
Section 1: 10-K (FORM 10-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2010
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-7626

Sensient Technologies Corporation

WISCONSIN
(State of Incorporation)

39-0561070
(IRS Employer Identification Number)

777 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202-5304
(414) 271-6755
(Address of Principal Executive Offices)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>TITLE OF EACH CLASS</u>	<u>NAME OF EACH EXCHANGE ON WHICH REGISTERED</u>
Common Stock, \$0.10 par value	New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting Common Stock held by non-affiliates of the Registrant as of June 30, 2010, was \$1,274,371,545. For purposes of this computation only, the Registrant's directors and executive officers were considered to be affiliates of the Registrant. Such characterization shall not be construed to be an admission or determination for any other purpose that such persons are affiliates of the Registrant.

There were 49,976,896 shares of Common Stock outstanding as of February 17, 2011.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of: (1) the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2010 (see Parts I, II and IV of this Form 10-K), and (2) the Company's Notice of Annual Meeting and Proxy Statement of the Company dated March 15, 2011 (see Part III of this Form 10-K).

SENSIENT TECHNOLOGIES CORPORATION—FORM 10-K FOR YEAR ENDED DECEMBER 31, 2010 INDEX

<u>PART I</u>	3
<u>Item 1. Business</u>	3
<u>General</u>	3
<u>Description of Business</u>	3
<u>Flavors & Fragrances Group</u>	4
<u>Color Group</u>	4
<u>Asia Pacific and China Groups</u>	5
<u>Research and Development/Quality Assurance</u>	5
<u>Products and Application Activities</u>	5
<u>Raw Materials</u>	6
<u>Competition</u>	6
<u>Foreign Operations</u>	7
<u>Patents, Formulae and Trademarks</u>	7
<u>Employees</u>	7
<u>Regulation</u>	7
<u>Item 1A. Risk Factors</u>	7
<u>Item 1B. Unresolved Staff Comments</u>	10
<u>Item 2. Properties</u>	10
<u>Item 3. Legal Proceedings</u>	14
<u>Item 4. Reserved</u>	18
<u>PART II</u>	19
<u>Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	19
<u>Item 6. Selected Financial Data</u>	20
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation</u>	20
<u>Item 7A. Quantitative and Qualitative Disclosures about Market Risk</u>	20
<u>Item 8. Financial Statements and Supplementary Data</u>	20
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	20
<u>Item 9A. Controls and Procedures</u>	20
<u>Item 9B. Other Information</u>	21
<u>PART III</u>	21
<u>Item 10. Directors, Executive Officers of the Registrant and Corporate Governance</u>	21
<u>Item 11. Executive Compensation</u>	21
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	21
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	21
<u>Item 14. Principal Accountant Fees and Services</u>	21
<u>PART IV</u>	22
<u>Item 15. Exhibits and Financial Statement Schedules</u>	22
<u>Financial Statements</u>	22
<u>Financial Statement Schedule</u>	22
<u>Report of Independent Registered Public Accounting Firm</u>	23
<u>Schedule II Valuation and Qualifying Accounts</u>	24
<u>SIGNATURES</u>	25
<u>EXHIBIT INDEX</u>	E-1
<u>EX-10.1</u>	
<u>EX-13.1</u>	
<u>EX-21</u>	
<u>EX-23.1</u>	
<u>EX-31</u>	
<u>EX-32</u>	
<u>EX-101 INSTANCE DOCUMENT</u>	
<u>EX-101 SCHEMA DOCUMENT</u>	
<u>EX-101 CALCULATION LINKBASE DOCUMENT</u>	
<u>EX-101 LABELS LINKBASE DOCUMENT</u>	
<u>EX-101 PRESENTATION LINKBASE DOCUMENT</u>	
<u>EX-101 DEFINITION LINKBASE DOCUMENT</u>	

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current assumptions and estimates of future economic circumstances, industry conditions, Company performance and financial results. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that could cause actual events to differ materially from those expressed in those statements. A variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results. These factors and assumptions include the pace and nature of new product introductions by the Company and the Company's customers; the Company's ability to successfully implement its growth strategies; the outcome of the Company's various productivity-improvement and cost-reduction efforts; changes in costs of raw materials, including energy; industry and economic factors related to the Company's domestic and international business; growth in markets for products in which the Company competes; industry and customer acceptance of price increases; actions by competitors; currency exchange rate fluctuations; and the matters discussed below under the heading "Risk Factors" and under Part II, including the critical accounting policies incorporated by reference from pages 23-24 of the Company's 2010 Annual Report to Shareholders. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PART I

Item 1. Business

General

Sensient Technologies Corporation (the “Company”) was incorporated in 1882 in Wisconsin. Its principal executive offices are located at 777 East Wisconsin Avenue, Suite 1100, Milwaukee, Wisconsin 53202-5304, telephone (414) 271-6755.

The Company is subject to the informational and reporting requirements of the Securities Exchange Act of 1934, as amended (the “Act”), and, in accordance with the Act, has filed annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). These reports and other information may be read and copied at the public reference facilities of the Commission at its principal offices at 100 F Street, N.E., Washington, D.C. 20549, and can also be accessed from the website maintained by the Commission at <http://www.sec.gov>. The public may obtain information on operations of the public reference room by calling the Commission at (800) SEC-0330.

The Company’s common stock is listed on the New York Stock Exchange under the ticker symbol “SXT.” Information about the Company may be obtained at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The Company can also be reached at its website at www.sensient.com. The Company’s web address is provided as an inactive textual reference only, and the contents of that website are not incorporated in or otherwise to be regarded as part of this annual report. The Company makes available free of charge on its website its proxy statement, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Act as soon as reasonably practicable after such documents are electronically filed with or furnished to the Commission. Charters for the Audit, Compensation and Development, and Nominating and Corporate Governance Committees of the Company’s Board of Directors, as well as the Company’s Code of Conduct, Standards of Conduct for International Employees, Code of Ethics for Senior Financial Officers, and Corporate Governance Guidelines are also available on the Company’s website, and are available in print to any shareholder, free of charge, upon request. If there are any amendments to the Code of Conduct, the Standards of Conduct, the Code of Ethics or the Corporate Governance Guidelines, or if waivers from any of them are granted for executive officers or directors, those amendments or waivers also will be posted on the Company’s website.

Description of Business

Sensient Technologies Corporation is a global manufacturer and marketer of colors, flavors and fragrances. Sensient uses advanced technologies at facilities around the world to develop specialty food and beverage systems, cosmetic and pharmaceutical systems, inkjet and specialty inks and colors, and other specialty chemicals. The Company’s customers include major international manufacturers representing some of the world’s best-known brands.

The Company’s principal products include:

- flavors, flavor enhancers and bionutrients;
- fragrances and aroma chemicals;
- dehydrated vegetables and other food ingredients;
- natural and synthetic food and beverage colors;
- cosmetic and pharmaceutical colors and additives; and
- technical colors, inkjet colors and inks, and specialty dyes and pigments.

The Company’s operations, except for the Asia Pacific and China Groups, are managed on a products-and-services basis. The Company’s two reportable segments are the Flavors & Fragrances Group and the Color Group. The Asia Pacific and the China Groups are included in the “Corporate & Other” category, along with the

Table of Contents

Company's corporate expenses. Financial information regarding the Company's two reportable segments and the operations included within Corporate & Other is incorporated by reference to the information set forth on pages 41 through 43 of the Company's 2010 Annual Report to Shareholders under the heading "Segment and Geographic Information."

Flavors & Fragrances Group

The Company is a global developer, manufacturer and supplier of flavor and fragrance systems for the food, beverage, pharmaceutical, personal care and household-products industries. The Company's flavor formulations are used in many of the world's best-known consumer products. Under the unified brand names of Sensient Flavors, Sensient Dehydrated Flavors and Sensient Fragrances, the Group is a supplier to multinational companies.

The Flavors & Fragrances Group produces flavor and fragrance products that impart a desired taste, texture, aroma and/or other characteristics to a broad range of consumer and other products. This Group includes the Company's dehydrated flavors business, which produces ingredients for food processors. The main products of the Group are systems products, including flavor-delivery systems, and compounded and blended products. In addition, the Group has strong positions in selected ingredient products such as essential oils, natural and synthetic flavors, and aroma chemicals. The Group serves food and non-food industries. In food industries, markets include savory, beverage, dairy, confectionery and bakery flavors. In non-food industries, the Group supplies fragrance products to the personal and home care-markets and supplies flavor products to the pharmaceuticals market.

Operating through its Sensient Dehydrated Flavors business, the Company believes it is the second largest producer (by sales) of dehydrated onion and garlic products in the United States. The Company is also one of the largest producers and distributors of chili powder, paprika, chili pepper and dehydrated vegetables such as parsley, celery and spinach. Domestically, the Company sells dehydrated products to food manufacturers for use as ingredients and also for repackaging under private labels for sale to the retail market and to the food service industry. In addition, Sensient Dehydrated Flavors is one of the leading dehydrators of specialty vegetables in Europe and it has a growing presence in China. Advanced dehydration technologies utilized by Sensient Dehydrated Flavors permit fast and effective rehydration of ingredients used in many of today's popular convenience foods.

The Flavors & Fragrances Group operates principally through the Company's subsidiaries Sensient Flavors LLC and Sensient Dehydrated Flavors LLC. The Group's principal manufacturing plants are located in California, Illinois, Indiana, Michigan, Wisconsin, Belgium, Canada, China, France, Germany, Italy, Mexico, the Netherlands, Spain and the United Kingdom.

Color Group

The Company is a developer, manufacturer and supplier of colors for businesses worldwide. The Company provides natural and synthetic color systems for use in foods, beverages and pharmaceuticals; colors and other ingredients for cosmetics and pharmaceuticals; and technical colors for industrial applications and digital imaging.

The Company believes that it is one of the world's largest producers (by sales) of synthetic and natural colors, and that it is the world's largest manufacturer (by sales) of certified food colors. The Company sells its synthetic and natural colors to domestic and international producers of beverages, bakery products, processed foods, confections, pet foods, cosmetics and pharmaceuticals. The Company also makes inkjet inks and other dyes and pigments used in a variety of non-food applications.

The Color Group operates principally through the Company's subsidiary Sensient Colors LLC, which has its principal manufacturing plants in Missouri, California, New Jersey, Canada, Mexico, France, Germany, Hungary, Italy, Switzerland and the United Kingdom.

Table of Contents

The Color Group operates under the following trade names:

- Sensient Food Colors (food and beverage colors);
- Sensient Pharmaceutical Technologies (pharmaceutical colors and coatings);
- Sensient Paper Colors (paper dyes and colorants);
- Sensient Cosmetic Technologies (cosmetic colors and ingredients and systems); and
- Sensient Technical Colors (including paper colors; industrial colors for plastics, leather, wood stains, antifreeze and other uses; inkjet colors and inks; specialty inks; and display imaging).

The Company believes that its advanced process technology, state-of-the-art laboratory facilities and equipment, and a complete range of synthetic and natural color products constitute the basis for its market leadership position.

Asia Pacific and China Groups

The Asia Pacific Group and the China Group focus on marketing the Company's diverse product line in the Pacific Rim under the Sensient name. Through these operations, the Company offers a full range of products from its Flavors & Fragrances Group and Color Group, as well as products developed by regional technical teams to appeal to local preferences.

Sales, marketing and technical functions are managed through the Asia Pacific Group's headquarters in Australia. Manufacturing operations are located in Australia, Japan, New Zealand and the Philippines. The Asia Pacific Group maintains offices for research and development, as well as sales, in Indonesia, India, Korea, Singapore and Thailand.

The China Group's operations include a manufacturing facility in China and multiple sales and technical offices.

Research and Development/Quality Assurance

The development of specialized products and services is a complex technical process calling upon the combined knowledge and talents of the Company's research, development and quality assurance personnel. The Company believes that its competitive advantage lies in its ability to work with its customers to develop and deliver high-performance products that address the distinct needs of those customers.

The Company's research, development and quality assurance personnel support the Company's efforts to improve existing products and develop new products tailored to customer needs, while providing on-going technical support and know-how to the Company's manufacturing activities. We employed 589 people in research and development, quality assurance, quality control and lab technician positions as of December 31, 2010.

Expenditures for research and development related to continuing operations in calendar year 2010 were \$30.6 million, compared with \$29.3 million in the year ended December 31, 2009, and \$28.3 million in the year ended December 31, 2008. As part of its commitment to quality as a competitive advantage, the Company holds certifications under the requirements established by the International Organization for Standardization in Geneva, Switzerland, through its ISO 9000 series of quality standards. Certified sites include Flavors & Fragrances Group plants in the United States, Spain, Italy, Mexico, Belgium, Germany, the United Kingdom, Canada, the Netherlands and France, and Color Group plants in the United States, Mexico and the United Kingdom. The Flavors & Fragrances Group plant in Spain has also received additional certification through the ISO 14001 and 18001 quality standards.

Products and Application Activities

The Company's strategic focus is on the manufacture and marketing of high-performance components that bring life to products. Accordingly, the Company devotes considerable attention and resources to the development of product applications and processing improvements to support its customers' numerous new and reformulated

Table of Contents

products. Many of the proprietary processes and formulae developed by the Company are maintained as trade secrets and under confidentiality agreements with customers.

Within the Flavors & Fragrances Group, development activity is focused on ingredients, flavors and flavor systems that are responsive to consumer trends and the processing needs of our food and beverage customers. These activities include the development of functional ingredient systems for foods and beverages, savory flavors, and ingredient systems for prepared foods and flavors and ingredients for dairy, confectionery and other applications. The Company believes that the development of yeast derivatives and other specialty ingredients also provides growth opportunities in bionutrients and biotechnology markets, such as pharmaceuticals, vitamins, vaccines and bioremediation.

Within the Color Group, development activity for food and beverage product lines is focused on value-added products derived from synthetic dyes and pigments and natural food and beverage colors and on color systems. The Company also produces a diverse line of colors and ingredients for cosmetics and pharmaceutical applications and technical colors for industrial applications and specialty chemicals for digital imaging.

Raw Materials

The Company uses a wide range of raw materials in producing its products. Chemicals used to produce certified colors are obtained from several domestic and foreign suppliers. Raw materials for natural colors, such as carmine, beta-carotene, annatto and turmeric, are purchased from overseas and U.S. sources. In the production of flavors and fragrances, the principal raw materials include essential oils, aroma chemicals, botanicals, fruits and juices, and are obtained from domestic and foreign suppliers. Flavor enhancers and secondary flavors are produced from yeast and vegetable materials such as corn and soybeans. Chili peppers, onion, garlic and other vegetables are acquired under annual contracts with numerous growers in the western United States and Europe. The Company has expanded its sources of vegetables to include growers in China and expects to add growers in other Asian countries.

The Company believes that alternate sources of materials are available to enable it to maintain its competitive position in the event of an interruption in the supply of raw materials from a single supplier.

Competition

All Company products are sold in highly competitive markets. While no single factor is determinative, the Company's competitive position is based principally on process and applications expertise, quality, technological advances resulting from its research and development, and customer service and support. Because of its highly differentiated products, the Company competes with only a few companies across multiple product lines, and is more likely to encounter competition specific to an individual product.

- *Flavors and Fragrances.* Competition to supply the flavors and fragrances industries has taken on an increasingly global nature. Most of the Company's customers do not buy their entire flavor and/or fragrance products from a single supplier and the Company does not compete with a single supplier in all product categories. Competition for the supply of flavors and fragrances is based on the development of customized ingredients for new and reformulated customer products, as well as on quality, customer service and price. Competition to supply dehydrated vegetable products is present through several large and small domestic competitors, as well as competitors in other countries. Competition for the supply of dehydrated vegetables is based principally on product quality, customer service and price.
- *Color.* Competition in the color market is diverse, with the majority of the Company's competitors specializing in either synthetic dyes and pigments or natural colors. The Company believes that it gains a competitive advantage as the only major basic manufacturer of a full range of color products, including synthetic dyes and pigments as well as natural colors. Competition in the supply of inkjet inks is based principally upon price, quality and service, as well as product development and technical capabilities. The Company competes against a number of large and small suppliers of inkjet inks.

Table of Contents

- *Asia Pacific and China.* Because of the broad array of products available to customers of the Asia Pacific Group and the China Group, the Company believes that it is able to offer a wider product base than many of its competitors. Competition is based upon reliability in product quality, service and price as well as technical support available to customers.

Foreign Operations

The information appearing under the heading “Geographic Information” in Note 8 to the Consolidated Financial Statements of the Company, which appears on page 43 of the 2010 Annual Report to Shareholders, is incorporated herein by reference.

Patents, Formulae and Trademarks

The Company owns or controls many patents, formulae and trademarks related to its businesses. The businesses are not materially dependent upon patent or trademark protection; however, trademarks, patents and formulae are important to the business of the Company.

Employees

As of December 31, 2010, the Company employed 3,618 persons worldwide.

Regulation

Compliance with government provisions regulating discharges into the environment, or otherwise relating to the protection of the environment, did not have a material adverse effect on the Company’s operations for the year covered by this report except for those settlement amounts set forth in Item 3 of this Report under Environmental Matters. Current compliance is not expected to have a material adverse effect in the next two years except for those settlement amounts set forth in Item 3 of this Report under Environmental Matters. The production, packaging, labeling and distribution of certain of the products of the Company in the U.S. are subject to the regulations of various federal, state and local governmental agencies, in particular the U.S. Food & Drug Administration. The Company is subject to similar regulations in many international markets.

Item 1A. Risk Factors.

As with any business, the Company’s business and operations involve risks and uncertainties. In addition to the other discussions in, and incorporated by reference in, this Report, particularly those in “Management’s Discussion & Analysis of Operations & Financial Condition” incorporated by reference from pages 19 through 26 of the 2010 Annual Report to Shareholders and “Forward Looking Statements” on page 26 of the 2010 Annual Report to Shareholders, the following factors should be considered:

- *In some product lines, most of our sales are made to a relatively small number of customers; if we lose any of those customers, sales and operating results could decline.*

In some of our product lines, our sales are concentrated to a small number of customers. While we do not currently have any single customer that we consider to be significant to us as a whole, the loss of a significant customer of a product line could substantially affect the sales and profitability of that line, which may cause us to re-evaluate that line. Those developments could affect our results. In addition, the financial condition of our customers may adversely affect their ability to buy from us or to pay for products that they have already purchased.

- *Many of our products are used in items for human consumption and contact. We may be subject to product liability claims and product recalls, which could negatively impact our profitability and corporate image.*

We sell flavors, fragrances and colors which are used in foods, beverages, pharmaceuticals, cosmetics, and other items for human consumption or contact. These products involve risks such as product contamination or spoilage, product tampering and other adulteration. We may be subject to liability if the consumption or use of our flavors,

Table of Contents

fragrances and colors, or products which incorporate ingredients we manufacture, cause injury, illness or death. In addition, we or our customers may need to recall products in the event of contamination or damage.

A significant product defect, product liability judgment or product recall may negatively impact our profitability for a period of time depending on publicity, product availability, scope, competitive reaction and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness, injury or death could adversely affect our reputation with existing and potential customers and our corporate image.

- *Consolidation has resulted in customers with increased buying power, which can affect our profitability.*

Many of our customers have consolidated in recent years and we expect the combination trend to continue. These consolidations have often produced large, sophisticated customers with increased buying power who are more capable of resisting price increases. If the larger size or greater buying power of those customers results in additional negotiating strength, the prices we are able to charge could be negatively affected and our profitability could decline.

