. We are continually growing our activities in the nutrition and body-care sectors on the basis of biofunctional and bioactive ingredients.

FLAVOR & NUTRITION



Our customers use the flavors we produce in liquid, powder, granulated or paste form to make food and beverages. Our flavors give the products distinct tastes. We provide individual flavors or complete solutions, which, apart from the actual aroma, can contain additional functional raw materials, colorants or microencapsulated components. With functional natural ingredients, the new Consumer Health application area caters to the functional food supplement and pharmaceutical preparation markets.

- BEVERAGES
- SAVORY
- SWEET
- CONSUMER HEALTH

SCENT & CARE



Fragrances Perfumers create complex fragrance compositions (perfume oils) by combining a number of uniform ingredients and essential oils. Symrise's perfume oils are used in perfumes (Fine Fragrances), in body-care products (hair care products, washing lotions, skin creams, deodorants) and household products (washing and cleaning products).

- FINE FRAGRANCES
- PERSONAL CARE
- HOUSEHOLD



Oral Care Symrise offers the entire range of mint flavors and intermediate products for toothpaste, oral care products and chewing gum.



Life Essentials The products manufactured by this business unit are used in skin care products, hair care products, suntan lotions, aftershave balsams, shower gels, washing lotions, anti-dandruff shampoos and deodorants. The unique feature of Life Essentials' activities is the combination of conventional body care products and plant-based bioactive ingredients.

- COSMETIC INGREDIENTS
- ACTIVE INGREDIENTS
- FUNCTIONALS
- BOTANICALS
- UV-FILTER



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

- SENSATES (MENTHOLS)
- SPECIAL FRAGRANCE & FLAVOR INGREDIENTS
- FINE AROMA CHEMICALS

Flavors & Fragrances industry

Market for cosmetic ingredients

Market for aroma chemicals

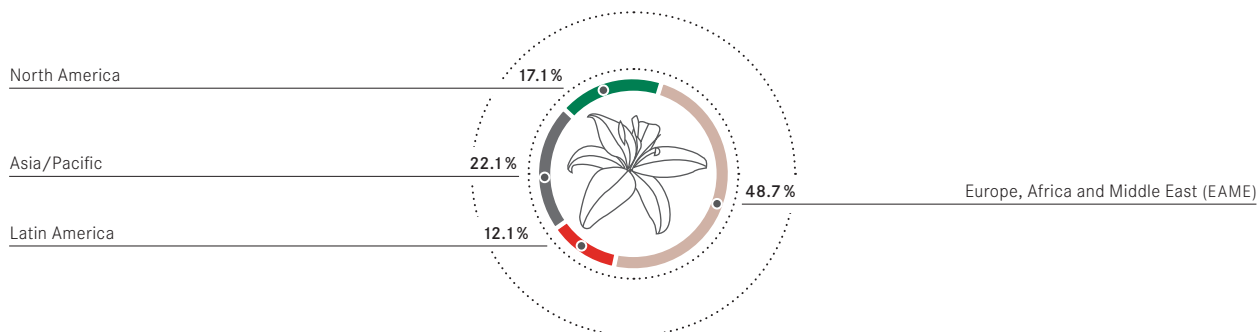
KEY FIGURES OF THE GROUP

€ MILLION		2010	2011	CHANGE IN %	CHANGE IN % at local currency
Sales		1,571.9	1,583.6	0.7	2.0
EBITDA		331.2	315.9	-5	-4
EBITDA margin	in %	21.1	20.0		
EBIT		244.4	234.4	-4	-3
EBIT margin	in %	15.5	14.8		
Net income		133.5	146.5	10	
Earnings per share	in €	1.13	1.24	10	
Dividend per share	in €	0.60	0.62 ²	3	
Balance sheet total (as of December 31)		2,059.0	2,098.2	2	
Capital ratio (as of December 31)	in %	40.9	43.5		
Investments		70.5	67.3		
Net debt (incl. pension provisions)/ EBITDA (as of December 31)	ratio	2.2	2.2		
Operating cash flow		235.1	200.9	-15	
Employees (as of December 31)	FTE ¹	5,288	5,434	3	
Scent & Care					
Sales		804.5	801.4	-0.4	1.0
EBITDA		160.8	157.6	-2	-1
EBITDA margin	in %	20.0	19.7		
Flavor & Nutrition					
Sales		767.4	782.2	1.9	3.1
EBITDA		170.4	158.3	-7	-6
EBITDA margin	in %	22.2	20.2		

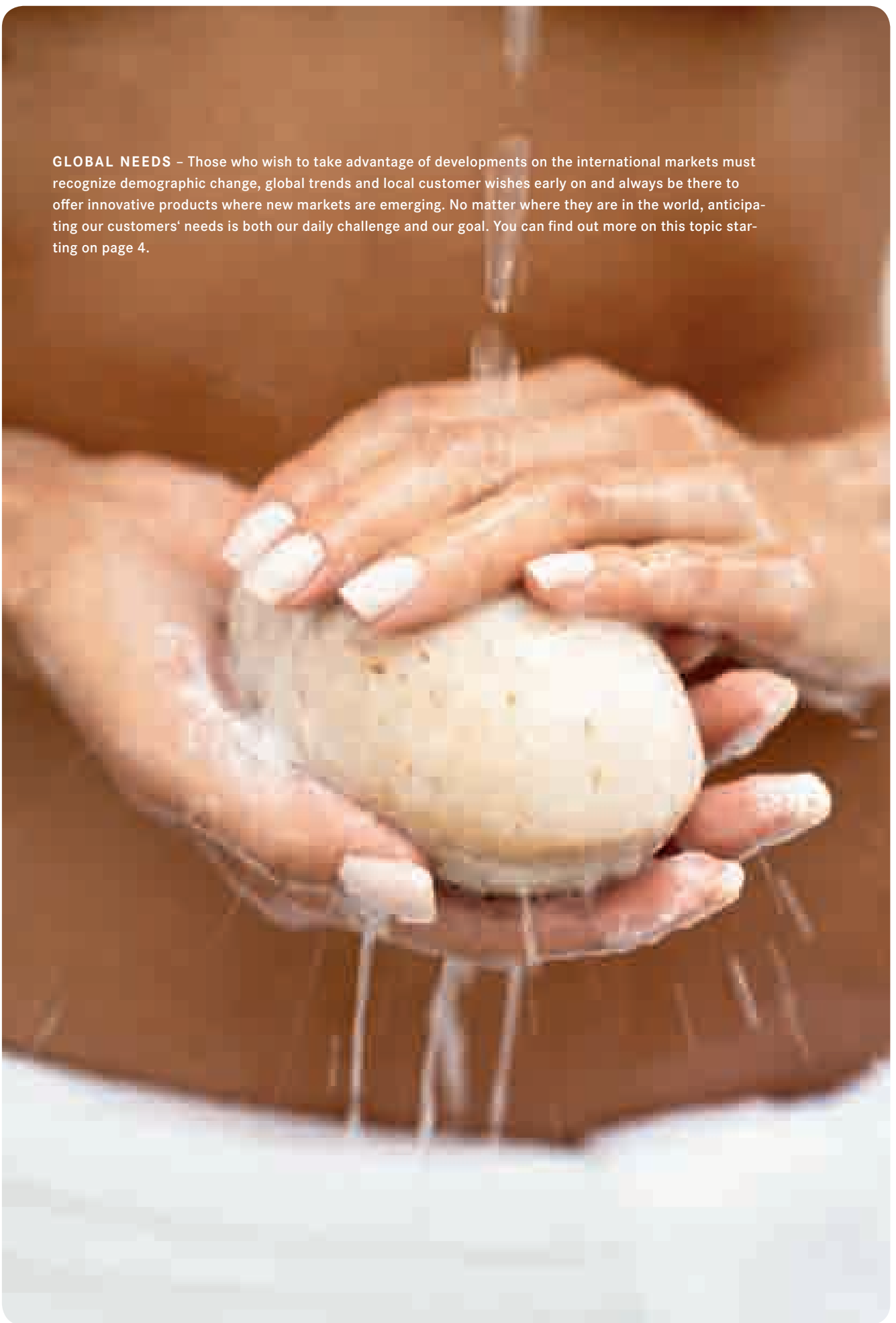
¹ not including apprentices and trainees; FTE = Full Time Equivalent

² proposal

GROUP SALES 2011 ACCORDING TO REGIONS (in %)



GLOBAL NEEDS - Those who wish to take advantage of developments on the international markets must recognize demographic change, global trends and local customer wishes early on and always be there to offer innovative products where new markets are emerging. No matter where they are in the world, anticipating our customers' needs is both our daily challenge and our goal. You can find out more on this topic starting on page 4.



GLOBAL NEEDS

Symrise is one of the world's leading providers of fragrances and flavors and of basic ingredients and active agents for the perfume, cosmetics, pharmaceutical, food, and beverages industries. We are already thinking today about the consumer trends of tomorrow and the day after – in order to strengthen the position of our customers' brands by supplying innovative ideas and product concepts. The needs of consumers are changing, in both established and emerging markets. Symrise knows the consumers' wishes in the respective product categories and markets around the world. This is our recipe for consistently being among the most profitable companies in the industry.

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LEGEND

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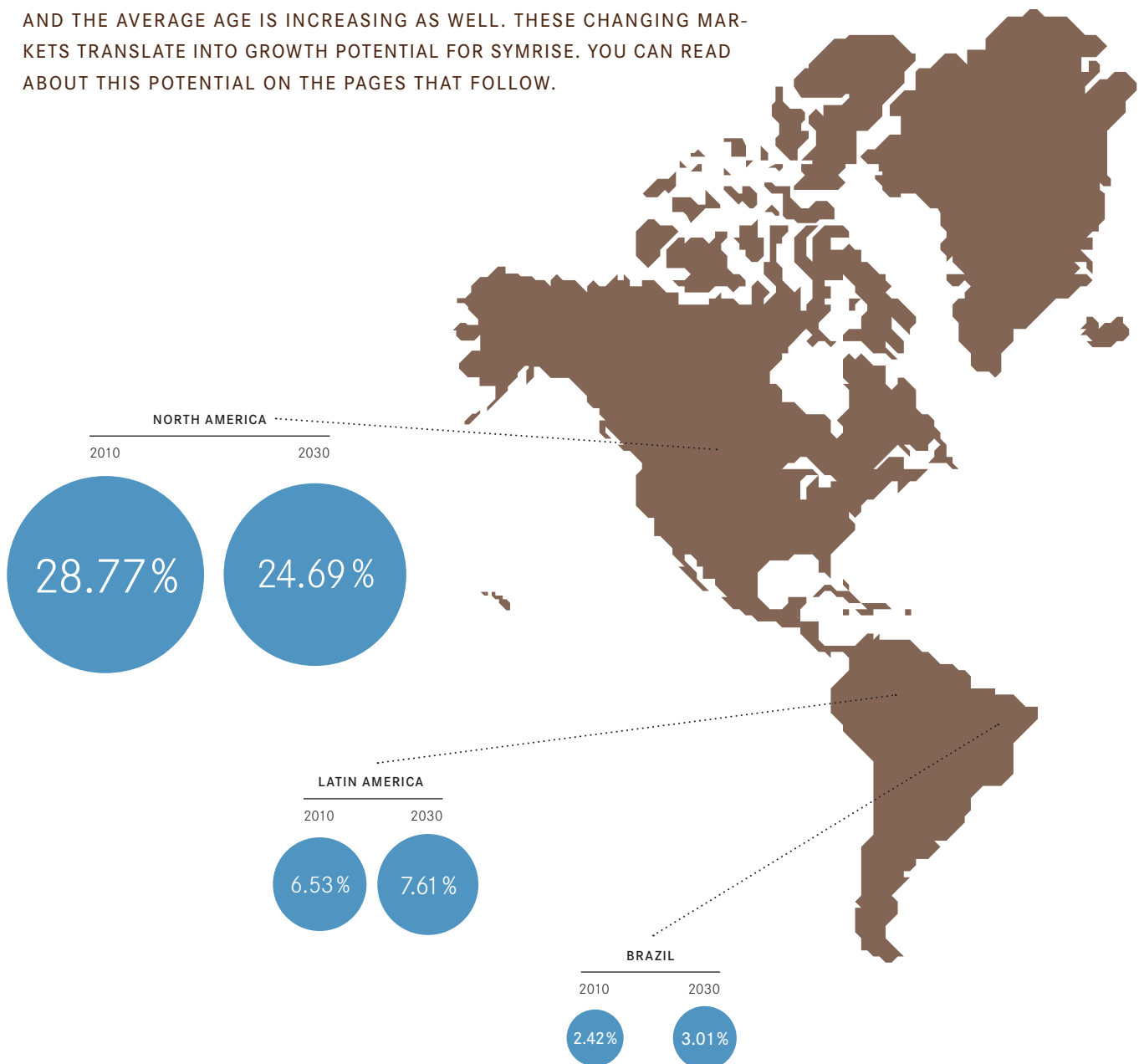
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CORPORATE GOVERNANCE

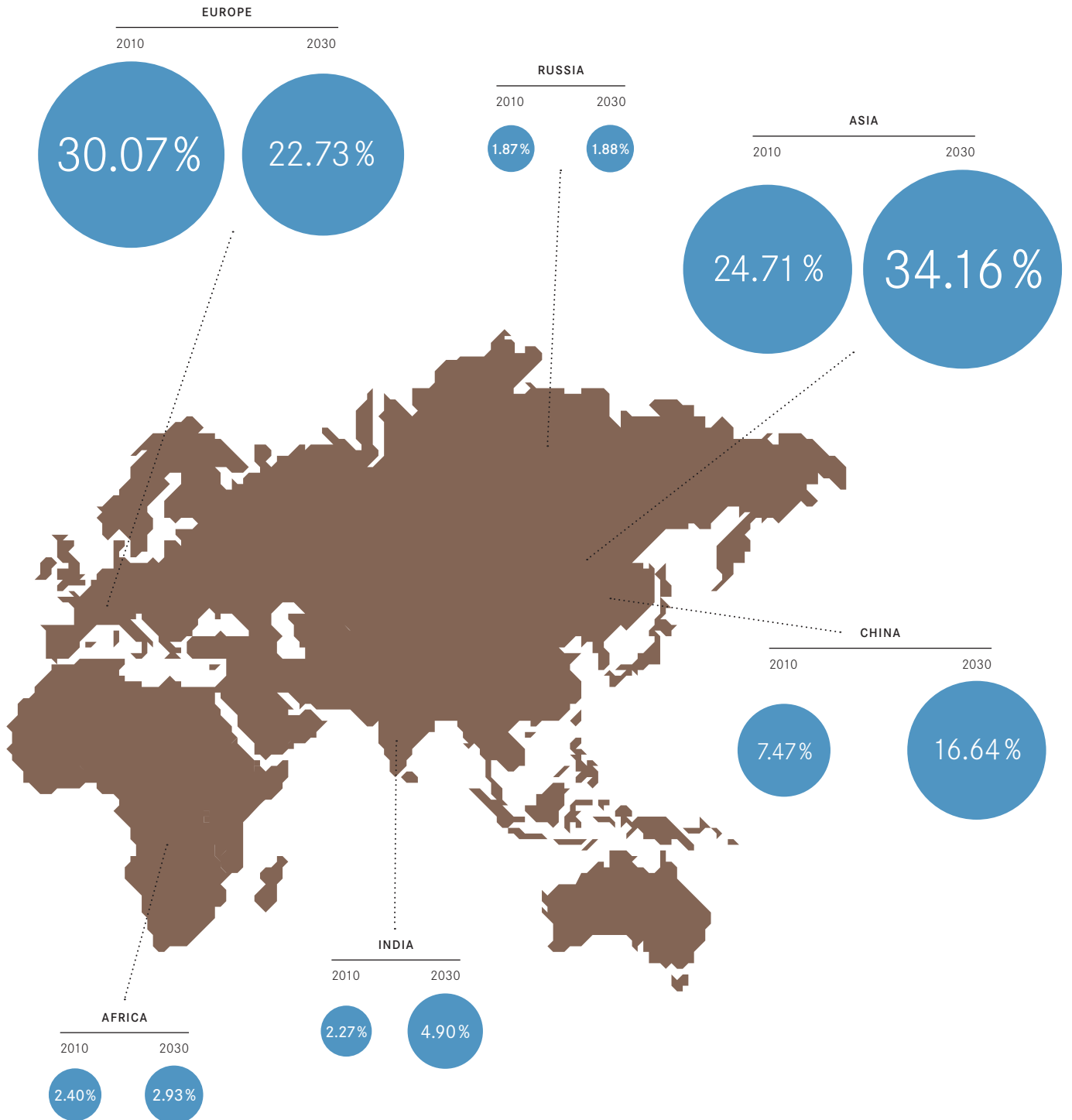
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CHANGING MARKETS

THE GROWTH CENTERS OF THE WORLD ECONOMY ARE SHIFTING TO THE DEVELOPING AND EMERGING MARKET COUNTRIES WHERE A NEW MIDDLE CLASS WITH INCREASING BUYING POWER IS BEING CREATED. OUR WORLD MAP SHOWS THE SIGNIFICANT CHANGES IN THE SHARE OF GLOBAL ECONOMIC OUTPUT. THE WORLDWIDE POPULATION CONTINUES TO GROW, AND THE AVERAGE AGE IS INCREASING AS WELL. THESE CHANGING MARKETS TRANSLATE INTO GROWTH POTENTIAL FOR SYMRISE. YOU CAN READ ABOUT THIS POTENTIAL ON THE PAGES THAT FOLLOW.



Changing Markets



Share of world economic output in %
(calculated on the basis of prices from 2005)

THE WORLD IS CHANGING

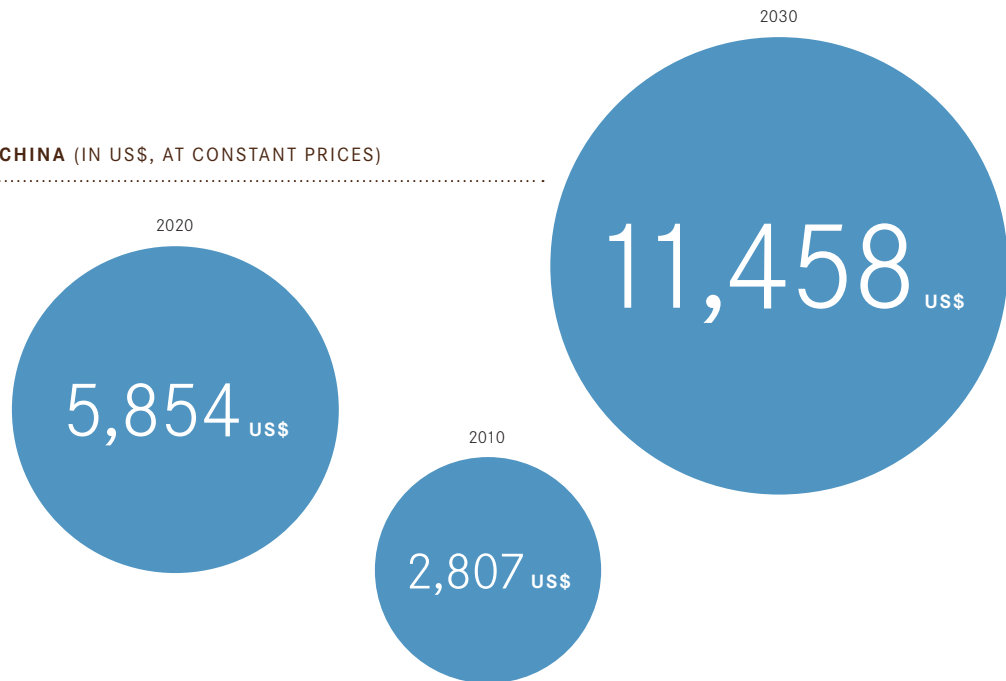
– economically, socially and politically. In just a few decades, the lion's share of global economic output will be generated in today's developing and emerging markets. By 2030, the global population's middle-class will increase by nearly 2 billion, especially in these emerging markets. By 2050, two-thirds of the 30 largest economies will no longer come from the established industrialized nations of today. China, India, Brazil, Mexico, Turkey, South Korea and Russia will be among the top 15 global economies by then. People from emerging market countries will in large part dictate global consumer trends and product innovations in the future. Successfully operating companies in the perfume, cosmetics and food industry, providers of household products as well as the leading suppliers and partners of these global actors, such as Symrise, are adjusting their corporate strategies accordingly.

The annual real growth of the global economy, which amounted to about 2% in the first decade of the new millennium, will accelerate towards 3% over the coming decades leading up to 2050. The emerging economies will contribute twice as much to this expansion as the established industrialized nations. One cause for this can be found in the fact that the largest and most dynamic economies are only finding themselves at the start of their race to catch up now. In 2010, the per capita income in China amounted to only 6.6% of the average US citizen's income. Despite a multiplication of the income, Mr Chang will earn only 31.5% of the income of Mr Smith by 2050. In India, per capita income will rise from 2.2% to 9.2% of the American level in the same period. Such growth is likely to continue beyond 2050. The areas of food and nutrition as well as cosmetics and personal care will be the first to benefit from living standards rising above the existential minimum. Growth in these areas will be disproportionate if the past is any indication. A further positive effect for these industries will arise from the increasing urbanization of the global population. The number of city dwellers will double from 3 billion today to 6 billion by 2050.

In addition, the number of women in employment will increase thanks to broader educational opportunities. The number of middle class families with two incomes will increase substantially in the emerging markets. This will drive demand for products that allow quick and convenient meal preparation for example or which make day-to-day household chores easier.

Growth and increasing prosperity are just one side of the coin however. Will our planet still have the natural resources needed for the global economic output to triple by 2050? The largest challenges will be posed by the availability of water, the limitation of arable land and climate change. By 2030, 3.9 billion people will live in regions with water shortages. By 2050, we will need to produce 70% more food to feed the world's population of nearly 9 billion people. Further complicating things is the fact that harvest increases have tapered off over the past few decades and the prices for agricultural products on the world markets rose considerably in 2010 and 2011. This is also a reason why the number of undernourished and starving people on our planet continues to hover around the 1 billion mark despite numerous efforts to lower this figure. The goal of the World Food Summit in 1996 was to halve the number of people suffering from hunger to 400 million by 2015. Consumers in rich industrialized nations are increasingly prepared to buy products manufactured in a sustainable manner; they are even demanding them. This trend will only grow stronger in the coming years accompanied by corresponding laws and regulatory measures.

PER CAPITA INCOME IN CHINA (IN US\$, AT CONSTANT PRICES)



These ideas have yet to take hold in the emerging markets however. But with increasing income and education levels, this is bound to change. Many companies are stepping up to these demands and are implementing them across the various links in the value creation chain, motivated by economic self-interest and a desire to protect their reputation as well as live up to their social responsibilities. Proactive and future-oriented companies recognize the opportunities that sustainable business offers.

The markets of the future will also be characterized by another megatrend: health and well-being. Across every age group, awareness and a desire for healthy living is steadily increasing. People want to be physically and mentally fit – and they want to stay that way. Global demographic developments are also playing a large role here. In the past 50 years, average life expectancy has risen by about 20 years to a 70 year lifespan. At the same time, the birth rate in many countries is at an all-time low. The global population is growing older – and not just in industrialized nations, but in the major emerging markets as well. In China, for example, the percentage of under-20s in the entire population will drop from 46% in 1980 to 20% in 2020, while by 2050 30% of the Chinese population will be 60 or older. But older people have never been as young as they are today, and have never want-

ed to stay so young more than they do today. That is why the market for products that help maintain health and a youthful appearance is booming. The global market for anti-aging products will reach an estimated volume of about US\$ 275 billion in 2013 after amounting to just US\$ 160 billion in 2010. The trend towards more healthy eating habits however is not solely being supported by an aging population. There are more than 1 billion people worldwide who are overweight and at least 300 million of them are obese. By 2015, these groups will grow to reach 2.3 billion and 700 million respectively. This development is also driven by the changing eating habits of the new middle class in the emerging markets. With rising incomes, the amount of meat, fish and milk products consumed increases along with fat and sugar. In China, 100 to 120 million people are already significantly overweight with children accounting for half of this figure. For this reason, there is a large and quickly growing demand for tasty products – with reduced fat and sugar content.

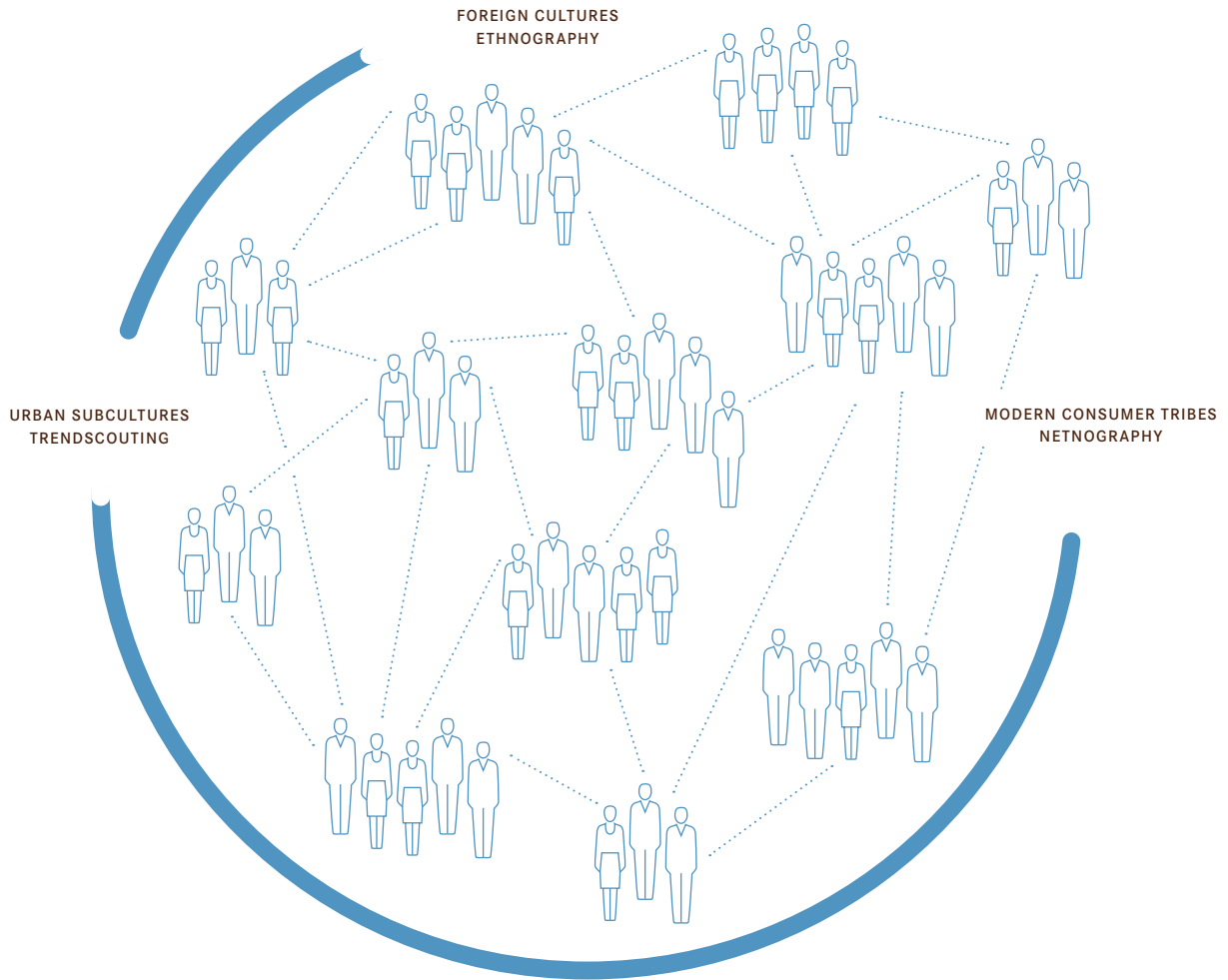
The global markets are in a period of change – and not just in view of the size and growth of individual country markets but also the consumption habits and preferences of end customers. Companies with an ear to the market, who recognize these changes early on, or even anticipate them, will gain a competitive advantage and additional growth potential.

INTERNET + ETHNOGRAPHY = NETNOGRAPHY INSIGHTS®

As one of the world's leading fragrance and flavor providers, Symrise is a partner and preferred supplier of many well-known consumer goods brands - from pudding to household cleaners. Our success is rooted in the exact recognition of consumer desires and needs in the respective product categories and markets around the world. From current trends, we develop innovative flavoring solutions and aroma concepts that strengthen the position of our customers' brands. The pressure to innovate is high and lead times for new product ideas can take several months, sometimes even years, meaning that failures must be recognized at an early stage in the innovative process. But how do you generate significant consumer insights for a variety of brands in very diverse markets? The qualitative analysis of consumer communication in online communities has proven an especially expedient and efficient method: observing and listening instead of measuring, counting and weighing. By collecting and systematically analyzing the opinions shared on the internet, we gain a deep and unfiltered insight into explicitly formulated and even unspoken desires, needs, experiences, motivations, attitudes and perceptions of consumers in regards to products and brands - that's Netnography Insights®. In innumerable forums, involved customers, opinion shapers and innovators discuss new product ideas that send signals for new trends and needs that will drive end consumers in a few years' time.

One example: Healthy eating. With the marketing platform Taste for Life®, Symrise has increasingly aligned its flavoring solutions to the brand strategies and customer needs regarding healthy eating over the past few years. It's true that the media is covering such topics as sugar, salt, obesity and questions on healthy eating practices in depth. But are these really the main interests of consumers when it comes to having a healthy diet? By observing and analyzing 16 communities and blogs in German and English over a period of many weeks, for example in the areas of eating&cooking, health&fitness and parents&children, clear trends of both positive and negative topic clusters could be traced where consumers were actively engaged in discussions. This led to the identification of six significant consumer insight platforms that are being conceptually applied to various customer brands. They are anchored around naturalness and credibility, authentic flavor, flavor enhancement and calorie reduction. For us, systematic listening to consumers is a source of unlimited innovative ideas.

INTERNET + ETHNOGRAPHY = NETNOGRAPHY INSIGHTS®



3

QUESTIONS FOR

3 EXPERTS IN INTERNATIONAL
CONSUMER RESEARCH



DAN FOREMAN, CEO - INSIGHT INTERNATIONAL, UK

For many years now, Dan Foreman has worked for market research and advertising agencies in both marketing consulting as well as on the corporate side. His business radius covers Europe, Asia and North America. The psychology and mathematics graduate has been a member of ESOMAR, the European Society for Opinion and Market Research, since 2005. As a recognized expert in the field, Dan Foreman has written numerous specialist publications over the years.

What developments do you expect on the global markets in the coming years?

“Consumers expect even greater diversity, with fragrances and flavors that correspond to their exact preferences. Individual personality is increasingly moving into the spotlight. At the same time, consolidation on the part of brand manufacturers continues: Providers are becoming larger and increasingly international. The Chinese market remains the main driver of growth while countries in Southeast Asia and Latin America are also making more of an impact. Economies of scale in production will bring greater cost reductions. The real trick will be in giving the consumer the impression of an individualized, personal product. This further underscores the importance of the brand as a point of reference for consumers.”



JOSEPH STATON, DIRECTOR – GfK ROPER CONSULTING, LONDON AND NEW YORK

Roper Consulting, the leading unit for consumer research in the GfK Group, has been active in 25 national markets around the world for 15 years. Joseph Staton, who has worked at Roper since 2010, previously worked for a series of companies in the fields of strategic planning, innovation and brand management. His passion lies not just in researching the consumer trends of today, but what they will be in the future.

What challenges or opportunities do you see coming for consumers around the world?

“All consumers have to make purchasing decisions on a daily basis. We see two different developments depending on what economic environment the consumer lives in. The majority of consumers in the developed markets of industrialized nations are very price-conscious in all product categories and at every level of quality. This is a reaction to protect their standard of living in light of the current economic tensions. The challenge, as well as the opportunity, for individual brands exists in expressing their economical benefits and value while also conveying enjoyment, happiness and new flavor or scent impressions. In the dynamically growing emerging markets on the other hand, the middle-class that is currently forming there places a high value on new brands and expressions that highlight their status and success. Bringing the quickly changing demands and desires into harmony with traditional values and cultural norms is key here. A new phenomenon is also spreading across these regions: a lack of time. Consumers that are constantly racing from one task to the next require efficient and highly effective convenience products, from drinks and snacks-to-go to time-saving washing and cleaning products.”



MASSIMO CEALTI, VICE PRESIDENT CONSUMER AND MARKET INSIGHTS – SYMRISE, PARIS

Massimo Cealti has over 20 years of experience in market research, both as research director and a user of research results at globally active companies in the consumer goods industry. At Symrise, he incorporates his market knowledge into cooperations with customer companies by highlighting consumer needs and desires during product development.

How does Symrise use the knowledge it gains from consumer research?

“For years, Symrise has been using various consumer research techniques – often based on complex quantitative methods. They provide good insights into which scents or flavors consumers from a particular country will favor in the future. We use this information to support product innovations with our customers. The trend towards individual, personalized products opens additional opportunities for Symrise, with its ability to engage end customers through unique elements, establish brand relationships and captivate users’ senses.”

PREDICTING FUTURE TRENDS

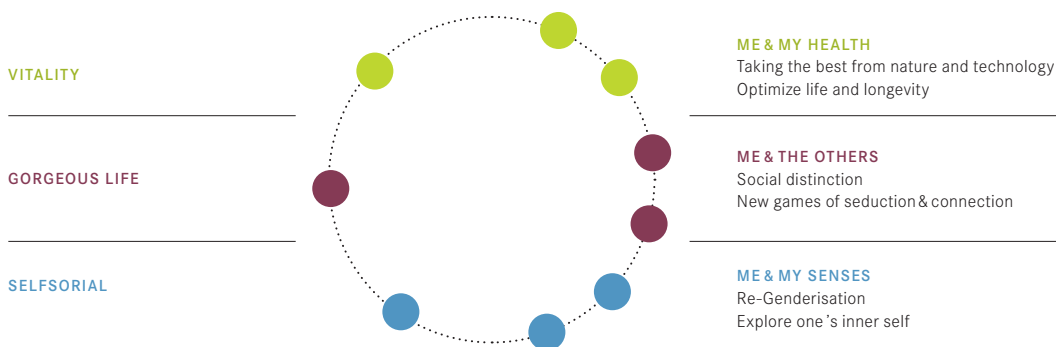
Under the name NEXT (+), Symrise has developed an analysis model with which future global and local trends in four regions can be simultaneously ascertained. NEXT (+) was introduced three years ago and determines changes in consumer habits and preferences by surveying 4,000 consumers in ten countries annually. With these surveys, we can quantify trends and develop estimates on market growth as well as the inter-relation between various regions in addition to country-specific trends.

What are the most important social trends? And how are they impacting lifestyle? How are they influencing the general ideals of beauty and the perception of fragrances and perfumes? The knowledge gained drives our creativity, inspires our perfumers and builds a foundation for research and development that is tailored to the needs of our customers.

Symrise has developed three different trend platforms under the names of "VITALITY", "GORGEOUS LIFE" and "SELFSORIAL" in the Scent & Care division based on the analyses from NEXT (+). The VITALITY platform describes people that see the topic of "me & my health" as especially important.

Here, the main idea surrounds taking the best from nature, science and technology to create the best possible life and attain an optimal quality of life. VITALITY combines attributes such as naturalness, energy, beauty and youthfulness with characteristics such as expertise, self-confidence, self-control and self-perception. The category GORGEOUS LIFE has the slogan "me & the others" and describes people that like to stand out in their social environment and have unique paths that they want to take in their social relationships. A characteristic description of this group centers on the need for recognition and a willingness to push one's self above and beyond the average. Based on the principle of less is more, the individual personality is highlighted through aesthetic and selective luxury. The self-perception in this group is: Select luxury makes me gorgeous and attractive. Finally, SELFSORIAL describes the open-minded type that on the one hand want to experience the world with all of their senses and yet want to discover themselves on the other. Here the embodiment of this personality type into a corresponding product and brand environment serves to underscore their own attributes and enhances their personal awareness.

2011 TREND PLATFORMS AND THEIR EXPRESSIONS



WORLDWIDE CONSUMER FIGURES

180 €

SPENT ON ANTI-AGING FACIAL CARE PRODUCTS PER WOMAN IN GERMANY

PER CAPITA INCOME IN DEVELOPING COUNTRIES IN 2010/2030
(IN US\$ AT CONSTANT PRICES)

3,096 / 8,305

WHO EATS HOW MUCH?
(THE LARGEST MARKETS FOR FOODSTUFFS, IN € BILLION)

ANNUAL GROWTH IN DEMAND FROM 2010 TO 2015

+ 12.5%

MAKE-UP IN BRAZIL

+ 9.8%

HAIR CARE PRODUCTS IN INDIA

+ 6.0%

READY-MEALS IN CHINA

CHINA

761

IN THE YEAR 2014

529

IN THE YEAR 2010

USA

745

IN THE YEAR 2014

638

IN THE YEAR 2010

THE WORLD'S LARGEST NATIONAL ECONOMIES

1970 USA Japan Germany

2050 China USA India

WHERE DO THE MOST PEOPLE LIVE?

CHINA 1950 562,579,779 2010 1,347,563,498

INDIA 1950 369,880,000 2010 1,184,090,490

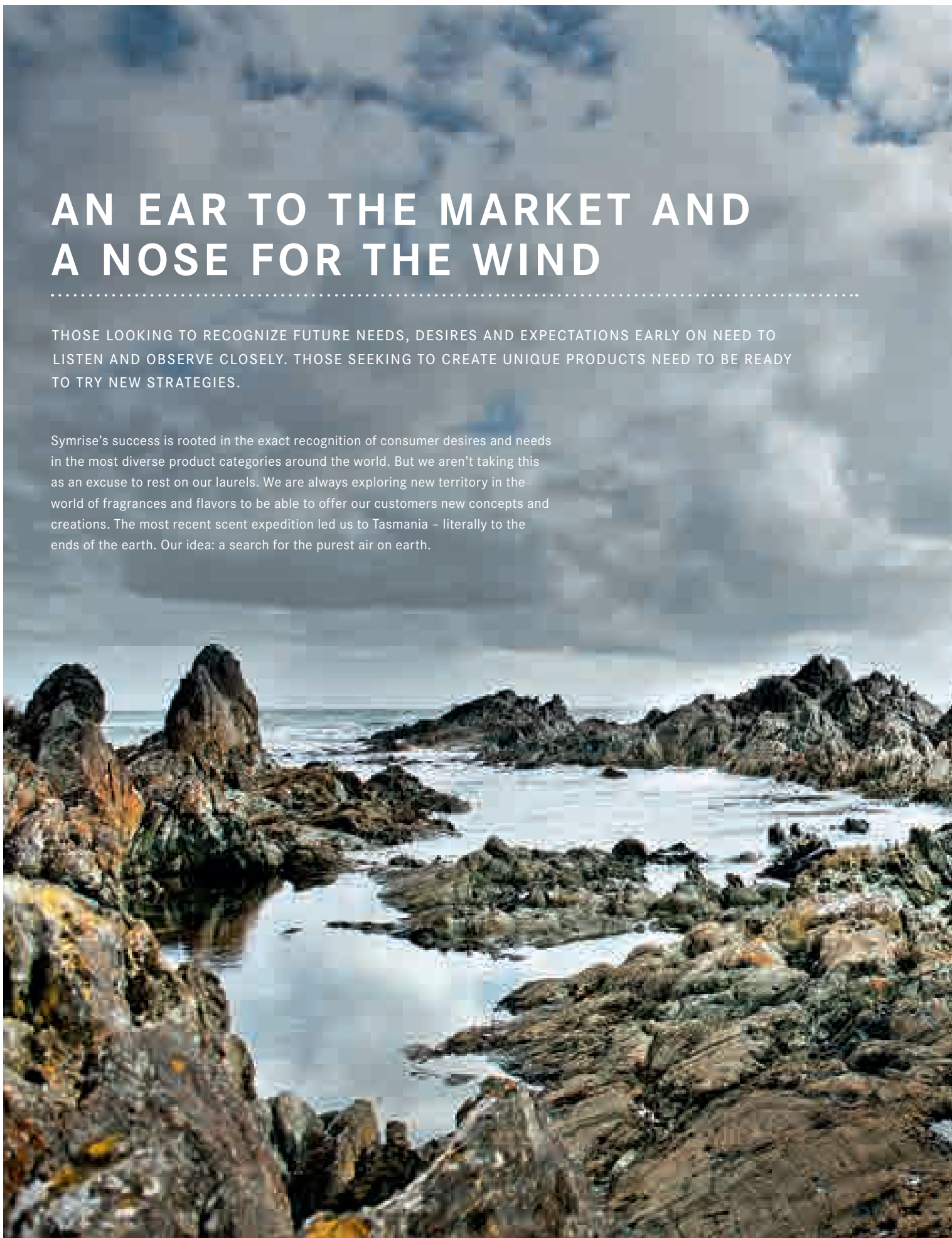
WORLDWIDE INCREASE IN CONSUMERS IN MIDDLE INCOME BRACKET 2010 - 2020 P.A.

+ 70 MILLION

AN EAR TO THE MARKET AND A NOSE FOR THE WIND

THOSE LOOKING TO RECOGNIZE FUTURE NEEDS, DESIRES AND EXPECTATIONS EARLY ON NEED TO LISTEN AND OBSERVE CLOSELY. THOSE SEEKING TO CREATE UNIQUE PRODUCTS NEED TO BE READY TO TRY NEW STRATEGIES.

Symrise's success is rooted in the exact recognition of consumer desires and needs in the most diverse product categories around the world. But we aren't taking this as an excuse to rest on our laurels. We are always exploring new territory in the world of fragrances and flavors to be able to offer our customers new concepts and creations. The most recent scent expedition led us to Tasmania – literally to the ends of the earth. Our idea: a search for the purest air on earth.





CAPE GRIM AT THE NORTHWEST CORNER OF TASMANIA IS HOME TO THE CLEAN-EST AIR IN THE WORLD ACCORDING TO SCIENTIFIC RESEARCH. THE STRONG WINDS THAT HIT THIS COAST HAVE TRAVELED 16,000 KILOMETERS ACROSS THE INDIAN OCEAN WITHOUT TRAVERSING OVER ANY LARGE LAND AREAS.



SCENT EXPEDITIONS ARE AN IMPORTANT PART OF THE TRAINING AND EDUCATION OFFERED AT SYMRISE'S PERFUMERS' ACADEMY. THE TEAM BROUGHT A WEALTH OF PREVIOUSLY UNKNOWN SCENT IMPRESSIONS AND PROFILES BACK FROM THEIR TRIP TO TASMANIA, WHICH WILL BE USED TO CREATE NEW FRAGRANCE CONCEPTS FOR FINE FRAGRANCES AND HOME CARE AND INTRODUCED TO OUR CUSTOMERS.



ONE OF THE OLDEST AND MOST UNDISTURBED PLANT ECOSYSTEMS ON THE PLANET IS FOUND IN THE TARKINE RAINFOREST. FRAGRANCES FROM INDIGENOUS PLANTS SUCH AS PINK LEATHERWOOD OR THE WOOD OF THE EXTREMELY RARE HUON PINE ARE AMONG THE NEWLY EXPANDED REPERTOIRE OF SYMRISE'S PERFUMERS.



