

**30. April 2008**

Report for the 1st quarter of 2008:

## **Symrise starts 2008 financial year successfully**

- **Sales and earnings 6 per cent higher**
- **Positive outlook for the full year**

**(Holzminden/Frankfurt) Symrise AG made a successful start to the new 2008 financial year despite a considerably more difficult economic environment: sales in the 1st quarter increased from EUR 331.2 million to EUR 338 million, an increase of 2.0%. On a local currency basis, this represents growth over the same quarter the previous year of 6.4 per cent.**

Adjusted for the effects of currency translation, earnings before interest, tax and amortisation of intangible assets (EBITA) increased by 6.2 per cent. At actual exchange rates, EBITA decreased from EUR 63 million to EUR 62 million, which corresponds to a reduction of 1.6 per cent. This development in company earnings reflects the pace of increase in the value of the Euro, particularly in March. Adjusted earnings per share were up 15.4%.

On the balance sheet, the equity ratio improved from 31.9 per cent at the end of March 2007 to 36.9 per cent.

### **Flavor & Nutrition**

The Flavor & Nutrition division had a strong first quarter in all regions and business units: sales increased by 5.6 per cent – from EUR 149.8 million to EUR 158.2 million – and by 9.7 per cent in local currencies.

### **Scent & Care**

On a local currency basis, sales in the Scent & Care division were 3.7 per cent higher in the first quarter of 2008 at EUR 179.8 million; they decreased by 0.9 per cent at actual exchange rates. The Life Essentials business unit achieved growth of 8.8 per cent in local currencies, whereas the Fragrance business unit recorded figures that were in line with the

previous year.

Both divisions succeeded in increasing sales with key accounts, with sales to the ten largest Scent & Care customers increasing disproportionately fast compared with total division sales. Business with what are known as “AND” products – products with additional benefits – rose by a further 6.7 per cent (in local currencies) and double-digit local currency basis growth was achieved in sales to emerging markets. A regional breakdown shows that Symrise recorded good growth primarily in Eastern Europe, Africa, the Middle East and the emerging Asian markets.

Raw material cost increases were compensated for by improvements in production efficiency; gross margin was only depressed by higher energy costs and a less favorable product mix.

The division highlights in the first quarter of 2008 included the take-over of the Chr. Hansen flavor operations to strengthen the North American business in the Flavor & Nutrition division and the strategic partnership with Cambridge Theranostics in the Scent & Care division, the aim of which is to co-operate on opening up the market for health & medical food. To take account of the broader focus of the Cosmetics business unit to include the beauty and health fields, this unit was renamed Life Essentials.

## **Outlook**

“In view of our presence in the fast-growing regions of the world and our concentration on selected market segments that are growing rapidly, we continue to be confident that our business will grow disproportionately fast: we are therefore confirming the forecasts we made in our 2007 Annual Report, i.e. sales growth of 5 to 6 per cent and EBITA growth of 10 per cent on a local currency basis. It is difficult to predict how exchange rates will develop in future and what impact this will have on the results we report. The relative stability of the Euro in recent weeks is certainly a positive sign in this context“, says Dr Gerold Linzbach, CEO of Symrise.

## Key financials for the first 3 months of 2008

	Q1   2007 in € million	Q1   2008 in € million	Change in % (at actual exchange rates)	Change in % (in local currency)
Sales	331.2	338	2.0%	6.4%
- Scent & Care	181.4	179.8	-0.9	3.7
- Flavor & Nutrition	149.8	158.2	5.6	9.7
EBITA	63.0	62.0	-1.6	6.2
EBITA margin in %	19.0	18.3		
EBIT	54.2	54.2	0.1	8.7
EBIT margin in %	16.4	16.0		
Net income for the period	29.2	24.9	-14.7	
Earnings per share	0.25	0.21	-14.7	
Adjusted earnings per share	0.29	0.30	6.2	15.4
No. of employees (on the qualifying date)	4 819	4 926	2.4	

### About Symrise

Symrise is a global supplier of fragrances, flavorings and raw materials and active ingredients for the perfume, cosmetics and food industry.

Its sales of €1.27 billion in 2007 place the company among the top four in the international flavors and fragrances market. Headquartered in Holzminden, Germany, Symrise is represented in more than 30 countries in Europe, Asia, the United States and South America.

With more than 40 first patent applications per year, Symrise is one of the most innovative manufacturers on the market. Used by manufacturers of perfumes, cosmetics and foods, our products are an inseparable part of daily life. At Symrise we combine an awareness of consumer trends with cutting-edge technologies, focusing on innovative fashion and lifestyle products that have additional practical value for the consumer. Symrise – always inspiring more...

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