- *Intense competition may result in reduced sales and profitability.*

The industries and markets in which we operate are highly competitive. That competition can reduce both our sales and the prices at which we are able to sell our products, which can in turn negatively affect our profitability.

- *Our sales and profitability are affected by changing consumer preferences and changing technologies.*

Although we do not generally make or sell proprietary consumer products, many of our products are sold to companies which develop and market consumer products. Sales of these flavors, fragrances, colors and inks depend in part upon our customers' ability to identify and meet consumer preferences and their sales and marketing efforts, all of which are beyond our control. Our sales could also be affected by changing technologies that could impact consumer demand for products that contain our flavors, fragrances, colors and inks. Therefore, we depend upon our customers' ability to create markets for the consumer products which incorporate many of the flavors, fragrances, colors and inks which we manufacture.

- *If we do not maintain an efficient cost structure, our profitability could decrease.*

Our success depends in part on our ability to maintain an efficient cost structure. We regularly initiate cost-reduction measures that could impact our manufacturing, sales, operations and information systems functions. If we do not continue to manage costs and achieve additional efficiencies, or we do not successfully implement related strategies, our competitiveness and our profits could decrease.

- *Commodity and energy price increases or material shortages may reduce our profits.*

We use many different commodities as raw ingredients. We also use petroleum-based raw materials and other raw materials whose production is energy intensive. In addition, various energy sources are used in our production and distribution processes. Commodity and energy prices are subject to significant volatility caused by market fluctuations, supply and demand, currency fluctuation, production and transportation disruption, world events, and changes in governmental programs. Commodity and energy price increases, including any increases that may result from regulation of greenhouse gases, will raise both our raw material costs and operating costs. We may not be able to increase our product prices enough to offset these increased costs. Increasing our prices also may reduce sales volume and related profitability.

In addition, we obtain some of the raw materials that we use from a single supplier or a limited number of suppliers, and problems with those suppliers could affect the availability of those materials. Even if there are multiple suppliers of a particular raw material, there are occasional shortages. An unavailability or shortage of a raw material could negatively affect our operations using that raw material and thus our results.

Table of Contents

- *There are many laws and regulations applicable to our industries. Compliance with those requirements is costly to us and can affect our operations. Failure to comply could also be costly and disruptive.*

Our facilities and products are subject to many laws and regulations relating to the processing, packaging, storage, distribution, quality and safety of food, drugs and other consumer products, inkjet inks and industrial colors. These laws and regulations are administered in the United States by the Department of Agriculture, the Food and Drug Administration, the Environmental Protection Agency and other federal and state governmental agencies. We are subject to similar governmental regulation and oversight abroad. Compliance with these laws and regulations can be costly and affect our operations. Also, if we fail to comply with applicable laws and regulations, we could be subject to administrative penalties and injunctive relief, civil remedies, fines and recalls of our products.

- *Environmental compliance may be costly to us.*

Our operations are subject to extensive and increasingly stringent laws and regulations which pertain to the discharge of materials into the environment (including greenhouse gases) and the handling and disposition of wastes. These rules operate or will operate at both the federal and state levels in the United States, and there are analogous laws at many of our overseas locations. We are currently involved in disputes relating to compliance with environmental laws. Settlements have been reached by the principals and their insurers in one of those disputes as described in Item 3 of this Report. Environmental regulations, and the potential failure to comply with them, can have serious consequences, including the costs of compliance and defense, interference with our operations or the ability to obtain required permits, civil and administrative penalties and negative publicity.

- *Operating in foreign countries exposes us to increased risks, including foreign currency risks.*

We operate and sell our products in many foreign countries. The international aspects of our business subject us to risks that could materially impact our operating results, including: foreign exchange rate fluctuations; difficulties in staffing and managing foreign personnel in diverse cultures; transportation delays or interruptions; and the effects of international political developments and political and economic instability. In addition, changes in policies by the United States or foreign governments could negatively affect our operating results due to changes in duties, tariffs, trade regulations, taxes or limitations on currency or fund transfers.

- *We depend on certain key personnel, and the loss or retirement of these persons may harm our business.*

Our success depends in large part on the continued service and availability of our key management and technical personnel, and on our ability to attract and retain qualified new personnel. The competition for these individuals can be significant, and the loss of key employees could harm our business. In addition, as some of these persons approach retirement age, we need to provide for smooth transitions, and our operations and results may be negatively affected if we are not able to do so.

- *We may not successfully complete and integrate future acquisitions, which could adversely affect our operating results.*

We have acquired many companies and operations in the past and may resume growth by acquisition in the future. Our future growth through acquisitions could involve significant risks that may have a material adverse effect on us. We may also be at risk for factors associated with acquisitions that the Company has made in the past. These risks include: inability to integrate successfully our acquired operations' businesses and personnel; the inability to realize anticipated synergies, economies of scale or other value; difficulties coordinating management of operations at new sites; the strain placed on our personnel, systems and resources; possible loss of an acquired business' customer base; and the loss of key employees of acquired businesses. Acquired companies may also have significant latent liabilities which may not be discovered before an acquisition or fully reflected in the price we pay.

We may also need to finance future acquisitions, and the terms of any financing, and the need to ultimately repay or refinance any indebtedness, may have negative effects on us. Acquisitions also could have a dilutive effect on our financial results. Acquisitions also generally result in goodwill, which would need to be written off against earnings in the future if it becomes impaired.

Table of Contents

• *Our ability to successfully maintain and upgrade our information technology systems may affect our competitiveness and our profits could decrease.*

Our success depends in part on our ability to maintain a current information technology platform for our business to operate. We routinely review and upgrade our information technology systems in order to better manage and report the sales, manufacturing and other operations of our business. If we do not continue to maintain our information technology platform and successfully implement upgrades to the system, our competitiveness and profits could decrease.

• *World events and natural disasters are beyond our control and could affect our results.*

World events, such as the conflicts in Iraq and Afghanistan, and the situations in North Korea Iran and elsewhere in the Middle East, can adversely affect national, international and local economies. Economies can also be affected by natural disasters or by epidemics. Such events and conditions, as well as the current impairment of financial markets, high unemployment and constrained consumer spending, have adversely affected and could continue to affect our revenues and profitability, particularly if they occur in locations in which we or our customers have significant operations.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties

The following table sets forth information as to the principal properties of the Company and its subsidiaries. All properties are owned except as otherwise indicated below. All facilities are considered to be in good condition (ordinary wear and tear excepted) and suitable and adequate for the Company's requirements.

LOCATION	GROUP/DIVISION	FUNCTION
UNITED STATES		
California		
Carlsbad*	Color	Sales and R&D/inkjet products and specialty inks
Greenfield**	Flavors & Fragrances	
Livingston (2)	Flavors & Fragrances	Production and R&D/dehydrated flavors
Turlock	Flavors & Fragrances	Production, R&D and sales/dehydrated flavors
Illinois		
Amboy	Flavors & Fragrances	Production/ingredients and flavors
Indiana		
Indianapolis	Flavors & Fragrances	Production, sales and R&D/flavors, group headquarters/flavors & fragrances
Michigan		
Harbor Beach	Flavors & Fragrances	Production/flavors and flavor enhancers
Missouri		
St. Louis	Color	Production, R&D, sales/food, cosmetic, pharmaceutical and technical colors, group headquarters/colors
New Jersey		
South Plainfield*	Color	Production, R&D and sales/cosmetic and pharmaceutical colors and ingredients

[Table of Contents](#)

UNITED STATES (continued)		
Wisconsin		
Juneau	Flavors & Fragrances	Production/flavor enhancers and extracts
Milwaukee*	Headquarters	Administrative offices
INTERNATIONAL		
Argentina		
Buenos Aires*	Color	Sales/food colors
Australia		
Keysborough	Asia Pacific	Production, R&D and sales/colors and flavors, group headquarters/Asia Pacific
Austria		
Vienna*	Flavors & Fragrances	Sales/flavors
Belgium		
Brussels*	Flavors & Fragrances	Production and sales/natural health ingredients
Heverlee	Flavors & Fragrances	Production, R&D and sales/ingredients and flavors
Brazil		
São Paulo*	Color	Production, R&D and sales/food colors and flavors
Canada		
Cornwall, Ontario	Flavors & Fragrances	Production/flavor enhancers and extracts
Delta, British Columbia	Flavors & Fragrances	Production/ingredients and flavors
Halton Hills, Ontario	Flavors & Fragrances	Production/ingredients and flavors
Kingston, Ontario	Color	Production, R&D and sales/food colors
Mississauga, Ontario	Flavors & Fragrances	R&D and sales/flavors
Mississauga, Ontario*	Flavors & Fragrances	Sales/dehydrated flavors
Tara, Ontario	Flavors & Fragrances	Production/ingredients and flavors
China		
Beijing*	China	Sales/colors and flavors
Guangzhou*	China	Production, R&D and sales/flavors and food and pharmaceutical colors, group headquarters/China
Hong Kong	China	Sales/colors and flavors
Qingdao*	Flavors & Fragrances	Production/dehydrated flavors
Shanghai*	China	R&D and sales/colors and flavors
Costa Rica		
San Jose*	Flavors & Fragrances	Production and sales/flavors
Czech Republic		
Prague*	Color	Sales/food colors
Denmark		
Ryslinge*	Flavors & Fragrances	Sales/flavors

[Table of Contents](#)

INTERNATIONAL (continued)		
Finland		
Espoo	Flavors & Fragrances	Sales/flavors
France		
Marchais	Flavors & Fragrances	Production/dehydrated flavors
Saint-Denis*	Color	Sales/food colors
Saint Ouen L'Aumone*	Color	Production, R&D and sales/cosmetic colors and ingredients
Strasbourg	Flavors & Fragrances	Production, R&D and sales/flavor enhancers and extracts
Germany		
Bremen (2)	Flavors & Fragrances	Production, R&D and sales/flavors, flavored products and essential oils
Geesthacht	Color	Production, R&D and sales/food colors
Wolfen	Color	Production, R&D and sales/specialty dyes and chemicals
Guatemala		
Guatemala City*	Flavors & Fragrances	Sales/fragrances
Hungary		
Budapest	Color	Production/food colors
India		
Mumbai*	Asia Pacific	R&D and sales/colors and flavors
Indonesia		
Jakarta*	Asia Pacific	R&D and sales/fragrances and cosmetic colors
Italy		
Milan	Flavors & Fragrances	Production, R&D and sales/flavors
Reggio Emilia (2)	Color	Production, R&D and sales/natural colors
Japan		
Hitachi	Asia Pacific	Production/flavors and colors
Tokyo*	Asia Pacific	R&D and sales/flavors and colors
Korea		
Seoul*	Asia Pacific	Sales/flavors, colors and specialty chemicals
Mexico		
Celaya	Flavors & Fragrances	Production and sales/flavor enhancers and extracts
Lerma	Color	Production, R&D and sales/food and cosmetic colors
Tijuana*	Color	Production/inkjet inks
Tlalnepantla (2)*	Flavors & Fragrances	Production, R&D, distribution and sales/ingredients, flavors and fragrances
The Netherlands		
Elburg	Flavors & Fragrances	Production/dehydrated flavors
Naarden*	Flavors & Fragrances	Sales/food colors and dehydrated and other flavors

Table of Contents

INTERNATIONAL (continued)		
New Zealand		
Auckland	Asia Pacific	Production, R&D and sales/flavors
Philippines		
Manila*	Asia Pacific	Production, R&D and sales/flavors, fragrances, cosmetic ingredients and color blending
Poland		
Warsaw*	Color	Sales/food colors
Warsaw*	Flavors	Sales/flavors
Romania		
Bucharest*	Flavors	Sales/flavors
Morazia*	Color	Sales/food colors
Singapore		
Singapore*	Asia Pacific	R&D and sales/food colors and flavors
South Africa		
Johannesburg*	Color	Production, R&D and sales/food colors
Spain		
Barcelona*	Flavors & Fragrances	Sales/flavors
Granada	Flavors & Fragrances	Production, R&D and sales/fragrances and aromatic chemicals
Sweden		
Kristianstad*	Flavors & Fragrances	Sales/flavors
Switzerland		
Morges*	Color	Production, R&D and sales/technical colors
Thailand		
Bangkok*	Asia Pacific	R&D and sales/colors and flavors
Ukraine		
Kiev*	Flavors & Fragrances	Sales/flavors
United Kingdom		
Ceredigion	Flavors & Fragrances	Production, R&D and sales/flavors and flavor enhancers
Kings Lynn *	Color	Production, R&D and sales/food colors and ink jet inks
Milton Keynes	Flavors & Fragrances	Production, R&D and sales/flavors and extracts

() Indicates number of properties at the locations, if more than one.

*Indicates one leased property at the location.

**Production has ceased at indicated facility and property is to be sold.

Item 3. Legal Proceedings

Environmental Matters

Superfund Claim

In July 2004, the Environmental Protection Agency (“EPA”) notified the Company’s subsidiary Sensient Colors Inc. (“Sensient Colors”) that it may be a potentially responsible party (“PRP”) under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) for activities at the General Color Company Superfund Site in Camden, New Jersey (the “Site”). The EPA requested reimbursement of \$10.9 million in clean-up costs, plus interest. Sensient Colors advised the EPA that the Site had been expressly excluded from the Company’s 1988 stock purchase of H. Kohnstamm & Company, Inc. (now Sensient Colors). The selling shareholders had retained ownership of and liability for the Site, and some became owners of General Color Company, which continued to operate there until the mid-1990s. In a letter to the EPA in January 2005, the Company outlined legal challenges to the recoverability of certain costs and urged the EPA to pursue General Color Company and related parties. The EPA informed Sensient Colors that it was unwilling to discuss these legal challenges without prior conditions. In 2005, a private developer, Westfield Acres Urban Renewal Association II, LP, pursuant to an agreement with the EPA, began redevelopment efforts at the Site (construction of affordable housing) by demolishing buildings thereon. Thereafter, the EPA removed allegedly contaminated soil from the locations where the buildings once stood.

In March 2007, the United States filed a complaint in the U.S. District Court in New Jersey against Sensient Colors claiming “over \$16 million” in response costs allegedly incurred and to be incurred by the EPA pursuant to CERCLA. Sensient Colors moved to dismiss the United States’ complaint, which motion was denied by the Court in October 2007. Sensient Colors timely filed its answer and affirmative defenses to the United States’ complaint, as well as a third-party complaint against current and former owners and/or operators of the Site. The United States moved to strike Sensient Colors’ affirmative defenses. In an August 12, 2008 Opinion and Order, following briefs and oral argument, the Court partly granted and partly denied the United States’ motion, effectively preserving most of Sensient Colors’ affirmative defenses, either as originally pled or with changes outlined by the Court. Sensient Colors promptly filed an amended pleading incorporating the revised affirmative defenses. On July 29, 2008, Sensient Colors filed a third-party complaint adding Kohnstamm Inc. (a Canadian affiliate of General Color Company) and its president Avtar Singh as defendants.

In late August 2008, in the course of reviewing documents produced by the EPA, Sensient Colors discovered an e-mail exchange between EPA officials that Sensient Colors believes supports many of the legal theories and affirmative defenses advanced by Sensient Colors in the litigation and undermines key United States cost recovery claims. By letter dated August 26, 2008, based on the above document and other evidence adduced in the case, Sensient Colors demanded that the United States dismiss its case with prejudice and reimburse Sensient Colors for attorneys’ fees and costs incurred. In response to the August 26, 2008 letter, the United States withdrew, without prejudice, its then-pending motion to limit the scope of review to EPA’s administrative record and told the Court that it would respond to Sensient’s letter by September 10, 2008. The United States then sought additional time for its review of Sensient Colors’ demand. In an October 3, 2008 Letter Order, the Court directed the United States to provide Sensient with notice of its decision with respect to the demand for dismissal by October 31, 2008. In a letter to Sensient Colors dated October 31, 2008, the United States declined to voluntarily dismiss the case but agreed, with certain conditions, not to oppose depositions of current and former EPA employees on the issues raised in Sensient Colors’ letter of August 26, 2008. The United States reserved its rights to seek limitations on discovery and to seek to limit review of EPA’s choice of response action to the administrative record.

Using the evidence that supports its demand for dismissal, Sensient Colors moved for leave to amend its responsive pleading to include a new affirmative defense, a counterclaim against the United States and the EPA, and third-party claims against certain EPA employees or agents. After briefing, the motion for leave to amend was argued before the magistrate judge on November 18, 2008. On February 13, 2009, the magistrate issued an opinion and order denying Sensient Colors’ motion for leave to amend. Sensient Colors appealed the magistrate’s decision to the district court judge. On July 22, 2009, the district court judge issued a decision affirming the magistrate’s opinion and order, largely on sovereign immunity grounds.

Table of Contents

Sensient Colors also issued subpoenas or deposition notices to numerous current or former EPA officials. Motions were filed to block the depositions of former EPA Administrator Christine Todd Whitman, former EPA Regional Administrator Jane Kenny, and EPA On-Scene Coordinator David Rosoff. On January 28, 2009, the magistrate judge issued an opinion and order denying or delaying Sensient Color's ability to conduct the foregoing depositions. Sensient Colors exercised its right to appeal the magistrate's decision to the district court judge. On July 22, 2009, the district court judge issued a decision reversing the magistrate and ordering the depositions of Kenny and Rosoff to proceed.

On May 8, 2009, Sensient Colors filed a motion for summary judgment seeking dismissal with prejudice of the United States' claims.

Prior to arguing the summary judgment motion and to scheduling the depositions of the current and former EPA officials, the United States and Sensient Colors agreed to meet with each other, with the parties involved in the Pleasant Gardens dispute described below and with interested insurers to determine if a resolution short of trial was possible. The parties met and ultimately agreed to a settlement in principle to resolve the matter by specified payments among the parties and their insurers. As a result of the proposed settlements, Sensient's results for the quarter and year ended December 31, 2009 included pre-tax charges for estimated settlement liabilities and related legal costs, net of insurance reimbursements, of approximately \$11.3 million. In July 2010, the U.S. District Court in New Jersey approved the consent decree with the United States. Sensient Colors and the third-party defendants settled the third-party claims, which were then dismissed by the Court pursuant to Consent Orders. On August 4, 2010, the Court closed the case.

Pleasant Gardens Realty Corp. v. H. Kohnstamm & Co., et al.

The owner of Pleasant Gardens ("Property"), an apartment complex adjacent to the General Color Superfund Site, filed a complaint in New Jersey state court in November 2003 against H. Kohnstamm & Co. (now Sensient Colors), the Company, General Color Company, and unknown defendants. Plaintiff sought to hold defendants liable, in an unspecified amount, for damages related to the alleged contamination of the Property. Plaintiff voluntarily dismissed the Company without prejudice. Sensient Colors filed an answer denying liability and asserting affirmative defenses. In November 2006, the Camden Redevelopment Agency ("Agency") filed condemnation litigation against plaintiff (and other purported interested parties) to take the Property. Sensient Colors was not a party to the condemnation litigation. In advance of its filing, the Agency notified plaintiff that its appraiser had assessed the fair market value of the Property at \$7.7 million and that its environmental consultant had estimated the costs for environmental cleanup, purportedly to meet requirements of the New Jersey Department of Environmental Protection ("DEP"), at \$7.5 million. That amount was held in escrow pending the outcome of the lawsuit. Sensient Colors and plaintiff pursued a reduction in the scope and cost of the Agency's proposed environmental cleanup in meetings with the DEP, the Agency and another party involved in the condemnation, the New Jersey Schools Construction Corporation ("NJSCC"). In March 2007, plaintiff filed an amended complaint naming the Agency, the NJSCC and the DEP as additional defendants in furtherance of this effort. In April 2007, Sensient Colors filed its answer to the amended complaint, including cross claims against these newly added parties. The Agency, the DEP and the New Jersey Schools Development Authority ("NJSDA") (which replaced the NJSCC as a state agency effective August 7, 2007) each filed answers, cross-claims and counter-claims; Sensient Colors has responded to all three cross-claims. Document discovery was completed in July 2008, and expert and rebuttal expert reports were exchanged.

