2007 Industry Rankings

Welcome to *P&F* magazine's 2007 ranking of top flavor and fragrance companies. This year, due to a couple of major acquisitions, we bring you two lists.

The first is based on 2006 sales. We're calling this list "Before." Admittedly, 13 is an awkward (and unlucky) number, and adding an unranked entity to the mix appears a bit confusing. To explain:

This year's lists were expanded to include the main companies vying for spots among the top flavor and fragrance companies. In both lists we've again included Mastertaste, which by all indications belongs among the top-tiered industry leaders. However, because the company's parent—Kerry Group—does not disclose firm sales data for the segment, we are unable to rank it firmly. Thus the company appears at the end of the lists as an unranked factor.

Secondly, we present "After," a list of the top 11 industry leaders (minus Danisco and Quest following their acquisitions) based on newly combined sales, which shifts the rankings somewhat. This is a look at how the flavor and fragrance landscape stands in the wake of a pair of major purchases.

It was important to present two lists following the news that two major players have been absorbed by former rivals, a fact that could not be ignored, even though the purchases were finalized after fiscal 2006 results were in.

A note on rankings ...

P&F magazine's "2007 Industry Rankings" are based on 2006 sales data (including estimates) provided by John Leffingwell.* Sales figures are provided whenever available.

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Before

1 Givaudan

Geneva • 2006 sales: $2,387.9 million
Estimated 2006 market share: 13.3% • CEO: Gilles Andrier

Givaudan

Late last year, Givaudan solidified its top industry ranking when it agreed to acquire Quest International from Imperial Chemical Industries. That £1.2 billion/CHF 2.8 billion deal continued Givaudan's stated strategy to pursue selective and smaller sustainable markets such as Asia-Pacific, Latin America, Eastern Europe, Africa and the Middle East. The companies' combined 2006 sales total $3,539.7 million, accounting for approximately 19.7% of market share. (For more details, see **After**.) This boosts Givaudan well ahead of its nearest competitors and fuels speculation as to which major flavor house will be acquired next.

Of the acquisition, Givaudan CEO Gilles Andrier said, "Quest has regained momentum over the last three years thanks to the talent and commitment of its people. Thus, we are very excited to have this unique opportunity of creating an unrivalled industry leader, building on the strength, momentum and common values of both companies."


Gilles Andrier

One part of the company's growth formula is the establishment of its North American consumer products creative center in East Hanover, NJ. The site will feature a consumer and sensory intelligence lab for a closer dialogue with fragrance end consumers. Opening in June 2008, the site doubles available fragrance evaluation and testing facilities.

In addition, the company has been entering into partnerships on both the flavor and fragrance ends of the equation, including Brussels-based ChemCom SA, which specializes in olfactory receptor technology. TecnoScent, the entity formed by these two organizations, employs ChemCom's proprietary receptor technology to find and develop innovative fragrance ingredients. Givaudan has also bolstered its health and wellness assets through its collaboration with Cranbury, NJ-based Redpoint Bio Corp., which will discover and develop novel sweetness and savory enhancers, as well as bitter blockers.

The company has experienced strong sales growth for the last six years, despite continued ingredients streamlining in both divisions. (Streamlining impacted annual sales by CHF 33 million.) Looking ahead, Givaudan has witnessed first quarter 2007 local currency sales growth in fragrances of 8%. Consumer products achieved double-digit growth. However, fine fragrances witnessed just single-digit gains. Europe and Latin American results were strong, while North America lagged. Meanwhile, flavor sales grew 2.4% in local currencies with the strongest percentage gains in Latin America.

2 IFF

New York • 2006 sales: $2,100 million
Estimated 2006 market share: 11.7% • Chairman and CEO: Robert Amen

Following the 2000 acquisitions of Laboratoire Monique Rémy and Bush Boake Allen, IFF has been relatively quiet. In the wake of the Danisco and Quest acquisitions, that might change, particularly since the company is coming off a very strong 2006.