THE AMERICAN FLAVOR & NUTRITION MARKETING TEAM EMPLOYS MODERN TREND AND CONSUMER RESEARCH METHODS. WE WORK WITH OUR OWN TOOLS, WHICH HAVE HELPED US BECOME ONE OF THE LEADING COMPANIES IN THE AREA OF CONSUMER INSIGHTS IN THE FLAVORS & FRAGRANCES INDUSTRY.



ONE OF THESE TOOLS IS THE “FLAVOR DESIGNERS CLUB” FOUNDED BY THE AMERICAN MARKETING TEAM. HERE, 800 CONSUMERS FROM ACROSS THE US DISCUSS NEW FLAVORS AND CONCEPTS IN AN ONLINE COMMUNITY. WE THEN IMPLEMENT THIS KNOWLEDGE IN SELECT CUSTOMER PROJECTS IN POSITIONING BRANDS AND NEW FLAVORS.



THE SYMRISE SCENT & CARE CREATIVE CENTER IS LOCATED IN SHANGHAI'S "RED TOWN". HOUSED IN A FORMER STEEL FACTORY, THE SPACE OFFERS SYMRISE EMPLOYEES AND CUSTOMERS ROOM FOR CREATIVE INSPIRATION. THIS IS WHERE WE COMBINE MARKET AND CONSUMER TRENDS AND CREATE NEW FRAGRANCE COMPOSITIONS IN AN INTERACTIVE ATMOSPHERE AND WHERE OUR MARKETING AND MARKET RESEARCH TEAMS DEVELOP NEW IDEAS.



INSPIRING FRAGRANCE COMPOSITIONS ARE DEVELOPED IN AN INSPIRING WORK ENVIRONMENT – IN CONSTANT EXCHANGE WITH COLLEAGUES, CUSTOMERS AND CONSUMERS. THE “RED TOWN” HAS COMPREHENSIVE MARKET RESEARCH CAPACITIES SUCH AS TEST BOOTHS FOR SENSORY PERCEPTION, A HAIR SALON AND EXHIBITION SPACE FOR TREND AND PRODUCT PRESENTATIONS. IN OUR EXAMPLE, PERFUMER SMILE GAO TESTS THE SCENT OF A SHAMPOO ON A STRAND OF HAIR.

Dear Shareholders and Friends of Symrise,

In the fiscal year 2011, Symrise once again performed at a high level. We headed into the year with the expectation that the market would normalize after an extraordinarily strong 2010 and that we would return to moderate growth rates. We set ourselves the goals of remaining among the most profitable companies in the industry, achieving an increase in sales of 3 to 5 percent and maintaining the ratio of net debt to EBITDA between 2 and 2.5. I am certain you would like to know how we did. We met two of the goals we set at the start of 2011. We kept our profitability at an industry-leading level and generated an EBITDA margin of 20 percent. This makes Symrise one of the leading global suppliers in our industry. Debt, measured as the ratio of net debt including pension provisions to EBITDA, wound up with a value of 2.2 – well within our targeted corridor. Unfortunately, our original expectations regarding sales growth proved to be a bit too optimistic as the global economy experienced a slowdown. In addition, we made a conscious decision to forgo less profitable orders in view of market uncertainties and volatile raw materials costs. As a result, we adjusted our sales forecast over the course of the year, predicting growth of between 2 and 3 percent at local currency.

After a good first quarter, the following months were characterized by high economic uncertainty and a steady slowing of the global economy. This was due in part to regional developments, such as the earthquake and natural catastrophe in Japan as well as political unrest in the Arab world. On the other hand, the high sovereign debt of individual European countries and the US resulted in increasing anxiety on the capital markets, further dampening the global economy.

Symrise's mission is to create value – both for the company itself as well as for all of its stakeholders. Growth is an important factor for our success, but it isn't the be-all and end-all. Instead, our focus is much more on securing a sustainable and successful corporate development by expanding our global presence, strengthening our competitive position and increasing our profitability. Another important factor is the further optimization of our procurement of raw materials. Raw materials comprise an important component of our business and it is imperative that we have access to a sufficient amount at best quality. One long-standing measure in this regard is our successful backwards in-



tegration with which we secure our access to strategic raw materials such as menthol, vanilla, onions and citrus. With these initiatives, we ensure a sustainable and responsible procurement of these goods while reducing our dependency on the raw materials markets.

For 2011, we generated sales of € 1.58 billion, which amounts to a 2 percent increase at local currency. We were also able to maintain our excellent profitability and increase net income by 10 percent. With these positive developments in view, the Executive and Supervisory Boards will propose a dividend of € 0.62 per share for the 2011 fiscal year at the Annual General Meeting. This corresponds to a dividend increase of 3 percent compared to the previous year.

Our activities with major customers and in the Emerging Markets also showed positive development in 2011. We once again secured new core list positions with large, internationally active consumer goods and food manufacturers. We also managed to achieve

“We have an effective strategy, are globally positioned, have a high level of innovative ability and therefore have an excellent basis for successfully continuing our growth course over the long term.” Dr. Heinz-Jürgen Bertram, Chief Executive Officer of Symrise AG

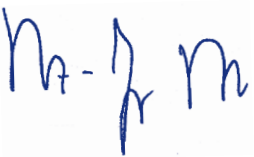
above-average growth in our business with these strategically important customers in both divisions. Scent & Care increased sales from activities with key accounts by 6 percent and our Flavor & Nutrition division did even better, generating growth of 8 percent. Across the Group, we increased sales in business with global customers by 7 percent and this customer group accounted for nearly a third of total sales. We also expanded our business in the Emerging Markets. For example, our site in Singapore has been operating the new EVODRY system for encapsulation technology since February. It is part of a comprehensive 40 million Singapore dollar investment program with which we are expanding our Singapore site to better serve the dynamic Asian markets. Our site that opened in Moscow last year is now also fully operational and is acting as a central site for development, sales and supply in the Russian market as well as in the CIS countries.

The title of our annual report for 2011 is GLOBAL NEEDS. The global markets find themselves in a season of change. The centers of growth are shifting to new locations. The world's population is constantly increasing and growing ever older. These megatrends offer Symrise enormous growth potential over the long-term, and we aim to leverage this with our innovative abilities. We are constantly on the lookout for products that satisfy new trends, improve existing offers or provide new benefits to consumers. The basis for our innovative abilities is rooted in creativity and knowledge. We promote both through a variety of measures. One of these measures was a scent expedition with our perfumers to Tasmania, which allowed them to research climatic conditions and regionally specific plants and herbs. This and a number of other exciting initiatives are covered throughout this report.

Dear shareholders and friends of the company, Symrise had an eventful 2011. We managed to successfully navigate the year's economic challenges with sound results. I would therefore like to thank our employees for the commitment and vigor they showed this past year.

In this current fiscal year, we move forward with optimism in addition to a good dose of caution. We continue to see great potential in both the Emerging Markets and industrialized nations. At the same time, the international debt crisis remains unsolved, economic uncertainty continues to persist and the volatility of raw materials prices has yet to subside. These factors put a damper on our outlook and make reliable forecasts for the coming year difficult. However, we remain steadfast in our desire to be among the most profitable companies in our industry. Assuming that raw materials prices and exchange rates follow a similar course to last year's developments, we are aiming for an EBITDA margin of about 20 percent for the year. We have an effective strategy, are globally positioned, have a high level of innovative ability and therefore have an excellent basis for successfully continuing our growth course over the long term.

I would like to thank you in the name of all of my Executive Board colleagues for your trust and support through the past year and look forward to sharing a successful 2012 with you.

A handwritten signature in blue ink, appearing to read 'H-J Bertram', is positioned above the printed name of the Chief Executive Officer.

Dr. Heinz-Jürgen Bertram
Chief Executive Officer



HANS HOLGER GLIEWE
Head of Flavor & Nutrition

- Member of the Executive Board since November 2009
- Appointed until 2015
- Born 1959

BERND HIRSCH
Chief Financial Officer

- Member of the Executive Board since December 2009
- Appointed until 2015
- Born 1970

THE EXECUTIVE BOARD

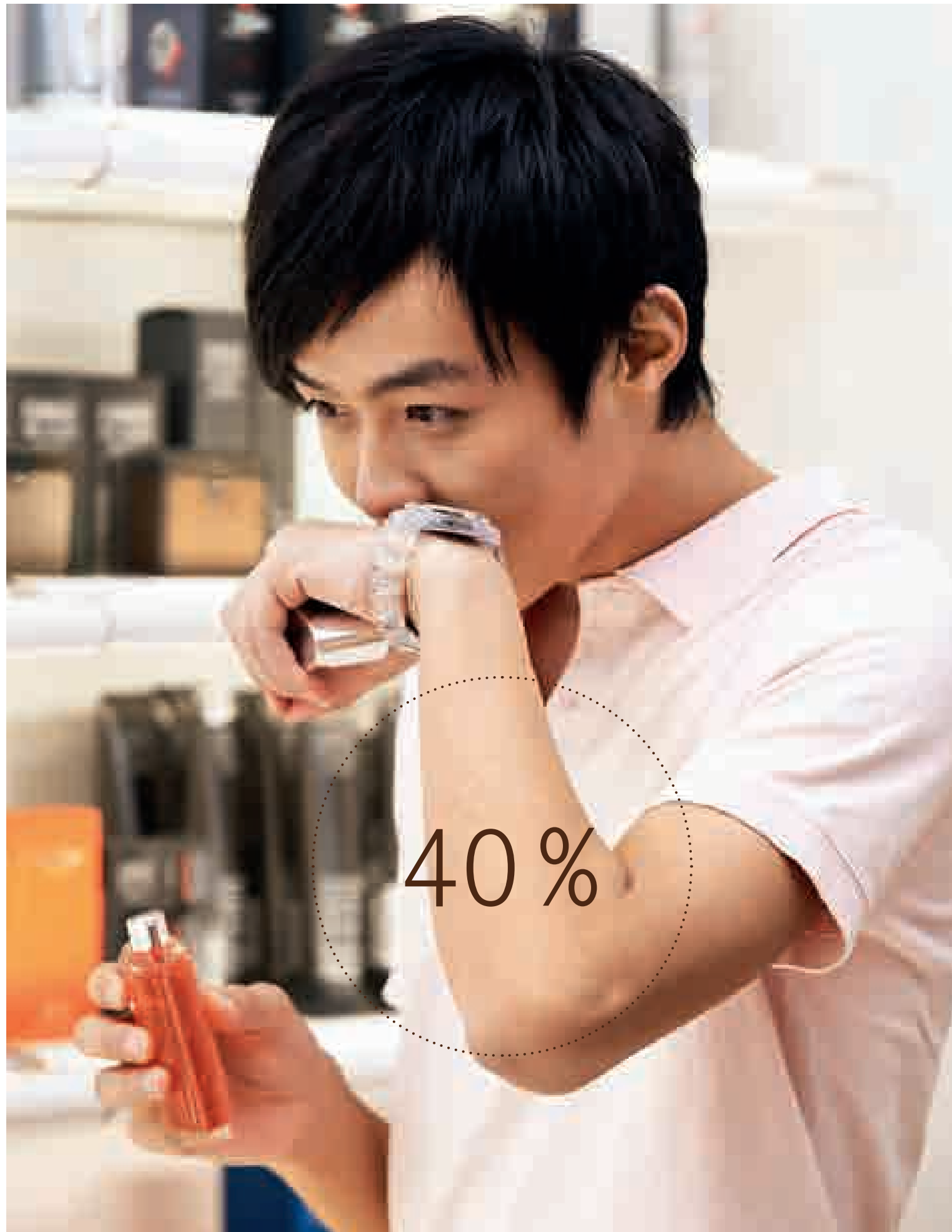


DR. HEINZ-JÜRGEN BERTRAM
Chairman of the Executive Board and
Labor Director since July 2009

- Member of the Executive Board since November 2006
- Appointed until 2017
- Born 1958

ACHIM DAUB
Head of Scent & Care

- Member of the Executive Board since November 2006
- Appointed until 2013
- Born 1962



40%



CHINA

THE MARKET FOR PERSONAL CARE PRODUCTS FOR MEN, WHICH GREW BY NEARLY 40% IN 2010, IS THE FASTEST GROWING SEGMENT OF THE PERSONAL CARE MARKET IN CHINA. AN INCREASING NUMBER OF CHINESE MEN PLACE HIGH VALUE ON A GROOMED APPEARANCE AND APPRECIATE A BROAD RANGE OF PRODUCTS.

CHINA

MORE THAN 1.3 BILLION CONSUMERS LIVE IN CHINA WITH VARIOUS NEEDS AND DESIRES AS WELL AS VARYING LEVELS OF PURCHASING POWER. THE MIDDLE CLASS IS RAPIDLY GROWING AND IS DEVELOPING SPECIAL PRODUCT PREFERENCES: FROM POWDER TO LIQUID DETERGENT, FROM SOAP TO SHOWERGEL AND THE LIST GOES ON.

24,617

US\$ billion – China's national product by 2050 as the world's largest national economy

167 million

Chinese people who will be 65 or older in 2030



9.5%

The amount of growth the Chinese market for fragrances will see per year between 2011 and 2015

4.1

The per capita income of the Chinese population will grow by a factor of 4.1 between 2010 and 2030



“Consumer research in China comprises a large spectrum of activities ranging from long running programs that analyze the development of consumer behavior to customized studies for individual customer companies. The knowledge gained from consumer research is extremely important for developing the best fragrance compositions and comprehensive marketing concepts for each project.”

DAVID SILVERMAN, BEAUTY CARE MARKETING DIRECTOR ASIA/PACIFIC, SHANGHAI

STABILITY AND GROWTH

OUR MISSION

Symrise is recognized worldwide as a leading provider of fragrances and flavors and of basic ingredients and active agents for the perfume, cosmetics, pharmaceutical, food and beverages industries. We combine our knowledge of consumers' ever-changing needs with creativity and ground-breaking technologies. In doing so, we concentrate on the development of solutions that provide our customers with added value. We strive to ensure sustained value creation and allow our employees and shareholders to participate in the Company's success.

OUR LONG-TERM GOALS

Symrise has set itself the goal of consistently being among the industry's most profitable companies. We aim to achieve a sustainable EBITDA margin of around 20%. We look to accomplish this goal by increasing sales, optimizing the product mix and constantly improving our processes. Over the long-term, our sales are intended to grow at a stronger pace than average market volumes. This means that Symrise will be increasing its market share and expanding its lead over competitors. But we do not subscribe to the idea of growth for growth's sake. From time to time, we will pass on a business opportunity if it does not meet our profitability requirements. Symrise is the market leader in numerous areas and possesses a unique portfolio of innovative solutions for the specific needs of its customers. We want to further secure and expand this position. In other areas, we use our strengths and new products to tap into new market segments and take advantage of growth potentials that result from consumers' changing needs and preferences. We optimize our product mix to maximize capacities for products with strong margins. A solid financial position acts as the foundation for our operating activities. The ratio of net debt (including

pension provisions) to EBITDA is targeted at between 2.0 and 2.5. Occasionally we may exceed this range for a short time following a strategic acquisition. A consistently high cash flow from operating activities underscores the financial stability of the Company.

A STRATEGY BASED ON THREE PILLARS

Our strategy is based on the three pillars of growth, efficiency and portfolio.

Growth: We achieve our growth goals

- with global and fast growing customers
- in new markets
- through innovations

We want to continue to increase our portion of sales generated with rapidly expanding, and therefore strategically important, international customers. Our core competencies, such as Citrus, Vanilla or Mint, are specifically targeted at our customers' main markets. There are few providers that are equipped as Symrise is with the ability to meet major customers' demand for the highest quality reliably produced in high volumes around the world. We expect our top ten international customers to continue to grow considerably in the future, and we want to participate in this expansion. As one of the major suppliers in the industry, Symrise also maintains close and multi-faceted business relationships with regional and local customers. Such relationships, which have often developed over decades, are just as important to us as our work with major corporations.

GLOBAL REACH

Drive profitable growth

- Well positioned on core lists. Focus on further leverage these positions
- Expand unique position in Emerging Markets
- Focus on innovation and technology in defined growth segments

EFFICIENCY

Best in class profitability

- Continued cost discipline throughout the Group
- Optimize processes to ensure operational excellence
- Exploit synergies between the divisions

PORTFOLIO

Sharpen unique profile

- Accelerate push into faster growing market segments
- Focus on Life Essentials and Consumer Health

We made the decision to target our activities towards highly populated and rapidly expanding regions of the world at an early stage. An increasing portion of the world's population is experiencing a rise in its standard of living, and consumer spending is increasing accordingly in Latin America, Asia, the Middle East, Eastern Europe and Africa. In the medium to long term, their spending will likely grow considerably quicker than the international average. "All business is local" – a good understanding of the local conditions, markets and consumers is a major key to the successful further expansion of our business.

We focus our activities on new fields of business and application areas that show a higher growth potential than the general market for fragrances and flavors. The product innovation divisions provide Symrise with an excellent profile on the market and offer it additional growth opportunities.

Organic growth will be supplemented when the right opportunities arise by selective acquisitions and strategic partnerships that strengthen our business model.

Efficiency: Symrise has developed from its medium-sized roots into a corporation with global reach. Though much has changed, cost-consciousness remains a firm part of our corporate DNA. We are constantly seeking to find even better methods for supplying our products in a cost-effective and environmentally friendly manner at a consistently high level of quality. We strive to further optimize our cost structures along the entire value creation chain. Our global growth strategy is accompanied by constant process optimizations and a focus on products with high added value. The expansion of sales and permanent focus on optimizing our operational processes result in economies of scale that positively impact our profitability.

Portfolio: In an effort to secure our unique market position, we enhance our product portfolio, tap new markets and segments, and constantly seek to expand our expertise in the areas of nutrition and care. Symrise is active in dynamic markets – new ideas, new challenges and opportunities are simply business as usual. We want to further separate ourselves from the competition by anticipating consumers' changing needs and preferences as soon as possible and fulfilling them quickly, efficiently, creatively and ecologically. At Symrise, innovation doesn't begin with the research and development of a product, but earlier – with the market research that leads to insight and knowledge. Symrise initiated a paradigm

shift in the industry: we no longer start by talking about molecules or technologies, but rather focus on the consumers. Our customers need a strong and creative partner for innovation, and innovation doesn't stop with the manufacture of our products. The close networking of our established business units with new units at the technical level, as well as at the customer and consumer level, offers us substantial synergy potential, of which we systematically take advantage.

SUSTAINABILITY

We are all aware of the responsibility we owe society as a company. As a successful company, we are committed to contributing to the overall welfare of society. We therefore take our responsibility in all of our business activities very seriously. In doing so, we create a better future for society, the environment, our employees and our Company. Sustainability is a core component of Symrise's corporate strategy and culture. We see sustainability as a solid foundation for all our actions, which we constantly refine and follow consistently.

Internationally applied guidelines provide the framework for concrete goals and measures:

- We develop innovative and sustainable product solutions that increase the quality of life for consumers in cooperation with our customers.
- We handle the resources entrusted to us responsibly.
- We make long-lasting investments in our employees and treat them with appreciation and respect.
- We actively support and encourage social responsibility, which provides both our employees and society with the freedom to develop.

SYMRISE ON THE CAPITAL MARKET

2011 – A TURBULENT YEAR ON THE STOCK MARKET

After the political revolutions of the Arab spring and the environmental catastrophe in Japan unsettled international capital markets in the first half of 2011, the trading environment dramatically worsened from the middle of the year due to the American and European debt crises. The leading German index, the DAX®, fell to a two-year low of 4,966 points in September and closed the year at 5,898 points – a decrease of nearly 15% from the previous year. The Euro Stoxx 50® index for standard values in the eurozone fell by 17% on the year to 2,317 points. Only the American Dow Jones® index was able to recover from its low point in summer and finished the year with 12,218 points – a gain of about 6%.

SYMRISE STOCK UP MODERATELY IN 2011

The Symrise share price rose from € 20.53 (end of 2010) to a high of € 22.74 (May 10, 2011), before declining considerably with the rest of the overall market to its low for the year of € 16.43 (October 4, 2011). Over the course of the rest of the year, the share price recovered and closed the year at € 20.62. This amounts to a moderate gain of 0.4% for 2011. By contrast, the benchmark index MDAX®, which also contains the Symrise share, lost 12% on the year.

SYMRISE ENGAGES WITH THE CAPITAL MARKETS

With our investor relations activities, we aim to further increase Symrise's visibility on the capital markets while solidifying and expanding the perception of our share as an attractive investment. We are constantly in communication as we seek to strengthen investors' trust in the Symrise stock and achieve a fair valuation for our share on the capital market with our reliability and openness about our business development and corporate strategy.

In this turbulent year, personal contact with capital market participants was an especially important supplement to the comprehensive information offered on our website (<http://www.symrise.com/en/investor-relations.html>). Contact to investors and analysts was maintained and intensified by the Executive Board and the investor relations team through numerous individual meetings, as part of roadshows, at investor conferences and the Capital Markets Day as well as at the Annual General Meeting.

27 investment firms currently publish regular reports on our Company's development and make recommendations. As of the end of December 2011, twelve analysts recommended to "buy" our share, twelve advised a "hold" strategy and three recommended to "sell". The analysts value the defensive nature of the Symrise share with its high margins and stable cash flow.

PERFORMANCE OF THE SYMRISE STOCK IN COMPARISON TO THE MDAX® IN 2011* (IN €)



* MDAX® indexed on Symrise share price

KEY DATA FOR SYMRISE STOCK

Stock category	No-par bearer shares of common stock
Shares issued	118,173,300 shares
Sector / Stock market segment	Chemicals / Regulated market (Prime Standard)
ISIN / WKN / Symbol / Common code	DE000SYM9999 / SYM999 / SY1 / 27647189
Most important place of trade	Xetra® (electronic trading platform)
Designated sponsor	Commerzbank AG
Indices	MDAX®, EURO STOXX® Chemicals
MDAX® ranking as of Dec. 31, 2011	10 by free float market capitalization / 17 by volume of stocks traded
Initial listing / Offering price	December 11, 2006 / € 17.25

COMPARATIVE PERFORMANCE OF THE SYMRISE STOCK

€		2007	2008	2009	2010	2011
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	118.2	118.2
Share capital	€ million	118.2	118.2	118.2	118.2	118.2
Highest share price (Xetra® closing price)		22.20	19.28	15.73	22.34	22.74
Lowest share price (Xetra® closing price)		17.90	7.75	7.07	14.98	16.43
Share price at end of fiscal year (Xetra® closing price)		19.28	9.98	14.98	20.53	20.62
Free float	%	94.1	94.0	94.0	94.0	94.0
Market capitalization at end of fiscal year	€ million	2,278.3	1,179.4	1,770.2	2,426.1	2,436.7
Average daily trading volume (all German exchanges)	shares, approximately	520,000	760,000	470,000	597,000	533,000
Earnings per share		0.82	0.76	0.71	1.13	1.24
Dividend per share		0.50	0.50	0.50	0.60	0.62*

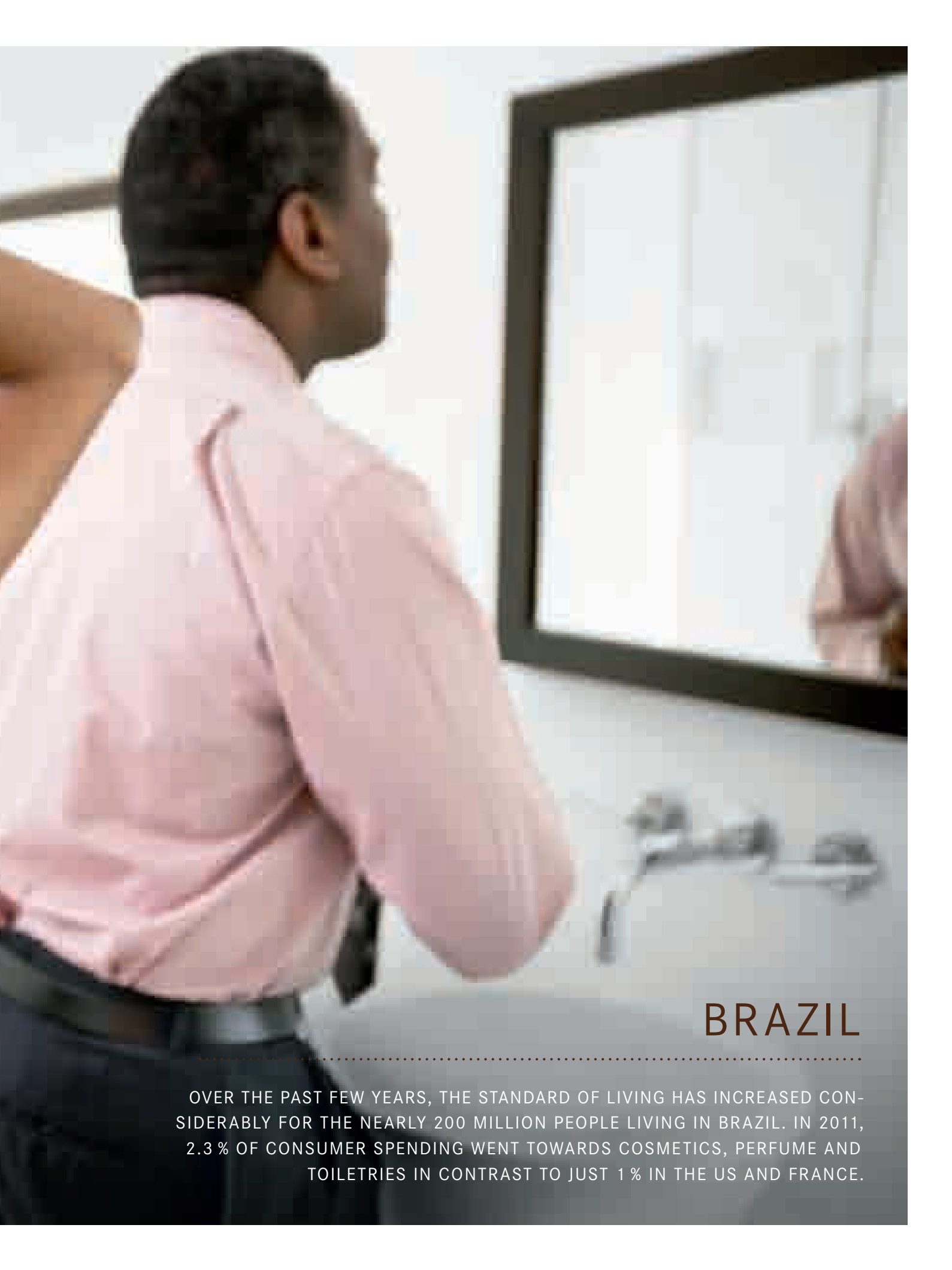
* proposal

KEY DATA FOR SYMRISE BONDS

Category	Bearer bonds
Total nominal value	€ 300,000,000
Denomination	€ 1,000
Interest rate / Payment date	4.125% p.a. / October 25
Term	October 25, 2017
ISIN / WKN / Symbol / Common code	DE000SYM7779 / SYM777 / SY1A / 54901127
Initial listing / Issue price	October 15, 2010 / 99.399%
Price as of Dec. 31, 2011	101.3%



2.3 x



BRAZIL

OVER THE PAST FEW YEARS, THE STANDARD OF LIVING HAS INCREASED CONSIDERABLY FOR THE NEARLY 200 MILLION PEOPLE LIVING IN BRAZIL. IN 2011, 2.3 % OF CONSUMER SPENDING WENT TOWARDS COSMETICS, PERFUME AND TOILETRIES IN CONTRAST TO JUST 1 % IN THE US AND FRANCE.

BRAZIL

DYNAMIC INCOME GROWTH AND THE REDUCTION OF SOCIAL INEQUALITIES ARE ALLOWING THE MARKET FOR FRAGRANCE AND CARE PRODUCTS IN BRAZIL TO EXPAND AT A RAPID PACE.

#1

Brazil is the world's largest sales market for fine fragrances, deodorants and baby care products

22%

In 2010 cosmetic product manufacturers invested 22% of their revenues into research, development and innovation



3x

Symrise is opening a new regional creative center in Brazil in 2012 with three times more space

10%

With a share of 10%, Brazil is the world's third largest market for cosmetic products



“A high level of professionalism and innovation characterize the creative processes in Brazil. Consumers are very demanding and the market is very competitive. In this environment the Scent & Care division has doubled its sales between 2009 and 2011 in Brazil and more than trebled its operating result.”

MAGALI LARA, SENIOR PERFUMER, SYMRISE BRAZIL

SYMRISE GROUP MANAGEMENT REPORT

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SYMRISE GROUP MANAGEMENT REPORT

OVERVIEW OF THE 2011 FISCAL YEAR

The Symrise Group had a successful fiscal year in 2011. After the extraordinary growth of the previous year, sales development returned to normal in 2011. However, the intensified sovereign debt crisis in Europe and continued consumer restraint in the US have affected our business. In addition, we consciously declined less profitable business, in order to maintain our profitability. As a result, the Group's sales rose by only 1% to €1,584 million during the reporting year. Growth at local currency of 2% was achieved. The share of sales with the strategically important top 10 customers increased to 31% in 2011. Sales in emerging markets exceeded the previous year's figures at local currency by 3%, while the share of total sales was 46%, the same as in the previous year.

The Symrise Group's capacities were well utilized around the world in 2011. Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDA) went down from €331 million in the previous year to €316 million. This corresponds to a sales margin of 20.0% after 21.1% in the previous year. Scent & Care generated sales of €801 million, corresponding to growth at local currency of 1%. EBITDA totaled €158 million (previous year: €161 million). The EBITDA margin therefore amounted to 19.7% compared to 20.0% in the previous year. In the Flavor & Nutrition business division, sales at local currency increased by 3%, reaching €782 million. EBITDA in this

business division also totaled €158 million (previous year: €170 million). This represents an EBITDA margin of 20.2%, compared to 22.2% in 2010.

The net income of the Symrise Group amounted to €147 million in the 2011 fiscal year after €134 million in the previous year. As a result, earnings per share rose by 10% from €1.13 to €1.24. The Executive Board and Supervisory Board are proposing to the Annual General Meeting on May 15, 2012, the distribution of a dividend of €0.62 per share for the 2011 fiscal year.

The company's cash flow from operating activities totaled €201 million in 2011. Liquid funds increased to €119 million by the end of 2011. Net debt (including pension provisions) fell to €703 million, corresponding to 2.2 times EBITDA as of the reporting date.

Symrise is looking upon the 2012 fiscal year with cautious optimism. We will aim to achieve moderate sales growth at local currency of between 2% and 4%. Assuming that raw materials prices on balance do not exceed the level of 2011 and that exchange rates do not change significantly from 2011, we anticipate a sustainable EBITDA margin of about 20% for 2012. The ratio of net debt (including pension provisions) to EBITDA should be in the target range of between 2.0 and 2.5.

OVERVIEW OF KEY PERFORMANCE INDICATORS

€ MILLION	2010	2011	CHANGE IN %	CHANGE IN % at local currency
Sales	1,571.9	1,583.6	0.7	2.0
EBITDA	331.2	315.9	-5	-4
EBITDA margin	in % 21.1	20.0		
Net income	133.5	146.5	10	
Earnings per share	in € 1.13	1.24	10	
Net debt (including pension provisions) to EBITDA (Dec. 31)	ratio 2.2	2.2		

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. In 2011, Symrise achieved sales of €1.6 billion, making it the fourth-largest company in the global flavor and fragrances market. The company sells its products in 160 countries. In 2011, Symrise generated 54% of sales in industrial countries in Western Europe, North America and parts of Asia. The number of customers served by Symrise grew to over 6,000 in 2011. A total of 46% of our sales were achieved in the so-called emerging markets in Asia, Latin America, Africa, the Near and Middle East and Eastern Europe. Around 5,400 people work in the two business divisions at Symrise Group – Scent & Care and Flavor & Nutrition. With sites in 36 countries, we have a local presence in our most important sales markets. We supplement our internal growth through strategic acquisitions that offer us a stronger market position or access to important technologies. In 2011, we had

significant cooperative ventures in both the product development and research business divisions with Ecobiotics, InterMed Discovery and Axxam, among others.

The Symrise Group was created by 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 €2.4 billion at the end of 2011, Symrise stock is listed on the MDAX index. Currently 94% of the shares are in free float.

Both business divisions are responsible for our operating business. They each have their own research and development, purchasing, production, quality control, marketing and sales departments. This system allows internal processes to be accelerated. We aim to simplify procedures while making them customer-oriented and pragmatic. We place great value on fast and flexible decision-making.

SYMRISE SITES 2011



Both business divisions have divided their organization into four regions with separate regional heads:

- Europe, Africa and the Middle East (EAME)
- North America
- Asia/Pacific
- Latin America

The activities of the two business divisions extend across several business units and application areas. The business units in the Scent & Care division are Fragrances, Life Essentials, Aroma Molecules and Oral Care. The business units are also structured according to different application areas. Fragrances, for example, is divided into Fine Fragrances, Personal Care and Household. The Flavor & Nutrition division concentrates on products in the Beverages, Savory, Sweet, and Consumer Health application areas. Symrise created the new application area of Consumer Health in 2009.

In addition, the Group has a Corporate Center which encompasses the central areas of finance & controlling, corporate communications, investor relations, legal affairs, human resources, corporate compliance, internal auditing and global process design in order to exploit cross-business 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's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,114 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 US (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. Important production facilities are located in Germany, Brazil, Mexico, Singapore, China and the US. An example is the Global Citrus Center in Sorocaba, Brazil. Here we have direct and eco-friendly access to high-quality raw materials. On this basis, we were able to develop and produce a series of innovative, highly concentrated citrus oils in 2011. Symrise has development centers notably in Germany, Brazil, China, France, Singapore and the US. We have sales branches in more than 30 countries.

MANAGEMENT AND OVERSIGHT

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

As of December 31, 2011, the Executive Board has four members: Dr. Heinz-Jürgen Bertram (CEO), Achim Daub (President Scent & Care Worldwide), Hans Holger Gliewe (President Flavor & Nutrition Worldwide) and Bernd Hirsch (CFO). The Executive Board is responsible for managing the company with the aim of increasing the company's value.

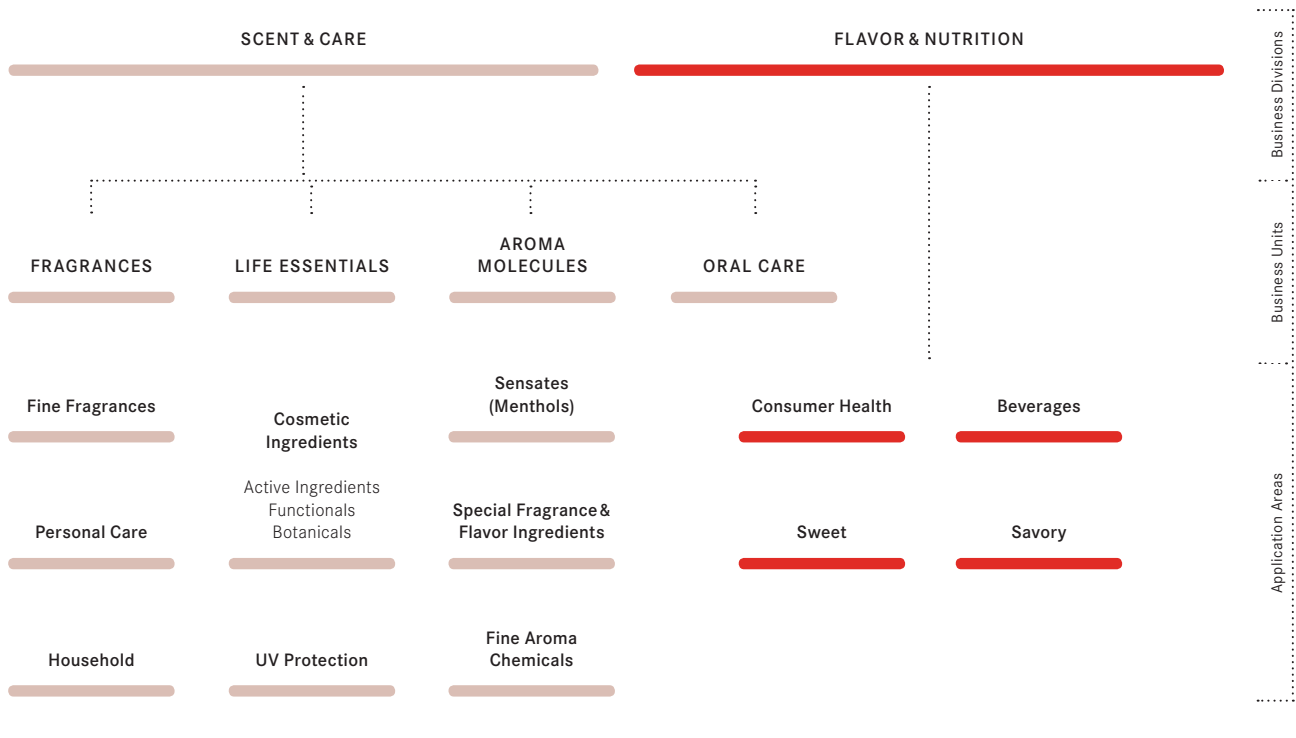
Symrise AG's Supervisory Board has 12 members. The Supervisory Board oversees and advises the Executive Board in the management of the company. It regularly discusses business development, planning, strategy and risks with the Executive Board. In compliance with the German Co-determination Act, Symrise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

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 reports in this annual report.

BUSINESS ACTIVITIES AND PRODUCTS

Symrise manufactures some 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 business divisions extends across product research, development, purchasing and production, as well as sales of our 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. At the same time, the cost of our products usually account for only a small part of the total costs of the end product. In addition to typical characteristics such as fragrance and flavor, our value creation lies in the development of products with added 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 with their tailor-made end products from competitors in the rapidly changing consumer goods market. The extensive research and development

CORPORATE STRUCTURE



(R&D) undertaken, 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 in Europe, Asia/Pacific, North America and Latin America, comprehensive consumer research is also an important part of our R&D activities. It creates the foundation for developing marketable products that are successful in the long term and that meet the various needs of consumers in different parts of the world.

Our customers include large, multinational companies as well as important regional and local manufacturers of foods, beverages, perfumes, cosmetics, personal care products as well as cleaning and washing products. It is particularly important for large manufacturers that their suppliers operate globally. The worldwide presence and innovative strength of a supplier form an important basis for being admitted to the circle of core suppliers (the so-called core lists). Inclusion on such a core list is the prerequisite for taking part in a much larger number of briefings when new prod-

ucts are put out to tender and winning the contract. Customers check the core lists every three to four years on average. In addition to the company’s financial stability and global reach, the most important reasons for inclusion or retention on a core list are the manufacturer’s innovative strength and creativity. In addition, Symrise develops innovative products and solutions independently and then presents them to possible buyers. For example, under the brand name Taste for Life®, Symrise offers a number of product concepts focusing on health, naturalness and sustainability. Another example is the new cosmetic ingredient SymHelios®, which was developed by the Scent&Care business division. It protects skin cells from negative environmental influences and strong solar radiation.

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

SCENT & CARE

The Scent & Care business division's more than 15,000 products are sold in some 135 countries. Its portfolio includes fragrances, cosmetic ingredients, aroma chemicals and mint products. The business division has sites in more than 30 countries. Major subsidiaries are located in Brazil, China, Germany, France, Mexico, India, Singapore and the US. The Scent & Care business division is divided into the Fragrances, Life Essentials, Aroma Molecules and Oral Care business units. In these business units, our products are used in different application areas 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 application area), in personal care products (Personal Care application area) and household products (Household application area). The perfume oils are delivered to customers in liquid or capsule form. The fragrances are normally requested and produced after a briefing from a customer company. Hair care products, wash lotions, skin cremes and shower gels are just some of the end products in the Personal Care application area in which perfume oils are used. Symrise also offers solutions for covering up unpleasant body odors, for example, in deodorants. Washing and cleaning products as well as air fresheners are examples of perfume oil applications in household products. For example, perfume oils give cleaning products a pleasant smell. In addition, perfume oils mask unpleasant odors.

Life Essentials: 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 business unit. Alternative preservatives are another focus. The business unit is divided into the Cosmetic Ingredients and UV Protection application areas.

For the Cosmetic Ingredients application area, Symrise concentrates on developing active ingredients, functionals and botanicals. Active Ingredients are highly effective substances for cosmetic care, for example materials that slow the aging of the skin (anti-aging), soothe inflamed or irritated skin (anti-irritants) or have an anti-bac-

terial effect. Another example is a moisturizing substance whose usage permits a lower dosage of conventional preservatives. Examples of innovations based on active ingredients are SymFinity® 1298, a highly effective Echinacea pupurea extract that extends the life of skin cells, and alpha-Bisabolol®, a soothing substance for the cosmetics industry. The Botanicals application area comprises plant extracts which, in addition to their functional effects, are very appealing to consumers due to their aromatic qualities. Examples of this are saffron extracts (skin-lightening, antioxidant and anti-inflammatory effects) and white tea (antioxidant effect).

In the organic UV Protection application area, Symrise has an extensive portfolio of oil- and water-soluble UVB and UVA filters which are marketed under the Neo-Heliopan® label. In the inorganic UV Protection business division the focus is on zinc oxide, which, apart from a wide range of potential dermatological applications, offers highly effective protection from the sun.

Aroma Molecules: The business unit comprises products in liquid or crystalline form for the Sensates (Menthols), Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals application areas. In the Sensates application area, 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 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. An important application area, among others, is that of biodegradable musk fragrances, which adhere significantly better to hairs, skin or textile fibers and are an essential component of perfume oils.

Oral Care: Symrise offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum. Among the particularly innovative products is Optacool®, which combines a fresh mint taste with a cooling freshness experience. Another product is Optaflow®, which naturally stimulates salivation, thus contributing to oral hygiene and an improved mouthfeel.

FLAVOR & NUTRITION

Flavor & Nutrition's range of products consists of more than 15,000 items, which are sold in 140 countries. The flavorings that we produce in liquid, powder, granulate or paste form are used by customers to make foods (savory and sweet foods as well as dairy products) and beverages, and give different products 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 raw materials, dyes or microencapsulated components. The global Consumer Health application area serves, among others, the growing market for food supplements and pharmaceutical preparations. The business division has sites in more than 30 countries in Europe, Asia, North America, Latin America and Africa. It has central offices in Brazil, China, Germany, England, France, India, Japan, Mexico, Singapore and the US.

In particular, Symrise's flavorings and ingredients are used in four application areas:

Beverages: Our flavorings are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, mixed milk drinks and functional drinks, which can be mixed with milk or yogurt, vitamins, minerals, fiber or plant and herb extracts. Symrise also has applications with flavor granulates for instant drinks such as tea and coffee specialties. Among Symrise's latest soft drink concepts are so-called blossom teas, for example red tea with rose. We have consistently added new fruits such as chokeberries, sea-buckthorn and acerola cherry to our refreshment drink and fruit juice concepts. The product range is being expanded by flavorings, distillates and extracts for nearly all common types of alcoholic beverages – for liqueurs, spirits, and mixed beer and wine drinks. A special focus is on mixed beer drinks, for which, apart from the flavor, we offer dyes and preservatives as a complete solution, introducing the optimal stability fit into a beer matrix.