Sensient Colors advised the Court and the other parties in this litigation of the developments in the Superfund Claim as described above. Sensient Colors took supplemental depositions of several DEP officials and served subpoenas upon five current or former EPA officials. The United States, though not a party to the Pleasant Gardens case, initially sought to quash those subpoenas before the Pleasant Gardens court. On November 17, 2008, the United States removed the subpoenas and related proceedings to federal court. At an initial court conference on the removed proceedings on February 19, 2009, the federal magistrate judge asked for additional briefing on the issue of the government's standing to seek to quash the state court subpoenas. In September 2009, the federal magistrate judge ordered that former EPA officials could be deposed but only as to "individual" and not "official" matters. Sensient Colors appealed this decision to the district court judge.

Table of Contents

On January 8, 2009, the state court judge recused himself from the Pleasant Gardens case (as well as the related insurance coverage case) because of a conflict of interest and the Pleasant Gardens case was reassigned to another judge. In light of the recusal and reassignment, the new judge re-scheduled the trial to commence no earlier than June 1, 2009, and indicated that depending on how certain outstanding discovery issues were resolved, the trial might be deferred further. On April 20, 2009, the court further extended the pretrial schedule and set a trial date for October 5, 2009. On July 24, 2009, Sensient Colors filed a motion for summary judgment on the grounds that the DEP's proposed remedy was arbitrary and capricious. At a conference held on September 18, 2009, the state court judge ordered that discovery be completed before November 15, 2009, that dispositive motions be heard on December 11, 2009, and that the trial commence on February 8, 2010. The judge also ordered that mediation occur before November 15, 2009.

As described above, Sensient Colors met with the parties to the Pleasant Gardens litigation, to the Superfund claims described above and their respective insurers, and they ultimately agreed to a settlement to resolve the matter by specified payments among the parties and their insurers. As a result of the settlements, Sensient's results for the quarter and year ended December 31, 2009, included pre-tax charges for estimated settlement liabilities and related legal costs, net of insurance reimbursements, of approximately \$11.3 million. The settlement of the Pleasant Gardens litigation was memorialized in a consent decree that was approved by the Superior Court of New Jersey after an opportunity for public comment. The Agency and the NJSDA have been remediating the Property with reimbursement from the funds held by the Court in escrow. Should the remediation cost less than the escrowed amount, the balance of the escrow should be paid to Sensient Colors.

Commercial Litigation

Cherry Blossom Litigation

In June 2009, Sensient sued one of its product vendors, Cherry Blossom LLC ("Cherry Blossom"), a supplier of processed cherry products in Michigan, when Cherry Blossom prepared to close its facility and refused to return to Sensient raw cherries to which Sensient held title. Sensient sued for conversion, breach of contract, possession of the cherries, and money damages of approximately \$0.5 million. Cherry Blossom and its lender opposed the claim.

Cherry Blossom counter-claimed against Sensient, primarily relating to ownership of certain cherry processing formulas. Sensient sold Cherry Blossom certain materials containing formulas used in the processing of cherries. Cherry Blossom claims it has an exclusive right to use Sensient's formulas. On June 22, 2009, Cherry Blossom moved for an injunction to prohibit Sensient from using its cherry processing formulas. The court denied that motion.

Crossroads Debt, LLC ("Crossroads"), a secured lender to Cherry Blossom, intervened in the case and asserted multiple claims against Cherry Blossom related to Cherry Blossom's \$1.4 million debt to Crossroads. Crossroads also asserted cross-claims against Sensient related to offsets Sensient took against its payments to Cherry Blossom for the processed cherry product Sensient purchased from Cherry Blossom.

Under Sensient's contract with Cherry Blossom, Cherry Blossom would purchase Sensient's raw cherries for use in making finished cherry product. Sensient then purchased the finished product from Cherry Blossom at a purchase price reduced by setoffs for the amount Cherry Blossom owed Sensient for raw cherries. Eventually, Cherry Blossom directed Sensient to make payments directly to Crossroads, which Sensient did for about seven months, until Cherry Blossom ceased operations.

At a mediation on March 24, 2010, Crossroads claimed for the first time that because Sensient paid for the finished cherry product by offsetting antecedent debt, Sensient was not a "buyer in the ordinary course of business" as defined by the Uniform Commercial Code. As a result, Crossroads claimed that Sensient was not entitled to take such offsets because Crossroads claimed it had a perfected senior lien on the offset funds. Crossroads sought the imposition of a constructive trust over \$1.4 million of such funds and a judgment requiring their return by Sensient. The total exposure could have exceeded this amount due to interest.

In addition, Sensient asserted indemnification claims against Crossroads related to a US Department of Labor "hot goods" issue. The US Department of Labor prohibited Sensient from selling in interstate commerce cherries made

Table of Contents

by Cherry Blossom's employees and for which Sensient had paid Cherry Blossom because Cherry Blossom failed to pay its employees their wages earned when they processed the cherries.

Crossroads moved for summary disposition on April 12, 2010, based on the Uniform Commercial Code argument it raised at mediation on March 24, 2010. Sensient opposed the motion and argued that Sensient was entitled to summary disposition, not Crossroads. At a hearing on the motion, the court ruled in Sensient's favor, dismissing all of Crossroads' claims against Sensient.

On May 27, 2010, Cherry Blossom filed a bankruptcy petition in U.S. Bankruptcy Court for the Western District of Michigan. Such filing triggered an automatic stay of all litigation pending against Cherry Blossom, including the instant case. The state court determined that the automatic stay in Cherry Blossom's bankruptcy case did not prevent it from signing the order granting Sensient summary judgment disposing of Crossroads' claims in Sensient's favor. The court also decided that the bankruptcy filing stayed indefinitely the remaining claims regarding possession of the cherries, hot goods, and returned goods.

The bankruptcy trustee stipulated to lift the stay as to the issue of possession of the 2006 cherries, and on September 7, 2010, the Michigan state court lifted the administrative stay over the three remaining issues: (1) Sensient's claim for reimbursement from Crossroads in connection with the U.S. Department of Labor hot goods issue described above; (2) Sensient's claim for reimbursement from Crossroads for certain returned goods; and (3) ownership of the 2006 cherry inventory. The court accepted the parties' stipulation that these three issues could be resolved on briefs and set a schedule accordingly. The Court ordered the parties to file simultaneously opening briefs on October 1, 2010, and file simultaneously reply briefs on October 8, 2010. The Court heard oral argument on these three issues on December 6, 2010. On January 10, 2011, the Court entered an order that Crossroads is entitled to the first lien position on the remaining cherry inventory and denying Sensient's claims against Crossroads for reimbursement. Pursuant to the Court's order of January 10, 2011, any proceeds from the sale of the remaining cherry inventory will be paid to the Court and then released to Crossroads. Sensient will appeal the Court's decision regarding these three issues. Sensient also intends to move the Court to stay the enforcement of its January 10, 2011, order pending appeal.

S.A.M. (Amaral) v. Sensient Technologies Corp., et al.

On August 5, 2010, the owners and operators of a 135-acre vineyard near the dehydration facility formerly operated by Sensient Dehydrated Flavors, LLC ("SDF") in Greenfield, California filed a lawsuit in California state court in Monterey, California. The lawsuit names as defendants both Sensient Technologies Corporation ("Sensient") and SDF and a response to the complaint was filed on October 1. The suit sets out claims for nuisance per se, trespass and negligence per se and alleges almost a million dollars in losses plus punitive damages, all based on the fact that, between the summer of 2007 and early October, 2009, SDF was processing onions that allegedly caused an "onion taint" in the grapes and wine produced from the plaintiffs' vineyard. While SDF had an air permit covering its operations, its Monterey County use permit specifically named only chili peppers, celery and parsley, but not onions, as commodities that could be dehydrated at the Greenfield facility. SDF's effort to modify the Greenfield facility's use permit to specifically include the processing of onions was blocked by local vineyard owners, and SDF has since closed its Greenfield facility and consolidated its onion dehydration operations at its fully-permitted and more efficient facility at Livingston, California.

This lawsuit follows an earlier lawsuit (*J. Lohr Vineyards and Wines v. Sensient Technologies*) (the "Lohr lawsuit") brought by a larger, adjacent landowner. The Lohr lawsuit was settled in December, 2009, with an agreement that included SDF's abandonment of onion processing at its Greenfield facility but did not require the payment of any settlement amount to Lohr despite Lohr's substantial damage claims. The S.A.M. plaintiffs have essentially copied, and seek to rely upon, the factual allegations and expert analyses developed in the Lohr lawsuit before a settlement was reached. The S.A.M. plaintiffs will not, however, be receiving any assistance from Lohr. Sensient and SDF believe the S.A.M. plaintiffs' claims are without merit and intend to pursue a vigorous defense. Trial has been set to commence on October 31, 2011, and the parties have been directed to attend a mandatory settlement conference on September 30, 2011.

Table of Contents

Daito Kasei Kogyo Co. Ltd. vs. Sensient Cosmetic Technologies SAS

In 1992 Sensient Cosmetic Technologies SAS (“SCT”) and Daito Kasei Kogyo Co., Ltd. (“Daito”) entered into a distribution agreement pursuant to which SCT became the exclusive distributor in Europe of coloring agents and ingredients manufactured in Japan by Daito and, in turn, Daito became the exclusive distributor in Japan of certain products produced in France by SCT. By 2008, the sale of Daito products represented €4 million of SCT’s sales. In contrast, Daito’s sales of SCT’s products in Japan amounted to only €0.4 million in 2008. The agreement was entered into for an initial period to end on December 31, 1993 and was tacitly renewed for two-year periods through December 31, 2009, subject to a requirement of six months’ notice for termination.

On July 7, 2009, Daito notified SCT of its decision to terminate SCT’s distributorship in Europe, with effect as of February 10, 2010. SCT informed Daito that the notice of termination was insufficient in light of the lengthy commercial relationship between the parties. Daito eventually ostensibly agreed to extend the notice period but the commercial relationship did not function as it had in the past. On August 10, 2010, SCT filed a complaint before the Paris Commercial Court alleging that Daito wrongfully terminated its long-standing established commercial relationship with SCT, that SCT should have been given a notice period of thirty-six months in light of the twenty-year relationship between the parties and that Daito should pay damages to SCT of over €3.8 million.

On January 26, 2011, Daito filed a response in a hearing of the Court in which it denied any liability for SCT’s claims and asserted counter-claims of €1.5 million for unlawful termination of Daito’s distributorship in Japan, unlawful termination of an alleged “agency contract” in Japan and SCT’s cancellation of certain Daito orders in October, 2010.

The court has scheduled a hearing on March 23, 2011, at which SCT will file its response to Daito’s defenses and counter-claims.

The Company is involved in various other claims and litigation arising in the normal course of business. In the judgment of management, which relies in part on information from Company counsel, the ultimate resolution of these actions will not materially affect the consolidated financial statements of the Company except as described above.

Item 4. Reserved

Executive Officers of the Registrant

The executive officers of the Company and their ages as of March 1, 2011, are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Kenneth P. Manning	69	Chairman and Chief Executive Officer
John F. Collopy	41	Vice President and Treasurer
Christopher M. Daniels	37	Vice President, Human Resources
John L. Hammond	64	Senior Vice President, General Counsel and Secretary
Dr. Gordon E. Hering	54	Vice President, Marketing & Technology
Richard F. Hobbs	63	Senior Vice President and Chief Financial Officer
Jeffrey T. Makal	47	Vice President, Controller & Chief Accounting Officer
Richard J. Malin	44	Assistant Controller
Paul Manning	36	President, Color Group
James P. McCarthy	58	President, Flavor & Fragrances Group
Douglas S. Pepper	58	President and Chief Operating Officer
Stephen J. Rolfs	46	Vice President, Administration
Robert J. Wilkins	54	President, Asia Pacific Group

The Company has employed all of the individuals named above, in their current positions, for at least the past five years except as follows. Mr. Collopy has held his present office since October 2006, and previously served as Assistant Treasurer (February 2006 - October 2006), Director, Treasury Operations (2004-2006), and Manager,

Corporate Development (1999-2004). Mr. Daniels has held his present office since July 22, 2010, and previously served as Assistant Treasurer (October 2008 - July 2010), Director, Treasury Services (February 2006 - October 2008) and Manager, Treasury & Risk (April 2005 - February 2006). Mr. Hammond was Vice President before being named Senior Vice President in December 2008. Dr. Hering has held his current position since December 8, 2009, and previously served as appointed Vice President, Marketing & Technology (2007-2009). Mr. Hobbs was Vice President before being named Senior Vice President in December 2008. Mr. Makal has held his present office since July 22, 2010, and previously served as Vice President Taxation (December 2006 - July 2010) and Director Taxation (2000-2006). Mr. Malin has held his present office since April 2005 and previously served as Assistant Treasurer (2001-2005). Mr. Paul Manning has held his present office since July 22, 2010, and previously served as General Manager, Colors - North America (November 2009 - July 2010) and General Manager, Food Colors - North America (June 2009 - November 2009). Mr. McCarthy has held his present office since July 22, 2010, and previously served as appointed President Flavors & Fragrances Group (June 2009 - July 2010) and General Manager Dairy Systems (September 2008 - June 2009). Mr. Pepper has held his current position since July 22, 2010, and previously served as Vice President, Administration (February 2008 - July 2010), Vice President - Human Resources (September 2007 - January 2008), Chief Financial Officer - Color Group (2005-2007). Mr. Rolfs has held his present position since July 22, 2010, and previously served as Vice President, Controller and Chief Accounting Officer (2001-2010). Mr. Wilkins has held his present position since April 23, 2009, and previously served as appointed President, Asia Pacific (2005-2009).

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The only market in which the common stock of the Company is traded is the New York Stock Exchange. The range of the high and low sales prices as quoted in the New York Stock Exchange - Composite Transaction tape for the common stock of the Company and the amount of dividends declared for the fiscal years 2009 and 2010 appearing under "Common Stock Prices and Dividends" on page 49 of the 2010 Annual Report to Shareholders are incorporated by reference. In 2010, common stock dividends were paid on a quarterly basis, and it is expected that quarterly dividends will continue to be paid in the future.

On February 10, 2000, the Board of Directors established a share-repurchase program that authorized the Company to repurchase up to five million shares of the Company's common stock, all of which have been repurchased. On April 27, 2001, the Board of Directors authorized the repurchase of an additional five million shares. As of February 15, 2011, 2,012,990 shares had been repurchased under the latter authorization. The Company did not repurchase any shares during the fourth quarter of 2010.

The number of shareholders of record on February 17, 2011 was 2,952.

On April 22, 2010, the Company announced an increase in its cash dividend on its common stock from an annual rate of 76 cents per share to an annual rate of 80 cents per share, commencing with the quarterly dividend paid on June 1, 2010, to shareholders of record on May 6, 2010.

On January 21, 2011, the Company announced an increase in its cash dividend on its common stock from an annual rate of 80 cents per share to an annual rate of 84 cents per share, commencing with the quarterly dividend paid on March 1, 2011, to shareholders of record on February 9, 2011.

Information regarding the Company's equity compensation plans is incorporated by reference into Item 11 of Part III of this annual report.

The graph found on page 49 of the Company's 2010 Annual Report to Shareholders comparing the cumulative five year total return on the Company's common stock to the appropriate Standard and Poor's indices is incorporated by reference.

Item 6. Selected Financial Data

The selected financial data required by this item is incorporated by reference from the “Five Year Review” and the notes thereto on pages 50 and 51 of the 2010 Annual Report to Shareholders.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation

The information required by this item is set forth under “Management’s Discussion & Analysis of Operations & Financial Condition” on pages 19 through 26 of the 2010 Annual Report to Shareholders and is incorporated by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The information required by this item is set forth under “Market Risk Factors” on pages 24 and 25 of the 2010 Annual Report to Shareholders and is incorporated by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data required by this item are set forth on pages 27 through 45 and page 49 of the 2010 Annual Report to Shareholders and are incorporated by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. The Company carried out an evaluation, under the supervision and with the participation of management, including the Company’s Chairman and Chief Executive Officer and its Senior Vice President and Chief Financial Officer, of the effectiveness, as of December 31, 2010, of the design and operation of the disclosure controls and procedures, as defined in Rule 13a-15(e) of the Act. Based upon that evaluation, the Company’s Chairman and Chief Executive Officer, and its Senior Vice President and Chief Financial Officer have concluded that the disclosure controls and procedures were effective as of December 31, 2010.

Management’s Report on Internal Control over Financial Reporting. The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Act. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management has assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2010. In making its assessment of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*. Based on that assessment, management has concluded that the Company’s internal control over financial reporting was effective as of December 31, 2010. Management’s report on internal control over financial reporting, which appears on page 46 of the 2010 Annual Report to Shareholders, is incorporated by reference.

The Company’s internal control over financial reporting as of December 31, 2010, has been audited by Ernst & Young LLP, an independent registered public accounting firm. Their opinion on the Company’s internal control over financial reporting, set forth on page 48 of the 2010 Annual Report to Shareholders, is incorporated by reference.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Table of Contents

Changes in Internal Control over Financial Reporting. There has been no change in the Company's internal control over financial reporting during the quarter ended December 31, 2010, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers of the Registrant and Corporate Governance

Information regarding directors and officers and corporate governance matters including information regarding our Audit Committee and our Nominating and Corporate Governance Committees appearing under "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement for the Annual Meeting of Shareholders of the Company dated March 15, 2011 ("Proxy Statement"), is incorporated by reference. Additional information regarding executive officers appears at the end of Part I above, and information regarding codes of conduct and ethics for officers appears at the beginning of Part I above.

Item 11. Executive Compensation

Information relating to compensation of directors and officers is incorporated by reference from the "Director Compensation and Benefits," "Executive Compensation," "Equity Compensation Plan Information" and "Employment Agreements" portions of the Proxy Statement. Information relating to the Compensation and Development Committee of the Company's Board of Directors is incorporated by reference from the corresponding subsection E under the heading "Committees of the Board of Directors" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The discussion of security ownership of certain beneficial owners and management and related stockholder matters appearing under "Principal Shareholders" in the Proxy Statement is incorporated by reference. The discussion appearing under "Equity Compensation Plan Information" in the Proxy Statement is incorporated by reference.

Item 13. Certain Relationships and Related Transactions and Directors Independence

There are no family relationships between any of the directors or director nominees and the officers of the Company, nor any arrangement or understanding between any director or officer or any other person pursuant to which any of the nominees has been nominated except as described under "Transactions with Related Persons" found in the Proxy Statement, which is incorporated by reference herein. No director, nominee for director or officer had any material interest, direct or indirect, in any material business transaction of the Company or any subsidiary during the period January 1, 2010, through December 31, 2010, or in any such proposed transaction except as described under "Transactions With Related Persons" found in the Proxy Statement, which is incorporated by reference herein. In the ordinary course of business, the Company may engage in business transactions with companies whose officers or directors are also directors of the Company. These transactions are routine in nature and are conducted on an arm's-length basis. The terms of any such transactions are comparable at all times to those obtainable in business transactions with unrelated persons.