Robert Amen

At the start of this year, the company was organized under two distinct business units—flavor and fragrance. Each of the flavor and fragrance units maintains a regional structure for sales, marketing and creative development.

At the time, IFF chairman and CEO Robert Amen said, "This structure allows IFF to improve focus on our business to best serve our stakeholders—our customers, shareholders and employees."

As Amen begins his second year at the helm of IFF, the landscape has shifted drastically. The company's first quarter 2007 results came in 11% over the prior year's quarter, with net income jumping 17%. The results have been driven by new product introductions, high-volume ingredient sales, new wins and volume growth.

Discussing this positive outcome, Amen said, "IFF is off to a solid start in 2007. … We continue to make progress toward the financial goals we outlined for 2007–2009 by strengthening our customer focus and executing on our plans."

3 Firmenich

Geneva • 2006 sales: $1,752.1 million
Estimated 2006 market share: 11.1% • CEO: Patrick Firmenich

Firmenich's recent purchase of Danisco's flavor business boosts its citrus, naturals and dairy capabilities, while expanding its expertise in vanilla, ice cream and beverage bases. The DKK 3.36 billion deal brings into the fold a business that generated revenues of DKK ~1.5 billion in the last fiscal year, some 2–3% of the world market. (To see what the deal means for Firmenich's ranking in the industry, see **After**.)

According to Karen Saddler, vice president of communications at Firmenich, "Danisco's flavor division represents a good fit for Firmenich because it complements our product portfolio and market coverage in flavors, positioning us among the top three in the industry. It also strengthens our position in natural ingredients for the food, beverage and fragrance markets, taking us to a unique level of expertise in both natural and synthetic ingredients. This will reinforce our capacity for innovation and our focus on a sustainable business model, making responsible use of both."

Patrick Firmenich

Firmenich's last key purchase took place in 2005, with the acquisition of Noville, which strengthened the firm in home care and oral care markets. The company continues to stake its success in the long run on strong organic growth and "targeted acquisitions" that will comfortably fit into Firmenich's existing structure and expertise. As of press time, nothing's been decided as to staff or facility changes in facilitation of the integration. Because many are still waiting for word of personnel and facility questions in the wake of the Givaudan-Quest merger, it may be some time before anything is announced.

Another unclarified issue in the deal is an interesting agreement that joins Danisco and Firmenich in a partnership serving the food industry. Though undefined, Saddler has loosely described the agreement's mission as "delivering comprehensive flavor and food ingredient solutions to selected segments of the market." Firmenich has already begun further internal growth via an innovation and sustainability center for natural ingredients in the south of France. Once completed, said Saddler, the center will "develop our know-how in natural ingredients for the flavor and fragrance markets, further enhancing the creative scope of our perfumers and flavorists, and ensuring the sustainable use of natural resources in our business activity."

Asked if the company was seeking any further acquisitions, Saddler said, "Our main focus will be on successfully completing the integration of this acquisition … However, this would not prevent us from pursuing a further opportunity, should one present itself."

4 Symrise

Holzminden, Germany • 2006 sales: $1,623 million
Estimated 2006 market share: 9% • CEO: Gerold Linzbach

Symrise has been at the center of several acquisition rumors in the industry over the last few years, but in the meantime the company's actually shown interest in acquiring other organizations and investing significantly in its own expertise, particularly naturals.

The company has expanded its beverage production facilities at its Nördlingen site, focusing on the development of beverage flavorings and raw materials and manufacturing flavorings for the beverage industry. These facilities are focused on the development and processing of natural raw materials; the pilot plant enhances the company's ability to produce distillates and extracts.

Gerold Linzbach

Symrise has also acquired Steng Ltd., a British supplier of herb and spice pastes, stocks, marinades and natural flavorings. In addition, the company produces a range of "clean label" products which are made of natural ingredients, which fits in well with Symrise's other recent activities.