Savory: This application area includes meat flavors, herb and vegetable extracts, and wine flavors for soups, sauces, instant foods as well as seasonings for snacks. Special Symrise flavorings help reduce the salt and fat content of foods with no loss of flavor. The Tobacco application area was integrated into Savory in 2009. The tobacco industry uses the tobacco flavors that we develop in the manufacture of cigarettes and pipe tobacco. We also offer special aromatization methods for tobacco products.

Sweet: This application area includes sweets, baked goods, ice cream and dairy products. A focal point is products with improved flavor release and flavor systems with masking properties that permit the use of functional ingredients and simultaneously conceal these ingredients' often unpleasant flavor. Symrise is focussing in particular on vanilla, citrus and mint flavors. Since 2009, we have offered selected, high-quality bourbon vanilla extracts that we obtain in Madagascar and which are certified for organic farming. As a result, they are suitable for use in organic food.

Consumer Health: This application area includes natural, functional ingredients to promote heart and digestive function, flavoring solutions and aromatization for pharmaceutical products as well as natural food colors and coloring foods (specialties).

MARKET AND COMPETITION

MARKET STRUCTURE

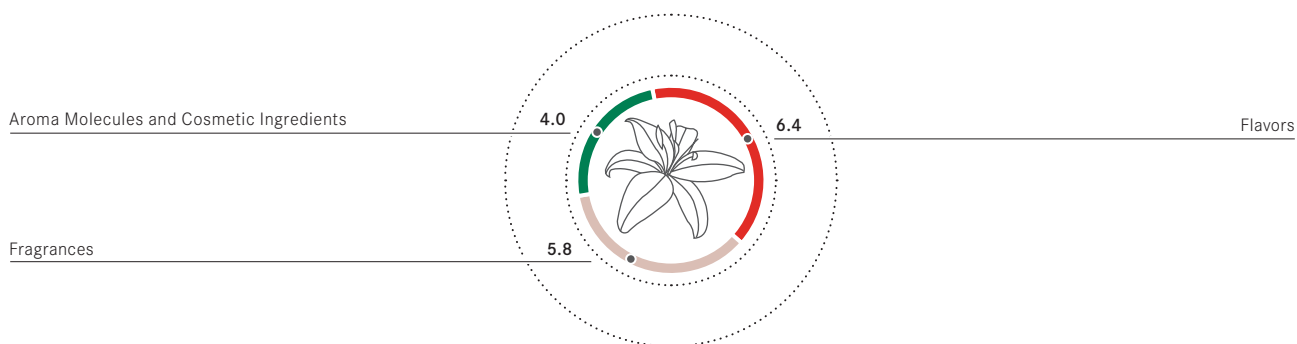
The Symrise Group is active in different markets across the world. These include the traditional market for flavorings and fragrances (F&F market), whose volume amounted to €12.2 billion in 2011, according to calculations made by the IAL Consultants market research institute. In addition, with the Life Essentials and Aroma Molecules business units, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to our own estimates, achieved sales of €4.0 billion in 2011. In both sub-markets, the materials make up a series of products which are consumed or used by end-consumers. As a result, the two markets have many trends and characteristics in common. The market relevant for Symrise (AFF market) has a total volume of €16.2 billion and is achieving average long-term growth of around 2–3% per year.

More than 500 companies are active in the market worldwide. The four largest providers, which include Symrise, together have a market share of about 55%.

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 formulas are manufactured specially for individual customers. Furthermore, due to local taste preferences, there are often many different formulas for one end product, depending on the country. Moreover, customer relations are often characterized by intensive cooperation in product development. At

RELEVANT AFF MARKET SIZE 2011 (€ BILLION)

(around €16.2 billion)



Source: IAL (7th edition), internal estimates

the same time, one can observe an increasing market consolidation on the part of our customers into globally operating companies, which in turn favor globally active suppliers. A worldwide presence and a high degree of innovative strength are an important basis for being admitted to the circle of core suppliers of the big, international customers (the so-called core lists). On average, they review their core lists only every three to four years. In addition, the companies in the industry are confronted by a demanding regulatory environment.

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 partially based on simple products which meet basic needs and have an established presence in the market in developed 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. Increasing quality standards, quickly changing product innovations and multifunctional products are further growth drivers. Decisive competitive advantages can be gained by recognizing market trends early on, developing innovative products using new technologies and successfully establishing them in the market.

SYMRISE'S MARKET POSITION

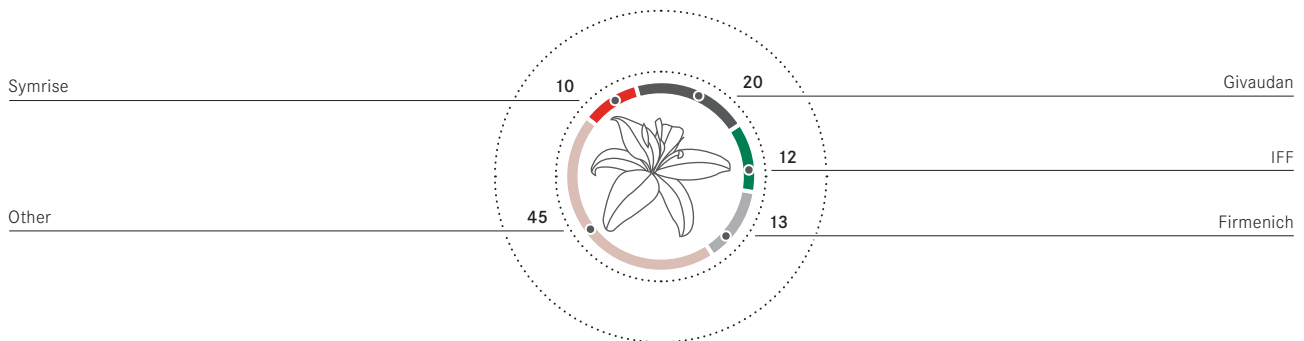
Symrise is the fourth-largest company in the F&F industry as measured by sales. Relative to the relevant AFF market of €16.2 billion, the company's market share was 10% in 2011. Symrise's biggest competitors, such as Givaudan, IFF or Firmenich, are primarily active in the traditional flavor, fragrance, and perfume oil business. Symrise has expanded both business divisions with additional applications: in Scent & Care with cosmetic substances, for example, and in Flavor & Nutrition with food supplements. 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 divisions of these companies that do not belong to the traditional F&F industry.

In 2011, Symrise's sales grew by 1%. In 2011, as in the preceding years, both business divisions gained new core list positions, laying the foundation for future growth and a stronger market position.

We have worldwide leading positions in certain market segments, for example in the synthesis of nature-identical L-menthol and its derivatives, and mint flavor compositions. Symrise also holds a leading position in the UV sun protection filter segment. By acquiring the perfume oil businesses of Intercontinental Fragrances and Manheimer Fragrances, we have become a leading manufacturer of air fresheners (air care market) and scented candles in the US market.

AFF MARKET SHARE 2011 (%)

(Market volume around € 16.2 billion)



Source: corporate data and internal estimates

We expanded our position in the US flavorings market by acquiring the flavors branch of Chr. Hansen in 2008. With the acquisition of Futura Labs in Egypt, we became a market leader in that country in flavorings and basic materials for the beverage industry.

AIMS AND STRATEGY**AIMS**

We intend to further strengthen our market position and independence through income-oriented growth.

- **Market position:** Our sales growth should exceed the long-term growth of the market, which is expanding by about 2 - 3% per year on average. In this way, we will gradually increase the distance between us and our smaller competitors and gain market shares.
- **Value orientation:** We want to consistently be among the most profitable companies in the industry. We aim to achieve a sustainable EBITDA margin of 20%.
- **Financial situation:** The ratio of net debt (including pension provisions) 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 within the framework of our strategy, for example. A consistently high cash flow from operating activities contributes to the company's financial stability.

Our shareholders participate in the economic success by receiving an attractive dividend. At the Annual General Meeting, the Executive Board and Supervisory Board will propose paying a dividend of €0.62 per share for the 2011 fiscal year, a 3% increase on the previous year.

Symrise has set itself the goal of using innovation and creativity to cater better than our competitors to consumers' changing needs and wishes. That is why our focus on research and development and on new and innovative product concepts and groups is intended to help give a further boost to our market shares in the high-value and high-margin product segment.

The Consumer Health global application area is specialized on functional ingredients for nutritional supplements and taste solutions for health care products. Modern consumers want products that meet many different requirements at once: food should be healthy and promote well-being, yet also be easy to consume and taste good. Two factors in particular influence this trend. On the one hand, consumers are becoming more health conscious, and on the other hand, the individualization of consumer needs is playing a role. The consumer wants tailor-made products that are not only "healthy", but which also serve specific purposes: strengthening the heart, firming the skin, slowing down the aging process or supporting physical fitness.

Our health and nutrition strategy caters to this growing market. The Competence Center for Health & Nutrition is part of this strategy. The Competence Center works independently for all four application areas (Beverages, Savory, Sweet and Consumer Health), providing them with market and consumer data as well as information on product safety and supporting them in the development of innovative products and ingredients, based on scientific and nutritional-physiological findings. With these solutions we want to be an indispensable partner for our customers.

STRATEGY

We will achieve our growth and profitability targets by consistently implementing our strategy. Growth, efficiency and portfolio: With the help of these three pillars of our strategy, we implement our mission and vision with concrete measures that lead to economic success.

- **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 competences. This ensures our continued growth.
- **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. 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. 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.

VALUE-ORIENTED MANAGEMENT

Different variables are used within the framework of value-oriented company management. The EBITDA margin, for which we have defined a target value of 20%, 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. Symrise Value Added (SVA) measures the increase in capitalized earnings value above the minimum rate of return on invested capital. The concept combines the two value levers of increased profitability and optimization of invested assets

or capital with the goal of adding value above the minimum rate of return on that capital.

In addition, we attach great importance to the company's financial stability. Important key performance indicators include cash flow from operating activities and the ratio of net debt to EBITDA.

Value-oriented management also means letting shareholders participate in the business results in the form of an attractive dividend. Our dividend policy is oriented toward the company's profitability. We want our shareholders to have an appropriate share in the company's success. 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.

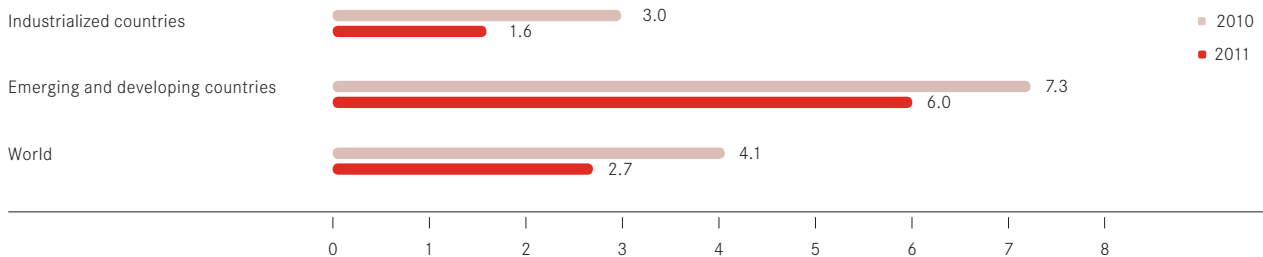
GENERAL CONDITIONS

DIFFERENTIATED EFFECTS ON SYMRISE

Symrise's business development is influenced by various factors in the company's environment. Regarding sales, the general economic development plays a big role. Significantly negative or positive fluctuations in the performance of the economy as a whole can have a detrimental or favorable effect on the sales of products containing our flavorings or fragrances, which can have an impact on our customers' demand behavior. 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, amongst other things.

Symrise's products are found in a number of application areas worldwide, including in the manufacture of 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 steadily increasing health and environmental

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN 2010/2011 (%)

Source: World Bank

awareness across the globe. We observe the regional and global development of these processes very carefully, ensuring that we can react quickly to changes in or tightening of regulations.

GENERAL ECONOMIC CONDITIONS

Worldwide economic activity weakened significantly in 2011. A variety of factors were responsible. The debt crisis experienced by various European countries not only put pressure on the financial markets, but also dampened the real economy as a result of the required savings measures. A few emerging countries also tightened their monetary and fiscal policies in order to counteract inflationary tendencies. Political unrest in the Middle East and North Africa periodically restricted the oil supply. An additional factor was the environmental and nuclear catastrophe in Japan in spring 2011. According to World Bank estimates, global economic growth slowed from 4.1 % in 2010 to 2.7 % in 2011. The expansion of world trade, which is subject to greater volatility than economic output, was cut in half from 12.4 % in 2010 to 6.6 % in the past year.

The economic slowdown in 2011 was particularly pronounced in industrialized nations. The average rate of growth in real gross domestic product (GDP) here fell from 3.0% in 2010 to 1.6% in 2011. Driven by the events in Fukushima, Japan's GDP even declined by an estimated 0.9% in 2011. The US economy stagnated in the first half of 2011, but revived over the course of the year. The economic output in the US may have increased by 1.7% in 2011, although the labor market and the construction and real estate sectors continued to show weakness. The economies of the eurozone countries expanded by an average of 1.6% in 2011, although there were significant differences in economic performance. As in 2010, economic growth in Germany surpassed that of other countries in the

currency zone: according to estimates of the German Federal Statistical Office, German GDP rose by 3.0% in 2011. However, the economic expansion occurred primarily in the first half of the year. Beginning in the summer, the weakening global economy and the eurozone debt crisis put pressure on business activity. The impetus for growth in 2011 came mostly from the domestic economy. Private consumer spending rose by 1.5%, while investments in construction and equipment grew by 5.4% and 8.3%, respectively. The situation in the German labor market continued to improve. However, consumer prices climbed by 2.3%, much faster than in previous years.

Growth in the emerging and developing countries was also at a higher level in 2011 than in the industrialized nations. After rising by 7.3% in 2010, the average growth rate of economic output in the emerging markets slowed to 6.0% in 2011. On the one hand, the economic development of this group of countries suffered from reduced sales opportunities for their products in industrialized nations. On the other hand, several countries – namely Brazil, India, Russia, South Africa and Turkey – consciously accepted lower growth and used monetary and fiscal measures to prevent their economies from overheating. Viewed in terms of regions, East Asia, spearheaded by China, topped the list of rapidly expanding regions in 2011: East Asia and China grew by 8.2% and 9.1%, respectively. The countries of South Asia grew on average by 6.6%. India achieved GDP growth of 6.5%. Latin America's economic output rose by an average of 4.2% in 2011, while Brazil lagged somewhat behind with 2.9% economic growth. Argentina and Mexico achieved GDP growth of 7.5% and 4.0%, respectively.

The overall economic development – viewed as an isolated factor of influence – has different effects on the course of Symrise’s business:

- 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 segments.
- 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 in the amount of products purchased from Symrise.

In 2011, the overall economic environment had no serious impact on Symrise’s course of business. Due to our broad international presence, weakness in demand in certain countries was offset by more vigorous business activity elsewhere.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The AFF market relevant for the Symrise Group grew by about 4.5% in 2011; its volume was €16.2 billion. Similar developments could be observed in individual market segments. According to calculations by the IAL Consultants market research institute, the market for flavorings expanded by 4.5% in 2011 to €6.4 billion. The market for fragrances similarly grew by 4.5% to €5.8 billion. According to our own estimates, sales of aroma chemicals and cosmetic ingredients grew by about 5% in 2011 to €4.0 billion, from €3.8 billion in 2010.

PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

Symrise uses nearly 10,000 different raw materials in production. Of particular importance are natural citrus derivatives (juice, 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 total demand. With a large number of raw materials, the worldwide harvest volume in 2011 was moderate or poor due to strong rainfall, drought or cold periods. The market situation in the citrus segment was and remains tense. With citral and terpene derivatives, which are used to manufacture fragrances, the supply and therefore the cost situation have also worsened. The same applies to base chemicals, whose prices rose significantly until the third quarter of 2011 as a result of very high demand, particularly in Asia. The sustained appreciation of the Chinese Renminbi supported this development. After a slight easing, prices returned to a high level at the end of 2011.

Overall, raw materials prices increased in the 2011 fiscal year, particularly in the first half of the year, somewhat more than we had anticipated. While the effects from changing exchange rates balanced themselves out to a large extent, with individual raw materials there were strong price distortions. In general, price volatility continued to increase in 2011. As a consequence, many suppliers insisted on shorter contract periods. 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 important source country for bourbon vanilla, with backward integration, meaning the inclusion of local farmers.

GENERAL POLITICAL AND REGULATORY CONDITIONS

A number of regulatory changes occurred in various countries in 2011. Following submission of the REACH registration dossiers for high tonnages in 2010, the focus for REACH 2011 was on preparations for the next registration requirement in 2013 for substances with medium tonnage. Symrise currently operates as the lead registrant in the registration of approximately 20 substances and joint submissions for around another 30 substances. The introduction of the new system for classifying and labeling materials, GHS (Globally Harmonised System), was pushed forward in various countries in 2011. Symrise was able to introduce GHS before the deadline for the sites in South Africa and China for all raw mate-

rials and mixtures. In China, Turkey, Serbia and the US, among others, additional rules apply to the registration of old materials and the declaration of new materials. Symrise successfully implemented all of the resulting requirements for existing businesses in these countries.

The Flavor & Nutrition business division's products are primarily used in foods (savory and sweet foods as well as dairy products), beverages (soft drinks, alcoholic and non-alcoholic drinks), and pharmaceutical applications. The legal regulations for the use of flavorings and aromatic compounds vary in the different jurisdictions, particularly in the European Union and the United States. Depending on the jurisdiction, different maximum amounts of certain ingredients are permitted and special labeling regulations may apply. Symrise has successfully implemented new requirements for labeling allergens that resulted in particular from the new EU regulation on the use of food flavorings. In view of the pending publication of the so-called EU Union List of aromatic compounds, Symrise has begun proactively to adjust its data systems in anticipation of the specifications. In 2011, various new EU regulations came into effect concerning food contaminants, driven by the discovery of dioxin in animal food and the nuclear catastrophe in Fukushima. Symrise was not directly affected by these events. Nevertheless, Symrise has naturally implemented all of the resulting directives. There were also changes at the level of flavor industry associations in 2011. Particularly worthy of mention are the discussions about the reorganization of the EFFA (European Flavour and Fragrance Association) and the IOFI (International Organization of the Flavor Industry), in which Symrise actively participates, as well as the establishment of a new Russian flavor association (RFA), of which Symrise is a founding member. The food industry uses our flavorings in various markets worldwide. As a result, the global aspect is becoming significantly more important. To guarantee the legality of our products in the relevant markets, Symrise utilizes company-wide data processing systems and has comprehensive expertise in food law. Thanks to our expert knowledge about the regulatory environment, we can actively support our customers when they introduce products in new markets.

The products in the Health & Nutrition business division are subject to the aforementioned legal regulations for flavors and food, and in

part also to the requirements of EU regulation number 1924/2006 on "nutrition and health claims made on food" (Health Claims Regulation). Product information about special health-related aspects of ingredients ("health claims") must be registered with and approved by the European Food Safety Authority (EFSA), according to this regulation. The number of health claims approved by EFSA so far is very small. The approval process for all of the submitted ingredients will probably take a few years. Symrise is therefore observing developments in this area very closely in order to be able to give product developers targeted assistance.

Symrise continues to follow developments regarding pending changes in cosmetics regulations in the EU very closely in order to be able to respond in a timely manner.

CORPORATE DEVELOPMENT

GENERAL STATEMENT ON THE COURSE OF BUSINESS

After an extraordinarily good course of business in 2010, which was characterized by recovery effects, demand in the 2011 fiscal year remained stable. Given the uncertainty on the capital markets, the downturn over the course of the year and high unemployment in a few key markets, this is a very encouraging development.

The Group's sales rose by 1% to €1,584 million in fiscal year 2011. At local currency, the increase was 2%. The emerging markets' share of total Group sales reached 46% (previous year: 46%).

Significantly higher raw materials prices could not fully be passed on to customers and then only after a delay. Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDA) at the Group level fell by 5% from €331 million to €316 million. This corresponds to an EBITDA margin of 20.0% (previous year: 21.1%).

However, net income rose by €13 million to €147 million in 2011, primarily due to an improved financial result. Earnings per share amounted to €1.24 (2010: €1.13). Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from €0.60 to €0.62 per share at the Annual General Meeting on May 15, 2012.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

In November 2011, we adjusted our stated expectation from the beginning of the 2011 fiscal year of organic sales growth at local currency of more than 3% to 2-3%.

Our forecast issued at the beginning of 2011 of an EBITDA margin of at least 20% over the course of the year was defined more precisely to 20%.

Debt, as measured in terms of the key figure net debt (incl. pension provisions) to EBITDA, should remain between 2.0 and 2.5 in the medium term. At the end of 2011, this key figure was 2.2.

With a sales increase of 2% at local currency, resulting in an EBITDA margin of 20.0%, we may not have fully achieved the targets we announced at the beginning of the 2011 fiscal year, but we are nonetheless satisfied with our results in view of the unexpected increase in raw materials prices. The reason for the slight increase in sales was primarily the discontinuation of unprofitable business in order to maintain profitability. Net debt was 2.2 times higher than EBITDA and therefore fell within our target corridor.

RESULT OF OPERATIONS

GROUP SALES

For 2011 as a whole, the Symrise Group generated sales of € 1,584 million. This corresponds to an increase over the previous year of 1%, or growth of 2% at local currency. As expected, it was not possible to maintain the double-digit growth rates of 2010 in the past fiscal year.

In the 2011 fiscal year, sales with the **top 10 customers** rose by 7% at local currency. At 31%, this strategically important customer group's share of Group sales was slightly higher than in the previous year.

Business divisions: Scent&Care was able to increase sales at local currency by 1% to € 801 million. Sales in the Flavor&Nutrition business division reached € 782 million in the past fiscal year, representing an increase at local currency of 3% compared to the previous year.

Regions: Sales in the EAME region increased by 1% (at local currency: 2%). Our sales performance in **North America** in the 2011 fiscal year was unable to pick up on the previous year's robust growth rates; sales were 4% below the previous year. However, at local currency slight growth of 1% could be achieved here. Sales in the **Asia/Pacific** region also experienced moderate growth; overall sales rose here by 2% (at local currency: 2%). Sales in **Latin America** increased by 3% from the previous year. At 5% at local currency, the region again achieved the highest sales growth.

Sales in emerging markets exceeded the previous year's figures at local currency by 3%. The share of these markets' sales in total sales was 46% in the 2011 fiscal year (2010: 46%).

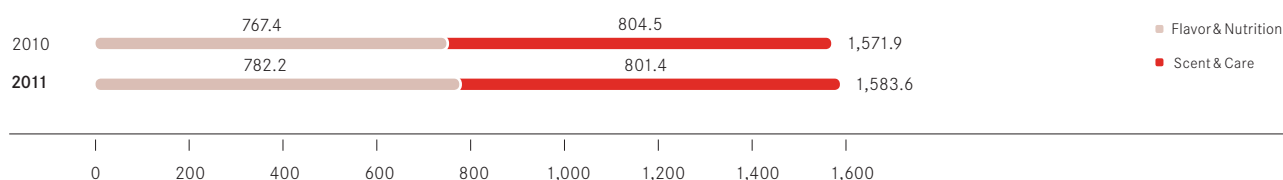
SCENT & CARE SALES

In the 2011 fiscal year, the Scent&Care business division generated sales of € 801 million. Sales were therefore 0.4% below the level of the previous year, which was still characterized by strong growth and recovery effects after the global economic and financial crisis. In addition, active portfolio optimization led to the loss of business activities with weak margins. At local currency, sales were 1% above the level of the previous year.

ACHIEVEMENT OF TARGETS IN 2011

	TARGET AT THE BEGINNING OF THE FISCAL YEAR	FIGURE ACHIEVED
Sales growth (at local currency)	More than 3%	2%
Raw materials prices	Stable at the level of 2010	+ 6.1%
EBITDA margin	At least 20.0%	20.0%
Net debt (incl. pension provisions)/EBITDA ratio	Medium term 2 to 2.5	2.2

SALES DEVELOPMENT OF THE SYMRISE GROUP (€ MILLION)



The Life Essentials, Aroma Molecules and Oral Care business units recorded sustained, positive business development in the past fiscal year. Aroma Molecules strengthened its growth with double-digit expansion in the Menthols application area, while the Cosmetic Ingredients application area was the growth driver for the Life Essentials business unit, particularly in the emerging markets. Demand in the emerging markets also showed sustained growth in the Fine Fragrances application area.

Regions: Sales in the emerging markets accounted for 44% of the total sales of Scent & Care in 2011. In these countries, sales with our customers at local currency grew by 1%. The Latin America region achieved the highest growth in the S&C division, particularly in Brazil, Colombia and Venezuela. North America and the Asia/Pacific region displayed moderate growth, whereas EAME recorded a decline in sales.

In the **EAME** region, sales at local currency declined by 2%. Business in the countries of the Middle East was particularly subdued as a result of the political unrest there. The Fine Fragrances application area, which grew very strongly in the previous year, and the Household application area recorded the largest declines. By con-

trast, the Menthols application area (Aroma Molecules business unit) developed positively with growth at local currency in the upper single-digit percentage range. The expansion of our menthol capacities is progressing according to plan and will be completed in summer 2012 – providing an important basis for future growth.

Sales at local currency rose by 3% in **North America**. Large increases were achieved primarily in the Menthols and Fine Aroma Chemicals application areas (in the Aroma Molecules business unit) as well as in the Oral Care business unit and the Personal Care and Household application areas. However, we had to record a decline in sales in the Fine Fragrances (Fragrances business unit) and UV Protection (Life Essentials business unit) application areas. Nevertheless, we were able to achieve important successes with our major customers in the past fiscal year. In addition, we won five prizes at the Perfumer Choice Awards: Best Women's Classic Fine Fragrance, Best Hair Care Fragrance, Best Bath & Body Fragrance Mass, Best Bath & Body Fragrance Specialty, and Best Fragrance Challenge Base. These prizes demonstrate our ability to combine creativity and consumer focus with innovation and technical know-how.

SALES BY REGION

€ MILLION	2010	2011	CHANGE IN %	CHANGE IN % at local currency
EAME	761.5	771.2	1	2
North America	281.0	270.7	-4	1
Asia/Pacific	343.0	350.8	2	2
Latin America	186.3	190.9	3	5
Total	1,571.9	1,583.6	1	2

In the **Asia/Pacific** region, sales at local currency increased by 2%. The moderate growth in the region is largely due to the adjustment of our portfolio and the corresponding discontinuation of operations with weak margins. China and Japan, however, posted significant sales growth. The Cosmetic Ingredients, Menthols, Fine Aroma Chemicals and UV Protection application areas benefited from the increase in consumer demand and reported positive growth rates. On the other hand, decreases were seen in the Household and Personal Care application areas. In the past fiscal year, we sent an international group of our most knowledgeable perfumers to the Chinese province of Yunnan on the company's second perfume expedition to that country. The perfumers explored flavors and fragrances in the provinces of Yunnan and Jiangxi, China's botanical garden. The perfume expedition was organized by the Symrise Perfumer's Academy. Symrise started the Academy five years ago as part of its effort to continually inspire and develop its perfumers.

We were able to achieve the highest rate of growth in **Latin America**. We increased our sales at local currency here by 6%. In particular, the markets of Brazil, Colombia, Argentina, Venezuela and Peru posted high growth rates. This development should be emphasized since sales in the region already increased considerably in the 2010 fiscal year. Growth in the region was particularly driven by the Menthols, Fine Fragrances, UV Protection and Cosmetic Ingredients application areas. By contrast, sales in the Fine Aroma Chemicals and Household application areas were below the previous year.

Top 10 Customers: We were able to increase sales with our top 10 customers by 4% from the previous year. At local currency, sales growth here was 6%. Growth with these important customers surpassed the overall growth of the Scent&Care business division. This is consistent with Symrise's global strategy to grow with its major customers.

Business units: The **Fragrances** business unit, which accounts for about half of Scent&Care's total sales, had to accept a slight decline in sales in 2011, particularly in the Household and Fine Fragrances application areas. The sales declines in the Household application area were primarily attributable to weak business activity in the countries of the Middle East and the completed portfolio adjustment. The weakening economy over the course of 2011 was evident in the Fine Fragrances application area. However, the Personal Care

application area experienced sustained positive development. In the past fiscal year, we successfully established our SymSelect® online portal. SymSelect® offers our customers detailed product information and marketing concepts. On our website, our customers can find a broad range of information about our products, exactly when they need it. As a result, the time between inquiry and response is minimized. The combination of technical, visual and marketing-oriented information and the option of selecting one's own search criteria makes our database unique. At the end of the year, we expanded our platform with our Life Essentials products.

The **Life Essentials** business unit was able to achieve moderate growth in 2011. Worthy of mention is the Cosmetic Ingredients application area, which achieved significant growth and introduced numerous new products onto the market. Some of the highlights were:

- SymFinity® 1298, a highly effective extract of the purple coneflower (*Echinacea purpurea*) that keeps skin cells healthy and increases their life.
- Extrapone Healthy Grains, eleven grains for use in skin and hair care products in the cosmetics industry.
- exVivo skin model, an innovative model that bridges the gap between in vitro and in vivo test methods and allows researchers to comprehensively test the efficacy of raw materials and finished products intended for skin care.

The sales development of the individual application areas in the **Aroma Molecules** business unit was quite varied in the 2011 fiscal year. While the Special Fragrances&Flavor Ingredients and Fine Aroma Chemicals experienced lower sales compared to the very high levels of the previous year, the Menthols application area enjoyed strong demand and achieved growth rates in the upper single digit percentage range. In order to strengthen our market leadership in this important growth market, we announced in the course of 2011 that we would double the existing production capacities for Menthols in cooperation with our long-term partner, Lanxess, by 2012. Both partners have ensured through corresponding, long-term contractual agreements that their mutual interests, for example in the case of a change of control, will not be jeopardized. Menthol is an essential component of flavors for oral care products, pharmaceutical preparations, chewing gums and sweets. Synthetically produced menthol is one of Symrise's most important strategic product segments.

The **Oral Care** business unit reported significant sales growth, particularly in North America and Europe. However, business activity in the regions of Latin America and Asia remained below our expectations and the good figures of the previous year. The decline in Asia is primarily attributable to the discontinuation of business activities with low profitability in India.

FLAVOR & NUTRITION SALES

In the 2011 fiscal year, Flavor&Nutrition generated sales of € 782 million. Compared to the previous year, this corresponds to growth of 2%; at local currency the increase was 3%. 2011 was characterized over the course of the year by an increasingly challenging market environment. In particular, the intensified sovereign debt crisis in Europe and sustained consumer restraint in the US significantly affected our business. However, our good positioning with strategic customers and a significant boost in the emerging markets resulted in higher sales. All application areas were able to increase their sales from the previous year.

Regions: Sales in the emerging markets accounted for 49% of the total sales of Flavor&Nutrition during the fiscal year. In these countries, sales at local currency rose by 4%. We posted the strongest growth here in Africa and the Gulf region. But we were also able to achieve high, single-digit growth rates in the established markets of Western Europe. We achieved a moderate business expansion in Asia and Latin America. However, in North America we were not able to maintain the good sales figures of the previous year due to an ongoing challenging market environment.

In the **EAME** region, sales at local currency in the 2011 fiscal year were 5% above the previous year. Significant growth could be achieved both in the established markets of Western Europe and in the emerging markets of Eastern Europe and the Gulf region. Sales were especially dynamic in Egypt, Germany, the UK and Russia. Through our new production site near Moscow we were able to take targeted advantage of this growth potential for us and further expand our leading market position. Our strengthened presence in the Gulf region is displaying similar success. With thorough knowledge of local markets and innovative product concepts that are specially designed for local consumers, Symrise is available to its customers as a valuable partner in the Gulf region. Modern production sites in Egypt and Dubai with fully automatic and aseptic filling and mixing facilities ensure the highest product quality and fast service for our customers.

Sales development in **North America** during the 2011 fiscal year was influenced by a continually challenging market environment. Although the previous year was still characterized by strong growth and recovery effects after the global economic and financial crisis, the past fiscal year was shaped by normalized demand and delayed orders from customers. This development held for all application areas and ultimately led to a decline in our sales at local currency of 2%. However, we were able to record important successes with our strategic, global customers, particularly in the vanilla flavorings segment. Through our own production in Madagascar, we are able to offer our customers high-quality products from environmentally friendly and sustainably operated vanilla farms. Once again, the backward integration of Symrise's raw materials production is paying off.

In the **Asia/Pacific** region, sales at local currency increased in the past fiscal year by 2%. Good growth rates were achieved particularly in the markets of India, Thailand, Australia and Taiwan. However, the positive sales momentum of the Asia/Pacific region weakened over the course of the year, especially in the Beverages application area. With its discussion on the upper limit for softening agents in packaging materials and ingredients, sales in China declined substantially. The remaining application areas continued to develop positively and achieved good growth rates. As in previous years, we consistently pursued our growth strategy for the Asia-Pacific region and made important investments in the past fiscal year. In Singapore, we were able to introduce our spray drying capacities with the new EVODRY technology and a new sensory center at beginning of the year. In Japan, we expanded our development and technical application facilities in the second half of the year. In November, we received the "Best Seasoning Vendor Award" from an important global customer for our great innovative strength and excellent service.

In the **Latin America** region, Flavor&Nutrition achieved growth at local currency of 2%. Brazil, Argentina and Venezuela posted the strongest gains during this period. The positive business development in these countries was driven by strong growth with our strategic global and local customers. In particular, the Beverages and Savory application areas realized high, double-digit growth rates with these customer groups. This was countered by weaker sales development in Mexico. A portfolio adjustment of low-profit products and non-core applications was carried out there. In Brazil we successfully completed our site consolidation in the past fiscal year. Along with the transfer of production and administration from Socorro to Sorocaba, we also doubled our production capacities for powder mix products.

Top 10 Customers: Sales with our strategically important top 10 customers developed well again in 2011 and recorded growth at local currency of 8%. We achieved high growth rates in all application areas and regions. The sales growth with our top 10 customers is again significantly higher than the F&N division's total growth, confirming our expansion path with this important customer group.

New Umbrella Brand Actiplants® for Functional Botanical Extracts

The Consumer Health business unit introduced the new umbrella brand Actiplants® during the 2011 fiscal year and will now pool its functional botanical extracts under this new brand. Based on these extracts, the Consumer Health business unit is developing authentic and great tasting products with ingredients that strengthen the cardiovascular and immune systems and promote mental fitness. The herbal substances can be used in food and beverages as well as nutritional supplements and pharmaceutical preparations. Currently, scientific work is focused especially on Actiplants® Bilberry, a standardized extract of *Vaccinium myrtillus* (bilberry), which contains at least 25% anthocyanin and has antioxidant properties. With this product group, Symrise continues to meet growing consumer requirements for well-being and health.

Investment in Adsorption Process with New Features

A new SymTrap® system became operational at our Hamburg site this past fiscal year. The SymTrap® process can enrich both volatile aromatic compounds and biofunctional substances in natural extracts. The technology is based on a sophisticated adsorption and desorption process. This intelligent application of physical principles is also energy-saving and therefore both effective and efficient. In a recent breakthrough stemming from our focused R&D efforts, we can now apply this process to biofunctional ingredients too. Now even secondary herbal ingredients with biofunctional effects can be gently enriched. The Hamburg site with its production center for functional ingredients now operates the largest SymTrap® system in the Symrise Group. The patented process even purifies health-promoting ingredients in small concentrations and raises concentrations in the product.

Tastes that Consumers Love: Our “Core Taste Competences” and “taste for life®”

Taste is our expertise – taste is the essence of our business. In order to support our customers better in the development and marketing of competitive concepts and individual flavoring solutions, we bundled our global core expertise into seven taste families in the 2011 fiscal year. Among our “core taste competences” are the flavors for meat, vegetables, vanilla, mint, citrus, red fruits and flavor modulation.

In all of these areas, we offer our customers added value through unique know-how, market knowledge and creativity. Within this cluster the global core competences are supplemented by a number of specific technologies, which are of particular interest in one or several regions.



At the same time, “Core Taste Competences” creates the foundation for our “taste for life®” strategic marketing platform, which is geared toward consumer wishes and focuses on health and enjoyment. With “taste for life®”, Symrise helps its customers to position and refine their brands and products between the priorities of well-being and enjoyment. “taste for life®” indicates which trends and consumer needs currently prevail, where gaps exist in the product portfolio of customers, where their competitors are positioning themselves, where the expansion of product lines could make sense – and much more. The focus is always on Symrise's core expertise: taste.



DEVELOPMENT OF IMPORTANT ITEMS IN THE INCOME STATEMENT

In 2011, the **cost of sales** rose by €40 million, or 5%, to €930 million (2010: €890 million). The disproportionate increase in costs relative to sales is attributable to much higher raw materials costs. Even a reduction in manufacturing costs could only partially offset this increase. As a result, **gross profit** declined by 4%, or €28 million, reaching €654 million (2010: €682 million). The **gross margin** was 41.3%, 2.1 percentage points lower than in the previous year (43.4%). Positive effects were felt from the discontinuation of less profitable business and strict cost discipline in the area of

marketing and administration expenses. This helped to lower **selling and marketing expenses** from the previous year by 3% to €246 million (2010: €253 million). This corresponds to 15.5% of Group sales (2010: 16.1%). **R&D expenses** of €108 million were at the same level as in the previous year. The R&D rate was 6.8%, nearly the same as in the previous year (6.9%). **Administration expenses** could be significantly reduced by 7% to €77 million thanks to consistent cost management (previous year: €83 million). Administration expenses as a share of Group sales improved again from 5.3% in 2010 to 4.9% in the reporting period.

INCOME STATEMENT IN SUMMARY

€ MILLION	2010	2011	CHANGE IN %
Sales	1,571.9	1,583.6	0.7
Cost of sales	-890.2	-930.0	5
Gross profit	681.7	653.6	-4
Gross margin	in %	43.4	41.3
Other operating income	7.7	12.9	67
Selling and marketing expenses	-252.8	-245.8	-3
Research and development expenses	-107.9	-107.6	0
Administration expenses	-83.2	-76.8	-7
Other operating expenses	-1.2	-1.9	53
Income from operations /EBIT	244.4	234.4	-4

EARNINGS SITUATION

Group: Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDA) fell in 2011 by 5% to €316 million (2010: €331 million).

Compared to the previous year, the lower gross margin in particular had a negative effect on earnings. However, lower marketing and administration expenses had a positive effect. The EBITDA margin amounted to 20.0% in 2011 compared to 21.1% in the previous year.

OVERVIEW OF EARNINGS

€ MILLION	2010	2011	CHANGE IN %	CHANGE IN % at local currency
EBIT	244.4	234.4	- 4.1	- 3.3
EBIT margin	15.5 %	14.8 %		
EBITDA	331.1	315.9	- 4.6	- 3.7
EBITDA margin	21.1 %	20.0 %		

Scent & Care: For the 2011 fiscal year as a whole, Scent & Care achieved EBITDA of €158 million. EBITDA was 2% lower than in the previous year. The EBITDA margin amounted to 19.7% compared to 20.0% in the previous year.

Flavor & Nutrition: EBITDA in the Flavor & Nutrition division in 2011 was 7% below the previous year's level (2010: €170 million), reaching €158 million. The EBITDA margin amounted to 20.2%, compared to 22.2% in the previous year.

Financial result: The financial result in 2011 of € -38.5 million improved on the result adjusted for one-time expenses in 2010 by €5.5 million. The reasons for this were €3 million lower interest charges for financial liabilities as well as the cessation of depreciation and amortization, which reduced the financial result in 2010 by €4 million. Structurally, the financial result has become more transparent because the interest effects from derivatives have been eliminated. The interest expenses were limited to promissory note loans, a revolving credit line, the US private placement and the Eurobond as well as interest deriving from pension provisions.

Taxes: In the 2011 fiscal year, tax expenses amounted to €49 million (2010: €44 million). The tax rate for the year remained at 25% as in the previous year.

An adequate provision for risk was made, as in previous years. Nevertheless, irregular tax effects could be reduced by €3 million as a result of the conclusion of local audits and a retroactive tax reduction in China.

Net income and earnings per share: The net income in 2011 totaled €147 million, €13 million, or 10%, higher than in the previous year (2010: €134 million). This corresponds to an increase in earnings per share by €0.11 to €1.24 (2010: €1.13).

Dividend proposal for 2011: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of €0.62 per share for the 2011 fiscal year at the Annual General Meeting on May 15, 2012. 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 contribute to this.

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 with 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 subsequently hedged against fluctuations.

With an equity ratio of 43.5% as of December 31, 2011, Symrise has a solid foundation for driving future business development forward in a sustained manner.

Financing structure: The Symrise Group covers its financial needs from its strong cash flow from operating activities and via long-term financing. These continue to consist of the following elements: bond, US private placement and revolving credit facility. As a result of strong cash flow from operating activities, Symrise was able to repay loans with a net balance of €39 million. This substantially expands the company's financial scope of activity and leads to an improvement in net interest expense.

Symrise fulfilled all of the contractual obligations resulting from loans (covenants) in the 2011 fiscal year.

In addition to the credit facility mentioned, a bilateral credit line with the Commerzbank AG for €12.5 million exists that is intended to cover short-term payment requirements. The interest rate agreed on for the credit facility is at the accepted market rate.

In addition, the pension provisions are used for financing.

CASH FLOW AND LIQUIDITY ANALYSIS

Cash flow from operating activities amounted to €200.9 million, about €34 million less than in the previous year (€235.1 million). This decline resulted from €15 million lower earnings and €19 million higher tax payments. Nevertheless, a cash flow ratio of around 13% relative to sales was achieved.

OVERVIEW OF CASH FLOW

€ MILLION	2010	2011
Cash flow from operating activities	235.1	200.9
Cash flow from investing activities	- 68.5	- 58.8
Cash flow from financing activities	- 143.5	- 131.6
Liquid funds (Dec. 31)	112.5	118.6

Cash outflow from investing activities declined by about €9.7 million to €58.8 million. It primarily consisted of replacement and expansion investments.

The cash outflow from financing activities totaled €131.6 million, slightly below the previous year's level. It primarily comprises the dividends paid out to shareholders in 2011 amounting to €70.8 million, repayments of bank loans with a net value of €39.1 million (previous year: €37 million) and net interest payments to financial institutes totaling €21.7 million (previous year: €40.2 million). All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity.

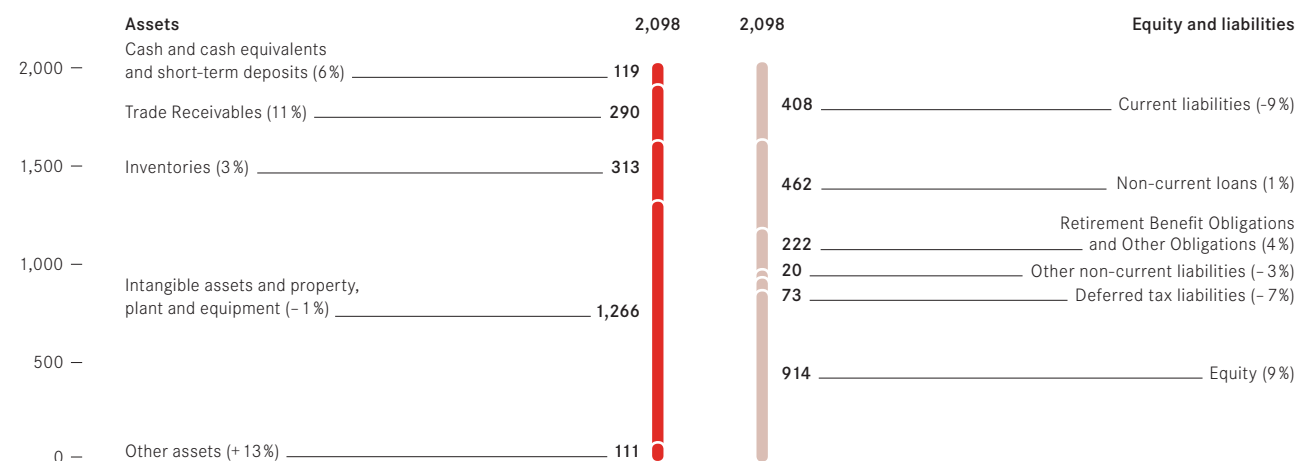
INVESTMENTS AND ACQUISITIONS

The Symrise Group invested €67 million in intangible assets and property, plant and equipment in the 2011 fiscal year, after spending €71 million in the previous year.

