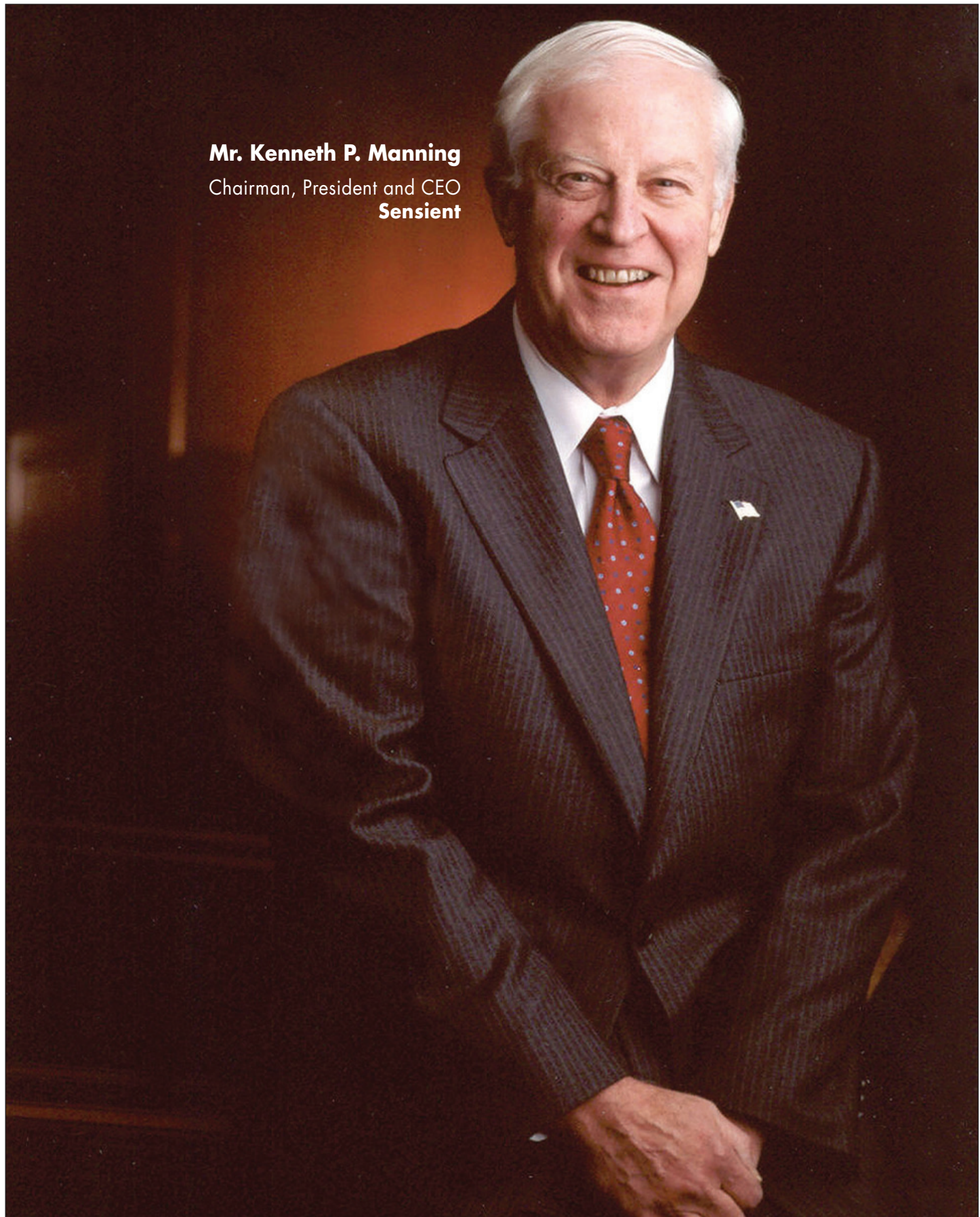


HPC **TODAY**

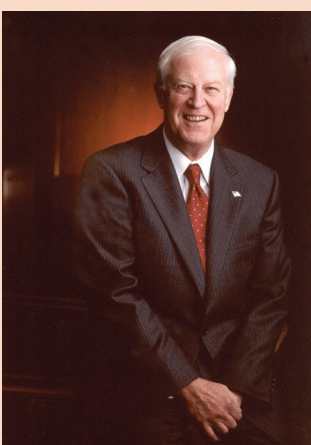
and

Household and Personal Care Today

Mr. Kenneth P. Manning
Chairman, President and CEO
Sensient



The Sensient case: a future in new technologies and innovation



Mr. Kenneth P. Manning
Chairman, President and CEO
Sensient

Sensient is a global manufacturer and marketer of colours, flavours and fragrances with 71 locations in more than 30 countries.

In a previous interview published in HPC Today in 2005 with Mr. Kenneth P. Manning, Chairman, President and CEO of the company, we had the opportunity to describe what we called the Sensient case, a company which has rapidly become a leading player in the world markets for food and beverage flavours and colours, cosmetic and pharmaceutical ingredients, specialty chemicals for inkjet inks, display imaging systems and other applications. CEO Kenneth P. Manning is the architect of Sensient's success. Mr. Manning's background includes an outstanding military career serving the U.S. Navy, where he

reached the rank of Rear Admiral and was awarded the Legion of Merit among other military honours. Mr. Manning then entered the industry sector, and after holding a number of key roles in various companies, he pursued his career at Sensient, becoming Chairman, President and CEO. He led the company to its strong position in the marketplace today.