In addition, Symrise has extended its naturals focus with a new global citrus center in Sorocaba, Brazil. The push is what the company's global president of flavor and nutrition Heinz-Juergen Bertram called "our international citrus offensive." The new facilities house the development and application technologies divisions, as well as pilot plants for a variety of processing technologies. In addition, Symrise has increased spray-drying capacity at its existing site in the country.

Finally, Symrise has partnered with two German companies—BRAIN AG and AnalytiCon Discovery GmbH—to expand its development of natural cosmetic active ingredients and aroma molecules. Board member Achim Daub said at the time of the deal, "The cooperation with the two leading biotech companies … perfectly supplements and strengthens our own research and development strategies."

Following a year that saw overall sales rise 7%, Symrise is having a good start to 2007. The company's Scent & Care division increased sales by 6.5%, while the Flavor & Nutrition division rose 4%. Symrise anticipates annual industry growth of 3% per annum, with average sales growth of 5–6% per annum in 2007 and 2008.

5 Quest International*

Naarden, Netherlands/Ashford, UK • 2006 sales: $1,151.8 million
Estimated 2006 market share: 6.4%
Chairman and CEO: Charles Knott

Having just passed the centenary mark after 10 years as an Imperial Chemical Industries subsidiary, Quest last year was acquired by Givaudan. The companies' combined 2006 sales total $3,539.7 million, forming a company that is ~68% larger than IFF. (For more details, see **After**.) The acquisition came just months after Quest purchased Shaw Mudge, which had strengthened its fragrance business, particularly its relationship with several key customers such as Procter & Gamble.

Discussing the move last year, Givaudan CEO Gilles Andrier said, "Quest has regained momentum over the last three years thanks to the talent and commitment of its people. Thus, we are very excited to have this unique opportunity of creating an unrivalled industry leader, building on the strength, momentum and common values of both companies."

The fates of previously announced Quest investments in personnel and creative and technical facilities remain unknown, including specialized centers for personal and home care fragrances in Paris and Ashford. Quest had recently opened a regional creative center in Bangkok, Thailand, housing a creative team and support for clients in the developing markets.

*Quest International has been acquired by Givaudan.

6 Takasago International

Tokyo • 2006 sales: $955.7 million
Estimated 2006 market share: 5.4%
Chairman and CEO: Yoshinari Niimura

Targeting future growth, Takasago has been investing in infrastructure over the last year. This includes the expansion of the confection and beverage applications laboratories at the company's Rockleigh, NJ, facility. The additions include a new oral care laboratory and a multi-purpose laboratory. In addition, the sensory area was relocated and expanded.

In addition, Takasago has continued its support of key research with its sponsorship of the Ryoji Noyori Prize. Bestowed during the annual general meeting of the Society of Synthetic Organic Chemistry, Japan, this year's recipient was David Evans of the Department of Chemistry and Chemical Biology, Harvard University. Evans received a $10,000 cash reward in recognition of his work in the design of stereoselective reactions and the applications of these reactions to natural products synthesis.

Yoshinari Niimura

7 Sensient Technologies Flavors & Fragrances

Milwaukee (flavor and fragrance group: Indianapolis)
2006 sales: ~$565 million[†] • Estimated 2006 market share: 3.1%
Chairman, president and CEO: Kenneth Manning

Continued growth is the story of our number 7 company. Sensient is coming off a year in which total revenue increased 7.3% and operating profit grew 42.8%. The company has seen its results benefiting from higher volumes and improved pricing, particularly in the United States. Flavor sales in Latin America and sales within the fragrances product lines were also up. Of the results, Sensient chairman, president and CEO Kenneth Manning said, "This was an outstanding year and I expect our business to continue to perform well in 2007."

Starting off the year, the company boosted revenue by 8.5%. First quarter revenue for the flavors and fragrances group increased 8.1%. Solid revenue growth was recorded in the United States, Latin America and China. First quarter operating income was up 14.3%.

Of the results, Manning said, "Our cosmetic and food and beverage product lines performed very well, resulting in record first quarter sales. We are off to a good start and I expect continued growth in 2007."