Around €16 million was spent on intangible assets (2010: €13 million). The investment focus was software, primarily SAP, as well as patents and the registration of substances based on the European chemicals directive. Investments in property, plant and equipment

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011 (€ MILLION)

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



amounted to €52 million (previous year: €57 million). Much of the investment was made for capacity expansions. A major project was to create additional capacities for synthetic menthols. We expect to complete this project by mid-2012. Similarly, the construction of a new research building commenced at the Holzminden site in the past fiscal year. In Asia, we expanded our Singapore facility in terms of both development and production. With the commissioning of the new EVODRY facility, we doubled our production capacity for encapsulated flavors. In Latin America, we successfully completed the first phase of our site consolidation. Along with consolidating production and management at one site, we also expanded our production capacities for powder mix products and spray-dried flavors. In addition, we made expansion and replacement investments in plants and machinery in order to increase productivity and safety.

In December 2011, we acquired 13.5% of the shares of Indevex Biotech AB in Storebro, Sweden, for SEK 16.5 million.

NET ASSETS

SELECTED BALANCE SHEET ITEMS

Total assets as of December 31, 2011, increased by €39 million to €2,098 million (December 31, 2010: €2,059 million). This was mainly due to an increase in property, plant and equipment and higher inventories. In addition, receivables were higher at the end of the year.

As of the reporting date in 2011, **intangible assets and property, plant and equipment** fell by 1% to €1,266 million (December 31, 2010: €1,282 million), accounting for 60% of assets. Intangible assets include goodwill acquired through business mergers amounting to €494 million (December 31, 2010: €489 million), as well as formulas, production know-how, trademarks, software, patents and other rights amounting to €340 million (December 31, 2010: €375 million). Property, plant and equipment at the end of 2011 amounted to €431 million (previous year's reporting date: €419 million). In the reporting date comparison 2011/2010, **inventories** rose by €8 million, or 3%, to €313 million (December 31, 2010: €305 million). The increase in inventories was primarily driven by the inflationary development of raw materials prices. As a result of the increase in raw materials costs, the ratio of working capital to sales rose by 3 percentage points to 32%. The items **current pre-payments, other assets and receivables** increased by the end of 2011 by €14 million, or 32%, to €58 million (December 31, 2010: €44 million). The financial assets shown under the above-mentioned item in the previous year climbed from €3 million to €12 million due to an investment acquired in 2011. The strong rise in sales in the fourth quarter from the previous year's quarter resulted in higher inventories and was the primary driver of this increase. The Symrise Group's **liquidity** increased over the course of the year by €6 million to €119 million as of December 31.

In terms of equity and liability, current liabilities fell by 9% and non-current liabilities rose by 1%. The reason for the lower current liabilities was the repayment of bank overdrafts. **Current liabilities** decreased by €42 million, or 9%, to €408 million (December 31, 2010: €450 million). **Non-current borrowings** at the end of 2011 amounted to €462 million, higher than in the previous year (€455 million). **Provisions for pensions and similar obligations** rose by 4% to €222 million (December 31, 2010: €212 million).

Symrise AG's **equity** climbed by 9% to €914 million as of December 31, 2011 (December 31, 2010: €842 million). The increase was mainly due to net income of €147 million. In 2011, a dividend of €71 million was paid out. As of the 2011 reporting date, the equity ratio increased to 44%, after 41% at the end of 2010.

NET DEBT

Net debt (including pension provisions) fell, impacted by the strong cash flow from operating activities, to €703 million as of the reporting date in 2011. The ratio of net debt to EBITDA was 2.2 as of December 31, 2010, remaining comfortably within the targeted corridor of 2.0–2.5.

€ MILLION	2010	2011
Net debt (incl. pension provisions) (Dec. 31)	733.7	703.2
EBITDA	331.1	315.9
Net debt (incl. pension provisions) / EBITDA (Dec. 31)	2.2	2.2

INTANGIBLE ASSETS NOT INCLUDED ON THE STATEMENT OF FINANCIAL POSITION

Symrise's value does not only consist of assets on the statement of financial position. A number of intangible assets that are not on the statement of financial position play a significant role in the company's business success. They include efficient and optimized methods over the entire supply chain as well as existing customer relations. In addition, our employees and our R&D activities contribute significantly to increasing our company's value.

SUPPLY CHAIN

The supply chain is responsible for the production process and is integrated into both business divisions. This achieves greater proximity to customers and increases the business units' scope of action. In 2011, various efficiency improvement processes were started worldwide with the aim of improving the profitability and sustainability of Symrise's products. With respect to sustainability, the focus is on the core taste competences of citrus, menthols and vanilla. With our innovative Synchronize™ approach, we continually make improvements along the entire value chain, from the procurement of raw materials to delivery of the end product, for ourselves and for our customers. A customer survey conducted in 2011 shows that our target customers are very interested in the continuation of this successful initiative. We ensure continual improvement of essential performance indicators such as occupational health and safety, service, quality and productivity by means of Total Productive Maintenance (TPM). For example, a database of maintenance measures that we created on our own initiative enables the focused, proactive maintenance of facilities. A scorecard system records performance in all relevant areas of the supply chain every month and ensures control of results. As a result, we can quickly recognize and remedy inefficiencies and their causes.

Chemical production in 2011 was influenced by plans to double menthol capacities by mid-2012. Along with the investment in menthols, we completed the optimization of distillation capacities for Life Essentials products and started new projects involving oxidation technology, distillation and crystallization. We expect to implement them over the course of 2012. Another important element was the integration of new sites and the establishment of a site in Rogovo (Russia). In Asia, capacities in Singapore were expanded further. In Latin America, we concentrated our efforts on consolidating Flavor & Nutrition production in Sorocaba, Brazil, as well as on preparing and introducing SAP and SRMS systems in Argentina and Mexico. Additional technologies will follow in the years to come. In the US, the focus was on introducing the Symrise Manufacturing System (SRMS), which enables increased product safety combined with more efficient plant usage.

PROCUREMENT

We use approximately 10,000 natural and synthetic raw materials from all over the world to manufacture our products. When we purchase raw materials, the quality, availability and price are decisive factors. To optimize the supply chain, procurement is organized decentrally and integrated into the respective supply chain of the two business divisions. Global contracts are negotiated for the most important raw materials. To increase supply security with base products, Symrise has for years successfully pursued backward integration. Approximately 50% of our raw materials come from Europe. We buy the remainder in other parts of the world, basing our decisions on price, quality and production site. Local production sites outside Europe satisfy part of their requirements from local raw materials markets and also purchase intermediate products from the main production facilities in Germany. We have long-term, flexible contracts for a large quantity of our raw materials. We continually develop new technologies and processes to reduce the number of raw materials used.

CUSTOMER LOYALTY

Symrise's success depends to a large extent on long-term customer relations. Our sales platform and sales teams play a key role in supporting our multinational customers. In both business divisions, we managed in the past to increasingly win positions on the core lists of these multinational companies. Furthermore, we often cooperate closely and early on with these large customers on innovations. This process comprehensively helps our customers to develop core brands for long-term business success. Another facet of our global sales strategy is the expansion of our market shares in the emerging markets. These markets currently account for approximately 46% of our business. Due to our local presence in the most important country markets, we have direct access to regional and also local manufacturers. In many emerging markets, for example in Russia, the Middle and Near East and large parts of Asia, long-term customer loyalty combined with good local infrastructure are keys to success.

KNOWLEDGE MANAGEMENT

In the globally networked and integrated Symrise, the exchange of knowledge and experience is extremely important for the company's success. We have therefore developed a large number of platforms to exchange information and made them accessible to our more than 5,000 employees worldwide. In 2011, we launched two, new online platforms to promote dialog and the exchange of knowledge. And so the Flavor & Nutrition business division has developed

a new online platform named MyWorld. The platform enables employees to share their knowledge with one another across the globe, quickly and easily. The new platform, which is accessible via Symrise's intranet, supports the rapid exchange of relevant business information, from new initiatives in the areas of marketing, sales and research, to the exchange of relevant customer information, right up to internal communication and blog functions. MyWorld is interactively and dynamically geared to the user. It also permits e-learning sessions to improve interaction with the system and its options.

With the M2M.com platform, a new online marketing tool has been introduced within the Scent & Care division. In particular, it improves the interaction between the marketing departments in all countries. As a result, the marketing community has the opportunity to roll out globally developed initiatives locally in individual country markets. It can therefore be ensured that existing know-how is used optimally and that double work is avoided. In addition, those responsible for marketing have the opportunity to exchange information in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY

Symrise's entrepreneurial activity involves the interests of many different stakeholders: customers, suppliers, employees, investors, scientists, representatives of government agencies and communities, residents, the media, opinion makers and non-governmental organizations. Through an active dialog with these stakeholders, we discuss their expectations and requirements and attempt to develop successful solutions. We take our responsibility in all of our business activities very seriously. Sustainability is a key component of our corporate strategy and culture.

Since 2006, Symrise's Code of Conduct has provided an international and binding framework for the interactions of all employees with the company's stakeholders. As a globally operating company, Symrise adheres to all relevant legislation in the various jurisdictions where we are active. We observe the basic principles set down by the International Labor Organization (ILO), the United Nations Conventions on the Rights of the Child, and the Universal Declaration of Human Rights. Our Integrated Management System (IMS) is based on international standards regarding product quality and safety, environmental protection and occupational health and safety. We raise awareness of these standards worldwide – through training and further education programs, for example – and include our suppliers and contract partners.

Symrise sets clear targets for quality, environmental protection, occupational health and safety, product and food safety and customer orientation. We have therefore set ourselves the goal of reducing our energy consumption, CO₂ emissions, waste volumes, water consumption and wastewater volumes by a third for every product we sell in 2020 as compared to our levels in 2010. We base our sustainability reporting on the guidelines laid down by the internationally recognized Global Reporting Initiative (GRI). We evaluate the sustainability performance of our suppliers and products in a scorecard. Rating agencies regularly rate our performance with regard to ESG (Environmental, Social, Governance) criteria. Since 2006, Symrise has published an annual sustainability report (<http://www.symrise.com/en/news-media/publications/csr-reports.html>).

The Corporate Compliance Organization, which was created in 2010, bundles all functional units of the Integrated Management System, which encompasses the areas of quality, environment, energy and occupational health and safety, internal auditing, risk management, product safety and sustainability. Symrise's compliance guidelines apply globally and are implemented by local Corporate Compliance offices. Risk management is equally important for the company's development. Our existing guidelines ensure that risk assessment is a part of the decision-making process from the very beginning. In addition, each and every employee has an individual obligation to actively shield the company from harm. More detailed information about risk management at the Symrise Group is provided in the corporate governance report and at (<http://www.symrise.com/en/investor-relations/corporate-governance/corporate-governance-statement.html>).

Employees may report violations of the Code of Conduct to the Corporate Compliance Office via a global phone and internet Integrity Hotline. An intermediary service operator ensures that they can retain anonymity where required and communicate in their own native language. Specially trained auditors review compliance with all requirements in internal audits. Independent external auditors confirm our compliance with, and the effectiveness of, these measures with corresponding certificates.

Symrise regularly reports on non-financial performance indicators in detailed CSR reports. All of these figures are based on GRI (Global Reporting Initiative) key figures, whose definitions are officially acknowledged. We are continually developing and expanding these CSR reports and report in detail about our dealing with

the environment, occupational health and safety in our Company and in other areas for which we assume responsibility.

RESEARCH AND DEVELOPMENT

Successful activities in research and development (R&D) form the basis for Symrise's competitiveness. Since we develop innovative products and solutions, our customers see Symrise as a creative and valuable partner.

GUIDELINES AND FOCAL POINTS

Our R&D strategy aims to connect the individual components of product development, such as market and consumer research, research and development and creation, throughout the Group. All of our 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 and quality assurance, we check early on to see whether new products and technologies can be implemented and if they are profitable. All R&D activities follow guidelines for environmental impact, sustainability, innovation and cost efficiency.

The Scent & Care business division focuses its R&D strategy on six main points:

- New molecules for use as fragrance and cosmetic ingredients
- Functional materials for oral care products
- Bioactive ingredients for cosmetic applications
- Release systems for fragrances
- Masking unpleasant odors
- Sensory research and new methods of sensory perception

In the Flavor & Nutrition business division, the following six technology platforms are being reworked:

- Natural flavors
- New taste-active compounds
- Plant extracts with special flavoring properties
- Natural substances for the health and well-being sectors with functional properties
- New technologies for the selective enrichment and release of aromatic compounds
- Formulation of products with health-promoting characteristics and the simultaneous optimization of the sensory profile

ORGANIZATION

On account of differing market and customer requirements, Symrise's two business divisions pursue their own R&D activities. At the same time, technologies, processes and findings are made available to both divisions in order to achieve synergies. For example, natural raw materials like vanilla or ginger – and the research results related to them – are very important to both flavor and fragrance creations as well as in nurturing applications. The R&D resources in both business divisions are directly integrated into the organization. Symrise has several R&D centers worldwide, in order to optimally support the regional activities of both business divisions. The research activities in Holzminden concentrate in particular on fragrance and flavor research, the development of natural and synthetic production methods for fragrance and flavor ingredients, analytical chemistry, cosmetic ingredients and the development of new, functional ingredients for the Consumer Health application area. We also have development and application technologies in Teterboro (USA), Singapore, Tokyo (Japan), Chennai (India), Paris (France), Cuautitlánlzcalli (Mexico) and São Paulo (Brazil). In Teterboro, for example, Flavor & Nutrition operates a Technical and Culinary Center for Protein Foods. The focus here is on taste improvements and the range of flavorings for foods containing protein. In Shanghai, Scent & Care has a Creative Center for the Chinese market and Northeast Asia where all development technologies departments and creative resources are bundled.

Apart from their own R&D activities, both business divisions have comprehensive partnerships with companies, universities and research institutes. This enables synergies to be utilized and expands the spectrum of R&D activities. Our partners include universities and research institutes, such as the Technical University of Munich, the University of Rostock, the University of Tours (France), King's College (London), the Leibniz Institute for Plant Biochemistry in Halle, the University of Gießen, the Technical University of Braunschweig, the University of Muenster, the Technical University of Dresden, the Ruhr University Bochum, the Fraunhofer Institutes for Processing Technology and Packaging and for Polymer Research, the German Institute of Human Nutrition in Potsdam as well as companies such as IMAX Discovery (Dortmund) and Cotech (Padua, Italy). In 2011, we had significant cooperative ventures in both the product development and research business divisions with Eco-biotics, InterMed Discovery and Axxam, amongst others. The Life Essentials business division has alliances with the Institute for Environmental Medical Research, Duesseldorf University, the Insti-

tute for Cell Physiology of the University of Bochum, the Clinic and Polyclinic for Skin Diseases of Muenster University Hospital, the Institute for Pharmacy as well as the An Institute for Applied Dermopharmacy of the University of Halle-Wittenberg.

In addition, both business divisions have for years had international scientific advisory boards consisting of renowned representatives from different scientific disciplines and fields of application. The task of these committees is to give advice regarding the latest research findings and their implementation in product innovations.

In order to expand the network within the scientific community, Symrise representatives have participated in numerous scientific conferences and presented current research studies. Worthy of mention here are the European Forum of Industrial Biotechnology in Amsterdam, the Congresso Brasileiro de Cosmetogia (Brazil) and IMRE/A*Star in Singapore. Additional findings from the research areas of phytochemistry, fat-cell metabolism, skin pigmentation and animal experimentation alternatives for skin allergy tests were presented within the framework of the SID (Society of Investigative Dermatology) conference in Phoenix, Arizona. The Flavor & Nutrition business division delivered three lectures at the "XIII Weurman Flavour Symposium" in Zaragoza.

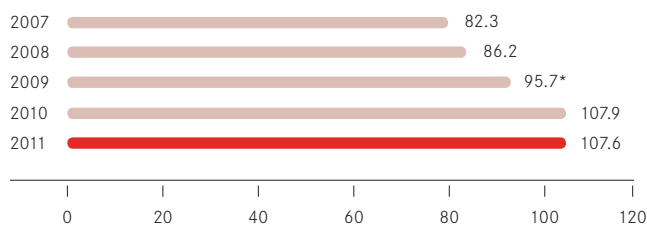
Symrise participates in numerous scientific research projects, which are supported by the German Federal Ministry of Education and Research (BMBF) or by other public and private funding institutions. The "Biocatalysis 2021 – Bioflavonoids P19" projects sponsored by the BMBF and the "Development of Salt Taste Enhancers" could be successfully completed in 2011. The "Development of Modern, Natural Flavors for Improving the Taste of Healthy Foods" project, begun in 2009, continues to be funded by the European Regional Development Fund (ERDF) and the Lower Saxony Economic Subsidy Fund (NBank). Intensive efforts are currently underway to introduce two candidates identified here as aromatic compounds or preparations. In 2011, two projects begun in the previous year received additional funding from the BMBF: The first deals with the development of methods for naturally extracting taste-modified aromatic compounds and is being carried out with the Leibniz Institute for Plant Biochemistry in Halle within the framework of the "Biocatalysis 2021" cluster. The other project is being conducted together with the German Institute of Human Nutrition (DIFE), Potsdam, and the Technical University of Munich on the topic of "Effect and Role of Flavorings in the Gastrointestinal Tract."

From the idea to the marketable product, the innovation process at Symrise is organized based on a uniform stage gate process with decision filters. The process is established across the company. For every project there is a business plan containing an exact project description, including the costs of the project and the resources used.

PERSONNEL, EXPENDITURE AND RESULTS

Nearly 20%, or 1,068, of our employees work in the R&D area worldwide. In the previous year, 1,043 employees worked in R&D. While 434 of the employees work in Scent&Care, 634 are employed in Flavor&Nutrition. In the 2011 fiscal year, total R&D expenditure amounted to € 108 million (previous year: € 108 million), comprising 6.8% of sales (previous year: 6.9%). Research expenses will remain high in the future in order to further increase Symrise's innovative strength. Apart from the amount of expenditure, efficiency and market orientation also play a role in the success of R&D activities and therefore in Symrise's competitiveness. The scientific community's high regard for the scientific studies produced by our company underscores the high standard of our R&D. So for a master's thesis, the sensory characteristics and successful optimization of the newly introduced natural sweetener rebaudioside A/stevioside were looked at and produced outstanding results, which were presented at several international conferences in Belgium, Paraguay and Denmark. In addition, important industry awards confirm Symrise's leading position. In 2011, Symrise Life Essentials products received three important prizes. The cosmetic ingredient SymFinity® 1298, which was introduced the previous year, received first place in the celebrated BSB Innovation Prize 2011 in the "Most Innovative Raw Material Natural" category at the In Cosmetics international cosmetics fair. SymFinity® 1298 is a highly effective, 100% natural, solvent-free juice extracted from fresh purple coneflower (*Echinacea Purpurea*) which has multiple anti-aging effects. Clinical studies confirmed a significant wrinkle-reducing effect. SymPeptide® 226EL even received two awards. The first was the "2011 European Product Differentiation Excellence Award in the Personal Care Market" from Frost&Sullivan. It also came second at the BSB Innovation Prize 2011 in the "Innovative Raw Materials - Natural/Actives" category. SymPeptide® 226EL was developed in cooperation with US-based Therapeutic Peptides Inc., in which Symrise holds a 20% stake, and has the property of enhancing the lushness and fullness of eyelashes.

R & D COSTS (€ MILLION)



* 2009 including restructuring expenditure

SELECTED PROJECTS/NEW PRODUCTS

Inoscent®: By incorporating Life Essentials ingredients, this patented, alcohol-free fragrance composition provides skin with an outstanding feeling of purity.

Symreed™: The patented, water-based air freshener system creates a fragrance experience using a combination of air freshener sticks with an innovative fragrance formula, which is very environmentally friendly, inexpensive and stable.

Frescolat® X-Cool: Almost immediately, Frescolat® X-Cool produces a strong, long-lasting cooling effect on the skin and is therefore ideally suited for broad use in cosmetic products.

Hydroviton® Plus: The anti-aging ingredient, which was also developed for the growth markets of Asia and Latin America, significantly increases the moisture in the skin, which contributes significantly to the appearance of younger-looking skin.

SymRelief® S: This new variant of an anti-inflammatory substance contains a nature-identical ingredient of ginger and offers outstanding application qualities.

SymSol® PF3: As a functional product, this PEG-free solubilizer provides impressive solubilization performance compared to conventional, PEG-based products.

Health & Nutrition: In the Health & Nutrition business division, a special bilberry extract from the Actiplants® series was developed using our own technologies. It is characterized by a much higher content of highly effective antioxidants.

Actipone® S “Superveggyes” and Actipone® S “Wood”: Two, new Actipone® product series from the “Botanicals” area, which possess anti-oxidant, anti-inflammatory and anti-aging properties.

Naturally Citrus!®: A new generation of citrus specialties improves the authenticity and freshness of flavor profiles in the Naturally Citrus!® product platform. Additional technical progress makes it possible to develop sustainable raw materials in an environmentally friendly manner.

Simply Vanilla: The focus of this research project is on further increasing harvest quality and yield in order to secure long-term access to this important raw material and to improve the living conditions of farmers in Madagascar.

Think mint!: Ongoing sensory research based on many years of experience in understanding the micro-components of natural mint flavors enables the development of taste variants with finely tuned sensory qualities.

Vegetable: The combination of careful work by farmers in the Holzminden region and gentle separation methods at Symrise results in high-quality vegetable products. Our detailed knowledge of the behavior of flavor molecules in packages with contents in powder form improves the flavor experience.

Flavor regulation: Health and nutrition are parallel objectives that drive our research toward product solutions with reduced sodium content, less sugar and less fat, as they are preferred by consumers. Scientific methods and natural base materials go hand in hand in order to derive plant isolates to optimize oral taste and feeling.

Integrated product solution: By consistently linking our own functional ingredients with matching natural flavors and using our encapsulation technologies, Symrise has succeeded in developing a new generation of wholesome and tasty products for the instant drink industry.

Innovations in Analytics: In the Analytics division, we have continued to invest in expanding our databases of substances for isolates and botanical extracts. At the same time, progress was made combining instrument measuring technology and human senses using new tools from the Symrise FlavorInformatics® platform. In this context, the use of “reverse metabolomics” for new meat flavors is worthy of note.

EMPLOYEES

Motivated and qualified employees are the basis for Symrise’s success. In a close, cooperative relationship, we require performance, dedication and team spirit. At the same time, we support our employees with a comprehensive education and training concept, giving them freedom to take responsibility and make every effort to promote their career development. We have an ongoing, intensive dialog with our staff – so that we can move forward together.

STRUCTURE OF THE WORKFORCE¹

The number of employees at the Symrise Group, not including apprentices and trainees, grew over the course of 2011 by 146 to 5,434 as of December 31, 2011. Most of the increase in the number of employees, specifically 129 new staff, was attributable to the Flavor&Nutrition business division, in which more than half of all employees work. About 35% of the workforce is assigned to the Scent&Care business division. Here, the number of employees rose only slightly, by 12, in the 2011 fiscal year. Some 15% of the employees work in Corporate Services and the Corporate Center, as well as in the separate subsidiaries Symotion and Tesium. In the competition for the best-qualified young people, Symrise attaches great importance to the internal training of its own employees. The number of apprentices and trainees in the Group grew to 123 in 2011. These are young people who are being trained in particular in the disciplines of chemistry lab technician, chemist, business student (dual training with a Bachelor of Business Administration degree) or as industrial clerk or industrial mechanic.

¹All information in FTE (full-time equivalents)

Research and Development
Employees

NUMBER OF EMPLOYEES BY BUSINESS DIVISION

	DECEMBER 31, 2010	DECEMBER 31, 2011	CHANGE IN %
Flavor & Nutrition	2,616	2,745	+ 5
Scent & Care	1,868	1,880	+ 1
Corporate functions and services	804	809	+ 1
Total (excluding trainees and apprentices)	5,288	5,434	+ 3
Trainees and apprentices	116	123	+ 6
Total	5,404	5,557	+ 3

From a functional perspective, the majority (about 40%) of the Symrise Group's workforce is employed in the area of production and technology. Around 26% of the workforce is engaged in the

area of sales & marketing. Research & development accounts for about 20% of employees.

NUMBER OF EMPLOYEES BY FUNCTION

(not including trainees and apprentices)

	DECEMBER 31, 2010	DECEMBER 31, 2011	CHANGE IN %
Production and technology	2,097	2,182	+ 4
Sales and marketing	1,391	1,421	+ 2
Research and development	1,043	1,068	+ 2
Administration	424	419	- 1
Service companies	333	344	+ 3
Total	5,288	5,434	+ 3

Of the Group's 5,434 employees, around 43% work at German sites. The Asia/Pacific and Latin America regions have the next-highest proportions, 19% and 14%, respectively. The increase in the number of employees during 2011 was in large part attributable to the

rapidly expanding Asia/Pacific region, with a gain of about 14%, and to a lesser extent to Germany and Latin America. By contrast, the number of employees in North America and the EAME region declined slightly.

NUMBER OF EMPLOYEES BY REGION

(not including trainees and apprentices)

	DECEMBER 31, 2010	DECEMBER 31, 2011	CHANGE IN %
Germany	2,271	2,310	+ 2
EAME not including Germany	737	732	- 1
North America	628	613	- 2
Asia/Pacific	904	1,027	+ 14
Latin America	748	752	+ 1
Total	5,288	5,434	+ 3

In terms of age range, employees at the Symrise Group between the ages of 30 and 49 dominate the workforce, with a share of 62%. A demographic analysis of the workforce conducted at the end of 2010 indicated that demographic development will be very steady in the next ten years. The natural reduction of the workforce due to retirement will be around 1% or less per year until 2020.

Our employee turnover rate remained very low in Germany in 2011. It was 1.5% at our German sites and 5.5% worldwide.

PERSONNEL STRATEGY

Symrise's personnel strategy consists of four main points:

- Our aim is to hire and retain the best employees. We are striving to make Symrise an "employer of choice." We support our employees to help them achieve top performance.
- We adapt our human resources to the strategic needs of the company. The main instrument for this is a comprehensive range of possibilities for further training.
- We attach importance to the orientation toward results and performance. This is expressed in joint target agreements as well as a results-oriented remuneration system.
- We support top-level management expertise through special training programs for our managers and junior managers.

We implement this strategy by means of a broad range of personnel measures.

PERSONNEL MEASURES

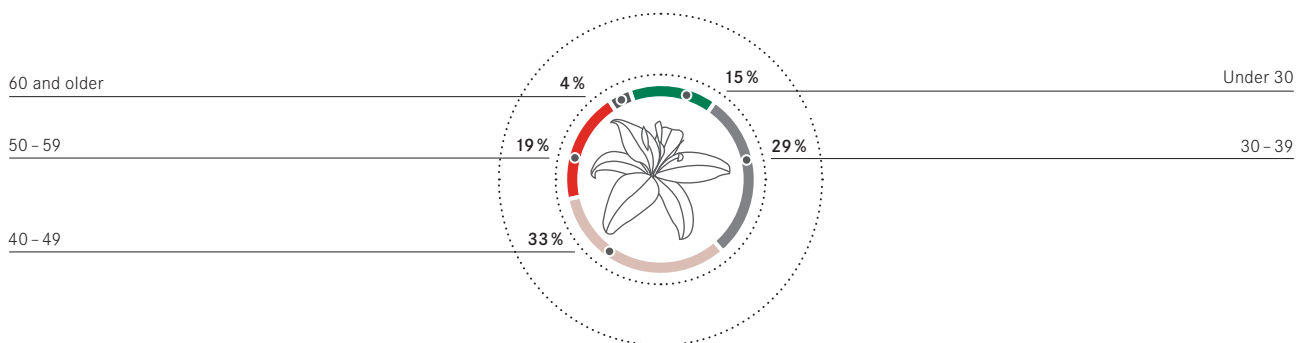
NEW EMPLOYEES

Symrise adopts a wide range of approaches in its endeavor to recruit qualified employees. In internships geared toward preparation for a career, every year Symrise offers around 100 school pupils the opportunity to gain insights into the company's work processes. In order to bind well-qualified apprentices to Symrise, we maintain close contacts with schools and vocational colleges in the form of partnerships with student enterprises, holding project days and organizing management information games and e-learning projects. Every two years – next time in 2012 – Symrise organizes a "Training Day" for interested pupils and parents at the company headquarters in Holzminden.

In the initial training session, Symrise has committed itself in a site safeguard agreement to hire 44 new apprentices per year in order to prepare qualified employees. As of December 31, 2011, 123 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 6%.

Finally, we offer students the opportunity to become acquainted with Symrise through apprenticeships and work for bachelor's and master's degrees. About 80 students take advantage of this opportunity every year. Symrise also maintains close contact with universities and other further education institutions and regularly takes part in university recruitment fairs.

AGE STRUCTURE OF THE WORKFORCE (IN %)



FURTHER TRAINING

Symrise has a talent management system and further education program. Through these, we ensure that our employees have the expertise required to implement our strategy. At the same time, we offer our employees attractive further education and training opportunities to support their career development. The Symrise Academy plays a key role:

- Education and training possibilities for perfumers, evaluators and members of the sales team are bundled in the **Perfumers' Academy**. In 2011, five new talents began their training at the Perfumery School. In addition, we opened a new perfumery school in India to develop an internal talent pool of excellently trained perfumers and evaluators for the Asian market. Two perfumers are currently being trained here.
- In the **Flavor Academy**, six additional trainees from five countries in Asia, North America, Europe and Africa began training to become flavor specialists in September 2011. They will complete their comprehensive, multistage training in 2012.
- The **Leadership Academy** is geared to managers within the Symrise Group. Here, communications and sales techniques are taught, management skills are honed and various coaching programs are offered.

All Symrise employees are offered safety training, languages courses and courses in project management and data processing. Worldwide expenses for further training measures amounted to around €2.6 million, 15% higher than in the previous year.

In both business divisions, we offer a one-year further training program to skilled chemical workers who have already been trained which enables them to become process chemical technicians. We offer unskilled and semi-skilled employees a one-year qualification program to become so-called "flavorists." In addition, we have established a one-year further training program for employees in the research labs to become advanced laboratory technicians. The objective of these measures is to qualify employees for changing technical requirements.

In the area of human resource development measures, Symrise has conducted about 200 assessments as part of a worldwide talent management program to identify high-potential talents and to give them targeted assistance.

EMPLOYEE MOTIVATION

In recent years, Symrise has undergone constant transformation, from the merger and the stock market listing to the international financial and economic crisis. In the course of these changes, Symrise and its employees have shown a high degree of flexibility, have actively taken on the new challenges and have quickly and successfully adapted to each new situation.

Our employees play a key role in the success of our company. We expect great commitment from our employees. But this can only be achieved if they enjoy working at Symrise and view the company as part of their life. To further strengthen this success factor, in the early summer of 2010 we conducted our first international employee survey, which led to numerous improvements.

To make it easier to reconcile professional and family life, Symrise has established a comprehensive childcare program with staggered kindergarten opening times and assistance for parents in emergency situations in cooperation with the "Child Care Association" based in Holzminden.

Regarding human resources development, a global succession planning process has been initiated for the first three levels of management. The career prospects for Symrise employees should be improved by giving preference to internal job placement over external recruitment.

Within the framework of our "Sports & Culture" program, we offer employees various physical recreation opportunities such as soccer, Kara-T-Robic, jogging, volleyball, power walking or yoga, so that it is possible to remain healthy and fit outside of professional activities. We also attach great importance to "operational health management." To recognize and minimize ergonomic burdens, health circles were set up with certain focal points. Here, employees can get ergonomic advice, with Symrise covering the costs. In addition, Symrise regularly offers health weeks. In the management training program, the issue of "addiction and addiction prevention" is addressed.

In the further development of our fringe benefits, in 2010 we launched our new pension scheme, which is funded by employee and company contributions, at all larger sites in Germany. Participation in this pension plan is compulsory for all new employees; for existing employees it is voluntary.

The annual performance assessment discussion between line manager and employee is a central element of this dialog. It ensures transparency in performance assessment and enables targeted development perspectives to be drawn up for every employee. In detail, tasks and areas of responsibility, achievement of the previous year's targets, targets for the year under way, the assessment of the employee's performance, cooperation between line manager and employee, planned further training measures and possible development steps are discussed.

REMUNERATION AND WAGE AGREEMENTS

Flexible remuneration systems, which with variable salary components honor employees' individual contributions and at the same time take the company's economic situation into account, are an important element of a modern remuneration policy. Performance-related remuneration also makes the company more attractive as an employer and contributes toward recruiting and retaining employees. Since 2010, Symrise has a new, transparent remuneration structure in the form of remuneration ranges which enables supervisors and employees to actively develop remuneration in parallel to further professional training. This model applies to some 340 exempt and managerial employees. The advantages of this so-called job grade concept lie in a high level of transparency and comprehensibility of remuneration and in its international comparability. In addition, a separate global performance bonus plan ensuring that company targets are reached by means of a variable remuneration geared toward results and performance applies to about 70 managers with global or regional responsibilities. In 2011, performance-based variable remuneration was expanded for all employees to a competitive level of 10% of individual base remuneration. Finally, in the areas of raw materials purchasing and sales, special bonuses were introduced that are geared to efforts to mitigate increases in raw materials prices and promote customer profitability.

MEASURES TO SAFEGUARD COMPETITIVENESS

The company wage agreement between Symrise and IG BCE (Mining, Chemical and Energy Industrial Union) makes an important contribution toward keeping the company competitive. At the beginning of 2012, the agreement was extended for another 4 years until 2020. The essential elements of the agreement on the company's side are a site and employment guarantee as well as in-

vestment 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 about 1% per year until 2020.

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 business-driven terminations through 2020.

OPPORTUNITIES AND RISK REPORT

PRINCIPLES

The Symrise Group's business activities are continually exposed to a number of risks but also offer a range of opportunities. We define a risk as an event whose occurrence can lead to a negative deviation from our targets within the planning period. Opportunities, on the other hand, are circumstances that can have a positive influence on the company's development. Recognizing and avoiding risks as well as exploiting opportunities are of key importance for the development of the company. The aim of the risk management system is the early recognition of all potential risks and the mitigation of these by implementing suitable countermeasures. To minimize the financial effects of remaining risks, we acquire insurance if this is deemed economically sensible. 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 management's decision-making processes from the very beginning. Symrise has a risk handbook that regulates the risk management processes and provides employees with a 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 assessments and adjustments using the stipulated countermeasures.

RISK MANAGEMENT STRUCTURE AND PROCESS

Symrise's risk management extends across all Group companies and business units. The coordination of risk assessment occurs at the level of the Corporate Center within the Corporate Compliance 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 twice a year. Herein, potential risks are identified and classified according to their effect on profits, their probability of occurring, the risk type and business unit, as well as the business activity and the risk owner. In addition, appropriate countermeasures 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 Internal Auditing. The Executive Board informs the Supervisory Board or the audit committee of the Supervisory Board and decides on additional measures for handling the risks. Exemption 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 exemption threshold, the Executive Board is informed immediately.

BUSINESS ENVIRONMENT AND INDUSTRY RISKS

In the consumer goods industry, we believe that a further consolidation of the companies that buy Symrise products is possible. As a result, there is the risk that Symrise could lose customers and thus market shares. 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.

Increasingly fierce competition can be observed in our industry. This development puts Symrise at risk of losing customers. We react to this with increased marketing of our innovations and products in the Life Essentials and Consumer Health business units, which have added benefits vis-a-vis competitors' products.

Symrise is exposed to political risks in the form of trade embargoes in certain countries from which we obtain our raw materials and to which we export our products. We can partially compensate for obstacles to trade by turning to other regions. In certain countries, we continually observe the possible risk of politically related suspension of payment due to a debt moratorium. A dialog

with banks and customers serves to limit this risk. In export countries, we counter risks arising for political reasons through corresponding finance control on the part of Symrise, so that a loss of receivables can be avoided. We observe political unrest in countries and regions in which Symrise has operating facilities very closely, particularly to protect the safety of our staff. Nevertheless, a temporary loss of production and thus sales can occur in unfavorable cases.

The overall economic development affects the course of Symrise's business in different ways. In developed markets, the demand for end products containing Symrise products, in so far as they satisfy basic needs, is hardly exposed to economic fluctuations. However, for products in the "luxury segments" of Fine Fragrances and Personal Care, demand is much more dependent on the development of disposable income. In emerging markets, demand for all products tends to fluctuate more depending on the state of the economy. Symrise customer companies also manage production and warehousing so that as little capital as possible is tied up. Uncertainties about future sales development lead to adjustments in the amount of products purchased from Symrise. Destocking on the part of our customers can significantly reduce the amount of materials purchased from Symrise.

CORPORATE STRATEGIC RISKS

As with every company, Symrise's corporate strategy is inherently connected with risks. Negative consequences for the company's development can, for example, arise from a misjudgment of customer requirements and peripheral conditions, as well as from erroneous technological decisions. This particularly concerns product developments which Symrise in part carries out on its own initiative, or also the founding of a new application area, such as Consumer Health in 2009. In the case of a lack of ability to market products, the development expenditure is not offset by adequate income. Intensive market research is carried out to guarantee that our products remain marketable. Acquisitions made by Symrise are also liable to risks. 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.

The company's strategic risks also include possible removal from one of our customer's core lists 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 and product quality. In these areas, we continually strive to be among the best companies in the industry.

ECONOMIC PERFORMANCE RISKS

Product Risks: Symrise's fragrances and flavorings are normally processed in products that end customers consume as food or apply to their skin. Therefore, there is a fundamental risk that our products can have a negative effect on consumers' health. To minimize this risk, our quality management includes modern analytical methods and internal safety regulations. The tolerability of our products is continually tested on the basis of scientific research and testing based on international standards. Our goal is to anticipate and thus avoid customer complaints as far as possible. We have therefore introduced an internal process improvement procedure to remedy possible weak points and threats early on and to continuously maintain the quality of our products at a high level.

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. We counter this 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. Symrise has developed **intelligent purchasing strategies** to counter an unexpected increase in the price of crude oil or energy. As climatic conditions and market modalities can lead to higher prices, deteriorating quality and a lack of availability, purchasing has developed a broad supplier basis, with suppliers based in different parts of the world. However,

too much diversification on the part of our suppliers increases costs, as this reduces purchasing amounts per supplier. Therefore, our main suppliers are tied to 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. If possible, an increase in the price of raw materials is passed on to customers by the corresponding increase of retail prices, in order to reduce the effects on our results. Furthermore, Symrise continually examines the creditworthiness of its suppliers.

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 equipment and processes, in fire safety, in the quality and safety of materials and in their correct classification. In addition, increasing demands and country-specific labor and environmental regulations can lead to interruptions in operations. We reduce such risks through maintenance, investment 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 we operate.

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 to incidents resulting from the usage of work equipment. Symrise minimizes these kinds of risks through appropriate guidelines (for example, foreign body policy), procedures (total productive maintenance), training courses, emergency plans, alternative production sites, an exchange of best practices and continuous improvements to operational processes. Contaminations of products also occurred in certain countries in 2011. In response to this, we have changed our choice of suppliers, ushered in corrective measures on the part of suppliers or established targeted quality management measures.

In order to continue to have a leading position in the industry in the future, Symrise launched different, forward-looking initiatives. We make efforts to improve the company's environment as well the overall environment by, for example, limiting noise and odors as much as possible at all of our production sites. Adherence to the European REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) as well as to other regulations such as GHS (Globally Harmonized System of Classification and Labeling of Chemicals) was introduced and implemented in relevant projects.

FINANCIAL RISKS

Symrise is exposed to a number of different financial risks.

Credit risk: There is the risk of financial loss to Symrise if a customer or contract partner fails to meet its financial obligations. To minimize this risk, since 2008 the creditworthiness of new customers has been analyzed. In addition, every year both the creditworthiness and the supply conditions of all customers are examined. Apart from this method of risk prevention, Symrise introduced an impairment procedure for receivables. 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 dialog with banks and customers. Financial crises in export countries require corresponding financial control on the part of Symrise, so that a loss of receivables can be avoided.

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 that exist 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; 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.

The following table shows the liabilities of the Symrise Group along with their maturity dates as of December 31, 2011:

LIABILITIES OF THE SYMRISE GROUP AS OF DECEMBER 31, 2011

€ MILLION	TOTAL	2012	FROM 2013
Trade payables	118.2	118.2	0
Borrowings	600.2	4.7	595.5
Other financial liabilities	112.1	106.1	6.0
Total	830.5	229.0	601.5

Interest and currency risks: Currency risks exist in economic areas where Symrise sells its products on a foreign-currency basis (US\$, for example) but when at least some of these products were produced in a different currency area (the eurozone, for example). Symrise buys many of its raw materials in euros. If the US\$ or a foreign currency tied to the US\$ fluctuates in value against the euro, this can lead to corresponding changes in our materials prices. Symrise counters this risk by negotiating corridors in its contracts which can be renegotiated. The remaining currency risk was reduced in 2011 through currency forward contracts amounting to US\$ 38.8 million against the euro and US\$ 7 million against the Singapore Dollar. In order to avoid fluctuations in income due to changes in valuation, the currency transactions were classified as cash flow hedges in terms of hedge accounting. As a result, valuation effects are recognized first in equity and then in the operating currency result.

Interest risks arise because rising interest rates can increase interest expenditure contrary to planning and thus have an adverse effect on the Group's result of operations. Symrise significantly reduced this risk within the framework of refinancing; approximately 78% of the liabilities were taken up with fixed interest rates, utilizing the favorable interest rate environment. Only about 22% of the liabilities are subject to the risk of changing interest rates. If need be, Symrise counters this risk by means of contracted interest hedges, which minimize the risk of changing interest rates.

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.

PERSONNEL RISKS

Symrise counters personnel risks, which arise fundamentally from a fluctuation of personnel in key positions, by means of suitable further education and programs promoting junior employees.

LEGAL RISKS

Currently, Symrise 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 US, 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 clear monetary claim been made so far. We believe that we can rebut these legal accusations. We do not expect the results of the individual proceedings to have a significant effect on the Group's results.

IT RISKS

IT risks basically arise from potential interruptions in the exchange and processing of information, which can lead to an interruption of operational processes dependent on functioning IT systems. Symrise maintains a number of IT and telecommunications systems whose data and programs are saved and further developed in different storage media. The introduction of uniform and up-to-date systems that began in the previous year is being continued. Established protective measures are continuously updated and extended to guarantee the security of IT processes and data.