Item 14. Principal Accountant Fees and Services

The disclosure regarding principal accountant fees and services appearing under "Audit Committee Report" in the Proxy Statement is incorporated by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Documents filed:

- 1 and 2: Financial Statements and Financial Statement Schedule. See below for “List of Financial Statements and Financial Statement Schedule.”
- 3: See Exhibit Index following this report.

List of Financial Statements and Financial Statement Schedule

	Page Reference in 2010 Annual Report <u>To Shareholders</u>
1. Financial Statements	
The following consolidated financial statements of Sensient Technologies Corporation and subsidiaries are incorporated by reference from the Annual Report to Shareholders for the year ended December 31, 2010:	
Reports of Independent Registered Public Accounting Firm	47-48
Consolidated Balance Sheets - December 31, 2010 and 2009	28
Consolidated Statements of Earnings - Years ended December 31, 2010, 2009 and 2008	27
Consolidated Statements of Shareholders' Equity - Years ended December 31, 2010, 2009 and 2008	30-31
Consolidated Statements of Cash Flows - Years ended December 31, 2010, 2009 and 2008	29
Notes to Consolidated Financial Statements	32-45
2. Financial Statement Schedule	
Report of Independent Registered Public Accounting Firm	23
Schedule II - Valuation and Qualifying Accounts	24

All other schedules are omitted because they are inapplicable, not required by the instructions or the information is included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Sensient Technologies Corporation
Milwaukee, Wisconsin

We have audited the accompanying consolidated balance sheets of Sensient Technologies Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2010, and have issued our reports thereon dated February 25, 2011. Such consolidated financial statements and reports are included in your 2010 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. That consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, that consolidated financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ **ERNST & YOUNG LLP**

Milwaukee, Wisconsin
February 25, 2011

Schedule II**Valuation and Qualifying Accounts (in thousands); Years Ended December 31, 2010, 2009, 2008**

<u>Valuation Accounts Deducted in the Balance Sheet From the Assets To Which They Apply</u>	<u>Balance at Beginning of Period</u>	<u>Additions Charged to Costs and Expenses</u>	<u>Additions Recorded During Acquisitions</u>	<u>Deductions (A)</u>	<u>Balance At End of Period</u>
2008 Allowance for losses: Trade accounts receivable	\$4,242	\$725	\$0	\$672	\$4,295
2009 Allowance for losses: Trade accounts receivable	\$4,295	\$1,264	\$0	\$2,132	\$3,427
2010 Allowance for losses: Trade accounts receivable	\$3,427	\$1,326	\$0	\$754	\$3,999
(A) Accounts written off, net of recoveries.					

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SENSIENT TECHNOLOGIES CORPORATION

/s/ John L. Hammond
John L. Hammond
Senior Vice President, General Counsel and Secretary

Dated: February 25, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of February 25, 2011, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ Kenneth P. Manning
Kenneth P. Manning
Chairman of the Board and
Chief Executive Officer

/s/ James A.D. Croft
James A.D. Croft
Director

/s/ Richard F. Hobbs
Richard F. Hobbs
Senior Vice President and
Chief Financial Officer

/s/ William V. Hickey
William V. Hickey
Director

/s/ Jeffrey T. Makal
Jeffrey T. Makal
Vice President, Controller and
Chief Accounting Officer

/s/ Peter M. Salmon
Peter M. Salmon
Director

/s/ Hank Brown
Hank Brown
Director

/s/ Elaine R. Wedral
Elaine R. Wedral
Director

/s/ Fergus M. Clydesdale
Fergus M. Clydesdale
Director

/s/ Essie Whitelaw
Essie Whitelaw
Director

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2010 ANNUAL REPORT ON FORM 10-K

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference From</u>	<u>Filed Herewith</u>
3.1	Amended and Restated Articles of Incorporation adopted January 21, 1999 as amended as of April 21, 2005	Exhibit 3.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (Commission File No.1-7626)	
3.2	Amended and Restated By-Laws of Sensient Technologies Corporation as amended as of December 9, 2010	Exhibit 3.2 to Current Report on Form 8-K dated December 9, 2010 (Commission File No. 1-7626)	
4.4	Note Purchase Agreement dated as of June 27, 2006	Exhibit 10.1 to Current Report on Form 8-K dated June 27, 2006 (Commission File No. 1-7626)	
10	Material Contracts		
10.1	Management Contracts or Compensatory Plans		
10.1(a)(1)	Amended and Restated Executive Employment Contract dated August 17, 2007 between Registrant and Kenneth P. Manning (superseded)	Exhibit 10.1 to Current Report on Form 8-K dated August 17, 2007 (Commission File No. 1-7626)	
10.1(a)(2)	Amended and Restated Executive Employment Contract dated as of October 27, 2008 between the Company and Kenneth P. Manning (superseded)	Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(a)(3)	Amended and Restated Executive Employment Contract dated as of February 5, 2009 between the Company and Kenneth P. Manning (superseded)	Exhibit 10.1 to Current Report on Form 8-K dated February 5, 2009 (Commission File No. 1-7626)	
10.1(a)(4)	Amended and Restated Executive Employment Contract dated as of July 22, 2010 between the Company and Kenneth P. Manning	Exhibit 10.1 to Current Report on Form 8-K dated July 22, 2010 (Commission File No. 1-7626)	
10.1(b)(1)	Form of Amended and Restated Change of Control Employment and Severance Agreement for Executive Officers ("Executive Change in Control Agreement")	Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(b)(2)	Form of Amendment to Executive Change in Control Agreement	Exhibit 10.1 to Current Report on Form 8-K dated March 23, 2010 (Commission File No. 1-7626)	
10.1(c)	Sensient Technologies Corporation 2002 Non-Employee Directors Stock Plan	Appendix C to Definitive Proxy Statement filed on Schedule 14A on March 15, 2004 (Commission File No. 1-7626)	
10.1(d)	Universal Foods Corporation 1994 Employee Stock Plan, as amended September 10, 1998	Exhibit 10.2(f) to Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (Commission File No. 1-7626)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2010 ANNUAL REPORT ON FORM 10-K

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference From</u>	<u>Filed Herewith</u>
10.1(d)(1)	Amendment of 1994 Employee Stock Plan dated as of November 6, 2000	Exhibit 10.1(e)(1) to Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (Commission File No. 1-7626)	
10.1(e)	Universal Foods Corporation 1998 Stock Option Plan, as amended September 10, 1998	Exhibit 10.2(h) to Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (Commission File No. 1-7626)	
10.1(e)(1)	Amendment of 1998 Stock Option Plan dated as of November 6, 2000	Exhibit 10.1(f)(1) to Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (Commission File No. 1-7626)	
10.1(f)	1999 Non-Employee Director Stock Option Plan	Appendix A to Definitive Proxy Statement filed on Schedule 14A on December 17, 1999. (Commission File No. 1-7626)	
10.1(f)(1)	Amendment of 1999 Non-Employee Director Stock Option Plan dated as of November 6, 2000	Exhibit 10.1(g)(1) to Annual Report of Form 10-K for the fiscal year ended December 31, 2000 (Commission File No. 1-7626)	
10.1(g)	Sensient Technologies Corporation 2002 Stock Option Plan	Appendix B to Definitive Proxy Statement filed on Schedule 14A on March 22, 2002	
10.1(g)(1)	Amendment of No. 1 to the Sensient Technologies Corporation 2002 Stock Option Plan	Exhibit 10.11 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(g)(2)	Form of Restricted Stock Agreement thereunder	Exhibit 10.1 to Current Report on Form 8-K dated December 1, 2005 (Commission File No. 1-7626)	
10.1(h)	Sensient Technologies Corporation 2007 Restricted Stock Plan	Appendix B to the Proxy Statement for the Annual Meeting of Shareholders of the Company dated March 15, 2007	
10.1(h)(1)	Amendment No. 1 to the Sensient Technologies Corporation 2007 Restricted Stock Plan	Exhibit 10.12 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(i)	Directors Deferred Compensation Plan, as amended and restated effective as of January 1, 2005	Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(i)(1)	Directors Unfunded Retirement Plan, Amended and Restated as of January 1, 2009	Exhibit 10.1(i)(1) to Annual Report of Form 10-K for the fiscal year ended December 31, 2009 (Commission File No. 1-7626)	
10.1(j)(1)	Management Income Deferral Plan, as amended and restated effective as of December 31, 2004 (frozen portion)	Exhibit 10.5(a) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(j)(2)	Management Income Deferral Plan, as amended and restated effective as of January 1, 2005 (non-frozen portion)	Exhibit 10.5(b) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2010 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference From	Filed Herewith
10.1(k)(1)	Executive Income Deferral Plan, as amended and restated effective as of December 31, 2004 (frozen portion)	Exhibit 10.4(a) to Quarterly Report on Form 10-Q the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(k)(2)	Executive Income Deferral Plan, as Amended and restated effective as of January 1, 2005 (non-frozen portion)	Exhibit 10.4(b) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(l)	Amended and Restated Sensient Technologies Corporation Rabbi Trust "A" Agreement dated November 30, 2009 between Registrant and Wells Fargo Bank N.A.	Exhibit 10.1(l) to Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (Commission File No. 1-7626)	
10.1(m)	Amended and Restated Sensient Technologies Corporation Rabbi Trust "B" Agreement dated November 30, 2009 between Registrant and Wells Fargo Bank N.A.	Exhibit 10.1(m) to Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (Commission File No. 1-7626)	
10.1(n)	Amended and Restated Sensient Technologies Corporation Rabbi Trust "C" Agreement dated November 30, 2009 between Registrant and Wells Fargo Bank N.A.	Exhibit 10.1(n) to Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (Commission File No. 1-7626)	
10.1(o)	Incentive Compensation Plan for Elected Corporate Officers	Exhibit 10.10 to Quarterly Report on Form 10Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(p)	Management Incentive Plan for Group Presidents	Exhibit 10.9 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(q)	Management Incentive Plan for Corporate Management	Exhibit 10.7 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(r)	Management Incentive Plan for Group/Division Management	Exhibit 10.8 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(s)(1)	Form of Agreement for Executive Officers (Supplemental Executive Retirement Plan A), as amended and restated effective as of January 1, 2005	Exhibit 10.1(s) to Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission File No. 1-7626)	
10.1(s)(2)	Form of Amendment No. 1 to the Sensient Technologies Corporation Amended and Restated Supplemental Executive Retirement Plan A (Effective as of January 1, 2005)		X
10.1(s)(3)	Form of Amendment No. 2 to the Sensient Technologies Corporation Amended and Restated Supplemental Executive Retirement Plan A (Effective as of January 1, 2005)	Exhibit 10.1 to Current Report on form 8-K dated April 22, 2010 (Commission File No. 1-7626)	
10.1(t)(1)	Form of Agreement for Executive Officers (Supplemental Executive Retirement Plan B), as amended and restated effective as of January 1, 2005	Exhibit 10.1(t) to Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission File No. 1-7626)	
10.1(t)(2)	Form of Amendment No. 1 to the Sensient Technologies Corporation Amended and Restated Supplemental Executive Retirement Plan B (Effective as of January 1, 2005)		X
10.1(t)(3)	Form of Amendment No. 2 to the Sensient Technologies Corporation Amended and Restated Supplemental Executive Retirement Plan B (Effective as of January 1, 2005)	Exhibit 10.2 to Current Report on form 8-K dated April 22, 2010 (Commission File No. 1-7626)	

**SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2010 ANNUAL REPORT ON FORM 10-K**

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference From</u>	<u>Filed Herewith</u>
10.1(u)(1)	Supplemental Benefit Plan, as amended and restated effective as of December 31, 2004 (frozen portion)	Exhibit 10.6(a) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(u)(2)	Supplemental Benefit Plan, as amended and restated effective as of January 1, 2005 (non-frozen portion)	Exhibit 10.6(b) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.2	Credit Agreement dated as of June 15, 2007	Exhibit 10.1 to Current Report on Form 8-K dated June 15, 2007 (Commission File No. 1-7626)	
10.3	Credit Agreement dated as of October 7, 2008	Exhibit 10.1 to Quarterly Report on Form 8-K dated October 7, 2008 (Commission File No. 1-7626)	
13.1	Annual Report to Shareholders for the year ended December 31, 2010		X
14	Code of Ethics for Senior Financial Officers	Exhibit 14 to Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (Commission File No. 1-7626)	
21	Subsidiaries of the Registrant		X
23.1	Consent of Ernst & Young LLP		X
31	Certifications of Sensient’s Chairman and Chief Executive Officer and Senior Vice President and Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act		X
32	Certifications of Sensient’s Chairman and Chief Executive Officer and Senior Vice President and Chief Financial Officer, pursuant to 18 United States Code § 1350		X

E-4

[\(Back To Top\)](#)

Section 2: EX-10.1 (EX-10.1)

EXHIBIT 10.1(s)(2)

**Amendment No. 1
To the Sensient Technologies Corporation
Amended and Restated Supplemental Executive Retirement Plan A
(Effective as of January 1, 2005)**

WHEREAS, Sensient Technologies Corporation (the “Company”) maintains the Sensient Technologies Corporation Supplemental Executive Retirement Plan A, effective as of January 1, 2005 (the “Plan”) _____ for (the “Executive”);

WHEREAS, the Company desires to increase the percentage applied in determining Executive’s benefits under the Plan;

NOW THEREFORE, Sections 3A; 3C 1, 2 and 3; and 12A 3 and 4 of the Plan are hereby amended, effective as of _____, 20__, by deleting the figure of ___% and replacing it with ___%.

IN WITNESS WHEREOF, this Amendment is duly executed this _____ day of _____, 20__.

SENSIENT TECHNOLOGIES CORPORATION

By: _____

ATTEST:

Amendment No. 1
To the Sensient Technologies Corporation
Amended and Restated Supplemental Executive Retirement Plan B
(Effective as of January 1, 2005)

WHEREAS, Sensient Technologies Corporation (the "Company") maintains the Sensient Technologies Corporation Supplemental Executive Retirement Plan B, effective as of January 1, 2005 (the "Plan") for _____ (the "Executive");

WHEREAS, the Company desires to increase the percentage applied in determining Executive's benefits under the Plan;

NOW THEREFORE, Sections 4A; 4C 1, 2, 3 and 4; and 13A 3 and 4 of the Plan are hereby amended, effective as of _____, 20__, by deleting the figure of ___% and replacing it with ___%.

IN WITNESS WHEREOF, this Amendment is duly executed this _____ day of _____, 20__.

SENSIENT TECHNOLOGIES CORPORATION

By: _____

ATTEST:

[\(Back To Top\)](#)

Section 3: EX-13.1 (EX-13.1)



2010 Annual Report

I N N O V A T I O N





Sensient’s innovative products are found within thousands of world-leading consumer and industrial products. At state-of-the-art facilities around the globe, Sensient develops sophisticated color, flavor

and fragrance systems that are unmatched in the industry. The Company’s strengths – including proprietary technologies, financial discipline and corporate leadership – provide the foundation for sustained growth.

“ Sensient had a record-breaking year. All our Groups achieved significant growth. Strategic initiatives position the Company for future success in markets around the world.”

Kenneth P. Manning
Chairman and Chief Executive Officer



FINANCIAL HIGHLIGHTS

in thousands except per share, employee and shareholder data

Years ended December 31,	2010	2009	% Change
Results of operations			
Revenue	\$ 1,328,180	\$ 1,201,412	11%
Operating Income	174,577	146,963	19%
Net Earnings	107,144	86,561	24%
Per common share			
Net Earnings:			
Basic	\$ 2.18	\$ 1.79	22%
Diluted	2.17	1.78	22%
Dividends	0.79	0.76	4%
Book Value	19.70	18.49	7%
Other information			
Capital Expenditures	\$ 55,823	\$ 47,716	
Depreciation and Amortization	\$ 43,423	\$ 42,183	
Total Debt	\$ 349,810	\$ 428,033	
Number of Employees	3,618	3,570	
Number of Shareholders of Record	2,977	3,082	
Average Common Shares Outstanding:			
Basic	49,138	48,379	
Diluted	49,424	48,641	

LETTER TO SHAREHOLDERS

March 15, 2011

2010 was a record year for Sensient Technologies Corporation. We earned all-time record revenue of \$1.33 billion, an increase of 10.6% over 2009. The Company's net earnings reached \$107.1 million, which is also an all-time high.

A Record Year

Sensient's record financial performance in 2010 reflects our Company's fundamental strengths: we have leading-edge products, worldwide reach, disciplined leadership and a strong balance sheet. All our Groups contributed to the Company's growth, with the Color Group delivering double digit percentage revenue increases.

Sensient continued to execute our long-term strategic plan in 2010 without interruption. Our well-executed strategic initiatives position Sensient for sustained and robust growth as the global economy recovers.

Wall Street and the larger investment community took notice of Sensient's strong performance. As of December 31, 2010, the Company's market capitalization was \$1.8 billion, which represents a 42% increase in value compared to December 31, 2009.

On January 21, 2011, the Board of Directors announced an increase in the quarterly cash dividend on the Company's common stock to 21 cents per share. We believe that shareholders should benefit directly from our continued strong performance. Sensient's dividend has risen more than 40% over the past five years.

Operating from a Position of Financial Strength

In 2010, Sensient reduced debt by more than \$78 million, bringing total debt to \$350 million. For the first time since 1999, the Company's total debt has been reduced below \$400 million. Sensient's total debt to total capital is now below 27%.

Sensient's financial strength allowed us to make key investments in advanced technology and facilities improvements in 2010. These investments are critical to future growth, and we will continue to make strategic capital investments moving forward.

Leading Products for Global Markets

Sensient is a leading global developer, manufacturer and distributor of advanced color, favor and fragrance systems for manufacturers worldwide. Our products contribute to the success of thousands of consumer goods representing some of the world's best-known brands. Sensient's value-added systems are found in food, beverages, cosmetics, pharmaceuticals, inkjet inks and many other consumer and industrial products.

In recent years, Sensient has capitalized on the growing global market for natural colors and favors. Developing high-performance natural products for large-scale industrial use is a challenging task requiring advanced scientific techniques. Today, no competitor's offerings exceed the quality of Sensient's natural color and favor systems.

Sensient's proprietary CO₂ extraction capabilities produce natural favor systems used by a wide range of customers. Our emulsion and micro-emulsion technologies provide the foundation of advanced natural color systems used by manufacturers of foods, beverages and cosmetics.

The Company also continues to achieve substantial growth in several non-food sectors with global markets. Our inkjet ink business benefited in 2010 from strong demand for our printing inks. Sensient's inkjet technology



Kenneth P. Manning
Chairman and Chief Executive Officer



is also used by manufacturers of textiles and sports equipment.

Sensient continues to see growth and opportunity in the worldwide market for pharmaceutical colors and coatings. Sales of natural and synthetic systems for cosmetics are also increasing at a significant rate. We expect revenues from pharmaceutical and cosmetics systems to grow in both established markets and developing nations.

The Company's product mix reflects the breadth and depth of Sensient's technological capabilities. We maintain technical services, labs and pilot plants at locations around the world. Our R&D capabilities enable us to customize and extend key products, as well as to develop entirely new offerings.

Strategic Investments in Facilities

Sensient has made strategic capital investments at several facilities so that customers worldwide have greater access to our leading technologies and product development services.

In St. Louis, our investments will significantly increase manufacturing capacity for pharmaceutical coatings and natural food colors. We also enhanced product development and manufacturing capabilities for savory flavors and extractions at our Indianapolis facility.