[†]estimate excludes "dehydrated products" sales not typically considered flavors or fragrances

8 T. Hasegawa

Tokyo • 2006 sales: $394.4 million
Estimated 2006 market share: 2.2%
President and CEO: Tokujiro Hasegawa

Despite last year's declining profit—sales and earnings for 2006 fell 1.6% and 4.3%, respectively, from 2005 totals—this centenarian company has maintained its position at number 8. With an increase of 7.5% in semiannual revenue for 2007, things are starting to look up for T. Hasegawa. Contributing to this achievement is the stabilization of green tea beverage related products. In fact, according to T. Hasegawa president and CEO Tokujiro Hasegawa, "the beverage segment, which holds a large share of the Japanese flavor market, has seen a great influx of green tea beverage products." This has prompted the company to upwardly revise the fiscal sales budget projections, as more sales are expected.

In addition to growth at home, the company's subsidiaries in China and the United States are starting to make their favorable presence felt. For a company whose foundation is built on technology, continued growth is supported by investment in both locations. In China, where considerable growth is expected in the future, T. Hasegawa is in the process of designing a second factory in Suzhou. The US operation is in the process of renovating its factory to increase production capabilities.


Tokujiro Hasegawa

Hasegawa understands that the key to success for the company is to actively seek out and engage in R&D-related investments. Hasegawa explains, "T. Hasegawa prides itself to be a company based on technology. This will be done both in terms of hardware and software. We will continue to put in a great deal of effort to hire and train talented and capable technical prospects."

Being among the top companies in the flavor and fragrance business means that there will always be challenges to face in order to grow business. For T. Hasegawa, 2007's main challenge is the increasing costs of raw materials. In order to supply its customers with the highest quality products at competitive prices, Hasegawa explains that "we need the purchasing capabilities to procure high quality raw materials as well as the ability to develop new flavors and fragrances using these raw materials. A good cost management system is also indispensable."

9 Mane

Le Bar-sur-Loup, France • 2006 sales: ~$366.8 million
Estimated 2006 market share: 2.0% • President: Jean Mane

Founded in 1871, it is quite impressive that Mane is still an independently family-owned company. Not only is this a source of pride for the company, but it also helps distinguish Mane from competitors. Having a centralized decision process and financial independency enables Mane to make decisions quickly, which is an advantage in such a fast-paced industry. This has obviously worked in the company's favor, having an estimated $366.8 million in sales for 2006, a 17.8% increase over 2005. Always looking for opportunities for growth, Mane is not contented with being number 9. Alain Benoît, vice president, Fine Fragrances EMEA (Europe, Middle East, Africa), explains that "ultimately, Mane's goal is to be recognized as one of the top five creative companies worldwide."

To do this, "Mane is pursuing a growth strategy by focusing on technological innovation, getting on the core lists of global customers, broadening our customer base and implementing cost-efficiency measures," said Benoît. "We are also looking to expand in fast-developing regions, including Eastern Europe, Asia, the Middle East and Africa." Expansion is something Mane is already very familiar with—the company has a network including more than 20 affiliates and operating offices in more than 70 countries.

Across all geographic locations, the company's sales break down approximately as follows: flavors, 44%; fragrances, 36%; and raw materials, 20%. While the company has seen growth in all segments, fragrances witnessed double-digit growth. Like most companies in the industry, pricing pressures, consolidation of global suppliers and regulatory constraints continue to challenge and motivate Mane moving forward.

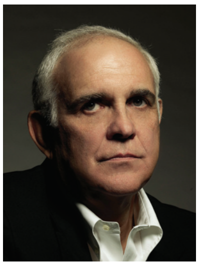
10 Robertet

Grasse, France • 2006 sales: $291.8 million
Estimated 2006 market share: 1.6% • CEO: Philippe Maubert

In *P&F* magazine's *2006 Top 12**, Robertet ranked number 11 with the goal to achieve approximately 10% annual growth. The company not only reached that goal but surpassed it, attaining a 19.1% increase over 2005 and claiming the number 10 spot here. While this 150-plus-year-old company has kept its headquarters in

Grasse, France, since its inception, Robertet can't be considered solely a regional company. In fact, it has 50 affiliates worldwide and 85% of Robertet's turnover is outside of France. Investing in its international locations is a key factor in the success of the company. In 2006, Robertet opened a fine fragrance creation center in New York and began building a second flavors plant in New Jersey.