OVERALL ASSESSMENT OF THE RISK SITUATION

Based on the information available to us, we see no risk that could pose a threat to the continued existence of the Symrise Group. Due to the fact that the existing risk reporting and the Integrated Management System are supplemented by a system of integrated internal controls, we expect to continue to meet all requirements in the future business environment and in view of changing legal regulations.

OPPORTUNITIES MANAGEMENT

The Symrise corporate culture attaches importance to entrepreneurial thinking and acting. We value a high degree of responsibility in our employees. Therefore, we encourage all Symrise employees, 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 business divisions and in the Corporate Center. They are evaluated and measures are taken to exploit them. Symrise's Executive Board is also responsible for discussing strategic opportunities on a regular basis.

SELECTED OPPORTUNITIES

Opportunities for Symrise arise from various factors. Our employees submit suggestions within the scope of ideas management, enabling work processes and procedures to be improved. Operative opportunities can also arise from our employees' further education measures. We see the opportunity to generate additional orders through know-how transfer between the two 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. Potential synergies have not yet been totally realized.

Developments in the company's business environment which 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, due, among other things, to the increasing age of society. People's personal care requirements are also constantly growing. As a basic principle, in order to be competitive a company has to continually provide customers with innovative products. Accordingly, Symrise has positioned itself with new business units and application areas,

such as Life Essentials and Consumer Health. Intensive market research and comprehensive R&D activities are the basis for our own developments which we can offer to our customers, enabling them to improve their products or introduce new products. In emerging and developing countries, there is a mounting demand for products containing Symrise flavorings and fragrances. To take advantage of these opportunities, we are continuously expanding our activities in these countries.

Strategic opportunities also arise from acquisitions. To strategically broaden our expertise, we are continually looking for suitable target companies. In addition, we see opportunities arising from cooperative ventures with universities and companies. Bundling expertise can speed up product development and generate innovative products.

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 that jeopardize 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. To guarantee that the ICS is effective, the Group-wide control mechanisms are analyzed at the level of the individual companies and the Group. The Internal 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, by criminal activities or human error.

To define existing control processes in the company and to expand them where necessary, Symrise has launched a project to support documentation and analysis within the scope of self-assessment measures in the Group's business units and companies. The prin-

ciples 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 elements and is geared to ISO 31000. Based on reports issued by subsidiaries, an aggregate ICS Group 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.

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 samples in Internal Auditing, amongst other things. Whenever weaknesses have been documented, effects or potential risks for the consolidated financial statements are subsequently evaluated. In another step, the individual risks are consolidated at 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-a-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

After the conclusion of the fiscal year, we acquired various assets for the expansion of our business in Brazil and the US from Belmay Inc. and TPR Holdings, LLC. We assume that this will have no significant effect on the Group.

GENERAL STATEMENT ON THE COMPANY'S ECONOMIC SITUATION

The Executive Board regards the Symrise Group's economic situation as positive. In 2011, we were again able to increase our sales and net income. Symrise became noticeably more financially stable and the company's financing is ensured for the medium term. 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

It is difficult to assess how the overall economic conditions will affect Symrise's business activities in 2012 and 2013. The World Bank gave its "Global Economic Prospects" report of January 2012 the subtitle "Uncertainties and Vulnerabilities." The focus of fears is on the eurozone debt crisis and the high budget deficits and national debts of the US, Japan and Great Britain. Against this backdrop, the World Bank reduced its global growth forecast from 3.6% for both 2012 and 2013 to 2.5% for the current year and 3.1% for next year. Growth in the industrialized nations will presumably continue to slow to 1.4% in 2012 and only slightly accelerate to 2.0% in 2013. For the countries of the eurozone, the World Bank even expects economic output to decline by 0.3% in 2012 and rise slightly by 1.1% in 2013. The forecasts for the German economy - for example, that of the German Institute for Economic Research (DIW) - assume GDP growth of only 0.6% in 2012 and 2.2% in the following year. By contrast, the economies of the emerging and developing countries should continue to grow faster than the global economy, or by 5.4% and 6.0%, respectively.

The AFF market relevant for Symrise reached a volume of € 16.2 billion in 2011. Of this amount - according to the most recent estimates by IAL Consultants - the sub-market for flavorings and fragrances accounts for about € 12.2 billion, while - according to our own estimates - the sub-market for aroma chemicals and cosmetic ingredients accounts for about € 4 billion. Our long-term estimate is for an annual, average growth rate of about 2-3% for the sub-markets for flavorings and fragrances. The markets in Latin America and Asia could perform above average.

For the 2012 fiscal year, we continue to expect a high degree of volatility for raw materials costs. Uncertainties in the individual markets point to very different developments depending on the raw materials segment. Based on individual 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 the current year in the areas of crude oil derivatives, sugar, citrus derivatives, mint oils and spices. In addition, the situation with citral and terpene derivatives remains tense. In the areas of citrus and menthols, Symrise's good positioning with our backward integration is working.

We anticipate that energy costs will continue to rise in the 2012 fiscal year. The reasons for this are political developments in the countries of the main oil suppliers. Particularly in Germany, network sharing costs are expected to rise. Symrise is countering this development in Germany by obtaining energy early on from the primary energy sources. At the same time, the focus of projects is on the use of energy-efficient equipment and optimization measures at existing facilities.

In the EU, the regulatory outlook for the coming years will be shaped by the new cosmetics directive, the so-called Union List for aromatic compounds, and the REACH directive. Moreover, it will be necessary to introduce GHS in other regions (for example, Singapore and Australia). Also to be considered are amendments to the allergen labeling of foods in the US. With a global network of regulatory groups and uniform IT systems, Symrise is ideally positioned to cope with the growing burden of regulatory hurdles, particularly in the Asia region.

FUTURE CORPORATE DEVELOPMENT

We are cautiously optimistic about 2012 and are confident that our two business divisions, Scent & Care and Flavor & Nutrition, will grow slightly faster than the AFF market this year. We will aim to achieve sales growth at local currency of between 2% and 4%.

In 2012, Symrise will create about 200 net new jobs, predominantly in the rapidly expanding regions of Asia and Latin America. The number of employees in Europe, however, will remain stable. Worldwide personnel costs will increase by about 3%. We will further intensify our training efforts. To this end, Symrise has committed itself in a site safeguard agreement to hire 44 new apprentices per year in order to prepare qualified employees.

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 General Statement on the Company's
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We will systematically proceed with the initiatives we have launched to continuously improve our earnings. These initiatives include cost reduction and price management, portfolio optimization and a focus on innovative products and technologies. Assuming that raw materials prices remain at the level of 2011 and exchange rates do not change significantly from 2011, we anticipate an EBITDA margin of about 20% for 2012.

We will continue our attractive dividend policy and give our shareholders an appropriate share in the company's success.

Debt, as measured in terms of the key figure net debt (incl. pension provisions) to EBITDA, should remain between 2.0 and 2.5 in the medium term. At the end of 2012, we expect to reach the lower end of the range. It is possible that we will deviate from this range for a short period in the event of acquisitions to promote our long-term strategy. Accordingly, we will also actively investigate acquisition opportunities in 2012.

How the AFF market will develop in 2012 and 2013 strongly depends on further economic developments. However, on account of our innovative strength, our good positioning in the developed and emerging markets and our unique product portfolio, we are confident of continuing on our profitable course with growth of 2% to 4% in 2012 and 2013.

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

The Executive Board of Symrise AG continues to assess the company's situation positively. We see our good performance as confirmation of our strategy, which we continued to refine in the past fiscal year. The strategic pillars for the further enhancement of our competitiveness are:

- **Growth:** We strengthen our cooperation with our strategic 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. 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. This ensures our unique market position.

We intend to continue to grow organically in the future. Where it is sensible and creates added value, we will make acquisitions or forge strategic alliances to ensure ourselves access to new technologies, new markets and customers and ensure that we can obtain scarce raw materials.

REMUNERATION OF THE EXECUTIVE BOARD

The remuneration of the Executive Board and a disclosure of the remuneration of individual Executive Board members can be found in the Corporate Governance Statement. The remuneration report is a component of the Management Report.

DISCLOSURES REQUIRED IN ACCORDANCE WITH SECTION 315 PARAGRAPH 4 OF THE HGB (GERMAN COMMERCIAL CODE)

The share capital of Symrise AG remains unchanged at € 118,173,300 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.

Prudential plc., London, United Kingdom, informed us on behalf of its M&G subsidiaries in February 2011 that its share in Symrise AG has exceeded the 10% threshold. (Further details can be found in note 48 in the Notes to the Consolidated Financial Statement).

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 million through one or more issuances of new, no-par-value bearer shares against contribution in cash and/or in kind. The new shares may be underwritten by one or more financial institutions determined by the Executive Board, in order for such shares to be offered to the shareholders (indirect subscription right). The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the subscription rights of existing shareholders in the following instances:

- a) in the 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 the 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 - 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 the shareholder rights and the conditions for the issuing of shares.

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® dealing system (or a comparable replacement system) on the day of the stock exchange dealing 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® dealing system (or a comparable replacement system) on the last three stock exchange dealing 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 dealing dates before publication of any potential adjustment. The purchase offer, or respectively, the request for tender of such an offer, may include further conditions. In as much 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

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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) 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.
- 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 ordinary 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 severance pay amounting to three years' worth of remuneration. Severance and compensation cannot exceed the overall limit of 150% of the severance cap according to the provisions of the German Corporate Governance Code from May 26, 2010. If the CEO is recalled without serious cause or mutually agrees to resign from his position after a change of control, but before the end of his contract term, he is entitled to compensation for the time remaining on his employment contract, or at least severance pay amounting to three years' worth of remuneration. Regarding the employment contract of the Chief Executive Officer and effective from November 1, 2012, to October 31, 2014, the company will deviate from the 23rd recommendation issued by the Government Commission on the German Corporate Governance Code contained in no. 4.2.3, paragraph 5 of the code's current version of May 26, 2010, published in the official section of the electronic Federal Gazette by the German Federal Ministry of Justice on July 2, 2010.

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

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement has been made available on Symrise AG's website at www.symrise.com > en > investor-relations > corporate-governance > corporate-governance-statement.html.

A woman with long blonde hair is shown in profile, drinking from a light-colored cup. The cup is circled with a dotted line, and the text '> 500' is overlaid on the circle. The background is a bright, out-of-focus outdoor setting.

> 500



MADAGASCAR

VANILLA IS THE MOST IMPORTANT SWEET FLAVOR IN THE WORLD. SYMRISE OFFERS MORE THAN 500 DIFFERENT VANILLA FLAVORS. UNLIKE ANY OTHER FLAVOR PROVIDER, WE ARE FULLY INTEGRATED INTO THE MADAGASCAN ECONOMY. OUR APPROACH IS A PIONEERING EXAMPLE OF THE SYMBIOSIS OF SUSTAINABILITY AND BUSINESS SUCCESS.

MADAGASCAR

OUR STRATEGIC APPROACH OF SUSTAINABLE PROCUREMENT ENSURES THAT WE HAVE LONG-TERM ACCESS TO THE HIGHEST QUALITY VANILLA, WHICH CAN EVEN BE CERTIFIED IF DESIRED. PURCHASING, FERMENTATION AND EXTRACTION: ALL OF THIS IS DONE LOCALLY IN MADAGASCAR. THANKS TO OUR INVOLVEMENT RIGHT FROM THE START OF THE SUPPLY CHAIN, WE CAN ENSURE THE SOCIAL, ECOLOGICAL AND ECONOMICAL SUSTAINABILITY OF OUR VANILLA. THIS ENABLES US TO CREATE ADDED VALUE FOR EVERYONE INVOLVED: FOR THE FARMERS AND THEIR COMMUNITIES, FOR OUR CUSTOMERS AND THEIR CONSUMERS AND FOR SYMRISE.



1874

The year vanilla laid the foundation for our company and for the entire modern flavor industry

6,000

The number of farmers who feed their families by growing vanilla for Symrise

3,000

The number of blossoms that need to be pollinated to produce 1 kg of fermented vanilla beans

5

The number of years that pass between planting the seeds and the initial harvest of the vanilla beans



“At Symrise, we don’t just buy our vanilla from Madagascar. We also live and work there. Together with our partners, we support the local farmers in cultivating vanilla of the highest quality while also protecting the environment. Symrise thinks differently about vanilla – and our actions bear this out. From the blossom to the bean, we ensure the sustainable future of vanilla – both for our customers and for consumers.”

ALAIN BOURDON, MANAGING DIRECTOR SYMRISE MADAGASCAR

CONSOLIDATED FINANCIAL STATEMENTS 2011

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CONSOLIDATED FINANCIAL STATEMENTS 2011

CONSOLIDATED INCOME STATEMENT - JANUARY 1 TO DECEMBER 31, 2011

T€	NOTES	2010	2011
Sales	4,5	1,571,890	1,583,647
Cost of sales	6	- 890,182	- 930,043
Gross profit		681,708	653,604
Other operating income	7	7,736	12,914
Selling and marketing expenses	9	- 252,774	- 245,782
Research and development expenses	10	- 107,859	- 107,593
Administration expenses	11	- 83,177	- 76,849
Other operating expenses		- 1,223	- 1,869
Income from operations/EBIT		244,411	234,425
Financial income		6,392	1,978
Financial expenses		- 73,313	- 40,522
Financial result	12	- 66,921	- 38,544
Income before income taxes		177,490	195,881
Income taxes	13	- 43,990	- 49,346
Net income		133,500	146,535
Earnings per share (€)			
- diluted and basic	15	1,13	1,24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

T€	NOTES	2010	2011
Net income		133,500	146,535
Exchange differences resulting from the translation of foreign business operations	2.6		
Exchange differences that occurred during the fiscal year		62,751	- 2,958
Losses from net investments		- 2,920	- 3,318
Recognized in the consolidated income statement		0	1,749
Exchange differences from non-current assets held for sale (IFRS 5)		- 224	- 38
Financial assets available for sale			
Change in fair value of financial assets available for sale		- 14	- 25
Cash flow hedge (interest rate hedges)	12		
Result of operations recorded during the fiscal year		5,900	0
Recognized in the consolidated income statement		19,743	0
Cash flow hedge (currency hedges)	37		
Expenses recorded during the fiscal year		0	- 993
Recognized in the consolidated income statement		0	257
Income taxes payable on components of other comprehensive income	13	- 6,496	1,313
Other comprehensive income		78,740	- 4,013
Total comprehensive income		212,240	142,522

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

T€	NOTES	DECEMBER 31, 2010	DECEMBER 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents	16	112,215	118,608
Trade receivables	17	261,476	290,271
Inventories	18	305,031	313,011
Financial assets*	19	3,109	11,673
Prepayments, other assets and receivables*	20	44,406	58,408
Current tax assets		8,379	9,445
Assets held for sale	21	1,607	373
		736,223	801,789
Non-current assets			
Deferred tax assets	22	34,135	19,821
Other assets and receivables*	23	1,023	3,660
Financial assets*	24	5,485	7,186
Intangible assets	25	863,394	834,269
Property, plant and equipment	26	418,738	431,451
		1,322,775	1,296,387
ASSETS		2,058,998	2,098,176

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

T€	NOTES	DECEMBER 31, 2010	DECEMBER 31, 2011
LIABILITIES			
Current liabilities			
Trade payables*	27	121,048	118,237
Borrowings	28	178,150	138,365
Other liabilities*	29	80,571	104,058
Other provisions	30	5,271	3,527
Financial liabilities	31	0	2,018
Current tax liabilities	32	65,090	41,910
		450,130	408,115
Non-current liabilities			
Borrowings	33	455,332	461,833
Other liabilities*	34	9,184	6,009
Other provisions*	35	11,264	13,845
Provisions for pensions and similar obligations	36	212,414	221,618
Deferred tax liabilities	22	78,557	73,021
		766,751	776,326
TOTAL LIABILITIES		1,216,881	1,184,441
EQUITY			
Share capital	37	118,173	118,173
Capital reserve		970,911	970,911
Revaluation reserve		2,765	2,808
Fair value reserve		4	- 15
Cash flow hedge reserve		0	- 534
Cumulative translation differences		- 1,838	- 5,341
Accumulated deficit		- 247,898	- 172,267
TOTAL EQUITY		842,117	913,735
LIABILITIES AND EQUITY		2,058,998	2,098,176

* For the sake of comparison, items from the previous year have been reclassified. See note 2.1.

CONSOLIDATED STATEMENT OF CASH FLOWS

T€	NOTES	2010	2011
Net income		133,500	146,535
Income taxes	13	43,990	49,346
Net interest expense	12	58,722	39,088
Sub-total		236,212	234,969
Amortization, depreciation and impairment losses on non-current assets	25, 26	92,574	81,513
Reduction in provisions for pensions		- 1,586	- 3,977
Changes in non-current provisions and liabilities*		1,596	- 5,919
Changes in non-current assets*		270	- 2,085
Gains (-)/losses (+) from the disposal of non-current assets		1,069	- 260
Unrealized and realized losses from IAS 39 fair value adjustments		6,281	429
Unrealized translation differences		- 2,888	6,067
Sub-total		97,316	75,768
Cash flow before working capital changes		333,528	310,737
Increase in trade receivables or other assets that are not attributable to investing or financing activities*		- 18,062	- 50,474
Increase in inventories*		- 53,670	- 9,313
Increase in trade payables or other liabilities that are not attributable to investing or financing activities*		18,037	14,166
Income taxes paid		- 44,758	- 64,208
Net cash flow from operating activities		235,075	200,908
Payments for acquisitions of subsidiaries (2011: conditional subsequent purchase price installments)		- 2,003	- 203
Payments for investing in intangible non-current assets		- 13,186	- 9,540
Payments for investing in property, plant and equipment		- 57,335	- 47,685
Payments for investing in non-current financial assets		- 763	- 2,843
Proceeds from the disposal of non-current assets		4,799	1,428
Cash flow from investing activities		- 68,488	- 58,843
Proceeds from bank borrowings		251,436	82,763
Redemption of bank borrowings		- 670,872	- 121,829
Proceeds from other financial liabilities		429,053	0
Redemption of other financial liabilities		- 47,500	0
Cash effective transaction costs		- 6,353	0
Interest paid		- 41,096	- 21,874
Cash effective interest received		925	219
Dividends paid	37	- 59,087	- 70,904
Cash flow from financing activities		- 143,494	- 131,625
Net change in cash and cash equivalents		23,093	10,440
Effects of changes in exchange rates		8,582	- 4,047
Cash and cash equivalents as of January 1		80,540	112,215
Cash and cash equivalents as of December 31	16	112,215	118,608

* In order to improve the clarity of presentation, some immaterial items from the previous year were reclassified.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

T€	SHARE CAPITAL	CAPITAL RESERVE	REVALU- ATION RESERVE	FAIR VALUE RESERVE	CASH FLOW HEDGE RESERVE (CURRENCY HEDGES)	CUMULATIVE TRANSLATION DIFFERENCES	ACCUMU- LATED DEFICIT	TOTAL EQUITY
Balance as of January 1, 2010	118,173	970,911	2,718	- 18,300	0	- 62,159	- 322,379	688,964
Net income	0	0	0	0	0	0	133,500	133,500
Other comprehensive income	0	0	47	18,304	0	60,321	68	78,740
Total comprehensive income	0	0	47	18,304	0	60,321	133,568	212,240
Dividends paid	0	0	0	0	0	0	-59,087	- 59,087
Balance as of December 31, 2010	118,173	970,911	2,765	4	0	- 1,838	- 247,898	842,117
Balance as of January 1, 2011	118,173	970,911	2,765	4	0	- 1,838	- 247,898	842,117
Net income	0	0	0	0	0	0	146,535	146,535
Other comprehensive income	0	0	43	- 19	- 534	- 3,503	0	- 4,013
Total comprehensive income	0	0	43	- 19	- 534	- 3,503	146,535	142,522
Dividends paid	0	0	0	0	0	0	- 70,904	- 70,904
Balance as of December 31, 2011	118,173	970,911	2,808	- 15	- 534	- 5,341	- 172,267	913,735

* Further information on the development of changes in equity can be found in note 37.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 | General Information

Symrise Aktiengesellschaft (Symrise AG), a stock corporation under German law, principally produces, markets and sells flavors, fragrances, aroma chemicals and cosmetic ingredients. It is the parent company of the Symrise Group with its registered office at Muehlenfeldstrasse 1, 37603 Holzminden, Germany.

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

The consolidated financial statements and the Group management report of Symrise AG (hereinafter also referred to as “Symrise”, “the Symrise Group” or “we”) for the fiscal year ending December 31, 2011, were, by resolution of the Executive Board, submitted to the Supervisory Board’s Auditing Committee for review on February 16, 2012 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 Sec. 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 to the consolidated financial statements in accordance with IFRS in addition to the information contained in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows. They represent an essential component of these consolidated financial statements.

For the purposes of clearer and better organized 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 to the consolidated financial statements. 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 generally prepared on the basis of the historical cost of procurement and manufacturing with the exception of derivative financial instruments that are measured at fair value and recognized with effect on profit and loss, as well as financial assets available for sale, which are also measured at fair value.

The consolidated financial statements are presented in euros and amounts are rounded to the nearest thousand euros (T€) unless otherwise explicitly indicated; in this process, rounding differences may arise. The individual financial statements of the companies included in the consolidation were either prepared at the balance sheet reporting date used for preparation of the consolidated financial statements or, in cases where the normal balance sheet reporting date of any company differed from December 31, 2011, then additional financial statements were especially prepared as of this date.

We have reclassified certain line items in our consolidated financial statements as part of the revision of our Group guidelines and accordingly adjusted the figures from the previous year. In the notes to the consolidated financial statements, we have explained the changes in regards to both value and reasoning. In our view, these adjustments have not materially impacted the consolidated financial statements for previous reporting periods.

2.2 CHANGES TO ACCOUNTING POLICIES

The accounting policies adopted are generally consistent with those applied in the previous year. In addition, the Symrise Group has adopted those new or revised standards and interpretations that were mandatory for application in the fiscal year.

- **Improvements to IFRS 2010:** As part of the annual improvement project, eleven amendments were made to six standards and one interpretation. The adjustment to the formulations of individual IFRS are meant to enhance the clarity of the existing regulations. Other changes affect accounting, recognition or measurement. The standards in question are IAS 1, IAS 27 (in conjunction with IAS 21, 28 and 31), IAS 34, IFRS 1, IFRS 3, IFRS 7 and the interpretation IFRIC 13. The changes had no notable impact on Symrise's consolidated financial statements.
- **Revised IAS 24 ("Related Party Disclosures")** simplifies the disclosure requirements regarding government-related entities and clarifies the definition of a related party. The changes are applicable to fiscal years commencing on or after January 1, 2011. Symrise did not experience any change in its assessment of related parties resulting from the changes to IAS 24.
- **IAS 32 ("Financial Instruments: Presentation")** requires that certain rights, options or warrants for the purchase of a set number of equity instruments for a fixed amount are to be classified as equity instruments. The currency of the issue price is insignificant. The changes are applicable to fiscal years commencing on or after February 1, 2010. The changes had no effect on Symrise.
- **IFRIC 14 ("Prepayments of a Minimum Funding Requirement")** is relevant in those cases where a company is obliged to make minimum funding payments to external pension assets and pays advance premiums on these to fulfill the minimum funding requirements. The change became mandatory as of January 1, 2011, and had no effect on Symrise.
- **IFRIC 19 ("Extinguishing Financial Liabilities with Equity Instruments")** indicates the accounting requirements for cases where an entity fully or partially settles a financial liability by issuing shares or other equity instruments. The interpretation is mandatory for periods which begin on or after July 1, 2010, and has no effect on Symrise.

Along with the new standards and interpretations listed below that can have a substantial impact on the consolidated financial statements, a series of additional standards and interpretations were adopted by the IASB and IFRIC, that are not yet mandatory and will have no notable influence on the consolidated financial statements. Symrise is currently not planning to apply new or modified standards and interpretations before they become mandatory. Unless otherwise noted, the effects on Symrise's consolidated financial statements are currently being assessed.

- **Revised IAS 19 ("Employee Benefits"):** In addition to more extensive disclosure requirements on employee benefits, the following changes are of particular note in the revised standard: Currently a choice exists on how unexpected fluctuations in pension obligations, called actuarial gains and losses, are presented in the report. These can be recognized either in (a) profit or loss in the income statement, (b) in other comprehensive income (OCI) or (c) delayed using the corridor method. With the revision of IAS 19, this will be replaced with a more transparent and comparable presentation so that only a direct recognition in other comprehensive income will be permitted in the future. Additionally, the expected income from plan assets is currently being determined due to the subjective expectations of management on the value development of the investment portfolio. In applying IAS 19 (revised 2011), only a standard interest rate on plan assets, amounting to the current discount rate of the pension obligations, is permitted. The revision is to become mandatory, subject to its yet to be completed adoption into EU law, in fiscal years that start on or after January 1, 2013. Since we currently use the corridor method, this revision would result in an increase in pension provisions of €69 million according to its status as of December 31, 2011. With the switch from the corridor method to the new method, Symrise's consolidated income statement will be free of effects from actuarial gains or losses (e.g. from interest rate fluctuations) since these must be recognized in other comprehensive income in the future.

- **IFRS 9 (“Financial Instruments”)**, will replace the reporting and measurement of financial instruments according to IAS 39. Financial assets will only be classified and measured in two groups: at amortized cost and at fair value. The group of financial assets measured at amortized costs consists of such financial assets that only have claim to interest and redemption payments at scheduled intervals and that are also held within the framework of a business model whose goal is to retain assets. All other financial assets belong to the group measured at fair value. Under certain circumstances, financial assets from the first category can, as was previously possible too, be designated in the fair value category (“fair value option”).

Changes in value for financial assets in the fair value category are generally to be recognized in profit or loss. Certain equity instruments can however retain this freedom of choice and recognize value changes in other comprehensive income. Dividend rights from these assets must however be recognized in profit or loss. The regulations on financial liabilities are generally adopted from IAS 39.

IFRS 9 is to become mandatory, subject to its yet to be completed adoption into EU law, in fiscal years that start on or after January 1, 2015.

- **IFRS 13 (“Fair Value Measurement”)**: Fair value measurements in IFRS reports are uniformly regulated with this standard.

All fair value measurements required by other standards are to be made according to the uniform guidelines set out in IFRS 13 with the exception of IAS 17 and IFRS 2, which will continue to have their own regulations.

Fair value is defined as the exit price according to IFRS 13, meaning the price that would have been attained through the sale of an asset or the price that would have been paid in order to transfer a liability. As with current fair value measurements of financial assets, a 3 tier hierarchical system will be used with tiers based on independently observable market prices. The new fair value measurement can lead to differing values as compared to the previous regulations.

The new standard is to become mandatory, subject to its yet to be completed adoption into EU law, in fiscal years that start on or after January 1, 2013.

- **Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income**: This amendment changes the presentation of other comprehensive income in the statement of comprehensive income. The items of other income that are later reclassified in the income statement, known as recycling, are now to be presented separately from the items of other income that will never be reclassified. As long as the items are recognized gross, meaning without balancing effects from taxes, the taxes are then no longer to be recognized in one total, but rather designated to the two groups of items.

The revision is to become mandatory, subject to its yet to be completed adoption into EU law, in fiscal years that start on or after July 1, 2012.

2.3 KEY JUDGMENTS AND ESTIMATES AND 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 accounting policies that are most often affected by judgments, estimates and assumptions, and 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 these assets are 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, we apply certain assumptions and estimates on future cash flows that 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 and the estimate of our weighted average cost of capital (WACC). Due to these factors, actual cash flows and values can 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 25.

All of our intangible assets (excluding goodwill) and property, plant and equipment (excluding land), have a limited useful life. That's why the depreciable amount 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 notes 2.6, 25 and 26.

RECOGNITION OF INTANGIBLE ASSETS GENERATED INTERNALLY THROUGH DEVELOPMENT ACTIVITIES

Intangible assets generated internally through developments are capitalized according to the accounting principles presented in note 2.6. The decision as to whether an internally generated intangible asset is to be reported as an intangible asset is connected with considerable judgments. Particularly the decision as to whether the activities are to be considered research and 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. Further information can be found in note 25.

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 are therefore subject to the tax laws of the particular country's legal system. 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 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. Further details can be found in note 22.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The expenses deriving from defined benefit pension plans and Symrise's obligation to provide additional post-employment health-care benefits are determined on the basis of actuarial calculations. The actuarial valuation is made on the basis of assumptions pertaining to discount rates, anticipated income from plan assets, future wage and salary increases, mortality rates and future pension increases and is therefore associated with significant judgmental decisions.

Symrise sets the discounting factors based on the yield that could be obtained at the balance sheet reporting date for blue chip, 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. The anticipated income from plan assets is determined on publicly available and internal capital market studies and forecasts for every asset category. Due to the fluctuating market and economic situation, the assumptions used may differ from actual developments 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. Further details can be found in note 36.

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 discretionary judgments since the past is not necessarily representative of future developments. Changes to our estimates in relation to the value adjustments on receivables can have considerable impacts on the assets and expenses recognized in our consolidated financial statements. Beyond this, consolidated earnings could also be negatively influenced if actual debt losses are notably greater than those estimated. Further information can be found in note 17.

RECOGNITION OF PROVISIONS FOR LITIGATION AND SHARE-BASED 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 associated with such cases. 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 share-based remuneration programs with cash compensation. In estimating the fair value of our share-based programs, we rely on certain assumptions that are in part related to the expected volatility of the future share price. Furthermore, the amount of the final payout for these remuneration programs depends on the price of Symrise stock as of the set target date. These assumptions can impact the determination of the fair value and therefore the amount and distribution of our expenses for share-based remuneration programs. Changes to these factors could have a considerable influence on the fair value estimates made according to the option price model and future payments. Further information can be found in notes 30, 35 and 43.

ASSUMPTIONS AND ESTIMATES REGARDING OTHER INDIVIDUAL 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 2.6. 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 need to be made.

Changes to estimates are recognized with effect on profit and loss in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" at the time they become known.

2.4 SCOPE OF CONSOLIDATION AND INTERESTS IN ASSOCIATED COMPANIES

The consolidated financial statements include the parent company Symrise AG as well as the companies that it has under its control (subsidiary companies). Subsidiary companies are those companies in which Symrise AG holds the majority of voting rights and over which it exercises influence over business and financial policies in order to benefit from their activities.

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.

	JANUARY 1, 2011	ADDITIONS	DISPOSALS	DECEMBER 31, 2011
Fully consolidated subsidiaries				
Domestic	11	0	0	11
Foreign	49	0	2	47
Companies accounted for using the equity method				
Foreign	1	0	0	1
Total	61	0	2	59

The disposals in the scope of consolidation in 2011 resulted from the liquidation of Symrise Export Ltd., China, and Ragco (Pty) Ltd., South Africa.

As there has been no great change in the scope of the consolidation in comparison to the previous year, comparability against the net assets, financial position and results of operations from the previous year's consolidated financial statements has not been notably affected.

2.5 PRINCIPLES DETERMINING THE INCLUSION OF SUBSIDIARY AND ASSOCIATED COMPANIES IN THE CONSOLIDATION

FULL CONSOLIDATION

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. For this purpose, adjustments

are made to compensate for any differences in recognition and measurement deriving from local accounting policies.

All internal balances and transactions, and unrealized gains deriving from internal transactions are eliminated. Unrealized losses deriving from internal transactions are also eliminated unless Group procurement and manufacturing 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 the Group. Inclusion in the consolidated financial statements ceases on the date when the parent company's controlling influence ends.

Assets, liabilities and contingent liabilities deriving from business acquisitions are generally recognized at their fair values at the time of acquisition. In circumstances where the acquisition costs relating to the business acquisition exceed the proportionate share of newly measured net assets of the acquired object, the amount of such difference is recognized as goodwill. 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

Associated companies are accounted for using the equity method if Symrise does not hold a controlling interest but is still able to exercise a significant influence over the business and financial policies of these entities.

They are initially recognized in the consolidated financial statements at their cost of acquisition. After the date of acquisition, Symrise's 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 consolidated comprehensive income or 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.

Profits and losses deriving from transactions between the Symrise Group and the associated company are eliminated in proportion to the investment share. The financial statements of the associated company are prepared using uniform accounting policies on the same balance sheet reporting date as that used for the consolidated financial statements.

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

2.6 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 most subsidiaries conduct their business independently for financial, commercial and organizational purposes, in most cases the functional currency is the local currency.

Assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros by the Symrise Group 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 transaction-based rates. Any translation differences deriving from this process are disclosed by the Symrise Group in Group equity as a separate item: "Cumulative translation differences".

Insofar as the settlement of a monetary item representing an outstanding account receivable from or account payable to a foreign business operation is neither planned nor probable in the foreseeable future, such an item represents part of the net investment in this foreign business operation. Any translation differences resulting from such items are recognized in equity as "cumulative translation differences" and are reclassified from equity to the consolidated 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". 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 equity up to this point, will now be proportionately reclassified in profit and 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 report-

ing date. Any foreign currency translation impacts 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:

COUNTRY	CURRENCIES		CLOSING RATE = € 1		AVERAGE RATE = € 1	
			DEC. 31, 2011	DEC. 31, 2010	2011	2010
UK	British Pound	GBP	0.837	0.858	0.868	0.858
USA	US Dollar	US\$	1.293	1.325	1.393	1.326
Mexico	Mexican Peso	MXN	18.073	16.419	17.297	16.740
Brazil	Brazilian Real	BRL	2.414	2.212	2.327	2.333
Singapore	Singapore Dollar	SGD	1.681	1.711	1.749	1.807
China	Chinese Renminbi	CNY	8.144	8.748	9.001	8.975

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 risks and rewards 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 the receipt of return service or a possible return of the goods. The transfer of risks and rewards 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. In the reporting year 2011, government grants amounting to T€1,129 were received and recognized as other operating income (note 7).

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 or operating leases. Leasing transactions that substantially transfer all risks and rewards 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. The Symrise Group has no notable finance leases to report.

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

INCOME TAXES

Income taxes comprise both current and deferred taxes. Income taxes are recognized in the consolidated income statement unless they are related to items that are directly recognized in equity.

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 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 merger and which affects neither the commercial accounting result nor the taxable result

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

EARNINGS PER SHARE

The Symrise Group reports the basic earnings per share for its ordinary shares, which at the same time also represent the diluted earnings per share. This figure is therefore not listed separately. 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 (note 15).

MERGERS AND GOODWILL

Mergers are accounted for using the purchase method. This comprises the recording of identifiable assets (including intangible assets that were not previously recognized) 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 merger is initially recognized at cost and represents the excess fair value of the consideration transferred at the acquisition date of the merger over the Group's share in the fair values of the identifiable assets and liabilities acquired. Insofar as non-controlling interests remain, the choice of alternative options available under IFRS 3 is exercised individually for each acquisition: Non-controlling interests may be either measured at fair value ("full goodwill" approach) or at the fair value of the proportional interest in the net assets acquired ("partial goodwill" approach). Accrued incidental costs associated with acquisitions are recognized as an expense in other operating expenses.

Any acquired goodwill is allocated at the acquisition date to cash-generating units that are expected to benefit from the synergies deriving from the merger.

In accordance with IFRS 3, and in conjunction with IAS 36, goodwill is not amortized on a scheduled basis, rather an impairment test is conducted to establish the value. If indications of impairment exist, then the test is carried out more often.

With associated companies, goodwill is contained in the carrying amount of the investment using the equity method.

OTHER INTANGIBLE ASSETS

Acquired intangible assets are measured at cost for the purpose of initial recognition. The cost of an intangible asset acquired during a merger corresponds to its fair value at the time of the acquisition.

Internally generated intangible assets are recognized as assets at cost. Costs comprise all costs that are directly or indirectly attributable to the development process, as well as any necessary components of overheads that are development related, from the point in time that all requirements specified by IAS 38 have been fulfilled. Capitalized interest costs in accordance with IAS 23 are included 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.

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 are rather subject to an annual impairment test. As of the reporting date, the Symrise Group holds no intangible assets with an indefinite useful life.

Intangible assets with a definite useful life are recognized at cost minus cumulative amortizations and all cumulative impairments.

These are then amortized on a straight-line basis over the following useful lives:

INTANGIBLE ASSETS	USEFUL LIFE
Software	3 to 10 years
Recipes	7 to 20 years
Trademarks	6 to 15 years
Customer base	6 to 15 years
Patents and other rights	5 to 20 years

The useful lives and amortization methods for intangible assets are reviewed annually for suitability and prospectively adjusted if necessary.

The carrying amounts of capitalized development costs are tested for impairment once per year if the asset is not yet in use or if the asset is used more heavily and indications for impairment arise during the course of the year.

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, i.e. activities that are conducted in order to gain new scientific or chemical knowledge, are recognized by Symrise 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 procurement or manufacturing costs), then these components are recognized by Symrise as separate items and they are separately depreciated. The cost of qualifying non-current assets – i.e. assets for which a substantial period of time is required to prepare them for their intended use – include capitalized interest costs in accordance with IAS 23.

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.

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	20 to 50 years
Plants and machinery	3 to 12 years
Equipment	3 to 20 years

Land is not depreciated. 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.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (WITHOUT GOODWILL)

At each balance sheet reporting date, Symrise assesses whether indications exist for the impairment of non-current assets. If this is the case, we estimate the recoverable amount for the asset. If the recoverable amount cannot be determined for the individual asset, the estimate of the recoverable amount is made at the level of the smallest cash-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of these two values: Fair value less any costs to sell it and its value in use. If the carrying amount of the asset exceeds its recoverable amount, the asset is considered to be impaired and an impairment loss is recorded to reduce the value of the asset 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. Symrise discloses impairment losses in the consolidated income statement under the related functional expenses.

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 result 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.

FINANCIAL INSTRUMENTS

GENERAL INFORMATION

Financial instruments are all contracts that result in a financial asset for one company and a financial liability or equity instrument for another company. Financial assets particularly include cash and cash equivalents, trade receivables and loans receivable as well as derivative financial instruments with a positive market value.

Financial liabilities generally give rise to a claim for a return of cash or another form of financial asset. These comprise non-derivative liabilities and the negative fair values of derivatives. Non-derivative liabilities particularly comprise bank borrowings, liabilities towards institutional and private investors, trade payables and, to a lesser extent, liabilities from financing 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 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.

Financial instruments are classified by Symrise, based on their nature, into the categories "financial asset or liability as at fair value", "held to maturity", "loans and receivables", "available for sale" and "financial liabilities measured at amortized costs". Symrise does not take advantage of the option to classify financial assets and liabilities at fair value with effect on 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 directly in equity or with effect on profit or loss. For further information, see note 40.

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.

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*". Derivatives are measured at fair value and recognized as financial assets or 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

Since the beginning of the 2011 fiscal year, Symrise has employed derivative financial instruments to hedge the currency risk resulting from its operative business.

Select future cash flows from trade payables and receivables already recognized in the statement of financial position as well as select future cash flows from highly probable planned transactions are hedged against currency risk in operating activities through forward contracts. The hedging of currency risk occurs on a rolling basis over a period of about six months up to a maximum hedging ratio of 50% of the open currency items of a company.

Insofar as the strict requirements of IAS 39 for the application of cash flow hedge accounting are fulfilled, the cumulative measurement gains/losses will be initially recognized in equity in the cash flow hedge reserve and then reclassified to profit and 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.

Cash flow hedges reduce volatility from exchange rate changes in the operating result. Additional disclosures on the cash flow hedge reserve can be found in note 37.

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 and loss.

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

TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES

These are measured, where applicable by applying the effective interest method, with their market value at the date they arose minus any impairment amount. Impairments, which are made in the form of individual impairments, are sufficient to take account of any anticipated default risks; any actual cases of default lead to a writeoff of the related receivable. In the process of making individual impairments, financial assets for which impairments are potentially required are written down.

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. Symrise measures cash and cash equivalents at amortized cost.

FINANCIAL ASSETS AVAILABLE FOR SALE

Symrise holds a limited number of marketable securities and other financial assets available for sale. Financial assets that are still intended to be held for an indefinite period and which are to be sold in response to needs for liquidity or changes in interest rates are classified under non-current assets as *“financial assets available for sale”*. However, if management expresses the intention to sell the financial assets within twelve months of the balance sheet reporting date, or if these need to be sold in order to generate liquid funds for operational purposes, then they are classified under current assets as *“financial assets available for sale”*. 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. All changes, excluding impairments, are recognized after taxes as a component of equity. If an asset is derecognized, the cumulative gain or loss is transferred from equity to the consolidated income statement.

Financial assets are derecognized if the contractual rights regarding payments from financial assets no longer exist or the financial assets are transferred with all of their fundamental risks and opportunities.

Financial liabilities are derecognized if the contractual obligations are settled, eliminated or expired.

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 cost of sale. 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 cost of inventories includes the cost of procuring the inventories, manufacturing or conversion costs and other costs incurred to bring the inventories to their existing location and condition.

Net realizable value is determined as the estimated sales value minus any estimated costs of completion and any necessary selling and marketing expenses.

Raw materials are valued using the weighted average procurement cost.

Finished goods and works in progress are valued using the cost of direct materials, direct labor as well as other direct costs and a reasonable proportion of manufacturing 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, in one country agreements exist to provide additional post-employment healthcare benefits. About 90% of these benefits are not reinsured.

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 as an employee benefit expense in the consolidated income statement as they become due.

DEFINED BENEFIT PLANS

Defined benefit plans comprise all pension plans other than defined contribution plans. Symrise measures the claim entitlement deriving from defined benefit plans (DBPs) with the actuarially calculated present value of the earned benefit entitlement. The Symrise Group’s net pension obligation regarding the defined benefit plans is calculated separately for each plan 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. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is determined as the yield at the reporting date on “AA” – rated 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 the claim entitlement is not covered by external assets, Symrise recognizes the defined benefit obligation (DBO), corrected for any past-service related expenses/income deriving from retrospective changes in the plan (past service cost), as a liability. If the claim entitlement is covered by the plan assets, Symrise sets off the DBO against the market value of these assets. The net amount, corrected for any previously unrecognized past service cost and effects deriving from the asset ceiling, is recognized either as a pension liability or as an asset.

Actuarial gains and losses are recognized as income or expenses if the net amount of the cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceeds the higher amount of 10% of the defined benefit obligation or 10% of the fair value of the plan assets at that date. The gains or losses are allocated over the expected average remaining period of service of the employees included in the plan.

The past service cost is recognized as an expense on a straight-line basis over the average period until the entitlement to the benefits becomes vested. Insofar as the benefit entitlement becomes vested immediately upon introduction of, or at the time of changes to, a pension plan, then the past service cost is recognized immediately in profit or loss.

The amount of the liability to be recognized deriving from a defined benefit plan comprises the present value of the defined benefit obligation, plus or minus any actuarial gains or losses that have not yet been recognized in profit or loss, minus past service costs not yet recognized, plus any unrecognized gains deriving from amendments to the plan and minus the fair value of plan assets out of which obligations are to be directly settled.

PROVISIONS

A provision is recognized when it is more likely than not that the Symrise Group has a present (legal or constructive) obligation due to a past event, 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.

Symrise generally recognizes allocations to provisions through profit and loss in the respective expense category of the affected functions. A positive or negative difference resulting 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 comprehensive income.

SHARE-BASED REMUNERATION

The Symrise Group awards share-based remuneration to members of the Executive Board and to select employees, which is paid in cash. The share of the fair value of share-based remuneration with cash settlement terms that is related to services rendered prior to the date of measurement is recorded as a personnel expense for which another provision is disclosed at the same time. The fair value is determined again at each balance sheet reporting date and also at the date of actual payment. Any change in the fair value is recognized in profit or loss. At the date of payment, the fair value of the liability is equal to the amount that is actually payable to the affected employees. Further information on share-based remuneration can be found in note 43.