Sensient recently opened an extensive, state-of-the-art facility in Guangzhou, China. This location brings key Sensient technical operations, including aseptic processing and emulsion production, to one of the most dynamic markets in the world. We conduct business from five locations in China: Guangzhou, Hong Kong, Shanghai, Beijing and Qingdao.

Extending Sales to New Locations

For more than a decade, Sensient has been expanding our global presence. We are a highly regarded development partner and supplier among manufacturers in leading European, Latin American and Asian markets. In 2010, more than 60% of our revenues came from sales outside the United States.

Sensient is now reaching key secondary markets through our extended distribution system. We have added several new locations in Central Europe and Scandinavia.

Looking Forward

Sensient's solid financial position, disciplined operations and leading technology-based products all contributed to our success in 2010. We have continued to stay the course in a challenging economic environment.

The Company's strategic initiatives, sound investments and geographic expansion position us to succeed. I am very optimistic about Sensient's future opportunities.

Sincerely,

Kenneth P. Manning
Chairman and Chief Executive Officer

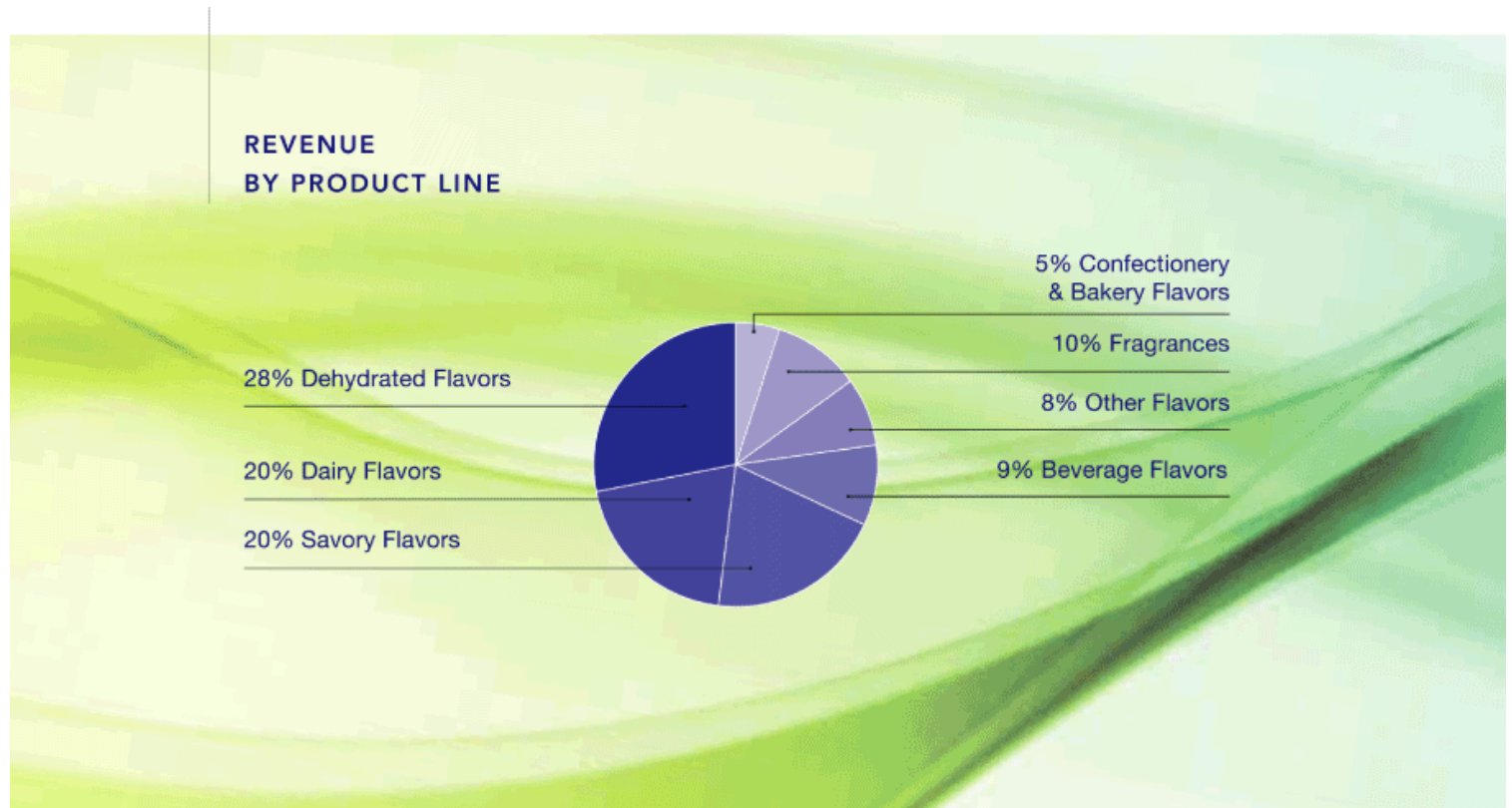
BUSINESS PROFILE



Sensient develops, manufactures and distributes flavor and fragrance systems that are found in thousands of consumer products worldwide. The Company's specialty systems are essential components of food, beverage, household and personal care products. Sensient's value-added flavors and fragrances enable our customers to excel in highly competitive global markets.

STRATEGIC ADVANTAGES

- Complete product line of proprietary flavors and ingredient systems
- Industry-leading extraction and reaction flavor technologies
- Technical capabilities for product development, extension and customization
- Extensive international sales and technical resources

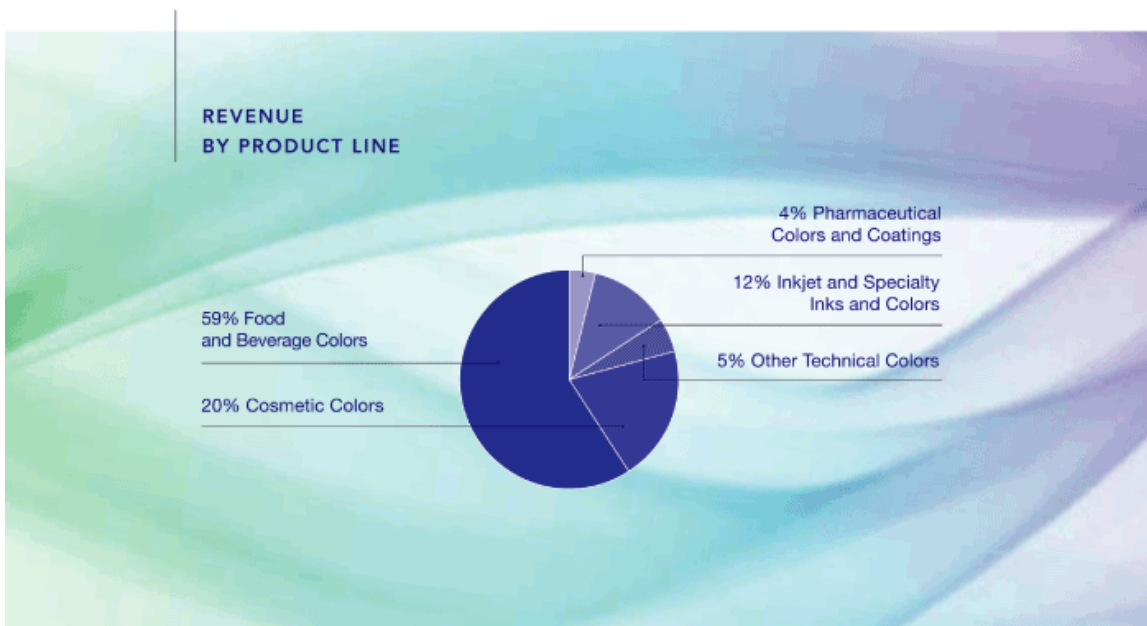




Sensient is a leading developer, producer and supplier of natural and synthetic color systems for customers around the globe. The Company’s high-performance products play a central role in the manufacture of foods and beverages, cosmetics and pharmaceutical colors and coatings, inks for commercial and consumer printers, and colors for agricultural uses, household cleaners and paper products.

STRATEGIC ADVANTAGES

- A broad product mix serving global markets and multiple regulatory environments
- Advanced natural color technologies in North America and Europe
- Expanding technical and manufacturing capabilities in natural colors, pharmaceutical colors and coatings and commercial and desktop inks
- Leading pigment dispersion, emulsion and coating technology expertise



FINANCIAL *achievements*



In 2010, Sensient achieved record revenue of \$1.33 billion and record earnings of \$107.1 million. Sensient increased its quarterly cash dividend to \$0.21 per share of common stock on January 21, 2011, allowing shareholders to immediately benefit from the Company's success. The dividend has increased by more than 40% over the last five years. The Company had record cash flow of \$155.7 million in 2010 and reduced debt by \$78 million, bringing total debt-to-capital down to 26.2%. We see no obstacles to our future financial performance.





Precise Natural
Color Shades



Emulsion
Technology



Enhanced
Shelf-Stable Colors



WORLD-LEADING *natural food colors*

Sensient continues to expand sales of our industry-leading natural food and beverage color systems. Sensient is one of the largest and most advanced natural color providers in the world. The Company uses several advanced technologies to produce high-performance natural colors for the global marketplace. In 2010, Sensient expanded R&D and manufacturing capabilities at our main North American color facility in St. Louis, which is the largest color plant in the world. We completed significant improvements to facilities in Germany, Italy and China. The Company also develops and manufactures color systems at facilities in Australia, Brazil, the United Kingdom and other nations.

STATE-OF-THE-ART *flavor systems*

Sensient's advanced flavor technologies enable us to extend a broad base of flavor systems as well as create entirely new products. The Company's flavor systems enhance the products of food and beverage manufacturers worldwide. We recently implemented extraction technology that produces significantly more robust flavors than traditional extracts. Sensient's combination of product depth, industry-leading facilities and global reach helps win new business and makes us a supplier of choice among leading multinationals.



Proprietary
Extractions



Aseptic
Dairy Systems



High-Performance
Reaction Flavors

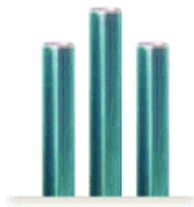




Printing
Inks



Color-Coded
Seeds



Organic Photo
Conductors



HIGH-PERFORMANCE

fine *chemicals & colors*

Sensient develops high-quality colors and fine chemicals for numerous manufacturing sectors with worldwide markets. The Company's high-performance inks are used by makers of commercial and consumer inkjet printers, packaging, sports equipment and textiles. We also produce highly purified chemicals called organic photo conductors (OPCs) that are fundamental to the operation of laser printers and photocopiers. Other Sensient color technologies are used in household and institutional cleaners, agricultural applications and many other products.

EXCEPTIONAL

specialized *colors & coatings*

Sensient continues to find significant growth in the global market for colors used in pharmaceutical and cosmetics manufacturing. The Company's natural and synthetic color and coating systems for pharmaceuticals are increasingly sought by customers in North America, Asia and Europe. Sensient also develops and markets advanced systems for cosmetics to meet a growing global demand for health and beauty products. In 2010, the Company's cosmetics and pharmaceutical businesses both achieved double digit percentage sales growth.



Powder-to-Cream
Cosmetic Applications



Pharmaceutical
Colors and Coatings



Cosmetic Colors



GLOBAL *reach*

75
locations

35
nations



Indianapolis, Indiana, U.S.A.



Granada, Spain



Bremen, Germany



Naarden, Netherlands



Tijuana, Mexico



Budapest, Hungary



Leipzig, Germany



Strasbourg, France



Auckland, New Zealand



St. Louis, Missouri, U.S.A.

Sensient's global reach enables us to meet diverse customer needs, access key markets and differentiate our Company from competitors. Sensient now operates from 75 locations in 35 nations. Sensient recently opened a new flagship facility in Guangzhou, China. This location positions us for growth in China with advanced research, application development and production capabilities. The Company also expanded our St. Louis facility to increase manufacturing capacity for natural colors and pharmaceutical coatings. Sensient recently established locations in several growing European markets as well, including Poland, Romania and the Ukraine.

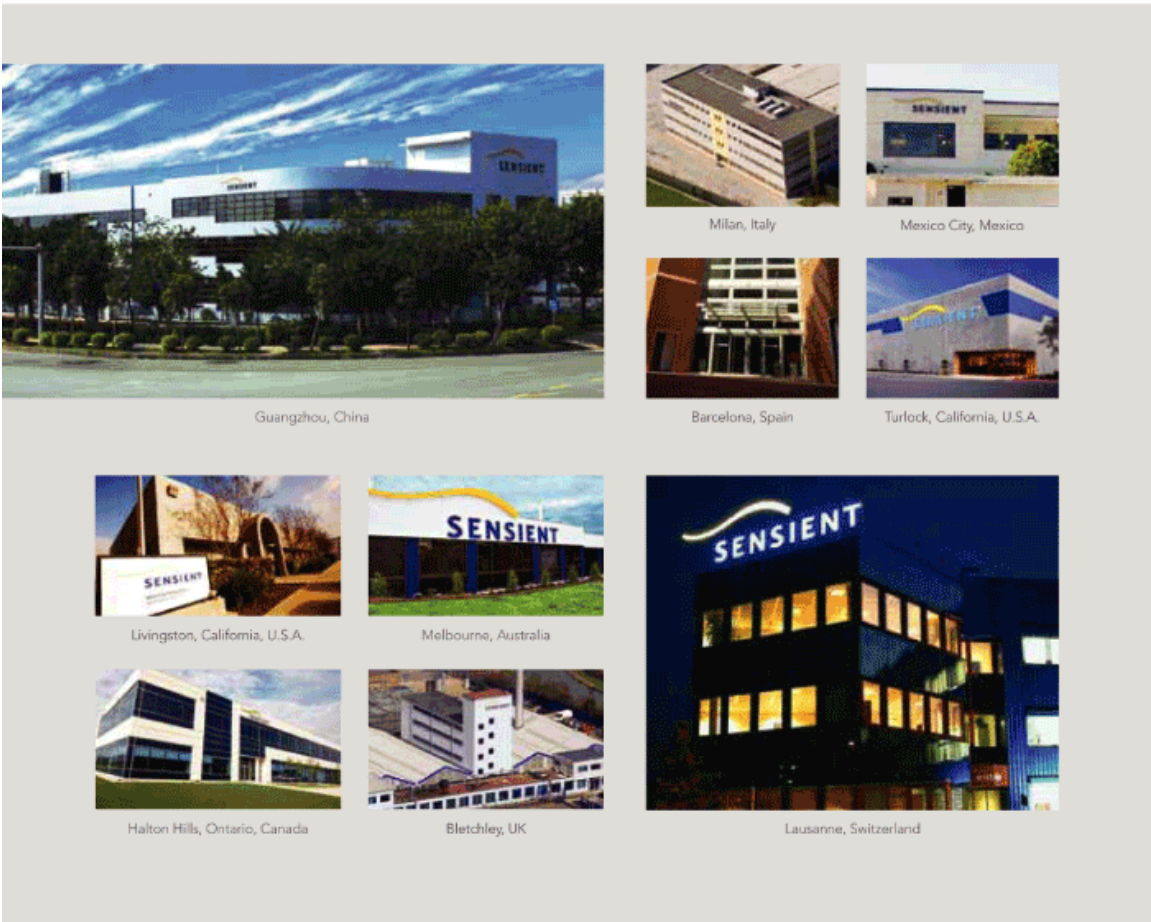


TABLE OF CONTENTS

19	Management's Discussion & Analysis of Operations & Financial Condition
27	Consolidated Statements of Earnings
28	Consolidated Balance Sheets
29	Consolidated Statements of Cash Flows
30	Consolidated Statements of Shareholders' Equity
32	Notes to Consolidated Financial Statements
46	Management's Report on Internal Control Over Financial Reporting
47	Report of Independent Registered Public Accounting Firm
48	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting
49	Quarterly Data
49	Common Stock Prices and Dividends
49	Company Stock Performance
50	Five Year Review
52	Directors & Officers
	Inside Investor Information
	back cover

OVERVIEW

For the year ended December 31, 2010, Sensient Technologies Corporation (the "Company") reported record revenue at the consolidated level and at each of its groups. Earnings per share reached new all-time highs for each quarter and for the year in 2010. The Company also continued to strengthen its financial position in 2010. Cash flows from operating activities were up 12.6% to a record level, allowing the Company to reduce debt by over \$78 million in 2010 and more than \$130 million in the last two years. The Company continued to expand its geographical presence through its extended distribution system by opening new locations in Central Europe in 2010.

In 2010, the Company finalized the insurance settlements for the environmental claims related to the \$11.3 million of charges (fourteen cents per share after tax) recorded in 2009. Additional insurance proceeds received during the current year on this matter increased 2010 operating profit by \$1.5 million (two cents per share after tax). The following table summarizes the impact of the settlement of environmental claims on Sensient's operating income and diluted earnings per share:

(in thousands except per share amounts)	2010		2009	
	Operating Income	Diluted Earnings per Share	Operating Income	Diluted Earnings per Share
As reported	\$ 174,577	\$ 2.17	\$ 146,963	\$ 1.78
Settlement charges (gain)	(1,458)	(0.02)	11,297	0.14
	\$ 173,119	\$ 2.15	\$ 158,260	\$ 1.92

Revenue (In Billions)



Consolidated revenue was \$1.33 billion in 2010, an increase of 10.6% from \$1.20 billion reported in 2009. Sensient's operating income was \$174.6 million in 2010, up 18.8% from \$147.0 million in 2009. Excluding the impact of the settlement of environmental claims, operating income was up 9.4%. The impact of foreign currency translation increased revenue and operating income by approximately 1%. Diluted earnings per share, as reported, were \$2.17 in 2010 compared to \$1.78 in 2009. Excluding the impact of the settlement of environmental claims, diluted earnings per share were up 12.0%. Cash flows from operating activities were \$155.7 million, an increase of 12.6% from \$138.3 million reported in 2009. Total debt was reduced by \$78.2 million during 2010 as a result of the strong cash flow. Sensient's debt to capital ratio improved to 26.2% at December 31, 2010, compared to 32.0% at the end of 2009.

Additional information on these items is included in the Results of Operations.

RESULTS OF OPERATIONS

2010 vs. 2009

Sensient's revenue increased 10.6% in 2010 to \$1.33 billion from \$1.20 billion in 2009. Revenue in the Flavors & Fragrances Group was \$809.1 million in 2010, an increase of 4.7% from \$772.9 million in 2009. Color Group revenue of \$447.5 million was 19.4% higher than 2009 revenue of \$374.8 million. Corporate and Other revenue, which includes the Company's operations in the Asia Pacific region and China, increased 28.0% in 2010. The impact of foreign currency translation increased consolidated revenue in 2010 by less than 1%. Additional information on group results can be found in the Segment Information section.

The Company's gross margin was 30.7% in both 2010 and 2009. The impact of increased selling prices and favorable product mix was offset by the impact of higher raw material and manufacturing costs in 2010.

Selling and administrative expense as a percent of revenue was 17.6% in 2010 compared to 18.5% in 2009. In 2009, the Company recorded charges of approximately \$11.3 million, or 0.9% of revenue, for the settlement of environmental claims against the Company. The Company also recorded a gain in 2010 of \$1.5 million due to additional insurance proceeds received on the environmental claims. The increase of selling and

Management's Discussion & Analysis
of Operations & Financial Condition (CONTINUED)

administrative expenses in 2010 was attributable to the expansion of the Company's sales force to penetrate new geographical markets in Central Europe. Sensient expects to realize benefits from this geographical expansion in 2011.