While the years have enabled the company to expand and grow to become a top player in the flavor and fragrance industry, one thing remains the same—Robertet's devotion to naturals. The company's dedication to naturals and growth has led to the acquisition of 33.5% (at press time) of Charabot—a Grasse-born flavor and fragrance company also known for its commitment to naturals. However, the company understands the regulatory challenges in dealing with naturals. CEO Philippe Maubert clarifies: "Despite the challenge of the regulatory evolution, we continue to innovate in the field of natural extracts, either by offering new qualities owing to processes developed with new technologies, or starting from new botanicals to offer novel odors." Maubert realizes that more regulations don't always have a negative affect on creativity. "This regulatory evolution also is pushing us to offer cleaner and more concentrated products that sometimes result in new qualities," said Maubert.



Philippe Maubert

Surpassing the regulatory challenges, Maubert believes the "real challenge is to prove that we are a company offering products that are different from those of our competitors. We have to maintain and improve our high level of service and show a great deal of innovation." This challenge is certainly shared by most in the industry, and from the company's 2006 results, it appears that Robertet is beginning to overcome.

As for the next one to two years, Maubert explains that the company's goals "are to continue building our position with major international accounts, increase our communications with in-house perfumers responsible for the creation of fragrances for their companies, extending our market presence in areas of the world we see as key to our future—China, India and Russia—and further expanding Robertet's collaboration with the French natural materials house Charabot."

11 Frutarom

Haifa, Israel • 2006 sales: $287.2 million
Estimated 2006 market share: 1.6%
President and CEO: Ori Yehudai

In *P&F* magazine's *2006 Top 12** Frutarom's president and CEO Ori Yehudai stated that the company seeks to cross the $500 million sales mark by 2008. Frutarom seems well on its way to doing just this, having increased sales by 17.8% over 2005's $243.8 million. A significant contribution to the company's rapid growth strategy involves acquisitions. In this arena, Frutarom is excelling—making strategic purchases so fast it's hard to keep up. Last year, the company acquired a 70% stake in GewurzMuhle Nesse, boosting Frutarom's savory offerings and technological capabilities. A couple of months later, the company purchased the North American division of Acatris Health, strengthening Frutarom's functional foods and dietary supplements portfolios, along with the R&D department.

Since the start of 2007, Frutarom has continued full speed ahead, acquiring Belmay Inc.'s flavor division in March, Jupiter Flavours Ltd. in April and Raychan Food Industries Ltd. in June. Although, at press time, the company's first quarter 2007 results had not been released, it is safe to say that all of Frutarom's activity will drastically impact its sales numbers. In fact, from the numbers reported here, it is already clear that Frutarom is practically tied with Robertet for the number 10 spot, with both companies having an estimated 2006 market share of 1.6%. (See **After** for more information on Frutarom's standing at press time.)

Ori Yehudai

As for the rest of 2007, Frutarom expects to acquire the final 30% stake in Nesse by the end of the year, and further acquisitions are probable. Moving forward, Yehudai sees great potential in the growing launches of natural, healthy, dietary-restricted and functional foods. He also quoted a 20% increase in organic product launches. As for the future of the industry, Yehudai, like many of his peers, foresees further consolidation, leading to a landscape populated by just a couple giant flavor and fragrance institutions and more numerous midsized companies such as Frutarom. "Frutarom will be able to take a roll as one of the top five or six flavor companies in the world," Yehudai adds.

