

# SENSIENT TECHNOLOGIES CORPORATION

In one form or another, Sensient Technologies has been a part of the Wisconsin landscape since 1882. From its early beginnings as a small distillery, the company has evolved into a leading global manufacturer and marketer of colors, flavors, and fragrances. Sensient employs advanced technologies at facilities around the world to develop food and beverage systems, cosmetic and pharmaceutical ingredient systems, inkjet and specialty inks, and display imaging chemicals. The company's customers include major international manufacturers representing some of the world's best-known brands.

Originally named Meadow Springs Distillery, the company was founded by three German businessmen: Leopold Wirth, Gustav Niemeier, and Henry Koch, Jr. The men set up shop at the corner of the Menomonee River Valley, on the outskirts of Milwaukee. The endeavor was underwritten by Adolph C. Zinn, one of the city's most prominent businessmen and owner of the highly successful Milwaukee Malt House.

*Workers in 1912 inside the Meadow Springs Distillery, a forerunner of Sensient.*



*Sensient was founded in 1882 as Meadow Springs Distillery in Milwaukee, Wisconsin.*

However, Wirth was the driving force behind the fledgling distillery. Eventually, two more generations of his family would become integrally involved in the direction and growth of the business.

In the late 1800s the company reorganized, changing its name to the National Distilling Company. It was then under the direction of August Grau, who acted as president of the corporation from 1887 until 1922. At that time the company set out to broaden its base, and began selling its

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surplus distilled spirits to companies beyond the Wisconsin area. The firm also moved its corporate offices from the outskirts of the city into the central business district of Milwaukee.

In 1919 the business faced a huge challenge as Prohibition threatened an end to its existence. Most distilleries went out of business, but by then National Distilling had created a business selling yeast—a by-product of their distilling process. John Wiedring, who was in charge of the company's laboratory, went to the Berlin Institute of Fermentation to study the yeast making process. He returned with an idea that would save the business: an aeration process for making yeast that the company introduced that same year.

The company cut and packaged the product under the name "Red Star Yeast," and a new direction of growth took place. Yeast turned out to be a boon for the company. It began to be touted as a health food and from the 1920s on, people flocked to their local stores to buy the Red Star product. Accordingly, the company's

name was changed from National Distilling to Red Star Compressed Yeast Company. By 1921 the company had 50 branches around the Midwest and eastern U.S.

After the end of 14 years of Prohibition, Red Star had a brief run at distilling spirits again, but it was its yeast manufacturing that kept the company thriving. The business ceased the distilling of spirits in 1937—and added vinegar to its offerings.

In the '60s Red Star moved out of its single product line and became a highly-diversified food company. In 1961 the first non-yeast acquisitions were made with the purchase of Universal Foods Company of Chi-



*Flavors and fragrances are manufactured at Sensient's state-of-the-art production facilities.*

cago, which manufactured food products for the institutional trade. The company then changed its name in 1962 to the Universal Foods Corporation, to emphasize the planned growth in operations.

In 1977 Universal Foods went public, listing its stock on the New York Stock Exchange. The corporation expanded exponentially from a net worth of \$8 million dollars in 1960 to \$400 million by 1980. By the



*Sensient Technologies chairman and CEO  
Kenneth P. Manning.*

company's 100th anniversary in 1987, it had extended into five major marketing areas: cheese, beverage, frozen foods, fermentation, and import and specialty products which included product flavoring and coloring.

The corporation hired a new group vice president in 1987, Kenneth P. Manning, who had previously been with the W.R. Grace Company in New York. Manning quickly became a dynamic force for change within the company. He realized that the

business needed to reinvent itself to prosper in an increasingly competitive environment. The firm had become a mature business of commodity products with little opportunity for growth. Manning's vision was to move the company toward the anticipated needs of the twenty-first century, and Universal Foods began to sell its commodity business and acquire new higher potential businesses. In 1990 the company's cheese business was sold, which was followed by the sale of its frozen foods dealings in 1994.

Manning was named chief executive officer of Universal Foods in 1996, and began aggressively steering the business in a new direction. Manning devised a matrix upon which the company plotted its future growth. The central elements of that blueprint were building upon the firm's strengths and knowledge in the areas of color and flavor, and the strategic acquisition of companies to complement its new direction. To that end, Universal Foods accelerated its expansion by developing, manufacturing, and supplying colors to the cosmetic, pharmaceutical, inkjet ink,

*The global headquarters for Sensient's  
Flavors and Fragrances Group is located  
in Indianapolis, Indiana.*



and digital imaging industries.

One of Manning's first acquisitions was the purchase of a cosmetic color manufacturer based in France. Originally purchased for \$10 million dollars, today it is responsible for \$50 million in sales. Manning, who personally negotiated all the company's acquisitions, also saw the symbiotic relationship between its French acquisition and another company in Spain which created fragrances. Another major purchase was a German company known for its cutting-edge imaging technology. The business had great technological expertise in photographic and organic chemicals for light-emitting diodes. Today, its technology for fourth generation flat screens is considered to be on the leading edge of this burgeoning field. Manning has always been certain to carefully weigh each acquisition to ensure they complement the company's goals. Since 1997 the corporation has acquired 20 companies, turning Manning's vision into solid reality.