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 catastrophes. We create a general 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 triggers:

- 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 (lump-sum allowance).

If, in subsequent periods, the reasons for impairment no longer exist, a reversal will be recognized through profit or loss. If a receivable that is already impaired becomes classified as unrecoverable, it will be accordingly written-off 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.

All impairment losses are recognized as a component of the financial result. Gains and losses deriving from financial assets that are designated as available for sale are recognized in equity. Any gains or losses previously recognized in equity 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, then the Symrise Group makes an estimate of the recoverable amount. 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 and 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.

If the reasons for impairment cease to be applicable, the impairment loss may be reversed to the extent that the value of the asset does not exceed its amortized or depreciated costs of procurement or manufacture. These are recognized in the same expense category in which the impairment was recognized. The only item on which reversals are not performed are securities that are available for sale.

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 merger. 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 it 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, whereby as of September 30, 2011, goodwill has been allocated in the amount of € 158.9 million (2010: € 157.6 million) to the segment Scent & Care and in the amount of € 326.5 million (2010: € 323.9 million) to the segment Flavor & Nutrition. The recoverable amount is represented by the fair value minus 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 2012 to 2014. A growth rate of 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 7.83% (2010: 7.62%). There were no indications of impairment for the fiscal year. 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.

In performing the impairment test, Symrise carried out sensitivity analyses. For this purpose, the discounting factor was increased by 1.0 percentage point while planned sales revenue growth was reduced to 0.5%. These variations in the measurement parameters would also not have resulted in any required impairment of capitalized goodwill.

3 | Determining Fair Value

Many of Symrise’s accounting policies require that a fair value is determined for financial and non-financial assets and liabilities. The fair values for measurement purposes 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

In accordance with the three-tiered “fair value hierarchy”, a distinction is made between three measurement categories:

- **Level 1:** At the first level of the fair value hierarchy, fair values are determined based on publicly quoted market prices, as observation of active markets provides the best objective evidence to determine the fair value of a financial asset or a financial liability.
- **Level 2:** If no active market exists for a financial instrument, then a company determines the fair value use with the help of valuation techniques. Valuation techniques include use of recent “arm’s length” business transactions between knowledgeable, willing and independent contractual parties, comparison to the current fair value of another financial instrument that is substantially the same and use of discounted cash flow analysis methods or option pricing models. The fair value is determined based on the result of a valuation technique that makes maximum use of market data inputs and relies as little as possible on company specific data inputs. There are no liquid markets for credits and receivables that are measured at amortized costs. For

current credits and receivables it is assumed that the market value corresponds to the carrying amount. For all other credits and receivables, the market value is determined by discounting expected future cash flows. Here, the interest rates that are used for credits and receivables are those that would be applied to new credits and receivables with a corresponding risk structure, original currency and term.

- **Level 3:** The valuation techniques used at this level also use parameters that are not based on market observations.

FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

The fair value of financial assets that are traded on regulated financial markets is determined by the market price on the balance sheet reporting date (closing price). The fair value of financial assets for which no regulated market exists is derived from the current market price of comparable securities or is calculated based on the cash flows expected to derive from the underlying asset. The fair value of financial liabilities is calculated using the present value of future repayment and interest cash flows which are discounted using an interest rate valid at the balance sheet reporting date.

PROPERTY, PLANT AND EQUIPMENT

The fair value for items of property, plant and equipment recognized as a result of a merger 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 business 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 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 merger is based on the discounted estimated royalty payments that were avoided as a result of the formula becoming owned or is based on the discounted cash flows that are expected to derive from use of the formula. The fair value of other intangible assets is based on the discounted cash flows that are expected to derive from the use and possible sale of the assets.

4 | 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, our Executive Board, which carries responsibility as the Chief Operating Decision Maker (CODM) 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 business divisions. With the business divisions “Flavor & Nutrition” and “Scent & Care”, we have two segments, organized according to our products, for which mandatory reporting is required.

FLAVOR & NUTRITION

In the Flavor & Nutrition segment, Symrise develops, produces and sells flavors that are used by customers in the production of food products (savory and sweet food products as well as dairy products) and beverages. Symrise works with a modular concept which allows them to offer customers both individual aroma components and complete product solutions for end-consumers.

SCENT & CARE

In the Scent & Care segment, Symrise develops, produces and sells fragrances, cosmetic ingredients, aroma molecules, and mint aromas and develops 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 products, cosmetic products, dental care products, cleaning products and detergents.

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 income from operations (EBIT), representing the result before financial income and expenses

as well as taxes. 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 earnings.

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

2010			
T€	FLAVOR & NUTRITION	SCENT & CARE	SEGMENT TOTAL = GROUP TOTAL
External sales	767,395	804,495	1,571,890
Cost of sales	- 423,729	- 466,453	- 890,182
Gross profit	343,666	338,042	681,708
Other operating income	3,648	4,088	7,736
Selling and marketing expenses	- 128,941	- 123,833	- 252,774
Research and development expenses	- 50,013	- 57,846	- 107,859
Administration expenses	- 43,292	- 39,885	- 83,177
Other operating expenses	- 599	- 624	- 1,223
Income from operations/EBIT	124,469	119,942	244,411
Financial result			- 66,921
Income before income taxes			177,490
Income taxes			- 43,990
Net income			133,500
Other segment information			
Capital investments (including acquisitions)			
Intangible assets	26,658	7,790	34,448
Property, plant and equipment	40,860	18,771	59,631
Amortization of intangible assets	- 23,828	- 22,507	- 46,335
Depreciation of property, plant and equipment	- 22,026	- 18,293	- 40,319

SEGMENT RESULTS

2011			
T€	FLAVOR & NUTRITION	SCENT & CARE	SEGMENT TOTAL = GROUP TOTAL
External sales	782,219	801,428	1,583,647
Cost of sales	- 448,103	- 481,940	- 930,043
Gross profit	334,116	319,488	653,604
Other operating income	7,043	5,871	12,914
Selling and marketing expenses	- 131,142	- 114,640	- 245,782
Research and development expenses	- 51,960	- 55,633	- 107,593
Administration expenses	- 41,480	- 35,369	- 76,849
Other operating expenses	- 1,184	- 685	- 1,869
Income from operations / EBIT	115,393	119,032	234,425
Financial result			- 38,544
Income before income taxes			195,881
Income taxes			- 49,346
Net income			146,535
Other Segment Information			
Capital Investments			
Intangible assets	8,368	7,216	15,584
Property, plant and equipment	26,818	24,897	51,715
Amortization of intangible assets	- 20,094	- 22,830	- 42,924
Depreciation of property, plant and equipment	- 23,926	- 16,521	- 40,447
Impairment reversals on property, plant and equipment	1,060	798	1,858

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

RESULT BY GEOGRAPHICAL REGION

2010

T€	EAME ¹	NORTH AMERICA	ASIA/PACIFIC	LATIN AMERICA	TOTAL
Sales					
Sales by region (point of delivery)	761,541	281,043	343,014	186,292	1,571,890
Domestic					201,151
Foreign					1,370,739
Other segment information					
Non-current assets²					
Domestic					666,196
Foreign					616,959
Capital Investments (including acquisitions)					
Intangible assets	30,171	0	1,558	2,719	34,448
Property, plant and equipment	31,716	5,612	14,724	7,579	59,631

¹ Europe, Africa, Middle East² Excluding financial instruments and deferred tax assets. The previous year's figures were adjusted to aid comparability. See note 2.1.

2011

T€	EAME ¹	NORTH AMERICA	ASIA/PACIFIC	LATIN AMERICA	TOTAL
Sales					
Sales by region (point of delivery)	771,250	270,674	350,832	190,891	1,583,647
Domestic					204,308
Foreign					1,379,339
Other segment information					
Non-current assets²					
Domestic					672,137
Foreign					597,243
Capital Investments					
Intangible assets	10,036	179	3,733	1,636	15,584
Property, plant and equipment	34,558	3,902	8,533	4,722	51,715

¹ Europe, Africa, Middle East² Excluding financial instruments and deferred tax assets. The previous year's figures were adjusted to aid comparability. See note 2.1.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED INCOME STATEMENT

5 | Sales

Sales revenue results primarily from the sale of products. Please refer to the segment reporting information that is presented in note 4 for a presentation of sales by segment and geographical region.

6 | Cost of Sales

The cost of sales mainly consists of expenses for raw materials as well as production costs. Amortizations for formulas and foreign currency effects are also included. Please refer to the segment reporting information that is presented in note 4 for a presentation of sales by segment and geographical region.

7 | Other Operating Income

T€	2010	2011
Income from the reversal of provisions and other liabilities	2,667	5,231
Income from the transfer of exchange differences from the currency reserve	0	1,749
Income from service units	1,773	1,539
Income from government subsidies	650	1,129
Miscellaneous other income	2,646	3,266
Total	7,736	12,914

Income from the reversal of provisions and other liabilities affect such obligations, where utilization is no longer expected or where it is certain it will not be utilized. This mainly applies to the reversal of provisions for litigation as well as for pension obligations including plan amendments.

As a result of the capital reduction in a subsidiary in Singapore, a portion of foreign currency differences from the translation of foreign operations amounting to €1.7 million was transferred to the consolidated income statement from its previous recognition in equity.

Income from service units results from services rendered by Group companies and mainly consists of cafeteria income, rental and lease income as well as other services for third parties.

Government subsidies are, as in the previous year, granted in France and Germany to promote research projects. The previous year's figure was impacted by subsidy repayments.

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

8 | Personnel Expenses

The following personnel expenses are included in the consolidated income statement:

T€	2010	2011
Wages and salaries	- 262,194	- 270,539
Social security expenses	- 55,222	- 56,218
Pension expenses (excluding interest expenses)	- 8,626	- 10,186
Multi-year performance-based remuneration	- 1,267	- 1,941
Total	- 327,309	- 338,884

Personnel expenses mainly include wages and salaries and other forms of remuneration and rewards granted to employees.

Social security expenses include social security contributions that the organization is required to make by law. These include defined contribution plan benefits of €11.4 million (2010: €10.6 million).

Pension expenses mainly consist of employer contributions to company supplementary benefit schemes. Interest deriving from pension provisions is disclosed as a component of the financial result (see note 12).

The average number of employees employed within the Group was 5,450 (2010: 5,231).

	2010	2011
Manufacturing and technology	2,057	2,199
Sales and marketing	1,384	1,417
Research and development	1,035	1,069
Administration	427	422
Service units	328	343
Number of employees	5,231	5,450
Apprentices and trainees	109	111
Total	5,340	5,561

9 | 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. Transport costs and expenses for commissions and licenses are also included. The previous year's figures were impacted by high impairments on receivables. Please refer to the segment reporting information that is presented in note 4 for a presentation of selling and marketing expenses by segment and geographical region.

10 | 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-related 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.

11 | Administration Expenses

Administration expenses are broken down as follows:

€	2010	2011
Information technology	- 25,796	- 25,705
Finance and controlling	- 20,995	- 20,690
Human resources	- 10,324	- 10,815
Other administration expenses	- 26,062	- 19,639
Total	- 83,177	- 76,849

The reduction in other administration expenses is due to various individual cases, particularly the closure of various administration sites during the previous year.

12 | Financial Result

€	2010	2011
Interest income		
from bank deposits	474	843
from derivatives	4,598	0
Other	471	473
Interest income	5,543	1,316
Change in value of financial assets based on measurement at fair value through profit or loss	170	0
Other financial income	679	662
Financial income	6,392	1,978
Interest expenses		
from bank borrowings	- 8,252	- 4,894
from other borrowings	- 2,923	- 17,540
from derivatives	- 36,628	0
Other	- 16,462	- 17,970
Interest expenses	- 64,265	- 40,404
Foreign currency gains primarily from internal Group lending	2,621	1,007
Change in value of financial assets based on measurement at fair value through profit or loss	- 6,460	0
Other financial expenses	- 5,209	- 1,125
Financial expenses	- 73,313	- 40,522
Financial result	- 66,921	- 38,544
thereof interest results	- 58,722	- 39,088
thereof other financial results	- 8,199	544

The financial result improved compared to previous years due to the new financing structure from the refinancing performed in December 2010. While financing showed up to 90% variable interest before the refinancing, this figure is now down to 23%. This is reflected in interest expenses payable to banks. Interest for liabilities with a fixed interest rate such as the Eurobond or the US private placement will be recognized under the interest expenses for other borrowings. The item "other interest expenses" mainly contains the compounding of pension provisions amounting to € 12.9 million (2010: 12.4 million) as well as interest on tax arrears. The previous year's result was also impacted by the dissolution of hedge accounting and the redemption of interest rate swaps as part of the refinancing amounting to a total of € 21.7 million.

13 | Income Taxes

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

€	2010	2011
Current tax expense	- 66,320	- 39,948
Deferred tax expense / income		
from losses carried forward	- 1,407	- 8,380
from temporary differences	23,737	- 1,018
Total deferred tax expense / income	22,330	- 9,398
Income taxes	- 43,990	- 49,346

Income tax expenses in the year under review increased by € 5.4 million to € 49.3 million, which is mainly due to the consolidated earnings before taxes being € 18.4 million higher. The tax rate for the year remained at 25% as in the previous year.

The reduction of current income tax expenses by € 26.4 million to € 39.9 million was mainly the result of the use of commercial tax losses carried forward after the accretion of Symrise GmbH & Co. KG to Symrise AG. Other positive effects came from the release of foreign tax provisions that were no longer necessary and a retroactive tax rate reduction in China. The deferred tax assets to be released due to the use of losses carried forward are a substantial reason for the increase in deferred tax expenses.

Furthermore, current income tax expenses in the previous year were influenced by Group internal transactions just as the deferred tax income in the previous year was influenced by temporary valuation differences from Group internal transactions and valuation differences from derivatives and interests.

DERIVATION OF THE EFFECTIVE TAX RATE

The income taxes disclosed in the year reported, amounting to € 49.3 million (2010: € 44.0 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 German Commercial Code (HGB):

€	2010	2011
Consolidated earnings before taxes	177,490	195,881
Expected tax expense at local tax rates	- 45,346	- 53,036
Tax effect from previous periods	- 2,201	835
Tax effect from tax-free income	7,983	8,463
Tax savings due to the set-off of tax loss carry forwards for which no deferred tax asset was set up	3,767	0
Tax effect from non-deductible expenses	- 5,866	- 1,796
Non-recoverable withholding tax	- 2,748	- 3,495
Tax effect from measurement adjustments to deferred tax assets	- 102	100
Tax effect from change in tax rate	- 15	- 170
Other tax effects	538	- 247
Income tax expense	- 43,990	- 49,346

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

The tax effect from non-deductible expenses was influenced by impairments on interests in the previous year.

Tax effects from previous years resulted from the conclusion of an audit as well as a retroactive tax rate reduction in China.

The proposed dividend for the 2011 fiscal year (note 37) 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 € 151.1 million in 2011 and € 236.6 million in 2010 as these gains are either not subject to taxation on pay out or are expected to be reinvested for indefinite periods of time.

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

T€	2010			2011		
	BEFORE TAXES	TAXES	AFTER TAXES	BEFORE TAXES	TAXES	AFTER TAXES
Exchange differences resulting from the translation of foreign business operations	59,607	714	60,321	- 4,565	1,062	- 3,503
Financial assets available for sale	- 14	3	- 11	- 25	6	- 19
Cash flow hedge (interest rate hedges)	25,643	- 7,328	18,315	0	0	0
Cash flow hedge (currency hedges)	0	0	0	- 736	202	-534
Tax rate change	0	115	115	0	43	43
Other comprehensive income	85,236	- 6,496	78,740	- 5,326	1,313	- 4,013
Current taxes		282			666	
Deferred taxes		- 6,778			647	

14 | Amortization and Depreciation

The amounts charged for amortization of intangible assets and depreciation of property, plant and equipment are visible in the movement summary in notes 25 and 26.

15 | 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.

No option or conversion rights were issued in 2010 or 2011. As a consequence, there is no dilutive effect on the earnings per share. The diluted and basic results are therefore identical.

	2010	2011
Earnings per share (€)	1.13	1.24
Weighted average number of ordinary shares (in thousands)	118,173	118,173

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION

16 | Cash and Cash Equivalents

T€	2010	2011
Cash	104,831	115,566
Cash equivalents	7,384	3,042
Total	112,215	118,608

Cash and cash equivalents mainly consist of balances with banks whose carrying amounts correspond to their fair values.

17 | Trade Receivables

T€	2010	2011
Trade receivables	268,494	296,967
Allowance for doubtful accounts	- 7,018	- 6,696
Total	261,476	290,271

Trade receivables due to companies are not secured. The organization therefore bears the risk of default on payment of the receivables. However, the company's experience in the past was that only insignificant cases of default arose with some individual customers. The carrying amount of the trade receivables represents their fair value.

The companies grant credit terms that are normal for the industry and the territories in which they operate.

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

T€	CARRYING AMOUNT (GROSS)	NO ALLO- WANCE SET UP AND NOT OVERDUE	FULL OR PARTIAL ALLO- WANCE SET UP	SPECIFIC ALLO- WANCE SET UP	OVER- DUE FOR 1-30 DAYS	OVERDUE FOR 31- 90 DAYS	OVERDUE FOR 91- 360 DAYS	OVERDUE FOR MORE THAN 1 YEAR	OVERDUE BUT NO ALLO- WANCE SET UP
Dec. 31, 2010									
Trade receivables	268,494	235,165	33,329	7,018	23,594	5,965	2,165	1,605	0
Dec. 31, 2011									
Trade receivables	296,967	259,673	37,294	6,696	23,667	8,217	2,633	2,777	0

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

T€	2010	2011
As of January 1	3,340	7,018
Translation differences	191	1
Additions to the scope of consolidation	139	0
Allowances set up	4,934	2,255
Utilized in the reporting year	- 304	- 201
Reversals	- 1,282	- 2,377
As of December 31	7,018	6,696

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 set up of allowances for trade receivables and debt write-offs are disclosed under selling and marketing expenses.

18 | Inventories

T€	2010	2011
Raw materials	130,463	125,641
Unfinished products	77,287	81,425
Finished products	111,586	117,350
Impairment losses	- 14,305	- 11,405
Total	305,031	313,011

Costs of materials amounting to €696.2 million were recognized in the consolidated income statement and are included in the cost of sales (2010: €649.6 million).

19 | Current Financial Assets

T€	2010	2011
Investments (held to maturity)	0	7,982
Receivables from customers and employees	1,719	2,283
Security deposits, guarantees and rental deposits	1,066	1,145
Other financial assets	324	263
Total	3,109	11,673

Current financial assets increased mainly through an investment which was classified in the category "held to maturity" in accordance with IAS 39 regulations.

The previous year's figures for financial receivables from customers and employees, security deposits, guarantees and rental deposits as well as other financial assets were reclassified to improve comparability. These were recognized under other assets in the previous year. See note 20.

20 | Current Prepayments, Other Assets and Receivables

T€	2010	2011
Other taxes	19,972	46,594
Other prepayments	12,814	10,629
Compensation claim	7,500	0
Litigation claims	966	0
Other assets	3,154	1,185
Total	44,406	58,408

Other taxes refer mainly to the reclamation of Swiss withholding tax and value-added tax in 2011.

Other prepayments contain particularly prepayments for customer bonuses and payments made for inclusion on customer supplier listings. These will be successively dissolved over the term of the contract.

The prepayments, other assets and receivables are not secured. Symrise carries the risk that defaults can occur on receivables up to the carrying amount. However, only insignificant cases of default have occurred in the past. This item only contains slight impairments, which is why the development of the impairment account is not presented.

In the previous year, receivables from customers and employees, security deposits, guarantees and rental deposits as well as other financial assets were contained in this item, which are recognized under financial assets from 2011 onward. For the sake of comparison, items from the previous year have been reclassified. See note 19.

21 | Assets Held for Sale

As a consequence of the restructuring process carried out in 2009, a decision was made to close the "Scent & Care" production site in Switzerland and relocate it to Holzminden. The land as well as all production and administration buildings were to be sold off and were reclassified as "held for sale". Because the sales activities proved unsuccessful, and it is also unclear when a sale will occur,

the land, buildings and production facilities were reclassified as property, plant and equipment. The intention to sell remains unchanged.

After the acquisition of Futura Labs Group, state approval was given to leave the former Symrise production site in Egypt and transfer the operating business to Futura Labs International S.A.E, Egypt, and merge the two companies. As a result, it was decided to sell the land and technical facilities that are assigned to the Flavor & Nutrition segment and classify them as "held for sale".

T€	2010	2011
Property, plant and equipment, Switzerland	1,607	0
Property, plant and equipment, Egypt	0	373
Total	1,607	373

22 | Deferred Tax Assets/Liabilities

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

T€	2010			2011		
	TAX ASSETS	TAX LIABILITIES	INCOME/ EXPENSES (-)	TAX ASSETS	TAX LIABILITIES	INCOME/ EXPENSES (-)
Intangible assets	16,637	81,848	13,165	13,409	75,989	2,631
Property, plant and equipment	6,969	45,261	- 684	7,412	46,035	- 331
Financial assets	106	20	109	106	13	7
Inventories	9,783	249	4,726	8,454	304	- 1,384
Trade receivables, prepayments and other assets	3,076	3,957	2,548	2,333	6,126	- 2,912
Pension provisions	11,688	340	2,279	12,033	257	428
Other provisions and other liabilities	9,445	9,964	1,594	11,319	7,683	3,536
Interests in subsidiaries	0	0	0	0	2,993	- 2,993
Losses carried forward	39,513	0	- 1,407	31,134	0	- 8,380
	97,217	141,639	22,330	86,200	139,400	- 9,398
Balancing	- 63,082	- 63,082		- 66,379	- 66,379	
Total	34,135	78,557	22,330	19,821	73,021	- 9,398

Deferred tax expenses amounted to €9.4 million in 2011 in contrast to a deferred tax income of €22.3 million in 2010.

This change is mainly due to the fact that the deferred tax income in 2010 was influenced by temporary valuation differences from Group internal transactions as well as valuation differences from derivatives and interests. More tax losses carried forwards were available in Germany in 2011.

Tax losses carried forward could be used in Germany, France, Brazil and England in 2011. The use of tax deductible depreciations outside of Germany led to new taxable losses that can mostly be used over the next 5 years.

Overall, corporation tax losses amounting to €101.1 million (2010: €99.9 million) existed as of the reporting date. Additionally, tax losses carried forward amounting to €49.3 million (2010: 114.5 million) from other income tax categories existed, mainly from commercial taxes in Germany. Of the corporation tax losses, €30.0 million are subject to time limits. The other losses are not 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. As a result, impairment on deferred tax assets amounts to only €0.1 million (2010: €0.2 million). This correction only affects Mexico.

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 42% without considering financing companies.

Foreign currency translation effects are contained in the deferred tax assets and liabilities amounting to €0.7 million in the year under review (2010: €0.1 million).

Regarding the change in deferred tax assets from losses carried forward, please see note 13 Income Taxes.

23 | Other Non-current Assets and Receivables

T€	2010	2011
Prepayments, customer bonuses	798	3,570
Other loans	225	90
Total	1,023	3,660

In the 2011 fiscal year we managed to gain some important customer core list positions. The payments made for these inclusions will be dissolved over the term of the contract.

In the previous year, this item contained security deposits, guarantees and rental deposits as well as receivables from customers and employees which we will classify under non-current financial assets from 2011. For the sake of comparison, items from the previous year have been reclassified. See note 24.

24 | Non-current Financial Assets

T€	2010	2011
Financial assets (available for sale)	2,817	5,077
Security deposits, guarantees and rental deposits	1,388	1,269
Receivables from customers and employees	454	646
Other financial assets	826	194
Total	5,485	7,186

Non-current financial assets mainly include shares in investment funds that have to be held long-term in compliance with legislative requirements for pension obligations in Austria as well as an acquired stake amounting to € 1.8 million in 2011. The financial assets were classified as available for sale.

The previous year's figures for security deposits, guarantees and rental deposits as well as receivables from customers and employees were reclassified for the sake of comparability since we will be recognizing these under non-current financial assets from 2011 onwards. See note 23.

25 | Intangible Assets

2010 T€	GOODWILL	RECIPES ¹ WITH LIMITED USEFUL LIVES	OTHER INTANGIBLE ASSETS ² WITH LIMITED USEFUL LIVES	CAPITALIZED DEVELOP- MENT COSTS	ADVANCE PAYMENTS ON DEVELOP- MENT COSTS	ADVANCE PAYMENTS ON OTHER INTANGIBLE ASSETS	TOTAL
Cost							
As of January 1, 2010	495,141	585,610	97,881	11,603	3,385	7,404	1,201,024
Additions to the scope of consolidation	7,184	3,154	10,968	0	0	0	21,306
Additions from acquisitions	0	0	7,956	0	0	3,266	11,222
Additions through own generation	0	0	0	569	1,395	0	1,964
Disposals	0	-297	-2,564	-757	0	-870	-4,488
Transfers	0	0	4,315	1,759	-1,759	-4,315	0
Currency translation effects	21,321	19,096	4,852	674	0	70	46,013
As of December 31, 2010	523,646	607,563	123,408	13,848	3,021	5,555	1,277,041
Cumulative amortization/ impairment							
As of January 1, 2010	-33,527	-303,796	-25,814	-220	0	0	-363,357
Additions to the scope of consolidation	0	0	-44	0	0	0	-44
Scheduled amortization for the fiscal year	0	-32,090	-12,642	-1,603	0	0	-46,335
Impairment	0	0	-45	0	0	0	-45
Disposals	0	91	1,606	0	0	0	1,697
Transfers	0	4,589	-4,589	0	0	0	0
Currency translation effects	-1,300	-7,879	3,616	0	0	0	-5,563
As of December 31, 2010	-34,827	-339,085	-37,912	-1,823	0	0	-413,647
Carrying amounts							
As of January 1, 2010	461,614	281,814	72,067	11,383	3,385	7,404	837,667
As of December 31, 2010	488,819	268,478	85,496	12,025	3,021	5,555	863,394

¹ Recipes mainly consist of production recipes that were purchased as part of acquisitions

² Customer base, software, patents and other rights, trademarks, own IT developments

2011 T€	GOODWILL	RECIPES ¹ WITH LIMITED USEFUL LIVES	OTHER INTANGIBLE ASSETS ² WITH LIMITED USEFUL LIVES	CAPITALIZED DEVELOP- MENT COSTS	ADVANCE PAYMENTS ON DEVELOP- MENT COSTS	ADVANCE PAYMENTS ON OTHER INTANGIBLE ASSETS	TOTAL
Cost							
As of January 1, 2011	523,646	607,563	123,408	13,848	3,021	5,555	1,277,041
Additions from acquisitions	0	0	7,836	0	0	5,728	13,564
Additions through own generation	0	0	0	665	1,355	0	2,020
Disposals	0	0	- 699	- 157	0	0	- 856
Transfers	0	0	3,261	1,138	- 1,186	- 3,213	0
Currency translation effects	7,045	2,594	156	0	0	-112	9,683
As of December 31, 2011	530,691	610,157	133,962	15,494	3,190	7,958	1,301,452
Cumulative amortization/ impairment							
As of January 01, 2011	- 34,827	- 339,085	- 37,912	- 1,823	0	0	- 413,647
Scheduled amortization for the fiscal year	0	- 28,944	- 11,485	- 2,495	0	0	- 42,924
Disposals	0	0	540	0	0	0	540
Currency translation effects	- 2,287	- 4,810	- 4,055	0	0	0	- 11,152
As of December 31, 2011	- 37,114	- 372,839	- 52,912	- 4,318	0	0	- 467,183
Carrying amounts							
As of January 1, 2011	488,819	268,478	85,496	12,025	3,021	5,555	863,394
As of December 31, 2011	493,577	237,318	81,050	11,176	3,190	7,958	834,269

¹ Recipes mainly consist of production recipes that were purchased as part of acquisitions

² Customer base, software, patents and other rights, trademarks, own IT developments

Goodwill amounts to €493.6 million (2010: €488.8 million), which is derived from differing amounts that arose during the capital consolidation process. The increase derives from the currency translation of goodwill recognized by foreign business operations into the Group's reporting currency.

The main additions in the fiscal year consisted of software (€12.4 million), particularly investments in IT licenses (€3.6 million) and the global rollout of SAP (€2.8 million).

Research and development expenses, which were recorded directly as an expense, amounted to €107.6 million in fiscal year 2011 (2010: €107.9 million).

The amortization of recipes and customer base is allocated to production and is therefore included in the cost of sales. The amortization of other intangible assets is generally allocated to the relevant functional area in the consolidated income statement.

GOODWILL ACCORDING TO SEGMENT

T€	DECEMBER 31, 2010	OF WHICH ADDI- TIONS IN 2010	DECEMBER 31, 2011	OF WHICH ADDI- TIONS IN 2011
Segment				
Flavor & Nutrition	328,720	7,184	332,047	0
Scent & Care	160,099	0	161,530	0
Total	488,819	7,184	493,577	0

26 | Property, Plant and Equipment

2010 T€	LAND AND BUILDINGS	PLANTS AND MACHINERY	EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
Cost					
As of January 1, 2010	294,756	249,502	111,865	31,026	687,149
Additions to the scope of consolidation	1,467	1,579	660	207	3,913
Additions	5,716	7,307	7,047	37,265	57,335
Disposals	- 4,274	- 3,091	- 3,626	- 377	- 11,368
Transfers	3,103	12,597	5,085	- 20,785	0
Transfers pursuant to IFRS 5	0	- 2,802	- 563	0	- 3,365
Currency translation effects	11,197	8,290	3,653	1,828	24,968
As of December 31, 2010	311,965	273,382	124,121	49,164	758,632
Cumulative depreciation/impairments					
As of January 1, 2010	- 79,422	- 146,581	- 75,388	263	- 301,128
Additions to the scope of consolidation	- 323	- 877	- 417	0	- 1,617
Scheduled depreciation for the fiscal year	- 12,377	- 17,518	- 10,424	0	- 40,319
Impairments	0	- 42	0	0	- 42
Disposals	3,790	2,083	2,982	0	8,855
Transfers	0	31	- 31	0	0
Transfers pursuant to IFRS 5	0	2,623	548	0	3,171
Currency translation effects	- 2,585	- 4,080	- 2,171	22	- 8,814
As of December 31, 2010	- 90,917	- 164,361	- 84,901	285	- 339,894
Carrying amounts					
As of January 1, 2010	215,334	102,921	36,477	31,289	386,021
As of December 31, 2010	221,048	109,021	39,220	49,449	418,738

2011 T€	LAND AND BUILDINGS	PLANTS AND MACHINERY	EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
Cost					
As of January 1, 2011	311,965	273,382	124,121	49,164	758,632
Additions	3,119	7,764	6,274	34,558	51,715
Disposals	- 26	- 1,173	- 3,675	- 75	- 4,949
Transfers	4,921	21,371	15,493	- 41,785	0
Transfers pursuant to IFRS 5	- 542	- 134	- 59	0	- 735
Reclassifications (IFRS 5)	5,898	3,142	631	0	9,671
Currency translation effects	1,633	757	67	- 848	1,609
As of December 31, 2011	326,968	305,109	142,852	41,014	815,943
Cumulative depreciation/impairments					
As of January 1, 2011	- 90,917	- 164,361	- 84,901	285	- 339,894
Scheduled depreciation for the fiscal year	- 11,607	- 17,849	- 10,991	0	- 40,447
Reversals	590	1,192	76	0	1,858
Disposals	18	1,061	3,527	0	4,606
Transfers	4,035	0	- 4,035	0	0
Transfers pursuant to IFRS 5	195	108	45	0	348
Reclassifications (IFRS 5)	- 4,331	- 3,103	- 614	0	- 8,048
Currency translation effects	- 1,671	- 813	- 146	- 285	- 2,915
As of December 31, 2011	- 103,688	- 183,765	- 97,039	0	- 384,492
Carrying amounts					
As of January 1, 2011	221,048	109,021	39,220	49,449	418,738
As of December 31, 2011	223,280	121,344	45,813	41,014	431,451

In 2011, a total of €51.7 million (2010: €57.3 million) was invested in property, plant and equipment. The most notable of these were the expansion of menthol production in Holzminden (€10.3 million) and the construction of a spray-drying tower in Singapore (€2.0 million).

The impairments performed in fiscal year 2003 for a Scent&Care production facility were reversed during the current fiscal year since capacity expansions in production processes will lead to greater utilization. The income from this reversal amounting to €1.7 million is recognized under cost of sales.

27 | Trade Payables

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

For the sake of comparison, items from the previous year have been reclassified. See note 29.

28 | Current Borrowings

T€	2010	2011
Bank borrowings	173,932	133,668
Accrued interest	4,173	4,650
Other current borrowings	45	47
Total	178,150	138,365

The differences between the carrying amounts and the nominal amounts of bank borrowings, deriving from unamortized transaction costs, amounted to €1.6 million (2010: €2.1 million).

No security has been provided for current bank borrowings, which are made up as follows:

CREDIT FACILITY 2010 T€	MATURITY DATE	NOMINAL VALUE	CARRYING AMOUNT	NOMINAL INTEREST RATE	
Symrise AG					
Revolving credit facility EUR	March 2011	125,000	123,499	Euribor + 0.8%	1.883%
Revolving credit facility US\$	March 2011	49,060	48,461	Libor + 0.8%	1.1447%
Futura Labs Group, Egypt					
Bank overdrafts	January 2011	1,972	1,972		13.5%
Total		176,032	173,932		

CREDIT FACILITY 2011 T€	MATURITY DATE	NOMINAL VALUE	CARRYING AMOUNT	NOMINAL INTEREST RATE	
Symrise AG					
Revolving credit facility EUR	January 2012	85,000	83,859	Euribor + 0.8%	1.997%
Revolving credit facility US\$	March 2012	50,263	49,809	Libor + 0.8%	1.16856%
Total		135,263	133,668		

Of current bank borrowings from the revolving credit facility, €135.3 million (2010: €174.1 million) relate 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, a bilateral credit line with the Commerzbank AG for €12.5 million exists that is intended to cover short-term payment requirements. Accordingly, as of December 31, 2011, Symrise had unutilized lines of credit available, totaling €177.2 million (2010: €145.9 million).

Current bank borrowings with a nominal value of €50.3 million (2010: €49.1 million) are designated in US dollars.

Due to the variable interest rates and the related payment obligations, it can be assumed that the carrying amounts for all borrowings correspond to their fair value at the balance sheet reporting date.

29 | Other Current Liabilities

T€	2010	2011
Employee-related liabilities	41,902	34,182
Other taxes	5,146	32,101
Taxes on wages /salaries, social security contributions	10,147	12,037
Liabilities to customers	7,320	10,597
Litigation-related liabilities	532	2,122
Purchase price liabilities	3,139	1,782
Insurance premiums	1,394	1,672
Miscellaneous other liabilities	10,991	9,565
Total	80,571	104,058

The rise in other taxes resulted from withholding taxes that are once again eligible and due shortly in Switzerland due to dividend distributions. Employee-related liabilities were lower than the previous year mainly due to reduced annual bonuses and other bonuses as compared to the previous year. Purchase price liabilities mainly resulted from outstanding purchase price payments regarding the acquisition of Futura Labs Group.

Liabilities from litigations present the anticipated expense for severance payments in France that will conclude in 2012 after proceedings lasting many years.

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

Outstanding invoices were reclassified in trade payables. For the sake of comparison, items from the previous year have been reclassified. See note 27.

30 | Other Current Provisions

Details of the most significant provisions are listed below:

T€	PERFORMANCE-BASED REMUNERATION	JUBILEE	RESTRUCTURING MEASURES	SEVERANCE PAYMENTS	OTHER PROVISIONS	2011 TOTAL	2010
January 1	1,928	0	1,559	833	951	5,271	5,862
Utilized	- 1,342	0	- 624	- 58	- 334	- 2,358	- 4,038
Reversals	- 111	0	- 544	- 751	- 95	- 1,501	- 1,486
Transfers	0	852	0	-25	-326	501	0
Increases	1,507	0	6	115	87	1,715	4,465
Sub-total	1,982	852	397	114	283	3,628	4,803
Currency translation effects	- 3	- 2	- 64	5	- 37	- 101	468
December 31	1,979	850	333	119	246	3,527	5,271

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

The provision for restructuring measures exists for the closure of the Sorocaba site in Brazil.

Obligations for jubilee were recognized in other liabilities in the previous year. Due to the high amount of uncertainty regarding the

determination and measurement of the obligation, we decided to recognize these under provisions in the future.

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

31 | Current Financial Liabilities

This item mainly contains negative market values from forward contracts for hedging currency risks amounting to € 1.2 million.

32 | Current Tax Liabilities

Liabilities from taxes contain current income taxes for periods not yet assessed. Regarding the decline in this item compared to the previous year, please see note 13.

33 | Non-current Borrowings

Non-current borrowings consist of:

T€	2010	2011
Bank borrowings	27,419	30,162
Other borrowings	427,913	431,671
Total	455,332	461,833

Non-current borrowings contain foreign currencies (US\$) amounting to € 135.3 million (2010: € 132.1 million). The differences between the carrying amounts and the nominal amounts of bank borrowings, deriving from unamortized transaction costs, amounted to € 3.7 million (2010: € 4.3 million).

BORROWINGS 2010

T€	MATURITY DATE	NOMINAL VALUE	CARRYING AMOUNT	NOMINAL INTEREST RATE	
Symrise AG					
Bond	October 2017	300,000	296,219	Fixed	4.125%
US private placement	November 2020	132,085	131,694	Fixed	4.09%
Promissory note loan	April 2013	27,500	27,419	Fixed	5.35%
Total		459,585	455,332		

BORROWINGS 2011

T€	MATURITY DATE	NOMINAL VALUE	CARRYING AMOUNT	NOMINAL INTEREST RATE	
Symrise AG					
Bond	October 2017	300,000	296,706	Fixed	4.125%
US private placement	November 2020	135,323	134,965	Fixed	4.09%
Promissory note loan	April 2013	27,500	27,452	Fixed	5.35%
Symrise Rogovo					
Bilateral credit lines	September 2013	2,710	2,710	Variable MosPrime + 2.5%	9.83%
Total		465,533	461,833		

SECURITIES PROVIDED

As part of the revolving credit facility and US private placement arrangements, Symrise has entered into an obligation (leverage covenant) to keep the relationship between net borrowings and EBITDA within defined limits. This ratio is controlled on a quarterly basis for compliance.

In addition to the leverage covenant, compliance with a fixed upper limit for the ratio between EBITDA and net interest expense (interest covenant) is controlled annually in regards to the promissory note loan.

34 | Other Non-current Liabilities

T€	2010	2011
Employee-related liabilities	3.383	1.613
Outstanding purchase price payments	0	1.475
Liabilities from severance pay obligations and litigation	2.430	707
Liabilities from other taxes	1.700	0
Miscellaneous other liabilities	1.671	2.214
Total	9.184	6.009

Employee-related liabilities mainly relate to provisions for phased early retirement amounting to €0.7 million (2010: €1.9 million) and represent post-employment benefit liabilities.

Obligations for jubilee were recognized in other liabilities in the previous year. Due to the high amount of uncertainty regarding the determination and measurement of the obligation, we decided to recognize these under provisions in the future and to adjust the previous year's figures. See also note 35.

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

35 | Other Non-current Provisions

Details of the most significant provisions are listed below:

T€	LITIGATION	JUBILEE	RESTORATION OBLIGATIONS	PERFORMANCE-BASED REMUNERATION	OTHER PROVISIONS	2011 TOTAL	2010
January 1	1,814	6,223	3,134	93	0	11,264	6,970
Utilized	0	- 366	- 277	0	0	- 643	- 288
Reversals	0	- 6	0	0	0	- 6	0
Increases	0	234	0	545	760	1,539	3,896
Transfers	0	0	38	0	0	38	
Sub-total	1,814	6,085	2,895	638	760	12,192	10,578
Currency translation effects	- 115	- 26	58	0	0	- 83	326
Interest expenses	1,378	306	14	0	38	1,736	360
December 31	3,077	6,365	2,967	638	798	13,845	11,264

Due to years of litigation on income and wage taxes as well as social security contributions in Brazil, accruals have already been created that were recognized under other liabilities in the past.

The same is true for obligations for jubilee. The previous year's figures were adjusted accordingly. See also note 34.

Provisions for obligations exist visàvis respective lessors to restore leased objects to their condition before the lease began. 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. They are normally recognized as non-current items.

The accumulation of the provision for litigations includes recovery effects from previous years.

36 | Provisions for Pensions and Similar Obligations

Individual companies have established pension plans that are either financed directly by the Group companies themselves through provisions they have set up 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 exception of pension-related interest costs, current expenses for the fiscal year are included in the Group's income from operations.

The active participation of employees of the former Haarmann & Reimer GmbH, Germany, in the Bayer mutual pension fund 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 assess-

ment of contributions as defined by the German State Pension Authority West). For those people with components of remuneration that exceed the respective 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 merger. The benefits have to be maintained at the same level that existed before the merger 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 limit 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 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.

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 on 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 limit 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 limit 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 join the RPK scheme on a voluntary basis up to September 30, 2010. No pension provision is set up for this defined contribution plan with the RPK, which operates as an external benefit provider.

The amount of the pension obligations (the present value of the entitlement or defined benefit obligation) has been determined based on actuarial methods by means of an actuarial report made using assumptions for the various relevant factors of influence.

Increases or decreases in the present value of the defined benefit obligations can result in actuarial gains or losses, which may derive from changes in the calculation parameters used in the computations and changes in estimates with respect to the development of risks related to the pension obligations. The net amount of the pension provisions can be derived as follows:

T€	2010	2011
Defined benefit obligation, unfunded	225,689	260,135
Defined benefit obligation, funded	48,635	57,135
Present value of benefit obligations as of December 31	274,324	317,270
Fair value of plan assets	– 30,883	– 30,965
Unrecognized gains from plan amendments	5,016	4,415
Unrecognized actuarial losses	– 35,040	– 69,102
Unrecognized past service costs	– 1,003	0
Liabilities from defined benefit obligations as of December 31	212,414	221,618

Provisions for pensions amounting to €221.6 million (2010: €212.4 million) break down by region as follows:

T€	2010	2011
EAME	185,157	193,299
North America	24,443	25,027
Asia/Pacific	353	982
Latin America	2,461	2,310
Total	212,414	221,618

The present value of the benefit obligations has developed as follows:

T€	2010	2011
Present value as of January 1	235,548	274,324
Current service costs	10,382	11,731
Interest expenses	12,441	12,887
Recognized losses from plan amendments	264	373
Unrecognized actuarial losses	20,822	30,694
Benefits paid	– 10,344	– 10,745
Transfers	0	435
Disposals	0	– 4,671
Translation differences	5,211	2,242
Present value of benefit obligations as of December 31	274,324	317,270

The disposals resulted from the closure of the Switzerland site.