12 Danisco*

Copenhagen, Denmark • Estimated 2006 sales: ~$269.3 million†
Estimated 2006 market share: ~1.5% • CEO: Tom Knutzen

Danisco's position in ingredients has been boosted over the last few years through organic growth and several acquisitions, including the acquisition of Rhodia Food Ingredients (cultures) in 2004 and Genencor (enzymes) in 2005. The company achieved an estimated 13.2% increase in sales for 2006/2007 over 2005/2006. In May 2007, Danisco announced the sale of its flavor business to Firmenich for DKK 3.36 billion. The segment employs 800 people, which is less than 8% of Danisco's staff. At press time, the deal had not been completed (due to be completed at the end of June), at which time transition and integration plans would be announced. In addition, the companies' agreement joins them in a partnership for serving the food industry. With this acquisition, Dansico is no longer involved in the raw material flavor and fragrance business, and Firmenich moves up in the ranks (see **After**).

Prior to the acquisition, Dansico completed its flavor innovation center in Lakeland, FL, comprising over 5,000 square feet with flavor applications, creative laboratories and pilot plants. This was one in a series of investments by the company in the Lakeland facility. Danisco's goal?—To make the Lakeland facility the "Center of Excellence" for cold beverages, citrus and confectionary for the United States.

*Danisco Flavors has been acquired by Firmenich.
†nonofficial results extrapolated from company comments on performance

13 Cargill (flavors)

Minneapolis (flavors—Cincinnati) • Estimated 2006 sales: ~$269.3 million†
Estimated 2006 market share: ~1.5% • CEO and president: Gregory Page

For the first time, Cargill appears on *P&F* magazine's top flavor and fragrance companies list, thanks to some key acquisitions over the last couple of years. In 2004, Cargill purchased Duckworth Flavors and then in 2005 it acquired Degussa's food ingredients unit for $670 million. At the time, then Cargill chairman and CEO Warren Staley said, "This agreement marks a very significant step in Cargill's strategy of becoming a leading provider of specialty ingredients and ingredient systems to food and beverage companies globally." Cargill now has a dedicated flavor business—Cargill Flavor Systems—with offices in Asia, Europe and North America.

With an estimated increase of 16.6% to reach $269.3 million over 2005's sales, Cargill is off to a good start in the industry. So, what does the company have in store for the next 12 months? Recently, Cargill elected Gregory Page as CEO and president to replace Warren Staley, who retired. As for Cargill's Flavor Systems unit, general manager for the Americas, Imre Havasi said, "We will be entering new market segments and territories. We are very determined to bring uniqueness to our customers especially around health and wellness themes and with our ingredient system offerings." According to Havasi, to do this Cargill will have to work on linking the company's food ingredients application knowledge with its flavor expertise.

†nonofficial results extrapolated from company comments on performance

* Mastertaste

Teterboro, NJ • 2006 sales: not available
President and CEO (Mastertaste): Kevin Lane

Because Mastertaste has made few purchases since its spending spree in the first half of the decade, speculation among analysts was that the company was in line to acquire Danisco. That deal never materialized, meaning that Mastertaste has only made one purchase—Aromatic Fragrances and Flavors International—since 2004. The Georgia-based house has been folded into the Manheimer Fragrances division's Teterboro headquarters. The purchase has brought additional expertise, including detergents, dish liquids, hair care, lip balm, toothpaste and candy. The company's next move may be one of the big stories on next year's list.

After

1 Givaudan

Geneva • 2006 sales (combined with Quest results): $3,539.7 million • Estimated 2006 market share (combined with Quest): 19.7% • CEO: Gilles Andrier

2 Firmenich

Geneva • 2005–2006 sales: $1,752.1 million • Estimated 2006–2007 sales: ~$1,999 million • Danisco Flavors 2006 sales: ~$265 million • Combined company sales estimate: $ 2,264 million • Estimated market share: 12.7% market share • CEO: Patrick Firmenich

3 IFF

New York • 2006 sales: $2,100 million • Estimated 2006 market share: 11.7% • Chairman and CEO: Robert Amen

4 Symrise

Holzminden, Germany • 2006 sales: $1,623 million Estimated 2006 market share: 9.0% • CEO: Gerold Linzbach