Operating income was \$174.6 million in 2010 compared to \$147.0 million in 2009, an increase of 18.8%. Approximately half of the increase is due to higher sales and the remaining amount is due to the impact of the prior year environmental settlement. Additional information on group results can be found in the Segment Information section.

Interest expense decreased 14.3% to \$20.4 million in 2010 from \$23.8 million in 2009. The decrease is due to lower average outstanding debt balances partially offset by higher interest rates.

The effective income tax rate was 30.5% in 2010 and 29.7% in 2009. The effective tax rates for both 2010 and 2009 were reduced by discrete items, including the favorable resolution of prior years' tax matters. In total, these discrete items reduced the effective tax rate for 2010 and 2009 by 2.4% and 2.5%, respectively.

	2010	2009
Rate excluding discrete items	32.9%	32.2%
Discrete items	(2.4%)	(2.5%)
Reported effective tax rate	30.5%	29.7%

The effective tax rate for 2011 is expected to be approximately 33% prior to the recording of any discrete items.

SEGMENT INFORMATION

The Company determines its operating segments based on information utilized by the chief operating decision maker to allocate resources and assess performance. The Company's reportable segments consist of the Flavors & Fragrances Group and the Color Group. The results of two additional operating segments, the Asia Pacific Group and the China Group, are reported in the Corporate and Other segment.

Flavors & Fragrances Revenue for the Flavors & Fragrances Group for 2010 increased 4.7% to \$809.1 million from \$772.9 million in 2009. The Group reported higher volumes (\$41.9 million) partially offset by lower selling prices (\$6.5 million). The higher volumes occurred primarily in North America, both in traditional flavors and in dehydrated flavors, and in Europe. The decrease in revenue due to lower selling prices was primarily related to dehydrated flavors in North America partially offset by higher selling prices in Europe.

Gross margin was 26.4% of revenue in 2010 and 27.3% in 2009. The decrease is primarily due to the lower selling prices in dehydrated flavors combined with higher manufacturing costs in traditional flavors. Sensient also was negatively impacted by higher raw materials costs in dehydrated flavors in the first part of 2010 but realized improvement in this area as the year progressed and expects continued improvement in 2011.

The Flavors & Fragrances Group operating income was \$122.0 million in 2010 compared to \$124.5 million in 2009. The decrease in operating profit was related to operations in North America (\$4.1 million) and Europe (\$1.0 million) partially offset by higher operating profit in Latin America (\$1.0 million) and the favorable impact of foreign currency translation (\$1.6 million). The lower profit in North America was primarily related to the lower margin in the first part of the year for dehydrated flavors discussed above. The lower profit in Europe was primarily driven by higher manufacturing costs partially offset by higher selling prices. The higher profit in Latin America was primarily driven by lower raw material costs. Operating income as a percent of revenue was 15.1% in 2010 and 16.1% in 2009 primarily for the reasons discussed above.

Color The Color Group revenue increased 19.4% in 2010 to \$447.5 million from \$374.8 million in 2009. The increase in revenue was driven by higher sales of food and beverage colors (\$41.3 million) combined with higher sales of non-food colors (\$31.1 million). The higher sales of food and beverage colors were driven by higher volumes across all major markets and higher selling prices. The higher sales of non-food colors were primarily due to increased volume across all the major product lines.

Gross margin for the Color Group increased 70 basis points to 34.4% in 2010 compared to 33.7% in 2009. Higher selling prices more than offset increased raw material and manufacturing costs.

Color Group operating income increased 31.9% to \$77.4 million from \$58.7 million in 2009. The increase in operating income was primarily attributable to higher sales of food and beverage colors (\$11.7 million) and non-food colors (\$7.3 million). The higher operating income from food and beverage colors was primarily due to the impact of higher selling prices and volumes partially offset by higher raw material costs. The increase in operating income for non-food colors was primarily due to the higher volumes. Operating income as a percent of revenue increased 160 basis points to 17.3% from 15.7% in 2009 primarily due to the reasons described above.

2009 vs. 2008

The Company reported revenue in 2009 of \$1.20 billion versus \$1.25 billion in 2008. Revenue in the Flavors & Fragrances Group was \$772.9 million compared to \$800.8 million in 2008. Color Group revenue was \$374.8 million and \$402.4 million in 2009 and 2008, respectively. Corporate and Other revenue, which includes the Company's operations in the Asia Pacific region and China, increased 2.9% in 2009. The impact of foreign currency translation decreased consolidated revenue in 2009 by approximately \$53.5 million, or 4.3%. In local currency, consolidated revenue was up 0.2% in 2009. Additional information on group results can be found in the Segment Information section.

The Company's gross margin increased 30 basis points to 30.7% in 2009, from 30.4% in 2008. Selling prices were increased and more than offset the impact of higher raw material costs in 2009. Gross margin was also positively impacted as benefits from lower energy costs were recognized.

Selling and administrative expense as a percent of revenue was 18.5% in 2009 compared to 17.5% in 2008. In 2009, the Company recorded charges for the proposed settlement of legal claims against the Company related to the General Colors Company Superfund site in Camden, New Jersey. The amount of the charges was approximately \$11.3 million, or 0.9% of revenue.

Operating income was \$147.0 million in 2009 compared to \$161.6 million in 2008. The lower operating income was attributable to the charges related to the proposed legal settlements discussed above and the negative impact of foreign currency translation of \$9.1 million. Higher profits from selling price increases were partially offset by lower volumes because of decreased demand and customer inventory destocking. Additional information on group results can be found in the Segment Information section.

Interest expense decreased 26.4% to \$23.8 million in 2009 from \$32.3 million in 2008. The decrease is due to lower rates and lower average outstanding debt balances.

The effective income tax rate was 29.7% in both 2009 and 2008. The effective tax rates for both 2009 and 2008 were reduced by discrete items, including the favorable resolution of prior years' tax matters. In addition, the rate in 2008 was lowered by the reduction of certain valuation allowances related to the expected use of tax losses and because of tax rate changes that impacted the future benefit of certain deferred tax assets. In total, these discrete items reduced the effective tax rate for 2009 and 2008 by 2.5% and 2.7%, respectively.

	2009	2008
Rate excluding discrete items	32.2%	32.4%
Discrete items	(2.5%)	(2.7%)
Reported effective tax rate	29.7%	29.7%

The rate excluding discrete items in 2009 was lowered by recognition of the tax benefits on the charges taken for the proposed settlement of legal claims.

SEGMENT INFORMATION

Flavors & Fragrances The Flavors & Fragrances Group revenue for the year ended December 31, 2009, decreased 3.5% to \$772.9 million from \$800.8 million in 2008. The unfavorable impact of foreign currency translation decreased revenue by \$31.6 million, or 4.0%. Increases in selling prices (\$29.0 million) were partially offset by lower volumes (\$25.3 million). The increased selling prices occurred in all regions of the Group. The volume decrease occurred primarily in North America and was due to soft customer demand and inventory destocking. Demand was partly impacted by a decrease in customer new product introductions in 2009.

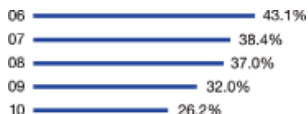
Management's Discussion & Analysis
of Operations & Financial Condition (CONTINUED)

Gross margin increased 100 basis points in 2009 to 27.3% from 26.3% in 2008. Increases in selling prices more than offset higher raw material costs and the impact of unfavorable product mix.

The Flavors & Fragrances Group operating income was \$124.5 million in 2009 compared to \$123.5 million in 2008. Excluding the unfavorable impact of foreign currency translation of \$4.7 million, operating profit increased \$5.7 million. The increase in operating income was due to Europe (\$2.7 million), Latin America (\$1.6 million) and North America (\$1.5 million) primarily driven by higher selling prices partially offset by increased raw material costs. Operating income as a percent of revenue increased 70 basis points to 16.1% from 15.4% in 2008 primarily for the reasons discussed above.

Color Revenue for the Color Group was \$374.8 million compared to \$402.4 million in 2008. The unfavorable impact of foreign exchange rates decreased revenue by approximately \$22.2 million, or 5.5%. In addition, lower sales of non-food colors (\$7.7 million) were partially offset by higher sales of food and beverage colors (\$2.3 million). The higher sales of food and beverage colors were driven by higher selling prices across all markets partially offset by lower volumes in North America. The decreased sales of non-food colors were primarily related to lower volume. Most product lines in 2009 were impacted by soft demand and customer inventory destocking. The soft demand is partly due to a decrease in customer new product introductions during 2009.

Debt to Total Capital
(At December 31)



Gross margin for the Color Group was 33.7% in 2009 compared to 35.1% in 2008. Higher raw material costs were partially offset by higher selling prices. Raw material costs improved as the year progressed, and in the fourth quarter of 2009 raw material costs were favorable in comparison to the prior year fourth quarter.

Color Group operating income was \$58.7 million compared to \$71.6 million in 2008. Excluding the unfavorable impact of foreign currency translation of \$4.0 million, operating income decreased \$6.8 million in non-food colors and \$2.1 million in food colors. The lower operating income in non-food colors was primarily due to soft demand, customer inventory destocking and higher raw material costs. The lower operating income in food colors was primarily due to higher raw material costs and lower volumes due to soft demand and customer inventory destocking partially offset by higher selling prices. Operating income as a percent of revenue was 15.7% compared to 17.8% in 2008 primarily due to the reasons described above.

LIQUIDITY AND FINANCIAL POSITION

The Company's financial position remains strong, enabling it to meet cash requirements for operations, capital expansion programs and dividend payments to shareholders. The Company intends to fund working capital requirements, principal and interest payments, acquisitions (if any) and other liabilities with cash provided by operations, to the extent available, and short-term and long-term borrowings under new and existing credit facilities.

The Company's ratio of debt to total capital improved to 26.2% at December 31, 2010, compared to 32.0% and 37.0% at December 31, 2009 and 2008, respectively. The improvement in 2010 resulted from both a reduction in debt and an increase in equity. Debt was reduced by \$78.2 million since December 31, 2009, and by \$130.1 million since December 31, 2008.

In the Consolidated Statements of Cash Flows, the changes in operating assets and liabilities are presented excluding the effects of changes in foreign currency exchange rates, as these do not reflect actual cash flows. Accordingly, the amounts in the Consolidated Statements of Cash Flows do not necessarily correspond with changes in the operating assets and liabilities that are presented in the Consolidated Balance Sheets.

Net cash provided by operating activities was \$155.7 million in 2010, \$138.3 million in 2009 and \$87.0 million in 2008. Operating cash flow provided the primary source of funds for operating needs, capital expenditures, shareholder dividends and net debt repayments. The increase in net cash provided by operating activities in 2010 was primarily due to higher earnings. Cash from operating activities was reduced in 2010 due to an increase in net working capital in 2010 as a result of the payment of liabilities related to the environmental settlement, net of insurance receipts, and an increase in accounts receivable related to the higher sales level in 2010.

Capital Expenditures/Depreciation (In Millions)



Net cash used in investing activities was \$55.1 million in 2010, \$48.0 million in 2009 and \$50.0 million in 2008. Capital expenditures were \$55.8 million in 2010, \$47.7 million in 2009 and \$53.7 million in 2008.

Net cash used in financing activities was \$97.5 million in 2010, \$80.4 million in 2009 and \$38.4 million in 2008. The Company had net reductions in debt of \$72.6 million in 2010, \$54.5 million in 2009 and \$21.6 million in 2008. In each of the last three years, the Company was able to finance capital expenditures and dividend payments and still reduce debt levels. The Company maintains debt levels it considers prudent based on its cash flows, interest coverage and percentage of total debt to total capital.

Dividends Paid Per Share



The Company has paid uninterrupted quarterly cash dividends since commencing public trading in its stock in 1962. The Company's quarterly dividend was 20 cents per share since the second quarter of 2010 when it was increased from 19 cents per share. Dividends paid per share were 79 cents in 2010, 76 cents in 2009 and 74 cents in 2008. Total dividends paid were \$39.0 million, \$37.0 million and \$35.6 million in 2010, 2009 and 2008, respectively.

With the exception of the increase in raw material costs discussed above, the impact of inflation on both the Company's financial position and its results of operations has been minimal and is not expected to adversely affect 2011 results.

ISSUER PURCHASES OF EQUITY SECURITIES

There have been no purchases of Company stock in the last three years. On April 27, 2001, the Board approved a share repurchase program under which the Company is authorized to repurchase up to 5.0 million shares of Company stock in addition to amounts remaining from prior Board authorizations. As of December 31, 2010, 3.0 million shares were available to be repurchased under existing authorizations. The Company's share repurchase program has no expiration date.

CRITICAL ACCOUNTING POLICIES

In preparing the financial statements in accordance with accounting principles generally accepted in the U.S., management is required to make estimates and assumptions that have an impact on the asset, liability, revenue and expense amounts reported. These estimates can also affect supplemental information disclosures of the Company, including information about contingencies, risk and financial condition. The Company believes, given current facts and circumstances, that its estimates and assumptions are reasonable, adhere to accounting principles generally accepted in the U.S. and are consistently applied. Inherent in the nature of an estimate or assumption is the fact that actual results may differ from estimates and estimates may vary as

Management's Discussion & Analysis
of Operations & Financial Condition (CONTINUED)

new facts and circumstances arise. The Company makes routine estimates and judgments in determining the net realizable value of accounts receivable, inventories, property, plant and equipment, and prepaid expenses. Management believes the Company's most critical accounting estimates and assumptions are in the following areas:

Revenue Recognition The Company recognizes revenue (net of estimated discounts, allowances and returns) when title passes, the customer is obligated to pay the Company and the Company has no remaining obligations. Such recognition typically corresponds with the shipment of goods.

Goodwill Valuation The Company reviews the carrying value of goodwill annually utilizing several valuation methodologies, including a discounted cash flow model. The Company completed its annual goodwill impairment test under Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other*, in the third quarter of 2010. In conducting its annual test for impairment, the Company estimates the fair value for each of its reporting units and compares each of these values to the net book value of each reporting unit. Fair value is estimated using both a discounted cash flow analysis and an analysis of comparable company market values. If the fair value of a reporting unit exceeds its net book value, no impairment exists. The Company has three reporting units that had goodwill recorded and were tested for impairment. The Flavors and Fragrances reporting unit and the Asia Pacific reporting unit had fair values that were over 100% above their respective net book values. The fair value of the Color reporting unit had a fair value that was over 30% above its net book value. Changes in estimates of future cash flows caused by items such as unforeseen events or changes in market conditions could negatively affect the reporting units' fair value and result in an impairment charge.

Income Taxes The Company estimates its income tax expense in each of the taxing jurisdictions in which it operates. The Company is subject to a tax audit in each of these jurisdictions, which could result in changes to the estimated tax expense. The amount of these changes would vary by jurisdiction and would be recorded when probable and estimable. These changes could impact the Company's financial statements. Management has recorded valuation allowances to reduce its deferred tax assets to the amount that is more likely than not to be realized. Examples of deferred tax assets include deductions, net operating losses and tax credits which the Company believes will reduce its future tax payments. In assessing the future realization of these assets, management has considered future taxable income and ongoing tax planning strategies. An adjustment to the recorded valuation allowance as a result of changes in facts or circumstances could result in a significant change in the Company's tax expense. The Company does not provide for deferred taxes on unremitted earnings of foreign subsidiaries which are considered to be invested indefinitely.

Commitments and Contingencies The Company is subject to litigation and other legal proceedings arising in the ordinary course of its businesses or arising under provisions related to the protection of the environment. Estimating liabilities and costs associated with these matters requires the judgment of management, who rely in part on information from Company legal counsel. When it is probable that the Company has incurred a liability associated with claims or pending or threatened litigation matters and the Company's exposure is reasonably estimable, the Company records a charge against earnings. The Company recognizes related insurance reimbursement when receipt is deemed probable. The Company's estimate of liabilities and related insurance recoveries may change as further facts and circumstances become known.

MARKET RISK FACTORS

The Company is exposed to market risks, including changes in interest rates, currency exchange rates and commodity prices. To manage the volatility relating to these exposures on a consolidated basis, the Company nets the exposures to take advantage of natural offsets. The Company also enters into various derivative transactions for some of the remaining exposures pursuant to the Company's policies covering hedging practices. The financial impacts of these hedging instruments are offset by corresponding changes in the underlying exposures being hedged.

The Company does not hold or issue derivative financial instruments for trading purposes. Note 1 and Note 4 to the Consolidated Financial Statements include a discussion of the Company's accounting policies for financial instruments.

A key part of the Company's strategy is to expand into new geographic markets. Because the Company manufactures and sells its products throughout the world, it is exposed to movements in foreign currency exchange rates. The major foreign currency exposures involve the markets in Western Europe, Mexico and Canada. The primary purpose of the Company's foreign currency hedging activities is to protect against the volatility associated with foreign currency sales, purchases of materials, and other assets and liabilities created during the normal course of business. The Company generally utilizes foreign exchange contracts with durations of less than 12 months that may or may not be designated as cash flow hedges under ASC 815, *Derivatives and Hedging*. At December 31, 2010 and 2009, the net fair values of these instruments, based on dealer quotes, were liabilities of \$0.1 million and \$0.3 million, respectively. At December 31, 2010 and 2009, the potential gain or loss in the fair value of the Company's outstanding foreign exchange contracts, assuming a hypothetical 10% fluctuation in the currencies of such contracts, would be approximately \$1.1 million and \$2.4 million, respectively. However, any change in the value of the contracts, real or hypothetical, would be significantly offset by a corresponding change in the value of the underlying hedged items. In addition, this hypothetical calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar.

The Company has certain debt denominated in Swiss Francs and Euros. These non-derivative debt instruments act as partial hedges of the Company's Swiss Franc and Euro net asset positions. The potential increase or decrease in the annual U.S. dollar interest expense of the Company's outstanding foreign currency-denominated debt, assuming a hypothetical 10% fluctuation in the currencies of such debt, would be approximately \$0.5 million and \$0.6 million at December 31, 2010 and 2009, respectively. However, any change in interest expense from fluctuations in currency, real or hypothetical, would be significantly offset by a corresponding change in the value of the foreign income before interest. In addition, this hypothetical calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar.

The Company manages its debt structure and interest rate risk through the use of fixed rate and floating rate debt and through the use of derivatives. The Company's primary exposure is to interest rates in the U.S. and Western Europe. At December 31, 2010 and 2009, the potential increase or decrease in annual interest expense, assuming a hypothetical 10% fluctuation in interest rates of floating rate debt, would be approximately \$0.2 million in both years.

The Company is the purchaser of certain commodities, such as corn, sugar, soybean meal and fruits. The Company generally purchases these commodities based upon market prices that are established with the vendor as part of the purchase process. In general, the Company does not use commodity financial instruments to hedge commodity prices due to a high correlation between the commodity cost and the ultimate selling price of the Company's products. On occasion, the Company may enter into non-cancelable forward purchase contracts, as deemed appropriate, to reduce the effect of price fluctuations on future manufacturing requirements.

CONTRACTUAL OBLIGATIONS

The Company is subject to certain contractual obligations, including long-term debt, operating leases, manufacturing purchases and pension benefit obligations. The Company has unrecognized tax benefits of \$9.4 million as of December 31, 2010. However, the Company cannot make a reasonably reliable estimate of the period of potential cash settlement of the liabilities and, therefore, has not included unrecognized tax benefits in the following table of significant contractual obligations as of December 31, 2010.