Pension obligations have developed as follows:

2010 T€	GROUP DEFINED BENEFIT PLANS	POST-EMPLOYMENT HEALTHCARE BENEFITS	TOTAL PENSION PLANS FOR THE GROUP
Defined benefit obligations as of January 1	185,228	14,220	199,448
Pension expenses	20,964	103	21,067
Employer contributions	- 386	- 455	- 841
Benefits paid	- 9,407	0	- 9,407
Disposals	37	0	37
Foreign currency differences	950	1,160	2,110
Pension obligations as of December 31	197,386	15,028	212,414

2011 T€	GROUP DEFINED BENEFIT PLANS	POST-EMPLOYMENT HEALTHCARE BENEFITS	TOTAL PENSION PLANS FOR THE GROUP
Defined benefit obligations as of January 1	197,386	15,028	212,414
Pension expenses	22,897	176	23,073
Employer contributions	- 4,295	0	- 4,295
Benefits paid	- 9,804	- 414	- 10,218
Transfers	435	0	435
Disposals	- 345	0	- 345
Foreign currency differences	- 340	894	554
Pension obligations as of December 31	205,934	15,684	221,618

The disposals resulted from the closure of the Switzerland site.

The fair value of the plan assets has developed as follows:

T€	2010	2011
Fair value of the plan assets as of January 1	25,683	30,883
Employer contributions	387	4,295
Benefits paid	- 483	- 527
Expected income from plan assets	1,411	1,605
Actuarial gains (+) / losses (-)	1,033	- 2,048
Disposals	0	- 4,326
Foreign currency differences	2,852	1,083
Fair value of the plan assets as of December 31	30,883	30,965

The disposals resulted from the closure of the Switzerland site.

In 2011, the experience adjustments to plan assets in the USA amounted to €1.8 million (2010: €1.0 million). In Japan, the experience adjustments to plan assets amounted to €0.6 million in 2011 (2010: €0.1 million).

The fair values of the main groups of plan assets are as stated below:

T€	THE NETHERLANDS PLAN		THE SWISS PLAN		THE US PLAN		THE JAPANESE PLAN	
	2010	2011	2010	2011	2010	2011	2010	2011
Bonds	0	0	3,489	0	8,831	11,929	1,830	1,860
Equity instruments	0	0	265	0	11,455	12,410	2,055	1,968
Real estate	0	0	486	0	0	0	0	0
Other assets	1,478	1,906	177	0	570	587	120	164
Total as of December 31	1,478	1,906	4,417	0	20,856	24,926	4,005	3,992

The expenses for pensions and similar benefits break down as follows:

2010 T€	GROUP DEFINED BENEFIT PLANS	POST-EMPLOYMENT HEALTHCARE BENEFITS	TOTAL PENSION PLANS FOR THE GROUP
Current service costs	10,162	220	10,382
Past service costs	48	0	48
Interest expenses	11,884	557	12,441
Expected income from plan assets	- 1,411	0	- 1,411
Recognized plan amendments for the USA	0	- 674	- 674
Recognized actuarial losses	281	0	281
Expenses for pensions and similar benefits as of December 31	20,964	103	21,067
Actual yield from plan assets	2,444	0	2,444

2011 T€	GROUP DEFINED BENEFIT PLANS	POST-EMPLOYMENT HEALTHCARE BENEFITS	TOTAL PENSION PLANS FOR THE GROUP
Current service costs	11,487	244	11,731
Past service costs	120	0	120
Interest expenses	12,340	547	12,887
Expected income from plan assets	- 1,605	0	- 1,605
Recognized plan amendments for the USA	0	- 642	- 642
Gains from disposals	-345	0	- 345
Recognized actuarial losses	900	27	927
Expenses for pensions and similar benefits as of December 31	22,897	176	23,073
Actual loss from plan assets	- 443	0	- 443

Pension expenses are included in the consolidated income statement as follows:

T€	2010	2011
Cost of sales	3,237	3,265
Selling and marketing expenses	2,227	3,007
Research and development expenses	1,629	2,031
Administration expenses	1,533	1,883
Total	8,626	10,186

Over the past five years, the financing status, derived from the present value of all benefit promises and the fair value of plan assets, has changed as follows:

T€	2007	2008	2009	2010	2011
Present value of defined benefit obligations	200,567	204,449	235,548	274,324	317,270
Fair value of plan assets	- 20,613	- 19,593	- 25,683	- 30,883	- 30,965
Financing status as of December 31	179,954	184,856	209,865	243,441	286,305
Experience-based adjustments on plan liabilities	- 3,074	4,502	- 1,800	1,213	- 2,652
Experience-based adjustments on plan assets	- 217	- 4,771	4,082	1,033	2,048

Symrise expects contribution payments of T€ 4,143 in 2012 (expectation in 2010 for 2011: T€ 2,589) into the funded defined benefit plans.

The actuarial assumptions and measurements are based on the following parameters, which vary from country to country due to their differing economic environments:

IN %	PARAMETERS 2010	PARAMETERS 2011
Interest rate used for discounting		
Germany	4.70	4.50
USA	5.56	4.47
Other countries vary between	1.57 and 8.35	1.00 and 8.95
Expected yields from plan assets		
USA	7.00	7.00
Other countries vary between	2.00 and 7.50	2.00 and 7.50
Salary trends		
Germany	2.50	2.50
USA	4.25	4.25
Other countries vary between	1.50 and 10.00	2.00 and 10.00
Pension trends		
Germany	1.75	1.75
Cost increase factor for medical benefits in the US	9.00	9.00

The determination of the expected yields on the plan assets is mainly based on forecasts for the particular asset class. Overall economic expectations, interest rate expectations, inflation rates and expectations relating to the development of the stock market are all considered in the forecasts.

The salary trends cover expected future rates of salary increase, which are estimated annually, and considers inflation rates and length of service with the company among other factors.

A 1 % change in the assumption made for cost trends for healthcare benefits would have the following effect:

T€	INCREASE		DECREASE	
	2010	2010	2011	2011
Impact on defined benefit obligations	466	418	1,446	1,224
Impact on service costs	48	42	49	43

The company in the USA provides healthcare benefits to its employees. The costs are determined based on the assumption that the cost trend for 2012 and 2013 will be 7%, while costs are expected to increase by 5% for 2014 and the following years.

37 | Equity

SHARE CAPITAL

The share capital of Symrise AG remained unchanged at € 118,173,300 and is fully paid in. It is divided into 118,173,300 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 limitation applies to shares that were sold, issued or are to be issued with the exclusion of subscription rights during the term of this corresponding application of Section 186 (3) sentence 4 of the AktG.
- 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 benefit, particularly in connection with the acquisition of companies.

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 Sec. 71 (1) no. 8 of the 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%.

CAPITAL RESERVE AND OTHER RESERVES

The capital reserve mainly comprises the share premium that arose at the time of the capital increase that was carried out as part of the initial public offer and has remained unchanged since December 31, 2010. The revaluation reserve results from successive past share acquisitions and has changed in comparison to the previous year to an insignificant extent as a consequence of tax-rate amendments.

CASH FLOW HEDGE RESERVE (CURRENCY HEDGES)

Since the start of 2011, Symrise Group has been using forward contracts as currency hedges which are classified as cash flow hedges. The amount that was transferred during the period from equity into the consolidated income statement as part of cash flow hedge accounting amounts to T€257 (2010: T€0) and is recognized under sales.

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

Reclassifications of ineffective parts from cash flow hedges into the result for the period did not occur in 2011.

T€	2010	2011
January 1	0	0
Allocations (effective fair value changes)	0	- 993
Reversals		
in sales	0	257
Deferred taxes	0	202
December 31	0	- 534

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2010 T€	REVALUATION RESERVE	FAIR VALUE RESERVE	CUMULATIVE TRANSLATION DIFFERENCES	ACCUMULATED DEFICIT	TOTAL OTHER COMPRE- HENSIVE INCOME
Exchange rate differences that occurred during the fiscal year	0	0	62,751	0	62,751
Losses from net investments	0	0	- 2,206	0	- 2,206
Exchange rate differences from non-current assets held for sale (IFRS 5)	0	0	- 224	0	- 224
Change in fair value of financial assets available for sale	0	- 11	0	0	- 11
Income recorded during the fiscal year for cash flow hedges (interest rate hedges)	0	4,214	0	0	4,214
Reclassification of funds for cash flow hedges (interest rate hedges) to consolidated income statement	0	14,101	0	0	14,101
Tax rate change	47	0	0	68	115
Other comprehensive income	47	18,304	60,321	68	78,740

2011 T€	REVALUATION RESERVE	FAIR VALUE RESERVE	CASHFLOW HEDGE RESERVE (CURRENCY HEDGE)	CUMULATIVE TRANSLATION DIFFERENCES	TOTAL OTHER COMPRE- HENSIVE INCOME
Exchange rate differences from the translation of foreign operations that occurred during the fiscal year	0	0	0	-2,958	-2,958
Losses from net investments	0	0	0	-2,256	-2,256
Reclassification of exchange rate differences from the translation of foreign operations into the consolidated income statement	0	0	0	1,749	1,749
Exchange rate differences from non-current assets held for sale (IFRS 5)	0	0	0	-38	-38
Change in fair value of financial assets available for sale	0	-19	0	0	-19
Expenses recorded during the fiscal year for cash flow hedges (currency hedges)	0	0	-751	0	-751
Reclassification of funds for cash flow hedges (currency hedges) to consolidated income statement	0	0	217	0	217
Tax rate change	43	0	0	0	43
Other comprehensive income	43	-19	-534	-3,503	-4,013

OTHER

In accordance with the German Stock Corporation Act, the distributable dividend for shareholders of Symrise AG is to be determined with reference to the unappropriated 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 18, 2011, a resolution was passed to distribute a dividend for the 2010 fiscal year of €0.60 for each ordinary share with a dividend entitlement (2009: €0.50); the total amount of the dividend was T€70,904 (2009: T€59,087).

The Executive Board and the Supervisory Board recommend a dividend of €0.62 per share based on Symrise AG's unappropriated net profit under commercial law as of December 31, 2011. This amounts to dividends of T€73,267.

38 | Disclosures on Capital Management

With an equity ratio (equity in relation to the balance sheet total) of 43.5% (2010: 40.9%), Symrise has a solid equity structure. One of Symrise's fundamental principles is to maintain a strong capital base 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.

The capital situation is monitored through use of a number of key indicators. The relationship between net borrowings (including pension provisions) 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, 2011. The basis for the calculation is provided by the balance sheet equity:

T€	2010	2011
Share capital	118,173	118,173
Capital reserve	970,911	970,911
Revaluation reserve	2,765	2,808
Fair value reserve	4	-15
Cash flow hedge reserve	0	-534
Cumulative translation differences	-1,838	-5,341
Accumulated deficit	-247,898	-172,267
Total equity	842,117	913,735

The objective is to maintain a balance between more favorably weighted average capital costs (WACC) resulting from additional borrowings and the advantages and security provided by a solid equity base. Additionally, the Executive Board monitors the dividends in order to offer shareholders an attractive dividend yield. Furthermore, it should be ensured that solid financing options exist for acquisition opportunities.

The average interest expense on liabilities (including pension provisions) was 4.4% (2010: 4.6%) and the ratio of net debt - including pension provisions - to EBITDA was 2.2 (2010: 2.2). There was no change in the Group's approach to capital management compared to the previous year.

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

39 | Additional Disclosures on the Cash Flow Statement

In accordance with IAS 7, the consolidated statement of cash flows for the reporting year 2011 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 reporting item "Cash and cash equivalents".

During 2011, the Group made non-cash investments in intangible assets and property, plant and equipment amounting to T€10,074 which are not reflected in the statement of cash flows.

40 | Additional Disclosures on Financial Instruments

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

2010 T€	MEASUREMENT CATEGORY UNDER IAS 39	CARRYING AMOUNT AS OF DEC. 31, 2010	VALUE RECOGNIZED UNDER IAS 39			
			AMORTIZED COST	FAIR VALUE IN EQUITY	FAIR VALUE IN PROFIT OR LOSS	FAIR VALUE AS OF DEC. 31, 2010
Assets						
Cash and cash equivalents	LaR	112,215	112,215	–	–	112,215
Trade receivables	LaR	261,476	261,476	–	–	261,476
Financial assets (current and non-current)	Reporting items	8,594	–	–	–	–
of which:						
Other financial assets	LaR	5,777	5,777	–	–	5,777
Financial assets available for sale	AfS	2,817	–	2,817	–	2,817
Liabilities and equity						
Trade payables	FLAC	121,048	121,048	–	–	121,048
Borrowings (current and non-current)	FLAC	633,482	633,482	–	–	622,631
Of which aggregated into measurement categories in accordance with IAS 39:						
Loans and receivables	LaR	379,468	379,468	–	–	379,468
Available for sale financial assets	AfS	2,817	–	2,817	–	2,817
Financial liabilities measured at amortized cost	FLAC	754,530	754,530	–	–	743,679

2011 T€	MEASUREMENT CATEGORY UNDER IAS 39	CARRYING AMOUNT AS OF DEC. 31, 2011	VALUE RECOGNIZED UNDER IAS 39			
			AMORTIZED COST	FAIR VALUE IN EQUITY	FAIR VALUE IN PROFIT OR LOSS	FAIR VALUE AS OF DEC. 31, 2011
Assets						
Cash and cash equivalents	LaR	118,608	118,608	–	–	118,608
Trade receivables	LaR	290,271	290,271	–	–	290,271
Financial assets (current and non-current)	Reporting items	18,859	–	–	–	–
of which:						
Other financial assets	LaR	5,800	5,800	–	–	5,800
Financial assets available for sale	AfS	5,077	–	5,077	–	5,077
Financial assets held to maturity	HtM	7,982	7,982	–	–	7,982
Liabilities and equity						
Trade payables	FLAC	118,237	118,237	–	–	118,237
Borrowings (current and non-current)	FLAC	600,198	600,198	–	–	609,923
Financial liabilities (current)	Reporting items	2,018	–	–	–	–
of which:						
Other financial liabilities	FLAC	827	827	–	–	827
Derivative financial instruments						
with hedge relationship	n.a.	740	–	740	–	740
without hedge relationship	HfT	451	–	–	451	451
Of which aggregated into measurement categories in accordance with IAS 39:						
Loans and receivables	LaR	414,679	414,679	–	–	414,679
Available for sale financial assets	AfS	5,077	–	5,077	–	5,077
Held to maturity	HtM	7,982	7,982	–	–	7,982
Financial liabilities measured at amortized cost	FLAC	719,262	719,262	–	–	728,987
Financial liabilities held for trading	HfT	451	–	–	451	451

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

The fair values of bank borrowings and liabilities deriving from promissory note loans are determined as the present values of payments relating to the liabilities based on the corresponding valid interest rate curve structure adjusted by a credit spread.

FAIR VALUE ACCORDING TO VALUATION CATEGORY

(IFRS 7.27)

The levels of the fair value hierarchy are explained in note 3.

T€	2010				2011				
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	
Assets									
Financial assets available for sale	AFS	2,817	–	–	2,817	3,242	1,835	–	5,077
Liabilities and equity									
Derivative financial instruments without hedge relationship	HfT	–	–	–	–	–	451	–	451
Derivative financial instruments with hedge relationship	n.a.	–	–	–	–	–	740	–	740

T€	2010	2011
Financial assets measured at fair value through profit or loss (held for trading)	- 1,974	27
Loan and receivables (impairments)	- 3,678	- 128
Total net gains and losses	- 5,652	- 101

The results presented do not include expenses and income deriving from interest and dividends. The previous year's result was characterized by high allowances to trade receivables and fair value changes to interest rate swaps.

41 | Disclosures Relating to Financial Instrument Risk Management

Fluctuations in currency 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. With the exception of the currency derivatives used in 2011, 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 valued at amortized cost have fixed rates, there is no notable risk if interest rates change.

An increase to all relevant interest rates of one percentage point would have resulted in T€ 1,345 less earnings as of December 31, 2011 (Dec. 31, 2010: T€ 1,740). The sensitivity of equity towards interest rate changes is minimal.

2010	NOMINAL	OF WHICH FIXED	OF WHICH VARIABLE	OF WHICH UNHEDGED	1 % INCREASE	1 % DECREASE
T€	452,500	327,500	125,000	125,000	1,250	- 1,250
TUS\$	240,000	175,000	65,000	65,000	650	- 650

2011	NOMINAL	OF WHICH FIXED	OF WHICH VARIABLE	OF WHICH UNHEDGED	1 % INCREASE	1 % DECREASE
T€	415,258	327,500	87,758	87,758	878	- 878
TUS\$	240,000	175,000	65,000	65,000	650	- 650

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 companies through changes in the amounts of future payments denoted in foreign currencies due to fluctuations in currency exchange rates.

The Symrise Group's global positioning results in supply and payment flows in foreign currencies. These currency risks are systematically registered and reported to the Group's headquarters. Since 2011, we have been using forward contracts to hedge currency risk resulting from original financial instruments and from planned transactions in US dollars.

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 were not normally 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 valued at the reporting date rate and at a sensitivity rate that represents a 10% appreciation/depreciation of the Group's

reporting currency as compared to the foreign currency. The difference between this hypothetical valuation represents the effect on earnings before taxes and on equity.

In the sensitivity analysis for 2011, currency risk from internal monetary items were included for the first time as far as translation gains or losses result which are not eliminated as part of consolidation. For the sake of comparison, items from the previous year have been reclassified.

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 only in relation to the US dollar, both for this fiscal year and the previous year. This sensitivity analysis is based on the assumption that all variables other than a change in the foreign currency exchange rate remain constant.

T€	2010	2011
Impacts on profit or loss from a 10% value increase/decrease in the euro as compared to the US\$	+/- 3,427	+/- 3,220
Impacts on OCI from a 10% value increase/decrease in the euro as compared to the US\$	0	-/+ 1,504
Total	+/- 3,427	+/- 1,716

The hypothetical effects of a value increase or decrease of the euro and therefore the effects from the volatility of the US dollar are considerably lower in 2011 than in the previous year due to the use of forward contracts.

As of the reporting date, the following forward contracts were used to reduce exposure to currency risk from trade receivables existing on the reporting date and select expected trade receivables in US dollar:

	FAIR VALUES			MATURITY DATE			
	NOMINAL VOLUMES	FINANCIAL ASSETS	FINANCIAL LIABILITIES	UP TO 1 MONTH	OVER 1 TO 3 MONTHS	OVER 3 TO 6 MONTHS	OVER 6 TO 9 MONTHS
2011	TUS\$	T€	T€	T€	T€	T€	T€
Forward contracts							
with hedge relationship	19,500	0	740	0	270	438	32
without hedge relationship (HfT)	10,000	0	451	225	226	0	0
Total	29,500	0	1,191	225	496	438	32

As of the reporting date, there are forward contracts with a nominal volume of US\$ 22 million for hedging EUR/US\$ as well as forward contracts with a nominal volume of US\$ 7.5 million for hedging SGD/US\$.

effective cash management. Symrise manages the liquidity risk through 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 can be foreseen at the moment.

The forward contracts usually have terms of about six months.

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

The following summary shows the contractually agreed current and non-current redemption payments for financial liabilities, including estimated interest payments (3%) for variable interest, as the loans deriving from revolving credit lines are available to us on a long-term basis.

2010	CARRYING AMOUNT	EXPECTED PAYMENTS	TERMS FOR EXPECTED PAYMENTS			
T€			1 TO 3 MONTHS	OVER 3 MONTHS TO 1 YEAR	OVER 1 YEAR TO 5 YEARS	MORE THAN 5 YEARS
Financial liability	633,482	800,989	2,200	21,936	295,518	481,335

2011	CARRYING AMOUNT	EXPECTED PAYMENTS	TERMS FOR EXPECTED PAYMENTS			
T€			1 TO 3 MONTHS	OVER 3 MONTHS TO 1 YEAR	OVER 1 YEAR TO 5 YEARS	MORE THAN 5 YEARS
Financial liability	600,198	738,639	670	21,585	248,609	467,775

DEFAULT AND CREDITWORTHINESS RISK

A credit risk is the unexpected loss of cash or income. This occurs when a customer is not able to meet his obligations as they become due. Receivables management, which employs guidelines that are globally valid, coupled with regular analysis of the aging structure of trade receivables, ensures that the risks are permanently monitored and limited; in this way, cases of default on receivables are minimized. Due to Symrise Group's wide-ranging business structure, there is no particular concentration of credit risks either in relation to customers or in relation to individual countries.

We only enter into financial contracts for cash investments with banks 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 risk is minimized in that transactions are only entered into with contract partners who have a high credit rating. The carrying amounts of the financial assets represent the maximum credit risk.

42 | Contingent Liabilities and Other Financial Obligations

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.

CONTINGENT LIABILITIES

Symrise is confronted with diverse law suits 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 €3.0 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, results 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 covered by insurance benefits relating to our product liability insurance.

As of December 31, 2011, Symrise had the following financial obligations:

OPERATING LEASES

Payment obligations exist for operating lease agreements, which have terms ranging from less than 1 year to 15 years and mainly relate to vehicles and buildings. These leases cannot be cancelled before the term is finished. Some of the agreements contain renewal options or price escalation clauses but do not include purchase options. The aggregate net future cash outflows are phased as follows:

NET CASH OUTFLOW

€	2010	2011
During the fiscal year	14,547	14,483
Due in one year	9,345	10,137
Due in two years	7,167	7,097
Due in three years	3,961	4,922
Due in four years	3,092	1,835
Due in five years	1,377	1,424
Due in six years or more	9,803	9,803
Total	34,745	35,218

OTHER OBLIGATIONS

As of December 31, 2011, the Group had obligations to purchase property, plant and equipment amounting to €7.3 million (2010: €6.0 million). This mainly relates to production facilities, the construction of offices, hardware and office equipment. Most are due during the course of 2012. Other obligations amounting to €91.9 million (2010: €50.8 million) exist from not yet fulfilled non-current obligations for the purchase of goods.

Symrise AG signed a service contract, effective February 1, 2006, for outsourcing internal IT with a term of ten years with Atos Origin GmbH. The remaining total obligations towards Atos amount to €65.8 million (2010: €81.7 million).

Contracts for consulting, cooperations and other services also exist with terms reaching to 2014 at the latest. Total obligations from these contracts amount to €1.6 million (2010: €2.4 million).

43 | Share-based Remuneration – Long Term Incentive Plans

LONG TERM INCENTIVE PLANS 2009, 2010 AND 2011

The Supervisory Board initially adopted the concept of a Long Term Incentive Plan (LTIP) in 2007. The original concept provides the basis for the three-year performance periods of 2009 to 2011 and 2010 to 2012. Only the performance criteria were adjusted on an annual basis. The concept includes two performance criteria: the increase of the absolute share price and the “Symrise Added Value” during the performance period.

Using the average quoted price of the company’s shares on the ten trading days before the appointed date of January 1 and the ten trading days after this appointed date as a basis, a comparison of the share price is made at the end of the performance period. The expectation is that the share price will increase by at least 20%; furthermore, provision is made for a maximum share-price (a “cap”). The calculation of the probability of reaching these objectives is made on the basis of estimated assumptions. A dividend yield is not factored into the required performance of the share component.

Payment in respect of the “Symrise Value Added” is only made if the capitalized earnings value – based on earnings from ordinary business activities less a yield on the capital employed in the performance period – achieves a target amount set by the Supervisory Board which is aligned to Symrise’s strategic plan.

The LTIP is designed as a “performance cash bonus”; this means that the participating managers receive a variable cash bonus after the end of the three year performance period, which is dependent on the increase in the share price and the achievement of the “Symrise Value Added” target. The Supervisory Board decides whether the set targets have been achieved at the end of the performance period.

Participants in the LTIP for the periods of 2009 to 2011 and 2010 to 2012 are the Executive Board members serving in office during those periods and one additional manager, due to his position and importance across the company. 70% of the performance cash bonus is based on the development of the share price while 30% is based on the “Symrise Value Added”.

Based on the average share price of €9.88, the LTIP for the performance period of 2009 to 2011 was compared with the share price at the end of 2011 and valued with an actual payout value of T€1,500.8.

The corresponding initial share price for the LTIP 2010 to 2012 is €15.81 and, based on the “Black-Scholes” formula, is valued at T€356.7 with a share price of €19.34 and an expected volatility of 43.5%.

The existing concept has been revised and adjusted for the performance period 2011 to 2013: The new LTIP concept that will debut for the performance period 2011 to 2013 replaces the share price development as a key indicator for the LTIP with a performance index. This index is composed of listed companies in the fragrance and flavor industry as well as supplier companies in the food and cosmetics industry (peer group). The key indicator for measuring performance in contrast with the peer group is the share price development plus dividends or other payments. The development of Symrise compared to the other companies in the index will be presented in the form of a percentile ranking and is therefore not to be classified as a share-based payment.

STRATEGIC SHARE BONUS 2010

At the beginning of 2010, the Executive Board placed eight strategically important employees in a newly created share-based bonus program for the period from January 2010 to December 2011. 24,700 virtual shares were “distributed” based on a share price of €14.17.

The payment of the cash amount occurred at the end of the two-year period based on the average share price of the previous 20 trading days.

In order to protect the value of the bonus in the case of a drop in the share price, a virtual hedge was set at 50% of the bonus-relevant share price. To ensure that non-performance related share price effects were limited, a maximum price of 200% of the bonus-relevant share price was also agreed to.

No other employees were added to the program in 2011. Currently, there are no plans to continue the program.

Based on the share price as of the reporting date of €19.34, the fair value of the program in 2011 amounted to T€477.7.

44 | Transactions with Associated Companies and Related Parties

ASSOCIATED COMPANIES

A small amount of goods were purchased from associated companies in the 2011 fiscal year.

RELATED PARTIES

Related and associated companies, 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.

Contribution payments were made to the Rheinische Pensionskasse (RPK) amounting to T€624. These were allocated to their corresponding function according to their assignment. There were no receivables or liabilities resulting from these transactions with the RPK as of the reporting date. For additional information, see note 36.

The members of the Executive Board received cash-based remuneration of T€3,186 (2010: T€3,796) including fringe benefits and variable remuneration components in 2011. The allocations to provisions for non-current services amounted to T€1,365 (2010: T€94), of which T€1,084 was share-based.

The service cost for pensions in the fiscal year amounted to T€151 (2010: T€191).

The former Executive Board member Mr. Horst-Otto Gerberding received pension payments of T€289.6 during 2011 (2010: T€281.7).

Provisions for current pensions and pension entitlements for former members of the Executive Board and managers amounting to €6.8 million were recognized as of December 31, 2011 (2010: €6.5 million).

Total remuneration for members of the Supervisory Board amounted to T€797 during the reporting period (2010: T€769).

The individualized remuneration of members of the Executive Board and Supervisory Board is disclosed in the corporate governance report.

The following table summarizes the stock transactions reported to the company pursuant to Sec. 15a of the WpHG ("Wertpapierhandelsgesetz" - German Securities Trading Act):

NAME AND POSITION	TYPE OF TRANSACTION	TYPE OF SECURITY	DATE, WHERE TRADED	NUMBER OF SHARES	PRICE PER SHARE (€)	TOTAL VOLUME (€)
Dr. Heinz-Jürgen Bertram (Chief Executive Officer)	Purchase	Symrise no-par-value share	March 15, 2011 Xetra	2,700	18.79	50,733.00
Dr. Heinz-Jürgen Bertram (Chief Executive Officer)	Purchase	Symrise no-par-value share	Aug. 10, 2011 Xetra	3,000	17.74	53,220.00
Bernd Hirsch (Executive Board member)	Purchase	Symrise no-par-value share	Aug. 10, 2011 Xetra	4,000	17.70	70,800.00
Bernd Hirsch (Executive Board member)	Purchase	Symrise no-par-value share	Aug. 10, 2011 Xetra	500	17.70	8,850.00
Dr. Heinz-Jürgen Bertram (Chief Executive Officer)	Purchase	Symrise no-par-value share	Aug. 11, 2011 Xetra	3,000	17.23	51,690.00
Dr. Heinz-Jürgen Bertram (Chief Executive Officer)	Purchase	Symrise no-par-value share	Aug. 11, 2011 Xetra	3,000	17.06	51,180.00

45 | Long-term Objectives and Methods for Managing Financial Risk

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

46 | Audit of Financial Statements

The Annual General Meeting of Symrise AG, held on May 18, 2011, appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the fiscal year 2011.

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

€	2010	2011
Audit of financial statements	892	914
Other audit assurance services	116	17
Tax advisory services	756	408
Other services	78	33
Total	1,842	1,372

47 | List of Companies Included in the Consolidated Financial Statements

FULLY CONSOLIDATED COMPANIES AS OF DECEMBER 31, 2011:

NAME AND REGISTERED OFFICE OF THE COMPANY	SHARE
Germany	
Symrise Beteiligungs GmbH, Holzminden	100%
DrinkStar GmbH, Rosenheim	100%
Schimmel & Co. Gesellschaft mit beschränkter Haftung, Holzminden	100%
Kaden Biochemicals GmbH, Hamburg	100%
Tesium GmbH, Holzminden	100%
Symotion GmbH, Holzminden	100%
Busiris Vermögensverwaltung GmbH, Holzminden	100%
Symrise US-Beteiligungs GmbH, Frankfurt / Main	100%
Symrise IP-Verwaltungs GmbH, Holzminden	100%
Symrise IP-Holding GmbH & Co. KG, Holzminden	100%
Haarmann & Reimer Unterstützungskasse Gesellschaft mit beschränkter Haftung, Holzminden	100%

NAME AND REGISTERED OFFICE OF THE COMPANY	SHARE
Rest of Europe	
Aromatics S.A.S., France	100%
OOO Symrise Rogovo, Russia	100%
Steng Ingredients Limited, UK	100%
Symrise SA, Switzerland	100%
Symrise Limited, UK	100%
Symrise Holding Limited, UK	100%
Flavours Direct Limited, UK	100%
Symrise B.V., Netherlands	100%
Symrise Iberica S.L., Spain	100%
Symrise S.A.S, France	100%
Symrise S.r.l., Italy	100%
Symrise Vertriebs GmbH, Austria	100%
Symrise Kimya Sanayi Ticaret Ltd. Sirketi, Turkey	100%
Symrise Luxembourg S.a.r.l., Luxembourg	100%
WWS Limited, UK	100%
Symrise Group Finance Holding 1 BVBA, Belgium	100%
Symrise Group Finance Holding 2 CV, Belgium	100%
North America	
Symrise Inc., USA	100%
Symrise Holding, Inc., USA	100%
Latin America	
Symrise Aromas e Fragracias Ltda., Brazil	100%
Symrise S.R.L., Argentina	100%
Symrise S.A., Chile	100%
Symrise Ltda., Columbia	100%
Symrise C.A., Venezuela	100%
Symrise S. de R.L. de CV., Mexico	100%
Asia and Pacific	
Symrise Pty. Ltd., Australia	100%
Symrise Limited, China	100%
Symrise Shanghai Limited, China	100%
Symrise SDN. BHD, Malaysia	100%
Symrise Holding Pte. Limited, Singapore	100%
Symrise Pte. Ltd., Singapore	100%
Symrise Asia Pacific Pte. Ltd., Singapore	100%
Symrise Limited, South Korea	100%
Symrise Ltd., Thailand	100%
Thamasarb Company Limited, Thailand	100%
P.T. Symrise, Indonesia	100%
Symrise, Inc., Philippines	100%
Symrise Private Limited, India	100%
Symrise K.K., Japan	100%

NAME AND REGISTERED OFFICE OF THE COMPANY	SHARE
Africa and the Middle East	
Aroma Labs For Flavours S.A.E., Egypt	100%
Futura Labs International S.A.E., Egypt	100%
Symrise Middle East Limited, Dubai	100%
Symrise (Pty) Ltd., South Africa	100%
Symrise Mauritius Limited, Mauritius	100%
Symrise S.A.E., Egypt	100%
Symrise S.a.r.L., Madagascar	100%
Origines S.a.r.L., Madagascar	100%

ASSOCIATED COMPANIES AS OF DECEMBER 31, 2011

NAME AND REGISTERED OFFICE OF THE COMPANY	SHARE
Therapeutic Peptides Inc., USA	20%

48 | Shareholdings in Symrise AG pursuant to Sec. 160 (1) no. 8 of the AktG

As of the balance sheet reporting date, Symrise AG had received the following notifications from company shareholders pursuant to the provisions of the German Securities Trading Act (WpHG):

COMPANY	REGISTERED OFFICE	NOTIFICATION RECEIVED	DATED EFFECTIVE AS OF	% THRESHOLD EXCEEDED OR FALLEN BELOW	% SHARE-HOLDING AFTERWARDS	VOTING RIGHTS
Gerberding Vermögensverwaltung GmbH ⁴	Holzminden	Dec. 28, 2006	Dec. 13, 2006	10.00%	5.86%	6,928,087
Herr Horst-Otto Gerberding ⁴	Holzminden	Dec. 28, 2006	Dec. 13, 2006			
Gerberding Vermögensverwaltung GmbH & Co. KG ⁴	Holzminden	Dec. 28, 2006	Dec. 13, 2006			
Sun Life Financial Corp. ¹	Ontario, Canada	Aug. 2, 2007	June 29, 2007	3.00%	3.03%	3,577,909
Bank of New York Mellon Corporation ¹	New York, NY, USA	Dec. 31, 2008	Dec. 30, 2008	5.00%	4.98%	5,888,136
M & G Investment Funds ²	London, UK	March 25, 2008	March 18, 2008	5.00%	5.055%	5,974,017
Massachusetts Financial Services Company (MFS) ²	Boston, MA, USA	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life Assurance Company of Canada – US Operations Holdings Inc. ¹	Wellesley Hills, MA, USA	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life Financial (U.S.) Holding Inc. ¹	Wellesley Hills, MA, USA	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life Financial (U.S.) Investments LLC ¹	Wellesley Hills, MA, USA	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life Financial Inc. ¹	Toronto, Ontario, Canada	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life Global Investments Inc. (previously Sun Life Financial Corp.) ¹	Toronto, Ontario, Canada	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
Sun Life of Canada (U.S.) Financial Services Holdings Inc. ¹	Boston, MA, USA	Oct. 7, 2008	Sep. 30, 2008	5.00%	5.02%	5,929,174
JPMorgan Asset Management Holdings Inc. ¹	New York, NY, USA	Dec. 1, 2009	Nov. 26, 2009	3.00%	3.02%	3,570,582
Schroder International Selection Fund	Sennigerberg, Luxembourg	June 2, 2010	April 29, 2010	3.00%	2.91%	3,441,370
Capital Income Builder, Inc.	Los Angeles, CA, USA	June 7, 2010	June 2, 2010	3.00%	2.99%	3,538,936
Capital Research and Management Company ²	Los Angeles, CA, USA	June 14, 2010	June 10, 2010	3.00%	2.38%	2,807,585
FMR LLC ¹	Boston, MA, USA	June 22, 2010	June 16, 2010	3.00%	2.9%	3,429,477
Fidelity Management & Research Company ²	Boston, MA, USA	June 22, 2010	June 16, 2010	3.00%	2.82%	3,335,977

COMPANY	REGISTERED OFFICE	NOTIFICATION RECEIVED	DATED EFFECTIVE AS OF	% THRESHOLD EXCEEDED OR FALLEN BELOW	% SHARE-HOLDING AFTER-WARDS	VOTING RIGHTS
JPMorgan Asset Management (UK) Limited ^{2,5}	London, UK	Nov. 8, 2010	Nov. 3, 2010	3.00%	2.870%	3,386,401
J.P. Morgan Investment Management Inc. ^{2,5}	New York, NY, USA	Nov. 8, 2010	Nov. 3, 2010	3.00%	2.870%	3,386,401
JPMorgan Asset Management (Taiwan) Limited ^{2,5}	Taipei, Taiwan	Nov. 8, 2010	Nov. 3, 2010	3.00%	2.870%	3,386,401
Standard Life Investment Limited ²	Edinburgh, UK	Nov. 15, 2010	Nov. 10, 2010	3.00%	3.073%	3,631,647
MG Investment Management Limited ¹	London, UK	Feb. 4, 2011	Feb. 1, 2011	10.00%	10.02%	11,843,270
M & G Limited ¹	London, UK	Feb. 4, 2011	Feb. 1, 2011	10.00%	10.02%	11,843,270
M & G Group Limited ¹	London, UK	Feb. 4, 2011	Feb. 1, 2011	10.00%	10.02%	11,843,270
Prudential plc ¹	London, UK	Feb. 4, 2011	Feb. 1, 2011	10.00%	10.02%	11,843,270
M & G Securities Limited ²	London, UK	Feb. 9, 2011	Feb. 7, 2011	10.00%	10.01%	11,833,646
Ameriprise Financial Inc. ^{3,4}	Minneapolis, MN, USA	Feb. 15, 2011	Feb. 10, 2011	3.00%	3.07%	3,623,754
Schroders plc ¹	London, UK	March 10, 2011	March 9, 2011	3.00%	3.099%	3,661,854
Schroder Administration Limited ¹	London, UK	March 10, 2011	March 9, 2011	3.00%	3.099%	3,661,854
Schroder Investment Management Limited ²	London, UK	March 10, 2011	March 9, 2011	3.00%	3.08%	3,639,244
Mondrian Investment Partners Limited ²	London, UK	July 25, 2011	July 22, 2011	3.00%	3.15%	3,727,760
MIPL Holdings Limited ¹	London, UK	July 27, 2011	July 22, 2011	3.00%	3.15%	3,727,760
MIPL Group Limited ¹	London, UK	July 27, 2011	July 22, 2011	3.00%	3.15%	3,727,760
Atlantic Value General Partner Limited ¹	London, UK	July 27, 2011	July 22, 2011	3.00%	3.15%	3,727,760
Altantic Value Investment Partnership LP ¹	Wilmington, DE, USA	July 27, 2011	July 22, 2011	3.00%	3.15%	3,727,760
BlackRock Inc. ¹	New York, NY, USA	Aug. 31, 2011	Aug. 25, 2011	3.00%	3.15%	3,722,939
BlackRock Financial Management Inc. ¹	New York, NY, USA	Aug. 31, 2011	Aug. 25, 2011	3.00%	3.14%	3,715,465
BlackRock Holdco 2, Inc. ¹	Wilmington, DE, USA	Aug. 31, 2011	Aug. 25, 2011	3.00%	3.14%	3,715,465
FIL Limited ²	Hamilton, Bermuda	Sep. 15, 2011	Sep. 13, 2011	3.00%	2.990%	3,534,523
FIL Investments International ²	Kent, UK	Sep. 15, 2011	Sep. 13, 2011	3.00%	2.990%	3,534,523
FIL Holdings Limited ¹	Kent, UK	Sep. 15, 2011	Sep. 13, 2011	3.00%	2.990%	3,534,523
Jahr GmbH ⁴	Hamburg, Germany	Jan. 30, 2012	Jan. 27, 2012	3.00%	3.050%	3,600,000
Jahr Holding GmbH & Co. KG ⁴	Hamburg, Germany	Jan. 30, 2012	Jan. 27, 2012	3.00%	3.050%	3,600,000
Jahr Assetmanagement GmbH ⁴	Hamburg, Germany	Jan. 30, 2012	Jan. 27, 2012	3.00%	3.050%	3,600,001
Threadneedle Asset Management Limited ²	London, UK	Feb. 10, 2012	Feb. 7, 2012	3.00%	2.996%	3,540,276
Threadneedle Asset Management Holdings Limited ¹	London, UK	Feb. 10, 2012	Feb. 7, 2012	3.00%	2.996%	3,540,276
Treadneedle Asset Management Holdings SARL ¹	Luxembourg, Luxembourg	Feb. 10, 2012	Feb. 7, 2012	3.00%	2.990%	3,535,299

¹ The voting rights are attributed pursuant to Sec. 22 (1) p. 1 no. 6 of the WpHG as well as Sec. 22 (1) p. 2

² The voting rights are attributed pursuant to Sec. 22 (1) p. 1 no. 6 of the WpHG

³ The voting rights are attributed pursuant to Sec. 22 (1) p. 1 no. 6 as well as p. 2 and 3 of the WpHG

⁴ The voting rights are attributed pursuant to Sec. 22 (1) p. 1 no. 1 of the WpHG

⁵ The voting rights are attributed pursuant to Sec. 22 (2) of the WpHG

49 | Exemption from the Obligation to Prepare Annual Financial Statements Pursuant to Sec. 264 (3) of the 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 Sec. 264 (3) of the HGB.

50 | Corporate Governance

The Declaration of Compliance pursuant to Sec. 161 of the AktG has been submitted for 2011 and has been made permanently available to shareholders on our website www.symrise.com

Holzminden, February 16, 2012

Symrise AG
The Executive Board



Dr. Heinz-Jürgen Bertram



Achim Daub



Hans Holger Gliewe



Bernd Hirsch

STATEMENT OF THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and the 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 16, 2012

Symrise AG
The Executive Board



Dr. Heinz-Jürgen Bertram



Achim Daub



Hans Holger Gliewe



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 to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2011. 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 22, 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Bartels-Hetzler
Wirtschaftsprüfer

Dr. Thümler
Wirtschaftsprüfer

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance at Symrise is based on the German Corporate Governance Code, which has established itself as guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever before that good corporate governance is a prerequisite and indispensable basis for a company's success. 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 that focuses on creating sustainable value.

Corporate governance at Symrise is based on the recommendations and suggestions of the German Corporate Governance Code. The Executive and Supervisory Boards of Symrise AG issued a new declaration of compliance on December 7, 2011, pursuant to Sec. 161 of the German Stock Corporation Act. The declaration is worded as follows: "In accordance with Sec.161 of the German Stock Corporation Act, the Executive and Supervisory Boards of Symrise AG state that: Symrise has fully complied - without exception - with all recommendations made by the Government Commission on the German Corporate Governance Code (version: May 26, 2010) published by the German Federal Ministry of Justice on July 2, 2010, in the official part of the electronic Federal Gazette (Bundesanzeiger) and will continue to do so in the future up until October 31, 2012. Regarding the employment contract of the Chief Executive Officer and effective from November 1, 2012 to October 31, 2014, the Company will deviate from the 23rd recommendation issued by the Government Commission on the German Corporate Governance Code contained in no. 4.2.3, paragraph 5 of the Code's current version from May 26, 2010, published in the official section of the electronic Federal Gazette by the German Federal Ministry of Justice on July 2, 2010 as follows: The commitments for payments in case of an early termination of an Executive Board position resulting from a change of control may exceed 150% of the severance payment cap and amount to up to 250% of the severance payment cap for the Chief Executive Officer between November 1, 2012 and October 31, 2014. Effective as of November 1, 2014, the company will again comply with the 23rd

recommendation issued by the Government Commission on the German Corporate Governance Code contained in no. 4.2.3, paragraph 5 of the Code's current version of May 26, 2010 published in the official section of the electronic Federal Gazette by the German Federal Ministry of Justice on July 2, 2010. The Executive Board and the Supervisory Board are of the opinion that, should a member of the Executive Board voluntarily commit him/herself to the company for the statutory maximum period of five years, the remuneration should be suitably guaranteed for such period of time so that it is adequate in case of a specifically defined change of control in case of an acquisition. Thus, the company guarantees that the realization of the company's approved long-term strategy is ensured by a composition of the Executive Board that is optimized for the situation."