5 Takasago

Tokyo • 2006 sales: $955.7 million • Estimated market share: 5.4% • Chairman and CEO: Yoshinari Niimura

6 Sensient Technologies Flavors & Fragrances

Milwaukee (flavor and fragrance group: Indianapolis) 2006 sales (excluding dehydrated products, which are not typically categorized as flavors or fragrances): ~$565 million • Estimated market share: 3.1% • Chairman, president and CEO: Kenneth Manning

7 T. Hasegawa

Tokyo • 2006 sales: $ 394.4 million • Estimated market share: 2.2% • President and CEO: Tokujiro Hasegawa

8 Mane

Le Bar-sur-Loup, France • Estimated 2006 sales: ~$366.8 million • Estimated market share: 2.0% • President: Jean Mane

9 Frutarom

Haifa, Israel • 2006 sales: $287.2 million • 2006 sales (with Belmay acquisition factored in): ~$302.3 million Estimated combined market share: 1.7% • President and CEO: Ori Yehudai

10 Robertet

Grasse, France • 2006 sales: $ 291.8 million† Estimated market share: 1.6% • CEO: Philippe Maubert

†Robertet's acquisition of 33.5% of Charabot (at press time) currently has no affect on Robertet's sales. However, it may have an impact on earnings.

11 Cargill Flavors

Minneapolis (flavors—Cincinnati) • Estimated annual sales: ~$269 million* • Estimated market share: ~1.5% • CEO: Gregory Page

* Rough estimate.

☼ Mastertaste

Teterboro, NJ • Sales not available • President and CEO (Mastertaste): Kevin Lane

p&f

2007 Pathfinders

A.M. Todd

Kalamazoo, MI • CEO and president: Henry Todd Sr.

Founded more than 130 years ago, A.M. Todd was, and remains today, known for its peppermint and spearmint oil. However, this family-run company has evolved far beyond its original mission, on its way to becoming a full-service, global creator and manufacturer of ingredients for the flavor, fragrance and consumer packaged goods industries. A.M. Todd certainly continues to expand in size and scope, with each new acquisition enhancing, and expanding beyond, the company's portfolio.

In 2006, the company teamed up with Brian and Carol Byrne to form Taste Advantage LLC, providing enhanced, natural flavor bases and ingredients. This new joint venture serves customers in the oral care, confectionary and beverage markets. In addition, A.M. Todd expanded its Mumbai, India, facility into a full-service regional center with a focus on the development and manufacture of market-appropriate products for emerging nations. The company's flavor and ingredients division brought in Raymond Hughes as president. Of the addition, CEO Henry Todd Sr., said, "Ray's move from Symrise delivers a wealth of experience to A.M. Todd. His strategic abilities will help us transform our flavor division from a mint oil supplier to a leading provider of niche, technology-driven flavor solutions in the confectionary, oral care and beverage segments."

Raymond Hughes, president of the Flavor and Ingredients division

So far this year, A.M. Todd has acquired Moore Ingredients, a market leader in the natural and organic ingredient category. This acquisition has given A.M. Todd a jump on the organic/naturals trend, which is growing at a fast pace. While at this point in time, A.M. Todd's goal for 2007 is to integrate the various aspects of Moore Ingredients, Hughes has stated that the company is always on the lookout for possible strategic alliances.

drom fragrances

Baierbrunn, Germany • President: Ferdinand Storp

Approaching its centennial, it is evident that drom has come a long way from the small Munich company founded by Bruno Storp. Today, the fragrance company has subsidiaries in the United States, Australia, Japan, France, the United Kingdom, Italy, Benelux, the Middle East, Brazil and China. According to drom's president Ferdinand Storp, last year's goal was to focus on strengthening its international structure, exploring opportunities in South America and India. In addition, the company has added three perfumers at its China subsidiary, establishing this location as a full creative center with marketing, evaluation and now perfumery staff. "We have also advanced our technology team all over the world with technical experts, perfumers and resources to push us ahead in this area," explains Storp. Along with this international focus, 2006 also saw the start of drom's first steps in redefining its corporate image with a newly designed logo and ad campaign.