A radical transformation process based on a number of company acquisitions and restructuring has turned Sensient into a global company specializing in flavours, fragrances and colours. In a fast-paced market where social, cultural, political, and economic changes occur ever more frequently and rapidly, a two-year cycle like the one Sensient has gone through since our last interview can tell a great deal about a company and the scope of its business. We therefore came back to Mr. Manning after two years to ask him to tell us more about Sensient, and its current and recent business and future prospects.

SENSIENT 2007: A SUCCESS STORY BASED ON CULTURAL CHANGE

Since 2005, in a period when the world's economic scenario has been full of uncertainties, Sensient has been able to achieve strongly positive financial results, as Mr. Manning confirms: "As we celebrate our 125th

business anniversary, we are having remarkable success. This year we reached an all-time stock price of over 30 usd per share - we are very proud of that. We have had six consecutive quarters of earnings growth, and last year we achieved record revenues of 1.1 billion usd".

The reasons for this success are to be found in the new product development strategy. Sensient introduced 150 new products in 2006, and forecasts a 20% increase by the end of 2007. Manning attributes Sensient's success to staying close to the local market and its aggressive new product development efforts. Another key element has been the cultural change Sensient has accomplished in the company in recent years. When Mr. Manning became CEO, the company had primarily US citizens among its personnel. Today almost 60% of staff is from other countries, based in Sensient's 71 facilities in 30 countries, and over half of revenues come from sales outside the US.

NEW TECHNOLOGIES: SENSIENT'S STRATEGY TODAY

Those who have followed Sensient's rapid growth have seen how the company has achieved such progress through an impressive number of acquisitions, which have allowed the company to diversify and develop its own presence in the markets it targeted. Today the acquisitions have been consolidated and a new strategy has been put in place: the acquisition of new technologies and licensing of new products, as Mr. Manning explains: "*Certainly in the area of product development we've made tremendous progress: Right now we are not trying to buy new companies, we're trying to buy, license or develop new technologies. Some examples of these technologies include new formulations for surface treatments in the cosmetic area and proprietary processes to encapsulate Omega-3 oils and other additives. This encapsulation technology has applications not only in food products but also in pharmaceutical and cosmetic applications*".





This new development strategy is again based on the cultural change Sensient has gone through in recent years. Sensient is transferring its R&D and other expertise throughout its business units. These departments act together to share ideas and drive the company's global business. Products developed in one area of the company or geographic region are made available to other business units across the company. As Mr. Manning mentioned, one example is encapsulation, where a technology developed for one business unit, such as the food area, is shared across the cosmetic and pharmaceutical business units.

This, yet again, is another case of how Sensient fosters innovation by utilizing the human element.

SENSIENT'S GLOBAL PRESENCE

Today Sensient operates on all major markets worldwide. The United States and Europe are certainly major markets for the company, yet significant investments have been made in the Far East, which continues to be seen as an important opportunity for further development by the company. Sensient is looking to expand further into China, seeing it as a strong market for its products as well as a sourcing centre for its own production. Brazil is another potential market. The population is rapidly growing, demand for new products is on the rise, and the country has confirmed its very interesting economic growth. Sensient continues to see Eastern Europe as a strong market development opportunity, and Russia is also considered a very promising market.

SENSIENT, CONSOLIDATING LEADERSHIP IN THE MARKET OF COLOURS, FLAVOURS AND FRAGRANCES

Sensient continues to hold a leading position in the flavours, colours and fragrances areas. In the area of flavours, Sensient is number three in market share worldwide. In pharmaceutical colours, Sensient is number two. In colours for food and beverage, Sensient is number one. Sensient is also number one in cosmetic colours and it has leading positions in specialty inks and in inkjet inks for the aftermarket.

Pharmaceuticals is another sector Sensient is strongly concentrating on, especially with regard to coating and encapsulation, the latter in particular being viewed as a great opportunity for further development. An important part of Sensient's technological development has been the use of nanotechnology for coatings with antimicrobial properties on industrial surfaces. These products are particularly suited for applications where hygiene requirements are very high, such as restaurants and laboratories.

SENSIENT: BRINGING INNOVATION TO COSMETICS AND PERSONAL CARE

Sensient has a strong presence in the cosmetics area. The company continues to be a major supplier of makeup products to the whole market, with China becoming a major market especially with regard to hair colour products, whose demand is rising in this country.

Mr. Manning describes the broad range of products offered: *"In aroma products, we manufacture a variety of fragrances that are used in shower gels, cleaners, sanitizing fragrances and other products for household applications. We have a major position in essential oils, and we see a lot of opportunities in fragrances for soaps, fragrances for dishwashing liquids and household detergents. As far as our presence in the market is concerned, we see the fragrance business in Spain as most promising, as well as our Paris-based cosmetic colour activities"*.

SENSIENT'S PLANS FOR THE FUTURE

Sensient is expanding strategically in cosmetic colours, fragrances, pharmaceutical colours and coatings, and high-value areas of flavours and food colours.

Sensient plans to grow organically and to buy or license new technology, rather than acquiring more companies. The fast-paced and competitive markets in which Sensient operates require the company to be constantly focused on new product development and to seek and identify opportunities such markets offer in a timely manner.

Sensient is also focused on geographic expansion close to where it does business. One advantage that Sensient has compared to its competitors is that it can establish a presence and technical capability locally. It therefore has an advantage in being able to service its customers locally.

The route is set, and management is firmly at the helm. While every voyage must face uncertainties, Sensient has experience and a detailed map to guide it towards its destination. As Sensient celebrates its 125th business anniversary, Mr. Manning says, *"I am very pleased that we are having such success and I expect Sensient to continue its strong performance in the years ahead"*.

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