In the past, we have followed internationally and nationally acknowledged standards of good and responsible corporate governance and will continue to do so in the future. In the 2011 fiscal year, the Executive and Supervisory Boards dealt intensively with all corporate governance issues on numerous occasions across all areas.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest of members of the Executive Board, which have to be disclosed to the Supervisory Board without delay, did not occur in 2011. The only consultant or service agreements or other exchange contracts in fiscal year 2011 between members of the Supervisory Board and the company 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 remains in the service of the Company 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

In its session on December 14, 2010, pursuant to no. 5.4.1 sentence 2 of the German Corporate Governance Code in its current version of May 26, 2010, the Supervisory Board set itself concrete goals which, in keeping with the Company's specific situation, take account of (i) the Company's international activity, (ii) potential conflicts of interest, (iii) an age limit for Supervisory Board members to be defined, and (iv) 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: Prof. Dr. Pfeifer, Ms. Jarke and Ms. Hufnagel. The Supervisory Board seeks to ensure that in its future composition too, at least one sixth of its members will be female. The Supervisory Board considers this to be an appropriate share of women based on the proportion of women among the Group's managerial staff, which also amounted to one sixth at the end of the last fiscal year. Generally, at least seven independent members should be represented in the Supervisory Board in future, too. Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members from other nations does not fall below one sixth. 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 Sec. 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 stock 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 a total of €5,000.

All of the reports received by Symrise AG as of December 31, 2011, are published on our website at: www.symrise.com > en > investor-relations > corporate-governance > directors-dealings. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive or 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, 2011, was more than 1%. Of the 6.157% 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 0.147% is held by members of the Executive Board.

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 162/163 of this Annual Report.

A report on the relationships to associated companies and related parties can be found on pages 144/145 of this Annual Report.

EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION*

REMUNERATION OF THE EXECUTIVE BOARD

Members of the Executive Board are remunerated in line with Sec. 87 of the German Stock Corporation Act, pursuant to which the Supervisory Board sets the remuneration. Remuneration consists of fixed and variable components, as well as fringe benefits. 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. In its session on March 2, 2011, the Personnel Committee dealt with the goals achieved by the Executive Board members in 2010 and defined corresponding variable components. In its meetings held on July 7, 2011 and August 3, 2011, the committee examined the salaries of Dr. Heinz-Jürgen Bertram, Bernd Hirsch and Hans Holger Gliewe and adjusted them by a decision of the Supervisory Board on December 7, 2011.

All Executive Board members receive their contractually specified fixed remuneration paid as a salary in equal monthly payments. The variable component of the total remuneration in 2011 consisted of an annual bonus based on the achievement of Company targets. To determine the remuneration payment, the EBIT for the Symrise Group and its business divisions was used as a key performance indicator for the Group. The variable portion of total remuneration is based on targets specified by the Supervisory Board and agreed upon in target agreements with the individual members of the Executive Board at the start of 2011, which in turn are based on the agreed company targets. The annual bonus will be paid out in the following year (2012) on the basis of the approved annual financial statements for 2011.

* This remuneration report is also a component of the Management Report.

In addition to the basic remuneration and the annual bonus, a Long Term Incentive Plan (LTIP) exists for the Executive Board, which was offered to all of the former members of the Executive Board from January 2009 until December 2011. Beyond this, the Supervisory Board offered the members of the Executive Board additional LTIPs for the periods from 2010 to 2012 and 2011 to 2013. All of these plans are arranged as performance cash plans. The performance components for the plans from the years 2009 and 2010 are based on the absolute share price and the medium-term development of the Company. Both plans, including their performance criteria, were discussed and determined by the Supervisory Board and its committees.

As reported last year, the Supervisory Board adopted a new LTIP concept at its meeting on December 4, 2010 and initially offered it to all Executive Board members for the performance period 2011 to 2013.

The new LTIP concept replaces the share price development as a performance benchmark for the LTIP with a share-based index. This index is composed of listed companies in the fragrance and flavor industry as well as supplier companies in the food and cosmetics industry. The key indicator for measuring performance is the share price development plus dividends or other payments. Symrise's development compared to the companies in the index is represented in the form of a percentile ranking. No bonus is paid if

the Company is below the 40th percentile ranking. The maximum achievable bonus value – the bonus cap – corresponds to double the bonus value if 100 % of the targets are reached. In this case, a cap of 200 % would be reached. With 100 % of targets reached, the LTIP bonus amounts to € 560,000 for Dr. Bertram. For Mr. Daub the LTIP bonus amounts to € 343,000, for Mr. Gliewe € 300,000 and Mr. Hirsch € 325,000. These payments are not share-based. The task is considered completed with the fulfillment of all conditions with the expiration of the LTIP at the end of 2013.

As of the reporting date, provisions were formed for Dr. Bertram and Mr. Daub amounting to € 930,344 (previous year: € 268,144) (2011 expense: € 662,200), and € 693,712 (previous year: € 204,385) (2011 expense: € 489,327) respectively for the LTIPs for 2009–2011, 2010–2012 and 2011–2013.

As of the reporting date, provisions were formed for Mr. Gliewe and Mr. Hirsch amounting to € 126,745 (previous year: € 18,763) (2011 expense: € 107,982), and € 121,082 (previous year: € 16,073) (2011 expense: € 105,009) respectively for the LTIPs for 2010–2012 and 2011–2013.

The full amounts are presented individually in the following overview:

EXECUTIVE BOARD REMUNERATION 2011

IN €	SALARY	REMUNERATION IN KIND*	VARIABLE REMUNERATION**	TOTAL REMUNERATION PAID	FAIR VALUE OF RESPECTIVE LTIP AT TIME OF PAYMENT	TOTAL REMUNERATION IN ACCORDANCE WITH SEC. 314 (1) NO. 6A HGB
Dr. Heinz-Jürgen Bertram	560,000	8,370	465,500	1,033,870	0	1,033,870
2010	530,834	8,471	628,192	1,167,497	129,059	1,296,556
Achim Daub	400,000	6,833	380,000	786,833	0	786,833
2010	400,000	6,762	506,400	913,162	98,372	1,011,534
Hans Holger Gliewe	350,000	5,363	330,050	685,413	0	685,413
2010	350,000	0	471,800	821,800	86,039	907,839
Bernd Hirsch	350,000	10,050	320,125	680,175	0	680,175
2010	308,334	9,155	385,204	702,693	73,707	776,400

*Fringe benefits include non-monetary benefits, for example, from the use of a company car and payments for group insurance.

**Variable remuneration includes bonus provisions for the current year and bonus payments from the previous year to the extent that they differ from the amount of the previous year.

EXTENSION OF EXECUTIVE BOARD CONTRACTS

The current Executive Board contracts for Dr. Heinz-Jürgen Bertram, Hans Holger Gliewe and Bernd Hirsch will expire at various points during the fourth quarter of 2012. The Supervisory Board therefore resolved in its meeting on December 7, 2011 to offer Dr. Bertram a five-year renewal contract as CEO as well as three-year renewal contracts for Mr. Gliewe and Mr. Hirsch in their respective positions. The Executive Board contracts were signed as offered.

The general contract terms are identical for all Executive Board members and correspond to the current standard with the exception of the so-called change of control clause, which is explained below.

PENSIONS

All members of the Executive Board have the possibility of accumulating deferred compensation benefits by converting their salaries. In 2011, Dr. Heinz-Jürgen Bertram, Hans Holger Gliewe and Bernd Hirsch built up their pensions by converting their salaries. In 2011 there were allocations to provisions from converted salaries as well as interest expenses for Dr. Bertram amounting to €80,002 (previous year: €96,725) as well as €80,781 (previous year: €61,567) for Mr. Gliewe and €57,416 (previous year: €51,037) for Mr. Hirsch.

A pension commitment exists solely for Dr. Heinz-Jürgen Bertram and Hans Holger Gliewe due to their prior employment contract. This pension commitment was also offered to all other employees of the former Haarmann & Reimer GmbH. Due to actuarial parameters, €38,791 was added to the provisions for these benefit obligations for Dr. Bertram and €45,499 for Mr. Gliewe.

The pension provisions made for individual Board members are presented in the following table.

PENSION PROVISIONS 2011

IN €	ADDITIONS TO PENSION PROVISIONS FROM PENSION FUND	THEREOF EMPLOYEE CONTRIBUTION FROM SALARY CONVERSION	CASH VALUE OF PENSION PROVISION TOTAL
Dr. Heinz-Jürgen Bertram	118,793	46,750	715,874
2010	145,961	46,750	597,081
Achim Daub	0	0	0
2010	0	0	0
Hans Holger Gliewe	64,713	6,750	475,319
2010	83,938	6,750	410,606
Bernd Hirsch	57,416	36,750	108,489
2010	51,073	36,750	51,073

CHANGE OF CONTROL

The employment contracts that form the basis for all of the current Executive Board appointments include a special right of termination for the Executive Board member in the case of a change of control, which is to be exercised within six months. Executive Board members that make use of this right will have the remaining term of their contracts paid out. The overall limit of payments to be made is set at 150% of the severance cap according to the provisions of the German Corporate Governance Code of May 26, 2010 – in other words a maximum of three year's remuneration including supplementary payments.

In its meeting on December 7, 2011, the Supervisory Board determined an expanded change of control provision for the newly completed employment contracts for Symrise Executive Board members.

This stipulates that, in the case of a change of control and an early recall of the Executive Board members Hans Holger Gliewe or Bernd Hirsch by the Supervisory Board, they would receive compensation for the remaining term of their contracts with severance of at least three year's pay due to their three-year contract terms. Together, compensation and severance cannot exceed the three year's worth of severance suggested by the German Corporate Governance Code.

For Dr. Heinz-Jürgen Bertram, the remaining term of his contract (five years) would be paid out, with severance amounting to at least three year's worth of pay. A limitation of compensation and severance to a maximum of three years is not included. Because of this, the payment can amount to up to five year's worth of pay depending on when the change of control would come into effect.

Additionally, the Long Term Incentive Plans for 2010 and 2011 contain a specific provision for a possible change of control. In such a case, a payment based on 100% of the targets reached is provided if a change of control takes place and a member of the Executive Board is dismissed from his post as a result. This means that the Long Term Incentive Plans that are still in effect up to this point are paid out on the basis of 100% of the targets being reached.

EARLY TERMINATION AND EXPIRATION OF EMPLOYMENT CONTRACTS

Apart from the special provisions in the case of a change of control described above, the employment contracts of the Executive Board members contain no special remuneration clause for the premature cancellation of the appointment of an Executive Board member. In such cases, the Executive Board member in question is only entitled to continued payment of his or her fixed salary for the duration of the employment contract. An entitlement to bonus payments for the fiscal year concerned does not exist.

Due to his employment with the Company since August 1, 1980, Hans Holger Gliewe has the exclusive agreement that, in the case of a termination of his Executive Board contract due to reasons that he is not responsible for, his previous employment contract with the Company would be renewed.

A post-employment prohibition of competition clause of twelve months was agreed upon with the Executive Board members. By way of compensation, the member concerned shall receive 50% of the contractually agreed basic salary.

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

SUPERVISORY BOARD REMUNERATION STRUCTURE

In addition to their base compensation, the Supervisory Board's remuneration also includes a variable component that adequately reflects the company's earnings per share. The base compensation for each member of the Supervisory Board is €20,000. As long as the Company's earnings per share amount to at least €0.15, each member of the Supervisory Board receives €200 for every €0.01 of company earnings per share. The Chairman of the Supervisory Board receives twice this amount in both base compensation and variable remuneration. The Vice Chairman receives 1.5 times these two remuneration components. The variable remuneration component has an upper limit. For simple members of the Supervisory Board, this limit is €40,000, for the Vice Chairman it is €60,000 and for the Chairman it is €80,000.

Committee chairpersons receive an additional, fixed, annual remuneration of €10,000. Vice committee chairpersons receive an additional €5,000 annually while simple committee members receive an additional €2,500 annually. All members of the Supervisory Board receive a stipend of €1,000 per committee meeting

or per meeting of the Supervisory Board, though the maximum stipend is €1,500 per calendar day.

A breakdown of the total remuneration for each Supervisory Board member is shown in the following table:

IN €		BASIC REMUNERATION AS OF DEC. 31	REMUNERATION FOR EARNINGS PER SHARE AS OF DEC. 31	COMMITTEE REMUNERATION AS OF DEC. 31	STIPENDS	PAYMENT DUE AS OF DEC. 31, 2011	PAYMENT DUE AS OF DEC. 31, 2010
Andreas Schmid	Chairman (until May 18, 2011)	15,222.00	18,876.00	12,368.00	5,500.00	51,966.00	131,200.00
Dr. Thomas Rabe	Chairman (from May 18, 2011)	32,389.00	40,162.00	23,938.00	14,000.00	110,489.00	63,100.00
Horst-Otto Gerberding		20,000.00	24,800.00	5,000.00	12,500.00	62,300.00	58,600.00
Sanna Suvanto-Harsaae	(until May 18, 2011)	7,611.00	9,438.00	2,854.00	4,000.00	23,903.00	61,100.00
Dr. Michael Becker	(from May 18, 2011)	12,389.00	15,362.00	6,194.00	5,500.00	39,445.00	0.00
Prof. Dr. Andrea Pfeifer	(from May 18, 2011)	12,389.00	15,362.00	1,549.00	4,000.00	33,300.00	0.00
Dr. Peter Grafoner		20,000.00	24,800.00	4,569.00	13,500.00	62,869.00	56,600.00
Dr. Hans-Heinrich Gürtler		20,000.00	24,800.00	2,070.00	10,500.00	57,370.00	50,600.00
Dr. Helmut Frieden	(until May 18, 2011)	7,611.00	9,438.00	0.00	2,000.00	19,049.00	50,600.00
Christiane Jarke	(from May 18, 2011)	12,389.00	15,362.00	1,549.00	5,500.00	34,800.00	0.00
Karl-Heinz Huchthausen	Vice Chairman	30,000.00	37,200.00	6,549.00	10,000.00	83,749.00	79,900.00
Regina Hufnagel		20,000.00	24,800.00	5,000.00	8,500.00	58,300.00	58,600.00
Helmut Tacke		20,000.00	24,800.00	0.00	6,000.00	50,800.00	50,600.00
Peter Winkelmann	(until May 18, 2011)	7,611.00	9,438.00	951.00	5,000.00	23,000.00	57,600.00
Gerd Lösing	(from May 18, 2011)	12,389.00	15,362.00	0.00	4,000.00	31,751.00	0.00
Francesco Grioli		20,000.00	24,800.00	1,549.00	7,500.00	53,849.00	50,600.00
		270,000.00	334,800.00	74,140.00	118,000.00	796,940.00	769,100.00

Earnings per share: €1.24

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 Sec. 93 (2) sentence 3 of the German Stock Corporation Act. In conform-

ity 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.

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 shareholders 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 per internet 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 15, 2012, 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 14, 2012. 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 Annual Report and the invitation to the Annual General Meeting, both of which are also available on the Symrise AG website, provide shareholders with comprehensive information on the past fiscal year and the individual agenda items for the upcoming Annual General Meeting. All documents and information pertaining to the Annual General Meeting and the Annual Report are available on our website.

The registration and identification process for the Annual General Meeting is simple and the 21st day before the Annual General Meeting is the cutoff date. The 21st day before the Meeting is therefore the applicable cutoff date for the identification of the shareholders.

After the Annual General Meeting, we 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 by providing 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 English. The articles of incorporation, 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 our shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar published in the Annual Report, 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 publishing of our quarterly and half-yearly figures.

The most important presentations prepared for these and other events, such as the Annual General Meeting, roadshows and investor conferences, can also be viewed on our website. The location and dates for road shows and investor conferences can also be found on our website at: www.symrise.com > en > investor-relations > presentations.

RISK MANAGEMENT

Responsibly dealing with risks of all kinds is key to 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. Up until now potential risks were analyzed and classified throughout the Group twice a year. Starting in 2012, the analysis and classification of possible risks will be 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, including 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 Sec. 91 (2) of the German Stock Corporation Act is monitored by auditors in Germany and abroad.

Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems. This includes, for example, regular reporting by Internal Auditing and compliance officers at Symrise.

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. Internal Auditing also checks on the implementation of these new measures and a critical assessment is made of the results. 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 2011 was again based on the International Financial Reporting Standards (IFRS) as they are 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 2010, the annual financial statements 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 again audited in 2011 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 and Supervisory Boards. 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 Sec. 161 of the German Stock Corporation Act.

REPORT OF THE SUPERVISORY BOARD OF SYMRISE AG

Dear Shareholders,

After a strong first quarter, the momentum of the economic recovery gradually slowed over the course of 2011. The political unrest in North Africa and the Middle East and the sovereign debt crisis in the eurozone contributed to this development as did the natural disaster in Japan. At the same time, raw material prices rose considerably over the course of the year. The sovereign debt crisis of various euro nations and the resulting austerity measures in the affected countries led to a reduction in the expected growth rates for the years 2012 and 2013. For Symrise, the main challenge in 2011 was strengthening our margins through cost-consciousness and efficiency increases. This was necessary due to the increasingly restrained order behavior of important customers and higher raw material costs.

In this report I would like to inform you about the key activities of the Supervisory Board in this challenging environment. In 2011, the Supervisory Board again fulfilled its responsibilities under the law and according to the articles of incorporation with great care. In the sessions 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 management of the company. We are satisfied that the company was managed in a way that complied with all legal and regulatory requirements. The Supervisory Board was directly and deeply 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 two fiscal years, the Supervisory and Executive Board held a separate meeting in 2011 to examine and evaluate the company's strategy.

Based on information received from the Executive Board, we thoroughly discussed and advised on all business transactions of significance to the company in our full Supervisory Board meetings. The Executive Board provided us with regular, current and comprehensive reports in written and oral form on all aspects important



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

to the company for this purpose. This includes above all information on 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 at an early stage of matters that, according to legal requirements and/or the articles of incorporation, are subject to our approval and allowed us the necessary time to make a decision. Wherever required by law or by the articles of incorporation, 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 sessions 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 contact with the Executive Board. The global economic slowdown and its consequences for current and future business development as well as the status of essential projects and key business transactions in both Group divisions 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 which must be reported to the Annual General Meeting, did not occur in 2011.

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 sessions. 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 Sec. 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 Supervisory Board sessions, 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 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 shareholders' representatives and three are employee representatives on the Supervisory Board. The members are: Dr. Thomas Rabe (Chairman), Regina Hufnagel, Christiane Jarke, Horst-Otto Gerberding, Dr. Hans-Heinrich Gürtler and Karl-Heinz Huchthausen. The Personnel Committee convened three times in the 2011 fiscal year. All of the members attended every meeting. The deliberations regarding the contracts for Executive Board members Dr. Bertram, Gliewe and Hirsch, which end in 2012, were the main focus of the committee work in the 2011 fiscal year.

The Auditing Committee deals with the annual financial statements and consolidated financial statements. In addition, it monitors 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 preauditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. Among the regular agenda items are also the receipt of the reports from Internal Auditing and the 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 five members. Three members are shareholders' representatives on the Supervisory Board and two employee representatives on the Supervisory Board. The members are: Dr. Michael Becker (Chairman), Dr. Peter Grafoner, Francesco Grioli, Karl-Heinz Huchthausen and Dr. Thomas Rabe. The Auditing Committee convened five times in the 2011 fiscal year. One member of the Auditing Committee was unable to attend one meeting. One other member was unable to attend two meetings. The CFO regularly attends the meetings of the Auditing Committee while the auditor, CEO and other guests are present for individual agenda items when needed. The committee's work focused on the auditor's reports as well as the refinement of the risk management system and the compliance program. 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.

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 to conduct an audit with a risk-oriented 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 Sec. 27 (3) of the Co-determination Act (MitbestG). Currently, its four members are Dr. Thomas Rabe (Chairman), Regina Hufnagel, Dr. Peter Grafoner and Karl-Heinz Huchthausen. Once again, it was not necessary to convene the Arbitration Committee during the 2011 fiscal year.

The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board in accordance with the German Corporate Governance Codex. 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), Prof. Dr. Andrea Pfeifer and Horst-Otto Gerberding. The nominations committee convened four times during the 2011 fiscal year.

TOPICS OF THE FULL SUPERVISORY BOARD MEETINGS

The effects of the political revolutions in North Africa, high raw material costs and the euro debt crisis on Symrise represented the main focus of our work and were the topics of regular discussions within the Supervisory Board, as were the measures that the Executive Board enacted in response to these situations and 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 corporate divisions in the individual regions and 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 2011 fiscal year, the Supervisory Board held six ordinary sessions, two of which focused on specific topics. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2012. No member of the Supervisory Board was present at less than half of the meetings.

In our session on March 3, 2011, we consulted and coordinated with the Executive Board on the approval of the annual financial statements and the consolidated financial statements for 2010. We also discussed the preparations for the Annual General Meeting 2011 regarding the establishment of new authorized capital and the selection of shareholder representatives for the Supervisory Board, the Corporate Governance Statement, the Corporate Governance report and various M&A projects. All members of the Supervisory Board and the auditor attended this session.

In our session on May 17, 2011, the Executive Board report on the company's performance during the first quarter of 2011 and its outlook for the rest of the year represented the main focus of the meeting as did the impending Annual General Meeting. All Supervisory Board members attended this session.

The session on May 18, 2011 was a constituent assembly after all 12 members of the Supervisory Board had been newly elected and the service terms of the previous members had ended. The topics covered were elections and committee appointments. All Supervisory Board members attended this session.

In the fourth session on August 3, 2011, 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 2011 and its update to the outlook for the rest of the 2011 fiscal year as well as the risk report and the Auditing Committee's report. All Supervisory Board members attended this session.

In the session on September 29, 2011, the Executive Board explained the corporate strategy and discussed it with the Supervisory Board. In view of the changing economic conditions, we discussed the necessity of an adjustment to the strategy and the state of its implementation in detail with the Executive Board. All Supervisory Board members attended this session.

The sixth session on December 7, 2011 was devoted to the corporate planning for the upcoming 2012 fiscal year. The Supervisory Board approved the corporate planning for the 2012 fiscal year in this session. All Supervisory Board members attended this session.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2011

The auditor KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover, audited the annual financial statements for the fiscal year from January 1, 2011, to December 31, 2011, 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 18, 2011, 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 gave the consolidated financial statements and the Group management report an unqualified audit opinion.

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 sessions of the Auditing Committee of February 14 and March 7, 2012, and in the session of the Supervisory Board of March 7, 2012. The auditors participated in the discussion of the annual financial statements and consolidated financial statements in both bodies, where 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 session of March 7, 2012, we approved the annual financial statements and the consolidated financial statements upon the recommendation of the Auditing Committee. The annual financial statements are thereby approved. After examining it, we endorsed the proposal of the Executive Board for the use of the net income for the year. The Supervisory Board considers the proposal regarding the use of profits to be appropriate.

CORPORATE GOVERNANCE

Pursuant to no. 3.10 of the German Corporate Governance Code in the Corporate Governance Report, which can be found in this annual report on pages 155 to 162, the Executive Board reports on corporate governance at Symrise AG also on behalf of the Supervisory Board. The same section of the annual report also contains the remuneration report. The Corporate Governance Statement pursuant to Sec. 289a of the German Commercial Code (HGB) is now publicly available on Symrise AG's website at: www.symrise.com/en/investor-relations/corporate-governance/corporate-governance-statement. The Supervisory Board discussed implementation of the code in depth during its meeting on December 7, 2011.

In 2011, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future. On December 7, 2011, the Executive Board and the Supervisory Board submitted an updated Declaration of Compliance according to Sec. 161 AktG and made this permanently available to the shareholders on the company's website. It is also included in the Corporate Governance Statement. Symrise has fully complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: May 26, 2010) published by the German Federal Ministry of Justice on July 2, 2010, in the official part of the electronic Federal Gazette (*Bundesanzeiger*) without exception and will continue to do so in the future up until October 31, 2012.

Regarding the employment contract of the Chief Executive Officer and effective from November 1, 2012 to October 31, 2014, the company will deviate from the 23rd recommendation issued by the Government Commission on the German Corporate Governance Code contained in no. 4.2.3, paragraph 5 of the code's current version of May 26, 2010, published in the official section of the electronic Federal Gazette by the German Federal Ministry of Justice on July 2, 2010 as follows:

The commitments for payments in case of an early termination of the Executive Board position resulting from a change of control may exceed 150 % of the severance payment cap and amount to up to 250 % of the severance payment cap for the Chief Executive Officer between November 1, 2012 and October 31, 2014. Effective as of November 1, 2014, the company will again comply with the 23rd recommendation issued by the Government Commission on the German Corporate Governance Code contained in no. 4.2.3, paragraph 5 of the code's current version of May 26, 2010 published in the official section of the electronic Federal Gazette by the German Federal Ministry of Justice on July 2, 2010.

The Executive Board and the Supervisory Board are of the opinion that, should a member of the Executive Board voluntarily commit him/herself to the company for the statutory maximum period of five years, the remuneration should be suitably guaranteed for such period of time so that it is adequate in case of a specifically defined change of control in the case of an acquisition. Thus, the company guarantees that the realization of the company's approved long-term strategy is ensured by a composition of the Executive Board that is optimized for the situation.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

There were no personnel changes in the Executive Board during the reporting year.

In 2011, new members were elected to Symrise AG's Supervisory Board in line with the regular schedule. Newly elected to the Supervisory Board were Dr. Michael Becker, Christiane Jarke, Gerd Lösing and Prof. Dr. Andrea Pfeifer. Those re-elected to the Board were Karl-Heinz Huchthausen, Horst-Otto Gerberding, Dr. Peter Grafoner, Francesco Grioli, Dr. Hans-Heinrich Gürtler, Regina Hufnagel, Dr. Thomas Rabe and Helmut Tacke. Stepping down from the Supervisory Board are Andreas Schmid, Dr. Helmut Frieden, Sanna Suvanto-Harsaae and Peter Winkelmann.

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 2011 fiscal year. You contributed to another successful business year for Symrise.

On behalf of the Supervisory Board,



Dr. Thomas Rabe

Chairman

Holzminden, March 7, 2012

BODIES AND MANDATES

EXECUTIVE BOARD

The Executive Board of Symrise AG consists of the following members:

DR. HEINZ-JÜRGEN BERTRAM

CEO

- **Rockwool A/S, Hedehusene, Denmark**
(from May 1, 2011)
Member of the Supervisory Board
- **Indevex AB, Storebro, Sweden**
(from January 25, 2012)
Member of the Supervisory Board

ACHIM DAUB

Executive Board member
responsible for Scent & Care

BERND HIRSCH

CFO

HANS HOLGER GLIEWE

Executive Board member
responsible for Flavor & Nutrition

SUPERVISORY BOARD

The following have been elected as members of the Symrise AG Supervisory Board:

DR. THOMAS RABE* (from May 18, 2011)

Chairman of the Supervisory Board of Symrise AG, Chief Executive Officer of Bertelsmann AG

- **Arvato AG, Gütersloh, Germany**
Chairman of the Supervisory Board
 - **BMG RM Germany GmbH, Berlin, Germany**
Chairman of the Supervisory Board
 - **Druck- und Verlagshaus Gruner+Jahr AG, Hamburg, Germany**
Chairman of the Supervisory Board
- **Springer Science+Business Media, Strassen, Luxembourg**
Member of the Supervisory Board
 - **Bertelsmann Capital Investments S.A., Luxembourg**
Member of the Supervisory Board
 - **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
 - **RTL Group S.A., Luxembourg**
Member of the Supervisory Board

ANDREAS SCHMID* (until May 18, 2011)

Chairman of the Supervisory Board of Symrise AG

- **Oettinger Imex AG, Basel, Switzerland**
President and Delegate of the Board of Directors
 - **gategroup AG, Zurich, Switzerland**
President of the Board of Directors
- **Flughafen Zürich AG, Zurich, Switzerland**
President of the Board of Directors
 - **Barry Callebaut AG, Zurich, Switzerland**
Vice President of the Board of Directors
 - **Karl Steiner AG, Zurich, Switzerland**
Member of the Board of Directors
- **Badrutt's Palace Hotel AG, St. Moritz, Switzerland**
Member of the Board of Directors
 - **Wirz Partner Holding AG, Zurich, Switzerland**
Member of the Board of Directors

KARL-HEINZ HUCHTHAUSEN

Vice Chairman of the Supervisory Board of Symrise AG, Chairman of the works council and general works council of Symrise AG

- **Stadtwerke GmbH, Holzminden, Germany**
Chairman of the Supervisory Board

DR. MICHAEL BECKER* (from May 18, 2011)

Retired; Managing Partner at Merck KGaA until Dec. 31, 2011

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

DR. HELMUT FRIEDEN (until May 18, 2011)

Corporate Vice President Corporate Compliance at Symrise AG

DR. PETER GRAFONER*

Freelance Consultant

- **SKF AB, Gothenburg, Sweden**
Member of the Supervisory Board
- **SCANIA Switzerland AG, Kloten, Switzerland**
President of the Board of Directors

DR. HANS-HEINRICH GÜRTLER*

Managing Director of Vermil Capital GmbH

CHRISTIANE JARKE (from May 18, 2011)

Director F&N Strategic Regulatory Affairs EAME at Symrise AG

PROF. DR. ANDREA PFEIFER* (from May 18, 2011)

Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland

- **Bio MedInvest AG, Basel, Switzerland**
Chairperson of the Board of Directors
- **SYGNIS Pharma AG, Heidelberg, Germany**
Member of the Supervisory Board

SANNA SUVANTO-HARSAAE* (until May 18, 2011)

Freelance Consultant

- **Sunset Boulevard AS, Arhus, Denmark**
Chairperson of the Supervisory Board
- **Babysam AS, Frederikshavn, Denmark**
Chairperson of the Supervisory Board
- **BTX AS, Brande, Denmark**
Chairperson of the Supervisory Board
- **Marketing Clinic AS, Copenhagen, Denmark**
Chairperson of the Supervisory Board
- **Duni AB, Malmö, Sweden**
Member of the Supervisory Board
- **Jetpak AB, Stockholm, Sweden**
Member of the Supervisory Board
- **Paulig OY/AB, Helsinki, Finland**
Member of the Supervisory Board
- **Candyking AB, Solna, Sweden**
Member of the Supervisory Board
- **SATS AB, Stockholm, Sweden**
Member of the Supervisory Board
- **Clas Ohlson AB, Insjön, Sweden**
Member of the Supervisory Board
- **Upplands Motor AB, Uppsala, Sweden**
Member of the Supervisory Board

HELMUT TACKE

Member of the works council of Symrise AG

HORST-OTTO GERBERDING*

Managing Director of Drago Invest GmbH & Co. KG

FRANCESCO GRIOLI

Executive Secretary for Tariff Policy and Finance at IG BCE

REGINA HUFNAGEL

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

GERD LÖSING (from May 18, 2011)

Vice President Quality Control EAME at Symrise AG

PETER WINKELMANN (until May 18, 2011)

Head of the Alfeld region for IG BCE

- **Sappi Deutschland Holding GmbH, Alfeld, Germany**
Vice Chairman of the Supervisory Board

* Shareholder representative

GLOSSARY

AFF

Aroma Molecules, Flavors & Fragrances

ANTHOCYANINS

Water-soluble coloring agent derived from plants

ANTIOXIDANTS

They prevent the oxidation of other molecules in food, medicine and synthetics

AROMA

A flavor and/or fragrance often based on an aromatic compound, which can be an aromatic itself

BIOFUNCTIONALITY

The ability of a substance or product to bring about a predictable function in interaction with an organism without causing undesirable effects

BLACK-SCHOLES

A financial market model for measuring financial options

BRIEFING

Product tender for a customer company

CASH FLOW FROM OPERATING ACTIVITIES

Cash generated from the operations of a company. The cash flow from operations is an important indicator of a company's profitability

CASH GENERATING UNIT

The smallest group of assets that independently generates cash flow

CODM

Chief Operating Decision Maker

CORE LIST

List of key suppliers; a position on the core list is often the prerequisite for being invited by customers to make a product tender

CORPORATE GOVERNANCE

A framework for the management and supervision of the company

COVENANTS

Conditions or duties contained in loan agreements under the normal market conditions

CSR

Corporate Social Responsibility

DIN EN 16001

A standard that formally describes the requirements for an energy management system

DISCOUNTED CASH FLOW METHOD

A mathematical method for determining value by discounting cash flows

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

EFFA

European Flavour Association

EFSA

European Food Safety Authority

ESOMAR

European Society for Opinion and Market Research

F & F

Flavors & Fragrances

FAIR VALUE

The estimated value of an asset or liability

FREE FLOAT

Share capital of a public company available for trading on the stock market

GDP

Gross Domestic Product: A statistic used to measure the economic strength (goods and services) of a country

GHS

Globally Harmonized System used in classifying and labeling chemicals

HEALTH CLAIMS

Claims stating that products have special health benefits

IAL

An industrial and market research consultancy

IAS/IFRS

International Accounting Standards/International Financial Reporting Standards

IASB

International Accounting Standards Board; an independent committee that developed the International Financial Reporting Standards (IFRS) and continually revises them

IFRIC

International Financial Reporting Interpretations Committee; a committee that publishes the interpretations of IFRS and IAS

IKS

Internal Controlling System

INCOTERMS

International Commercial Terms

IOFI

International Organization of the Flavor Industry

ISO 31000

A standard that defines the framework for a risk management system

LIPID

Group of fats or fat-like substances (lipoids) that are not easily soluble or not at all soluble in water

LTIP

Long Term Incentive Plan, a remuneration plan for staff, especially for managerial staff

OCI

Other Comprehensive Income

PROJECTED UNIT CREDIT METHOD

Actuarial assessment method for obligations from company pensions

REACH

The regulation of the European Union for the Registration, Evaluation, Authorisation and Restriction of Chemicals

REVOLVING CREDIT FACILITY

Variable line of credit available within a one-year interest period

ROLL-OUT

Market launch or introduction of new software

SRMS

Symrise Manufacturing System

SUPPLY CHAIN

The organizational flow from the supplier to the manufacturer (procurement, production, sale) to the end customer

SVA

Symrise Value Added, a statistic indicating Symrise's increase in value

SWAP

A derivative concerning future payment flow exchange, frequently used as a financial tool to control financial risks

US-PRIVATE PLACEMENT

Direct sale of non-registered securities (registered bonds) through a company to one or more highly-qualified institutional investors, particularly insurers

WORKING CAPITAL

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

WACC

Weighted Average Cost of Capital

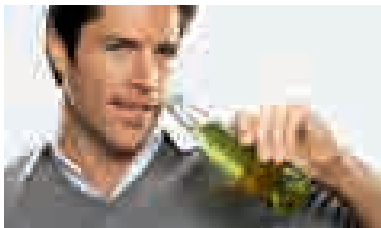
HIGHLIGHTS OF THE YEAR 2011

02



February 23 With the opening of a new plant for producing flavors and the market launch of the EVODRY™ encapsulation technology, Symrise completes the third stage of expansion at its Singapore site. This investment underscores Symrise's long-term commitment to Singapore and Asia.

04



April 5 Symrise celebrates the 100-year anniversary of its Braunschweig site, where basic materials for the beverage industry are manufactured, and plans further investments to expand the site.

April 13 With Actiplants®, the newly created umbrella brand for functional botanical extracts, Symrise further expands its expertise in the area of Health & Nutrition. Bioactive ingredients help strengthen the cardiovascular and immune systems, for instance.

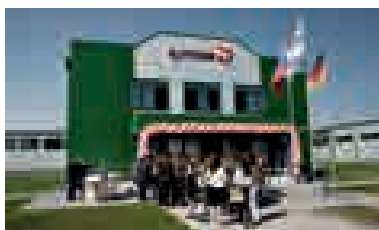
05



May 11 The American Society of Perfumers recognizes Symrise with five Perfumers' Choice Awards, including Best Women's Classic Fine Fragrance and Best Bath & Body Fragrance.

06

June 14 Symrise receives two of the highly coveted BSB Awards, which are bestowed by an international panel of judges selected from among the cosmetics industry. SymFinity® 1298 received first prize for its impressive anti-aging properties. A second prize went to SymPeptide®226EL for its lengthening effect on eyelashes.



June 29 In Rogovo, Russia near Moscow, Symrise opens a new production site and therefore becomes the first global fragrance and flavor manufacturer that produces locally for this expanding market.

09/10



September 1 Symrise fully converts to nature-identical bisabolol in its production of the skin-soothing substance. This reduces exploitative deforestation in the Brazilian rain forest, where the natural substance is harvested from the rare candeia tree.

September 14 Symrise founds a Scientific Advisory Board for the Fragrances and Oral Care application areas. The Scientific Advisory Board consists of an internationally renowned team of scientists and supports Symrise in applying cutting edge advancements towards innovative fragrances and oral care products.

October 20 Symrise expands its online portal SymSelect® to include a platform for its Life Essentials products. With the new database, customers can research the cosmetic ingredients offered by Symrise via the internet.

12

December 2 Topping-out ceremony for the new research center in Holzminden. Symrise brings its research activities at the site together under one roof, expands its research capabilities and creates new synergies in research and development.

December 6 At the ESOMAR Qualitative 2011 Conference in Vienna, Symrise receives the prize for the best presentation on consumer research.

FIVE-YEAR FINANCIAL OVERVIEW

€ MILLION		2007	2008	2009	2010	2011
Group – Results of operations						
Sales		1,274.5	1,319.9	1,362.0	1,571.9	1,583.6
Share of sales in emerging markets	in %	39	40	41	46	46
EBITDA		272.1	262.5	245.6	331.2	315.9
EBITDA margin	in %	21.3	19.9	18.0	21.1	20.0
Net income		97.4	90.4	84.3	133.5	146.5
Earnings per share	in €	0.82	0.76	0.71	1.13	1.24
Dividends paid		59.1	59.1	59.1	70.9	73.3 ²
Dividend per share	in €	0.50	0.50	0.50	0.60	0.62 ²
Group – Financial position/net assets						
Operating cash flow		152.6	153.1	225.7	235.1	200.9
Investments		40.6	52.5	56.7	70.5	67.3
Balance sheet total (as of December 31)		1,790.9	1,890.6	1,895.2	2,059.0	2,098.2
Capital ratio (as of December 31)	in %	35.9	34.3	36.4	40.9	43.5
Net debt (incl. pension provisions) (as of December 31)		715.7	833.6	773.4	733.7	703.2
Employees (as of December 31)	FTE ¹⁾	4,926	5,097	4,954	5,288	5,434
Scent & Care						
Sales		671.3	671.8	682.3	804.5	801.4
EBITDA		134.7	130.2	109.0	160.8	157.6
EBITDA margin	in %	20.1	19.4	16.0	20.0	19.7
Flavor & Nutrition						
Sales		603.2	648.1	679.7	767.4	782.2
EBITDA		137.4	132.3	136.6	170.4	158.3
EBITDA margin	in %	22.8	20.4	20.1	22.2	20.2

¹ not including apprentices and trainees; FTE = Full Time Equivalent² proposal

IMPRINT

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The German version of this Annual Report is legally binding.
German and English versions are available online at
www.symrise.com.

CONCEPT AND EDITING

PvF Investor Relations, Eschborn

This Annual Report is printed on paper which is certified by FSC®.

CONCEPT, DESIGN AND REALIZATION

3st kommunikation, Mainz

PHOTOGRAPHY

Karsten Thormaehlen, Holzminden
Brian Friedman, Teterboro
Kurt Lauer, Holzminden
Pedro Colon, Sao Paulo

TYPOGRAPHY

BG media design GmbH, Darmstadt

PRINTING

Westdeutsche Verlags- und Druckerei GmbH,
Mörfelden-Walldorf

FINANCIAL CALENDAR

MARCH 14, 2012

Annual Press Conference/Analyst Conference
Financial Year 2011

MAY 9, 2012

Interim Report 1st Quarter 2012

MAY 15, 2012

Annual General Meeting, Holzminden

MAY 16, 2012

Dividend Payment

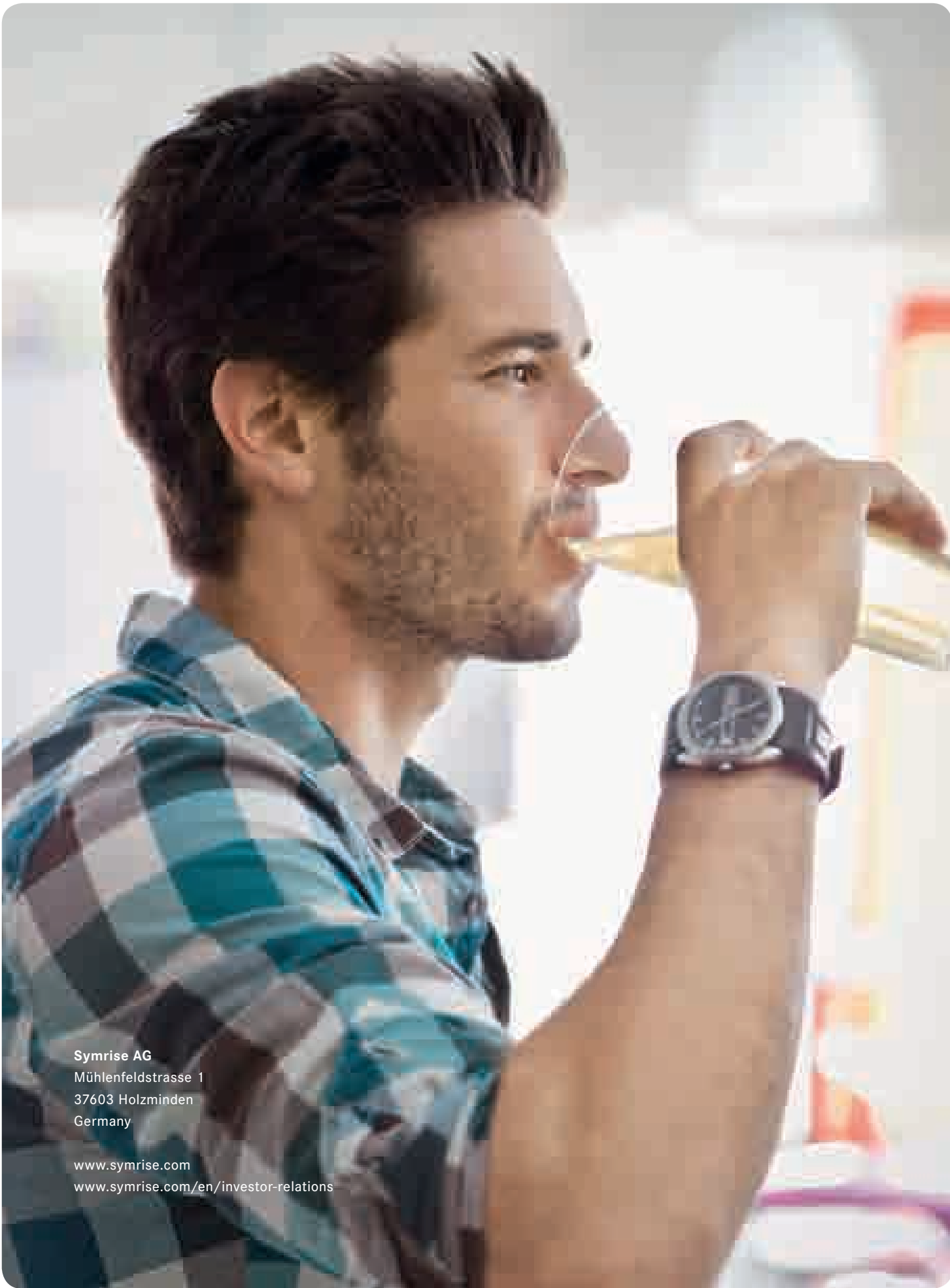
AUGUST 9, 2012

Interim Report 2nd Quarter 2012

NOVEMBER 7, 2012

Interim Report 3rd Quarter 2012





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