Ferdinand Storp

What is the company's plan for the next 12 months? According to Storp, drom's goals include, "acquiring a local manufacturing facility in Brazil, which will become a full creative center. Along with this, we will also establish a manufacturing site in India to help support this growing market." Another focus for drom will be to enlarge its activity on the raw material side with its new Pureganic program of organically grown essential oils. The new brand aims to maintain the purity of essential oils by harvesting plants in accordance with ecological guidelines, free from pesticides, herbicides and fertilizers.

To be successful in this competitive industry drom aims to be the most efficient partner to its clients. The main key to success, according to Storp, is "being the best at what we do—precision, deliveries and innovation, combining that with open-mindedness and a creative mindset. It's like combining our German precision with a hippie spirit."

Treatt plc

Bury St. Edmunds, England • CEO: Hugo Bovill

Despite the effects of a weakened US dollar, Treatt's 2006 year-end revenue rose 8.9% to reach £35.4 million. According to Treatt plc CEO Hugo Bovill, some of the company's key accomplishments last year were "the implementation of global information systems and our improved productivity. In addition, we have played an increasingly supportive role with small producers in developing countries, assisting improvements to their quality of life, and by advising them what fertilizers and inputs they should use." Treatt also opened Treatt China in Shanghai to promote and market the company's products in the region.

left to right: Campbell Walter (Earthoil), Wayne Barratt (Earthoil) and Hugo Bovill (Treatt plc)

The beginning of 2007 has proven to be busy for the company. In February, Treatt acquired 50% of Earthoil Plantations Ltd., and 50% of Earthoil Kenya Pty EPZ Ltd., for £2.6 million. Treatt has the option to acquire the remaining 50% of the issues share capital of Earthoil from 2012. For now, the strategic partnership proves mutually beneficial, allowing Treatt to offer a range of organic products. Of the partnership, Bovill said, "It will enable us to develop innovative products; for example, 100% natural, organic isolates and the Treattarome range. It will also broaden our reach into new markets, in particular the cosmetics sector." Integrating this new investment is the main goal for the company in the next 12 months. Additionally, Treatt aims to further develop its US and Chinese businesses. After a slow start to the 2007 financial year, Treatt's half-year results showed an 11% increase over the same period in 2006, reaching £19.23 million.

As many other flavor and fragrance companies would agree, some of the challenges facing Treatt in the coming year include regulations such as REACH and fluctuating raw material costs due to climate changes. What will ensure that Treatt can overcome these challenges to succeed in the industry? According to Bovill, "The keys which will make Treatt a success will be our continued awareness of customer needs and wishes, and our flexibility to respond to these wherever [our customers] are in the world."

WILD Flavors Inc.

Cincinnati, Ohio • Owner and chairman: Hans-Peter Wild

Just 13 years ago, Hans-Peter Wild acquired Cincinnati, Ohio's F&C Co., renamed it WILD Flavors and began to grow the business into one of the most successful flavor houses in the industry. Since that time, the company has expanded its range of offerings to reflect changing times, including its SavorCrave technology, which imparts umami sensations to foods and beverages and is effective in the increasingly important arenas of low fat, sodium and caloric content. In addition, the company boasts Resolver Technology to reduce off notes in low Glycemic Index foods containing artificial sweeteners or whole grains.

With an eye to the future, the company conducts forecasts via its New Emerging eXciting Trends (NEXT) concept, identifying areas of potential such as evolving ethnic markets and cuisines—Thailand, Korea, Mexico, Italy, the Mediterranean and Japan. NEXT has also been responsible for flavor-combination juxtaposition exercises, including cucumber and lime in a weight-loss water and orange and basil in a tea spritzer.

The result of these efforts has yielded a number of awards, including one from the Kentucky World Trade Center, which recognized WILD for its moves in international commerce, where the company has used its expertise to move US products into Japan, China and Brazil.

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