Management's Discussion & Analysis
of Operations & Financial Condition (CONTINUED)

PAYMENTS DUE BY PERIOD
(in thousands)

	Total	1 year	2-3 years	4-5 years	> 5 years
Long-term debt	\$ 324,360	\$ 102,617	\$ 119,651	\$ 24,351	\$ 77,741
Interest payments on long-term debt	53,975	15,851	23,941	12,272	1,911
Operating lease obligations	19,333	6,874	7,030	2,282	3,147
Manufacturing purchase commitments	106,448	91,564	14,884	—	—
Pension funding obligations	56,835	2,697	32,030	5,319	16,789
Total contractual obligations	\$ 560,951	\$ 219,603	\$ 197,536	\$ 44,224	\$ 99,588

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of December 31, 2010.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current assumptions and estimates of future economic circumstances, industry conditions, Company performance and financial results. Forward-looking statements include statements in the future tense, statements referring to any period after December 31, 2010, and statements including the terms "expect," "believe," "anticipate" and other similar terms that express expectations as to future events or conditions. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that could cause actual events to differ materially from those expressed in those statements. A variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results. These factors and assumptions include the pace and nature of new product introductions by the Company's customers; the Company's ability to successfully implement its growth strategies; the outcome of the Company's various productivity-improvement and cost-reduction efforts; changes in costs of raw materials and energy; industry and economic factors related to the Company's domestic and international business; competition from other suppliers of colors, flavors and fragrances; growth or contraction in markets for products in which the Company competes; terminations and other changes in customer relationships; industry acceptance of price increases; currency exchange rate fluctuations; cost and availability of credit; and the matters discussed above including the critical accounting policies described therein. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Consolidated Statements of Earnings

Sensient Technologies Corporation Annual Report **2010**

(in thousands except per share amounts) Years ended December 31,

	2010	2009	2008
Revenue	\$1,328,180	\$1,201,412	\$1,252,620
Cost of products sold	919,821	832,382	871,754
Selling and administrative expenses	233,782	222,067	219,267
Operating Income	174,577	146,963	161,599
Interest expense	20,384	23,788	32,306
Earnings Before Income Taxes	154,193	123,175	129,293
Income taxes	47,049	36,614	38,432
Net Earnings	\$ 107,144	\$ 86,561	\$ 90,861
Earnings per share:			
Basic	\$ 2.18	\$ 1.79	\$ 1.91
Diluted	\$ 2.17	\$ 1.78	\$ 1.89
Average common shares outstanding:			
Basic	49,138	48,379	47,654
Diluted	49,424	48,641	48,131

See notes to consolidated financial statements.

Consolidated Balance Sheets

(in thousands except share and per share amounts) December 31,

2010

2009

Assets		
Current Assets:		
Cash and cash equivalents	\$ 14,255	\$ 12,219
Trade accounts receivable, less allowance for losses of \$3,999 and \$3,427, respectively	218,614	200,186
Inventories	392,166	390,011
Prepaid expenses and other current assets	34,676	42,668
Deferred income taxes	12,594	13,025
Total current assets	672,305	658,109
Other assets	36,093	38,349
Intangible assets — at cost, less accumulated amortization of \$12,281 and \$11,014, respectively	13,219	13,621
Goodwill	445,115	455,995
Property, Plant and Equipment:		
Land	49,760	49,429
Buildings	293,605	293,200
Machinery and equipment	648,985	630,420
Construction in progress	32,797	20,211
	1,025,147	993,260
Less accumulated depreciation	(592,611)	(567,643)
	432,536	425,617
Total assets	\$1,599,268	\$1,591,691
Liabilities and Shareholders' Equity		
Current Liabilities:		
Trade accounts payable	\$ 95,852	\$ 88,915
Accrued salaries, wages and withholdings from employees	26,822	22,568
Other accrued expenses	49,819	64,789
Income taxes	7,120	692
Short-term borrowings	25,450	39,181
Current maturities of long-term debt	—	—
Total current liabilities	205,063	216,145
Deferred income taxes	21,034	12,810
Other liabilities	12,279	14,393
Accrued employee and retiree benefits	52,747	50,796
Long-term debt	324,360	388,852
Shareholders' Equity:		
Common stock, par value \$0.10 a share, authorized 100,000,000 shares; issued 53,954,874 shares	5,396	5,396
Additional paid-in capital	89,027	85,504
Earnings reinvested in the business	991,094	922,963
Treasury stock, 4,345,712 and 5,182,710 shares, respectively, at cost	(87,102)	(103,878)
Accumulated other comprehensive loss	(14,630)	(1,290)
	983,785	908,695
Total liabilities and shareholders' equity	\$1,599,268	\$1,591,691

See notes to consolidated financial statements.

(in thousands) Years ended December 31,	2010	2009	2008
Cash Flows from Operating Activities			
Net earnings	\$ 107,144	\$ 86,561	\$ 90,861
Adjustments to arrive at net cash provided by operating activities:			
Depreciation and amortization	43,423	42,183	44,445
Share-based compensation	5,678	3,860	3,798
Loss on assets	1,382	1,819	1,358
Deferred income taxes	8,685	(3,895)	3,329
Changes in operating assets and liabilities:			
Trade accounts receivable	(20,229)	5,013	(16,908)
Inventories	(4,191)	1,190	(40,591)
Prepaid expenses and other assets	9,370	(14,602)	(672)
Accounts payable and other accrued expenses	(7,757)	14,058	(2,216)
Accrued salaries, wages and withholdings from employees	5,053	(1,557)	2,084
Income taxes	2,699	965	1,939
Other liabilities	4,468	2,741	(453)
Net cash provided by operating activities	155,725	138,336	86,974
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(55,823)	(47,716)	(53,680)
Proceeds from sale of assets	172	109	2,064
Other investing activities	528	(440)	1,661
Net cash used in investing activities	(55,123)	(48,047)	(49,955)
Cash Flows from Financing Activities			
Proceeds from additional borrowings	139,344	222,553	112,514
Debt payments	(211,935)	(277,064)	(134,135)
Dividends paid	(39,013)	(37,042)	(35,597)
Proceeds from options exercised and other equity transactions	14,063	11,185	18,862
Net cash used in financing activities	(97,541)	(80,368)	(38,356)
Effect of exchange rate changes on cash and cash equivalents	(1,025)	(6,200)	(687)
Net increase (decrease) in cash and cash equivalents	2,036	3,721	(2,024)
Cash and cash equivalents at beginning of year	12,219	8,498	10,522
Cash and cash equivalents at end of year	\$ 14,255	\$ 12,219	\$ 8,498
Cash paid during the year for:			
Interest	\$ 19,932	\$ 26,982	\$ 31,975
Income taxes	32,668	36,801	28,424
Capitalized interest	810	840	1,999

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

(in thousands except share and per share amounts)	Common Stock	Additional Paid-in Capital
Balances at December 31, 2007	\$ 5,396	\$ 75,233
Net earnings		
Unrealized loss on cash flow hedges, arising during the period, net of tax of \$13		
Reclassification adjustment for cash flow hedges included in net income, net of tax of \$3		
Pension adjustment, net of tax of \$1,473		
Foreign currency translation		
Total comprehensive income		
Cash dividends paid — \$0.74 a share		
Share-based compensation		4,989
Stock options exercised		2,511
Nonvested stock issued upon vesting		(1,688)
Benefit plans		173
Other		1,043
Balances at December 31, 2008	5,396	82,261
Net earnings		
Unrealized gain on cash flow hedges, arising during the period, net of tax of \$118		
Reclassification adjustment for cash flow hedges included in net income, net of tax of \$141		
Pension adjustment, net of tax of \$3,329		
Foreign currency translation		
Total comprehensive income		
Cash dividends paid — \$0.76 a share		
Share-based compensation		4,088
Stock options exercised		901
Nonvested stock issued upon vesting		(1,830)
Benefit plans		34
Other		50
Balances at December 31, 2009	5,396	85,504
Net earnings		
Unrealized gain on cash flow hedges, arising during the period, net of tax of \$90		
Reclassification adjustment for cash flow hedges included in net income, net of tax of \$41		
Pension adjustment, net of tax of \$504		
Foreign currency translation		
Total comprehensive income		
Cash dividends paid — \$0.79 a share		
Share-based compensation		5,746
Stock options exercised		1,365
Nonvested stock issued upon vesting		(4,609)
Benefit plans		184
Other		837
Balances at December 31, 2010	\$ 5,396	\$ 89,027

See notes to consolidated financial statements.

Earnings Reinvested in the Business	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total Comprehensive Income
	Shares	Amount		
\$ 818,180	6,603,650	\$ (132,358)	\$ 47,970	
90,861				\$ 90,861
			(91)	(91)
			18	18
			3,574	3,574
			(77,759)	(77,759)
				\$ 16,603
(35,597)				
	59,400	(1,191)		
	(759,241)	15,217		
	(84,200)	1,688		
	(21,312)	427		
873,444	5,798,297	(116,217)	(26,288)	
86,561				\$ 86,561
			826	826
			(987)	(987)
			(6,136)	(6,136)
			31,295	31,295
				\$ 111,559
(37,042)				
	11,400	(228)		
	(502,167)	10,065		
	(91,300)	1,830		
	(33,520)	672		
922,963	5,182,710	(103,878)	(1,290)	
107,144				\$ 107,144
			628	628
			(284)	(284)
			910	910
			(14,594)	(14,594)
				\$ 93,804
(39,013)				
	3,400	(68)		
	(582,174)	11,668		
	(229,951)	4,609		
	(28,273)	567		
\$ 991,094	4,345,712	\$ (87,102)	\$ (14,630)	

1.
Summary of Significant
Accounting Policies

Principles of Consolidation and Basis of Presentation The consolidated financial statements include the accounts of Sensient Technologies Corporation and its subsidiaries (the "Company"). All significant intercompany accounts and transactions are eliminated.

Sensient Technologies Corporation is a leading global manufacturer and marketer of colors, flavors and fragrances. The Company uses advanced technologies at facilities around the world to develop specialty food and beverage systems, cosmetic and pharmaceutical systems, inkjet and specialty inks and colors and other specialty chemicals. The Company's reportable segments consist of the Flavors & Fragrances and Color Groups, which are managed on a products and services basis. The Asia Pacific and China Groups, which are managed on a geographic basis, are included in Corporate and Other.

Use of Estimates The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenue and expenses during the reporting period and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Revenue Recognition The Company recognizes revenue (net of estimated discounts, allowances and returns) when title of goods passes, the customer is obligated to pay the Company and the Company has no remaining obligations. Such recognition typically corresponds with the shipment of goods.

Cost of Products Sold Cost of products sold includes materials, labor and overhead expenses incurred in the manufacture of our products. Cost of products sold also includes charges for obsolete and slow moving inventories, as well as costs for quality control, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs, other costs of our internal distribution network and costs incurred for shipping and handling. The Company records fees billed to customers for shipping and handling as revenue.

Selling and Administrative Expenses Selling and administrative expenses primarily include the salaries and related costs for executive, finance, accounting, human resources, information technology, research and development and legal personnel as well as salaries and related costs of salespersons and commissions paid to external sales agents.

Cash Equivalents The Company considers all highly liquid investments with maturities of three months or less at the date of acquisition as cash equivalents.

Accounts Receivable Receivables are recorded at their face amount, less an allowance for doubtful accounts. The allowance for doubtful accounts is based on customer-specific analysis and general matters such as current assessments of past due balances and economic conditions. Specific accounts are written off against the allowance for doubtful accounts when it is deemed that the receivable is no longer collectible.

Inventories Inventories are stated at the lower of cost or market. Market is determined on the basis of estimated realizable values. Cost is determined using the first-in, first-out ("FIFO") method with the exception of certain locations of the Flavors & Fragrances Group where cost is determined using a weighted average method. Inventories include finished and in-process products totaling \$261.6 million and \$275.5 million at December 31, 2010 and 2009, respectively, and raw materials and supplies of \$130.6 million and \$114.5 million at December 31, 2010 and 2009, respectively.

Property, Plant and Equipment Property, plant and equipment are recorded at cost reduced by accumulated depreciation. Depreciation is provided over the estimated useful life of the related asset using the straight-line method for financial reporting. The estimated useful lives for buildings and leasehold improvements range from 5 to 40 years. Machinery and equipment have useful lives ranging from 3 to 20 years. Interest costs on significant projects constructed or developed for the Company's own use are capitalized as part of the asset.

Goodwill and Other Intangible Assets The carrying value of goodwill and other intangible assets with indefinite lives is evaluated for impairment on an annual basis or when an indicator of impairment occurs. The impairment assessment includes comparing the carrying amount of net assets, including goodwill, of each reporting unit to its respective fair value as of the date of the assessment. Fair value was estimated based upon an evaluation of the reporting unit's estimated future discounted cash flow as well as the public trading and private transaction valuation multiples for comparable companies. Such determination of fair value yielded no impairment in 2010, 2009 or 2008.

The cost of intangible assets with determinable useful lives is amortized on a straight-line basis to reflect the pattern of economic benefits consumed, ranging from 5 to 20 years. These assets include technological know-how, customer relationships, patents, trademarks and non-compete agreements, among others.

Impairment of Long-lived Assets The Company reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company performs undiscounted cash flow analyses to determine if potential impairment exists. If impairment is determined to exist, any related impairment loss is calculated based on the difference between fair value and carrying value.

Financial Instruments The Company may use derivative financial instruments for the purpose of hedging currency and interest rate exposures which exist as part of ongoing business operations. As a policy, the Company does not engage in speculative or leveraged transactions, nor does the Company hold or issue financial instruments for trading purposes.

Hedge effectiveness is determined by how closely the changes in the fair value of the hedging instrument offset the changes in the fair value or cash flows of the hedged item. Hedge accounting is permitted only if the hedging relationship is expected to be highly effective at the inception of the transaction and on an ongoing basis. Any ineffective portions are recognized in earnings immediately.

Interest Rate Hedging The Company is exposed to interest rate risk through its corporate borrowing activities. The objective of the Company's interest rate risk management activities is to manage the levels of the Company's fixed and floating interest rate exposure to be consistent with the Company's preferred mix. The interest rate risk management program may include entering into interest rate swaps, which qualify as fair value hedges, when there is a desire to modify the Company's exposure to interest rates. Gains or losses on fair value hedges are recognized in earnings, net of gains and losses on the fair value of the hedged instruments.

Cash Flow Hedges The primary objectives of the foreign exchange risk management activities are to understand and mitigate the impact of potential foreign exchange fluctuations on the Company's financial results and its economic well-being. Generally, these risk management transactions involve the use of foreign currency derivatives to protect against exposure resulting from recorded accounts receivable and payable. The Company may utilize forward exchange contracts, generally with maturities of less than 12 months, which qualify as cash flow hedges. These foreign exchange contracts are intended to offset the effect of exchange rate fluctuations on recorded intercompany receivables and payables. Gains and losses on these instruments are deferred in accumulated other comprehensive (loss) income ("OCI") until the underlying transaction is recognized in earnings.

The Company's existing cash flow hedges are highly effective. As a result, any current impact on earnings due to cash flow hedge ineffectiveness is immaterial.

Net Investments Hedging The Company may enter into foreign-denominated debt to be used as a non-derivative instrument to hedge the Company's net investment in foreign subsidiaries. The change in the carrying amount of the foreign-denominated debt on the Company's books, attributable to changes in the spot foreign exchange rate, is a hedge of the net investment in its foreign subsidiaries. Changes in the fair value of debt designated as a net investment hedge are recorded in foreign currency translation in OCI.

Commodity Purchases The Company purchases certain commodities in the normal course of business that result in physical delivery of the goods and, hence, are excluded from Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*.

Translation of Foreign Currencies For all significant foreign operations, the functional currency is the local currency. Assets and liabilities of foreign operations are translated into U.S. dollars at current exchange rates. Revenue and expense accounts are translated into U.S. dollars at average exchange rates prevailing during the year. Adjustments resulting from the translation of foreign accounts into U.S. dollars are recorded in foreign currency translation in OCI. Transaction gains and losses that occur as a result of transactions denominated in non-functional currencies are included in earnings and were not significant during the three-year period ended December 31, 2010.

Share-Based Compensation Share-based compensation expense is recognized on a straight line basis over the vesting period of each award recipient. See Note 5, *Share-Based Compensation*, for additional information.

Income Taxes The Company recognizes a current tax liability or asset for the estimated taxes payable or refundable on tax returns for the current year and a deferred tax liability or asset for the estimated future tax effects attributable to temporary differences and carryforwards. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax law. Deferred tax assets are reduced, if necessary, by the amount of any tax benefits for which the utilization of the asset is not considered likely.

Notes to Consolidated Financial Statements (CONTINUED)
Years ended December 31, 2010, 2009 and 2008

Earnings Per Share. The difference between basic and diluted EPS is the dilutive effect of stock options and nonvested stock. Diluted EPS assumes that nonvested stock has vested and all dilutive stock options, for which the average market price exceeds the exercise price (in-the-money), are exercised. Stock options for which the exercise price exceeds the average market price (out-of-the-money) have an anti-dilutive effect on EPS, and accordingly, are excluded from the calculation. Weighted-average common shares for the computation of EPS were:

(in thousands)	2010	2009	2008
Basic weighted-average shares outstanding	49,138	48,379	47,654
Diluted weighted-average shares outstanding	49,424	48,641	48,131

For the years 2010, 2009 and 2008, options for 0.01 million shares, 0.2 million shares and 0.1 million shares, respectively, with weighted-average exercise prices of \$30.07, \$24.11 and \$26.52, respectively, were excluded from the diluted EPS calculation because their exercise prices were greater than the average market price of the common stock and their inclusion in the calculation would have been anti-dilutive. All earnings per share amounts are presented on a diluted basis unless otherwise noted.

Accumulated Other Comprehensive (Loss) Income Accumulated OCI is composed primarily of foreign currency translation, minimum pension liability and unrealized gains or losses on cash flow hedges. The components of OCI at December 31 were:

(in thousands)	2010	2009
Foreign currency translation	\$ (1,475)	\$ 13,140
Pension liability (net of tax)	(13,324)	(14,255)
Unrealized gain (loss) on cash flow hedges (net of tax)	169	(175)
Accumulated other comprehensive loss	\$ (14,630)	\$ (1,290)

Research and Development Research and development costs are recorded in selling and administrative expenses in the year they are incurred. Research and development costs were \$30.6 million, \$29.3 million and \$28.3 million during the years ended December 31, 2010, 2009 and 2008, respectively.

Advertising Advertising costs are recorded in selling and administrative expenses as they are incurred. Advertising costs were \$1.5 million, \$1.1 million and \$1.3 million during the years ended December 31, 2010, 2009 and 2008, respectively.

Environmental Liabilities The Company records liabilities related to environmental remediation obligations when estimated future expenditures are probable and reasonably estimable. Such accruals are adjusted as further information becomes available or as circumstances change. Estimated future expenditures are discounted to their present value when the timing and amount of future cash flows are fixed and readily determinable. Recoveries of remediation costs from other parties, if any, are recognized as assets when their receipt is assured.

Subsequent Events The Company performed an evaluation of subsequent events through the date these financial statements were issued.

2.

Goodwill and Intangible Assets

At December 31, 2010 and 2009, the Company does not have any intangible assets other than goodwill that are not subject to amortization. The following table summarizes intangible assets with determinable useful lives by major category as of December 31, 2010 and 2009:

(in thousands except weighted average amortization years)	Weighted Average Amortization Years	2010		2009	
		Cost	Accumulated Amortization	Cost	Accumulated Amortization
Technological know-how	20.0	\$ 8,840	\$ (4,242)	\$ 8,609	\$ (3,744)
Customer relationships	20.0	7,222	(3,078)	7,185	(2,690)
Patents, trademarks, non-compete agreements and other	17.5	9,438	(4,961)	8,841	(4,580)
Total finite-lived intangibles	19.1	\$25,500	\$ (12,281)	\$24,635	\$ (11,014)

Amortization of intangible assets was \$1.3 million, \$1.3 million and \$1.6 million in 2010, 2009 and 2008, respectively. Estimated amortization expense each year for the five years subsequent to December 31, 2010, is \$1.1 million in each year from 2011 through 2015.