In 2000 Universal Foods changed its corporate name to reflect the company's exciting new direction, and the Sensient Technologies Corporation was born. The name is a reflection of the company's mission, which is "to enhance sensory experiences through specialized ingredients, delivered through proprietary technologies." In 2001 Sensient sold Red Star Yeast, which had been a division of the company since 1887, as part of its strategy to divest itself of unprofitable commodity businesses. When the yeast business was sold, yeast was selling for the same price it had during the Depression.

Sensient Technologies Corporation is comprised of three groups: the Flavors and Fragrances Group, the Color Group and the Asia Pacific Group. The Flavors and Fragrances Group develops and manufactures flavor systems for the food and bev-



*Sensient's natural colors and coatings are ideal for pharmaceuticals.*

erage industry, and fragrances for the personal and home care markets. The Color Group manufactures and markets synthetic and natural food colors; formulations for cosmetics; color systems for pharmaceuticals and technical colors for industrial applications and digital imaging, including inkjet inks and display imaging.

In the cosmetics industry, Sensient has developed strong ties with the leading cosmetics companies. It is considered the world's leading supplier of both natural and synthetic colors and fragrances. Along with the many advanced color techniques and proprietary pigments produced by the

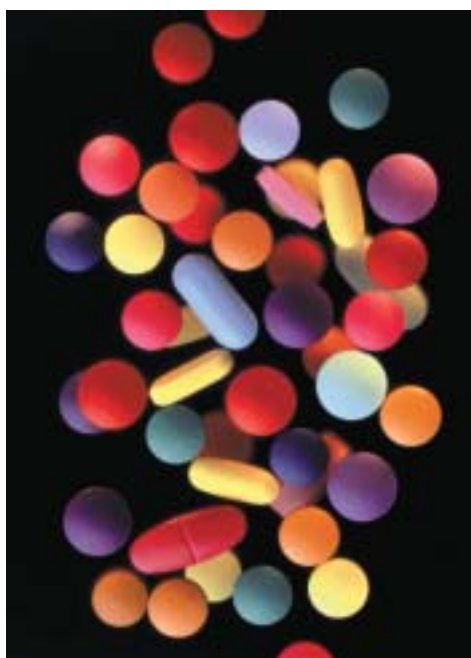
etary pigments produced by the

*The fragrance unit of Sensient Technologies is a leading producer of aroma chemicals and essential oils.*



company, Sensient has created a proprietary process that has resulted in the elimination of “color bleeding.” Sensient also offers its clientele a vast array of technically-innovative hues and tints for its products, as well as a myriad of color solutions for products such as lipsticks, eye make-up, lotions, and creams. In yet another area, Sensient manufactures and supplies ingredients for home care, fabric care, and personal care products.

“Performance chemicals,” considered an area of major strength and innovation for the company, reflects Sensient’s expertise in specialized chemistry related to analog and digital printing. Sensient offers finished inks, pigments, and component dyes



*Sensient is ranked second in natural colors and coatings for the pharmaceuticals market.*

Group, located in Singapore, is the umbrella for the company’s colors, flavors, and fragrance activities in the region. The company also maintains manufacturing operations in China, Japan, the Philippines, and Australia. As of 2003 Sensient employed 3,700 people worldwide, of which more than 50 percent were foreign nationals. Revenues per employee for 2003 were \$266,000, up from \$168,000 in 1996—a testament to the company’s growing productivity.

As part of Sensient’s outreach to the community, the company formed the Sensient Technologies Foundation. It contributes more than \$500,000 annually to support charitable projects like hospitals and shelters, educational programs at colleges and universities, civic projects, and cultural and arts organizations throughout the United States.

Sensient’s transformation was accomplished under the leadership of innovative thinking with an eye to the future. This philosophy has transformed a commodity-based company into one that accurately anticipates the global needs of a 21st century world and provides high-performance, technology-driven products.



*Sensient’s unique formulations add value to consumer products worldwide.*

ic and commercial applications; and photographic printing. The company also produces the chemicals used in organic light-emitting diodes—fourth-generation technology used in flat panel display units.

In pharmaceuticals, Sensient develops coating systems. This includes colors that can be utilized by companies for their drug products, including generic and over-the counter remedies. By emphasizing solutions to product development challenges for its customers—with value-added

technologies and ingredient systems—Sensient builds on current technologies to create new products that can be quickly commercialized.

Sensient’s strategic plan includes the building of a corporate culture that draws upon the strengths of regions throughout the world. The company has operations in 77 locations, in 30 countries on six continents. Sensient’s Asia Pacific

through a full spectrum of products and capabilities for use in digital imaging. Some of these key digital applications include desktop inkjet printing for business and personal use; the rapidly expanding area of wide-format printing for both graph-