The changes in goodwill for the years ended December 31, 2010 and 2009, by reportable business segment, were as follows:

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
Balance as of December 31, 2008	\$ 131,942	\$304,781	\$ 3,693	\$ 440,416
Currency translation impact	7,149	8,472	(42)	15,579
Balance as of December 31, 2009	139,091	313,253	3,651	455,995
Currency translation impact	(2,699)	(8,638)	457	(10,880)
Balance as of December 31, 2010	\$ 136,392	\$304,615	\$ 4,108	\$ 445,115

3.

Debt

Long-term Debt Long-term debt consisted of the following unsecured obligations at December 31:

(in thousands)	2010	2009
4.91% senior notes due through May 2017	\$ 110,000	\$ —
5.85% Euro-denominated senior notes due November 2013	25,876	27,689
7.31% senior notes due November 2013	25,000	25,000
5.78% Euro-denominated senior notes due November 2011	51,753	55,377
7.17% senior notes due November 2011	30,000	30,000
Floating rate Euro-denominated senior notes	—	27,689
6.68% senior notes due through January 2011	2,143	4,286
6.77% senior notes due through January 2010	—	15,000
Floating rate term loan due June 2012	46,625	99,750
Long-term revolving loan agreement	28,871	98,912
Various other notes	4,092	5,149
	324,360	388,852
Less current maturities	—	—
Total long-term debt	\$ 324,360	\$ 388,852

In March 2009, the Company borrowed \$105 million under a senior unsecured term loan agreement ("Term Loan") with a group of five banks. The Term Loan matures on June 15, 2012, and the interest rate on the Term Loan is based on floating rates at the Company's election of either (1) the higher of (a) the prime rate or (b) the federal funds rate plus 0.5% or (2) a Eurodollar base rate derived from LIBOR plus a margin (initially 225 basis points but subject to adjustment as the Company's leverage ratio changes). The Company may prepay the Term Loan in whole or in part prior to the maturity date without any penalty.

In November 2009, the Company entered into an agreement to issue U.S. dollar denominated debt totaling \$110 million through a private placement of notes with a group of four financial institutions. These notes were issued in May 2010 and have a fixed coupon rate of 4.91% with a final maturity date of May 2017. Proceeds from the sale of the notes have been used to repay existing indebtedness and for general corporate purposes.

The Company has a \$300 million multi-currency revolving credit facility with a group of seven banks. This credit facility matures in June 2012 and is unsecured. Interest rates on borrowings with three days notice are determined based upon LIBOR plus a margin subject to adjustment based on the Company's debt to EBITDA ratio, as defined, or the rating accorded the Company's senior debt by Standard & Poor's and Moody's, which-

ever is more favorable to the Company. Without three days notice, interest is based on the higher of the prime rate or the federal funds rate plus 0.50%.

The Company's floating rate long-term Euro-denominated notes, which were paid off on May 28, 2010, had average coupon rates of 2.58% and 3.62% for the years ended December 31, 2010 and 2009, respectively. The borrowings under the long-term revolving loan agreement had an average interest rate of 0.65% and 0.85% for the year ended December 31, 2010 and 2009, respectively. The borrowings under the Term Loan had an average interest rate of 2.35% and 2.57% for the years ended December 31, 2010 and 2009, respectively.

The aggregate amounts of contractual maturities on long-term debt each year for the five years subsequent to December 31, 2010, are as follows: 2011, \$102.6 million; 2012, \$57.4 million; 2013, \$62.2 million; 2014, \$11.3 million; and 2015, \$13.0 million.

The Company has approximately \$102.6 million of long-term debt that matures in 2011. It is the Company's intention to refinance these maturities under the long-term revolving loan agreement and, accordingly, that maturing debt has been classified as long-term debt in the Consolidated Balance Sheet.

The Company has \$264.7 million available under the revolving credit facility and \$32.5 million available under other lines of credit from several banks at December 31, 2010.

Substantially all of the senior loan agreements contain restrictions concerning interest coverage, borrowings, investments and tangible net worth amounts. The Company is in compliance with all of these restrictions at December 31, 2010. The following table summarizes the Company's most restrictive loan covenants calculated in accordance with the applicable agreements as of December 31, 2010:

(dollars in thousands)	Actual	Required
Debt to Capital (Maximum)	26.3%	60.0%
Debt to EBITDA (Maximum)	1.64	3.50
Net Worth (Minimum)	\$983,785	\$625,000
Interest Coverage (Minimum)	5.98	2.00

The Company has stand-by letters of credit outstanding of \$6.4 million and \$5.9 million as of December 31, 2010 and 2009, respectively.

Short-term Borrowings The Company's short-term borrowings consisted of the following items at December 31:

(in thousands)	2010	2009
Direct borrowings under the revolving loan agreement	\$ —	\$ 25,000
Uncommitted loans	20,476	11,590
Loans of foreign subsidiaries	4,974	2,591
Total	\$ 25,450	\$ 39,181

The weighted-average interest rates on short-term borrowings were 2.39% and 1.48% at December 31, 2010 and 2009, respectively.

4.

Derivative Instruments and Hedging Activity

The Company may use derivative instruments for the purpose of hedging currency, commodity and interest rate exposures, which exist as part of ongoing business operations. As a policy, the Company does not engage in speculative or leveraged transactions, nor does the Company hold or issue financial instruments for trading purposes. Hedge effectiveness is determined by how closely the changes in the fair value of the hedging instrument offset the changes in the fair value or cash flows of the hedged transaction. Hedge accounting, which generally results in the deferral of derivative gains and losses until such time as the underlying transaction is recognized in net earnings, is permitted only if the hedging relationship is expected to be highly effective at the inception of the transaction and on an ongoing basis. Any ineffective portions are recognized in earnings immediately.

The Company manages its exposure to foreign exchange risk by the use of forward exchange contracts and foreign currency denominated debt to reduce the effect of fluctuating foreign currencies on short-term foreign currency denominated intercompany transactions, non-functional currency raw material purchases, non-functional currency sales and other known foreign currency exposures. These derivatives may or may not be designated as hedges under ASC 815, *Derivatives and Hedging*. These forward exchange contracts generally have maturities of less than twelve months. The Company's primary hedging activities and their accounting treatment are summarized below:

Forward Contracts Designated as Cash Flow Hedges The forward exchange contracts that have been designated as hedges are accounted for as cash flow hedges. The Company had \$10.1 million and \$6.3 million of forward exchange contracts, designated as hedges, outstanding as of December 31, 2010 and 2009, respectively. The fair value of these forward exchange contracts was a liability of \$0.1 million classified in Other liabilities in the Company's Consolidated Balance Sheets as of both December 31, 2010 and 2009. The gains or losses on these instruments are deferred in OCI until the underlying transaction is recognized in net earnings. As of December 31, 2010, a gain of \$0.2 million was deferred in OCI in the Company's Consolidated Balance Sheet. For the periods ended December 31, 2010 and 2009, gains of \$0.3 million and \$1.1 million, respectively, were reclassified into net earnings in the Company's Consolidated Statement of Earnings that offset the earnings impact of the related non-functional asset or liability hedged in the same period. Over the next twelve months, the Company expects to reclassify a gain of \$0.2 million from OCI into net earnings.

Forward Contracts not Designated as Cash Flow Hedges The Company also utilizes forward exchange contracts that are not designated as cash flow hedges under ASC 815. These contracts are marked-to-market in net earnings immediately, at the same time as the non-functional asset or liability is marked-to-market in net earnings. The results of these transactions are not material to the financial statements for the years ended December 31, 2010, 2009 and 2008.

Net Investment Hedges The Company has certain debt denominated in Euros and Swiss Francs. These debt instruments have been designated as partial hedges of the Company's Euro and Swiss Franc net asset positions. Changes in the fair value of this debt attributable to changes in the spot foreign exchange rate are recorded in foreign currency translation in OCI. As of December 31, 2010 and 2009, the total value of the Company's Euro and Swiss Franc debt was \$106.5 million and \$141.7 million, respectively. For the years ended December 31, 2010 and 2009, the impact of foreign exchange rates on these debt instruments has decreased debt by \$6.0 million and increased debt by \$3.6 million, respectively, and these amounts have been recorded as foreign currency translation in OCI.

Concentrations of Credit Risk Counterparties to forward exchange contracts consist of large international financial institutions. While these counterparties may expose the Company to potential losses due to the credit risk of non-performance, losses are not anticipated. Concentrations of credit risk with respect to trade accounts receivable are limited by the large number of customers, generally short payment terms and their dispersion across geographic areas.

5.

Share-Based Compensation

The Company has various stock plans under which employees and directors may be granted nonvested stock, non-qualified stock options or incentive stock options. Upon vesting, the stock options allow the participant to purchase common stock at 100% of the market price on the day the options were granted. No options were granted in 2010 or 2009.

As of December 31, 2010, there were 1.8 million shares available to be granted as future stock options and non-vested stock under existing stock plans. Of the shares available, 1.1 million may be awarded as nonvested stock. Stock options become exercisable over a three-year vesting period, or earlier upon retirement, and expire 10 years from the date of grant. Expense for stock options is recognized on a straight-line basis over three years from the date of grant or over the period from the date of grant until the participant is retirement-eligible, whichever is less. Treasury shares are issued for nonvested stock awards and for the exercise of stock options.

Notes to Consolidated Financial Statements (CONTINUED)
Years ended December 31, 2010, 2009 and 2008

The following table summarizes the transactions involving the stock option plans:

(in thousands except exercise price and life)	Options	Weighted- Average Exercise Price	Weighted- Average Remaining Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2007	2,228	\$ 21.10	5.3	\$ 16,008
Granted	14	30.07		
Exercised	(759)	21.09		
Cancelled	(33)	21.64		
Outstanding at December 31, 2008	1,450	21.17	5.0	4,110
Exercised	(502)	19.34		
Cancelled	(38)	22.58		
Outstanding at December 31, 2009	910	22.13	4.4	3,852
Exercised	(582)	22.16		
Outstanding at December 31, 2010	328	\$ 22.06	3.9	\$ 4,807
Exercisable at December 31, 2010	323	\$ 21.95	3.8	\$ 4,776

The aggregate intrinsic values of stock options exercised during 2010, 2009 and 2008, were \$3.9 million, \$2.5 million and \$6.5 million, respectively.

As of December 31, 2010, total remaining unearned compensation, net of expected forfeitures, related to unvested stock options was \$0.01 million, which will be amortized over the weighted-average remaining service period of 0.3 years.

The following table summarizes information concerning outstanding and exercisable stock options at December 31, 2010:

(in thousands except life and exercise price)	Range of Exercise Price		
	\$18.00- 19.70	\$19.71- 22.99	\$23.00- 30.07
Options outstanding	80	73	175
Weighted-average remaining contractual life, in years	3.5	2.9	4.5
Weighted-average exercise price	\$ 18.78	\$ 20.53	\$ 24.19
Options exercisable	80	73	170
Weighted-average exercise price	\$ 18.78	\$ 20.53	\$ 24.03

The Company's stock plans also provide for the awarding of nonvested stock. Expense for shares of nonvested stock is recognized over five years from the date of grant or during the period from the date of grant until the participant attains age 65, whichever is less. During the period of restriction, the holder of nonvested stock has voting rights and is entitled to receive all dividends and other distributions paid with respect to the stock. The Company expenses awards for nonvested stock based on the fair value of the Company's common stock at the date of the grant.

The following table summarizes the nonvested stock activity:

(in thousands except fair value)	Shares	Grant Date Weighted- Average Fair Value	Aggregate Intrinsic Value
Outstanding at December 31, 2007	451	\$ 24.22	\$ 12,764
Granted	266	23.02	
Vested	(129)	21.33	
Cancelled	(134)	23.93	
Outstanding at December 31, 2008	454	24.42	10,847
Granted	235	24.78	
Vested	(131)	24.66	
Cancelled	(134)	24.76	
Outstanding at December 31, 2009	424	24.44	11,142
Granted	265	34.45	
Vested	(259)	27.92	
Cancelled	(67)	24.79	
Outstanding at December 31, 2010	363	\$ 29.20	\$ 13,340

The total intrinsic values of shares vested during 2010, 2009 and 2008, was \$9.2 million, \$3.3 million and \$3.0 million, respectively.

As of December 31, 2010, total remaining unearned compensation, net of expected forfeitures, related to nonvested stock was \$8.9 million, which will be amortized over the weighted-average remaining service period of 2.9 years.

Total pre-tax share-based compensation recognized in the Consolidated Statements of Earnings was \$5.7 million, \$3.9 million and \$3.8 million in 2010, 2009 and 2008, respectively. Tax related benefits of \$0.7 million, \$0.5 million and \$0.7 million were also recognized in 2010, 2009 and 2008, respectively. Cash received from the exercise of stock options was \$12.9 million, \$9.7 million and \$16.0 million for 2010, 2009 and 2008, respectively, and is reflected in cash flows from financing activities in the Consolidated Statements of Cash Flows.

6.

Retirement Plans

The Company provides benefits under defined contribution plans including a savings plan and an employee stock ownership plan ("ESOP"). The savings plan covers substantially all domestic salaried and certain non-union hourly employees and provides for matching contributions up to 4% of each employee's salary. The ESOP covers substantially all domestic employees and provides for contributions based on a percentage of each employee's compensation as determined by the Board of Directors. Total expense for the Company's defined contribution plans was \$3.5 million, \$3.8 million and \$3.9 million in 2010, 2009 and 2008, respectively.

Although the Company intends for these defined contribution plans to be the primary retirement benefit for most employees, the Company also has several defined benefit plans. The funded status of the defined benefit plans was as follows at December 31:

(in thousands)	2010	2009
Benefit obligation at beginning of year	\$ 58,142	\$ 42,478
Service cost	1,896	1,285
Interest cost	2,902	2,961
Plan amendments	1,099	2,728
Foreign currency exchange rate changes	178	1,826
Benefits paid	(2,665)	(2,268)
Actuarial loss	2,238	9,132
Benefit obligation at end of year	63,790	58,142
Plan assets at beginning of year	22,720	17,465
Company contributions	3,873	3,728
Foreign currency exchange rate changes	231	1,946
Benefits paid	(2,665)	(2,268)
Actual gain on plan assets	1,870	1,849
Plan assets at end of year	26,029	22,720
Funded status	\$ (37,761)	\$ (35,422)
Accumulated benefit obligation	\$ 59,903	\$ 54,675

Amounts recognized in the Consolidated Balance Sheets at December 31:

(in thousands)	2010	2009
Accrued employee and retiree benefits	\$ (45,265)	\$ (41,057)
Prepaid expenses and other current assets	7,504	5,635
Net liability	\$ (37,761)	\$ (35,422)

Components of annual benefit cost:

(in thousands)	2010	2009	2008
Service cost	\$ 1,896	\$ 1,285	\$ 1,267
Interest cost	2,902	2,961	2,922
Expected return on plan assets	(1,367)	(1,103)	(1,264)
Amortization of prior service cost	3,011	1,824	1,950
Recognized actuarial loss	1,252	166	175
Settlement expense	—	—	710
Defined benefit expense	\$ 7,694	\$ 5,133	\$ 5,760

Weighted-average liability assumptions as of December 31:

	2010	2009
Discount rate	4.35%	5.04%
Expected return on plan assets	5.80%	6.06%
Rate of compensation increase	4.27%	4.38%

Notes to Consolidated Financial Statements (CONTINUED)
Years ended December 31, 2010, 2009 and 2008

Weighted-average cost assumptions for the year ended December 31:

	2010	2009
Discount rate	5.04%	6.83%
Expected return on plan assets	6.06%	5.96%
Rate of compensation increase	4.38%	4.28%

The aggregate amounts of benefits expected to be paid from defined benefit plans in each of the next five years subsequent to December 31, 2010, which include employees' expected future service are as follows: 2011, \$2.7 million; 2012, \$11.9 million; 2013, \$20.1 million; 2014, \$3.2 million; 2015, \$2.2 million; and \$16.8 million in total for the years 2016 through 2020.

The Company expects to contribute \$4.5 million to defined benefit plans in 2011.

Amounts recognized in accumulated other comprehensive loss were as follows:

(in thousands)	2010	2009
Prior service cost	\$ 6,445	\$ 8,349
Unrecognized net actuarial loss	14,741	14,250

The estimated prior service cost and actuarial loss for the defined benefit plans that will be amortized from accumulated other comprehensive loss into periodic benefit cost during 2011 are \$3.1 million and \$1.4 million, respectively.

7. Income Taxes

The provision for income taxes was as follows:

(in thousands)	2010	2009	2008
Currently payable:			
Federal	\$ 11,476	\$ 16,637	\$ 10,467
State	1,939	2,711	1,902
Foreign	24,949	21,161	22,734
	38,364	40,509	35,103
Deferred expense (benefit):			
Federal	7,320	(2,287)	1,399
State	404	40	(603)
Foreign	961	(1,648)	2,533
	8,685	(3,895)	3,329
Income taxes	\$ 47,049	\$ 36,614	\$ 38,432

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities consisted of the following:

(in thousands)	2010	2009
Deferred tax assets:		
Benefit plans	\$ 12,802	\$ 12,080
Liabilities and reserves	10,397	10,505
Foreign operating loss carryovers	39,536	30,075
Other	14,782	16,569
Gross deferred tax assets	77,517	69,229
Valuation allowance	(39,084)	(25,682)
Deferred tax assets	38,433	43,547
Deferred tax liabilities:		
Property, plant and equipment	(24,298)	(21,934)
Other assets	(2,755)	(2,619)
Other	(19,820)	(18,779)
Deferred tax liabilities	(46,873)	(43,332)
Net deferred tax assets (liabilities)	\$ (8,440)	\$ 215

At December 31, 2010, foreign operating loss carryovers were \$135.7 million. Included in the foreign operating loss carryovers are losses of \$16.4 million that expire through 2025 and \$119.3 million that do not have an expiration date. At December 31, 2010, state operating loss carryovers were \$116.3 million, all of which expire through 2025.

The effective tax rate differed from the statutory federal income tax rate of 35% as described below:

	2010	2009	2008
Taxes at statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	1.1	1.6	1.1
Tax credits	(0.3)	(0.3)	(0.2)
Taxes on foreign earnings	(3.7)	(3.6)	(3.2)
Resolution of prior years' tax matters	(1.5)	(2.1)	(1.1)
Valuation allowance adjustments	—	(0.4)	(0.7)

Other, net	(0.1)	(0.5)	(1.2)
Effective tax rate	30.5%	29.7%	29.7%

Earnings before income taxes were as follows:

(in thousands)	2010	2009	2008
United States	\$ 56,150	\$ 46,467	\$ 40,454
Foreign	98,043	76,708	88,839
Total	\$ 154,193	\$ 123,175	\$ 129,293

Federal and state income taxes are provided on international subsidiary income distributed to or taxable in the U.S. during the year. At December 31, 2010, federal and state taxes have not been provided for approximately \$335.3 million of unremitted earnings of the foreign subsidiaries that are considered to be invested indefinitely. Determination of the deferred tax liability on such earnings is not practicable.

A reconciliation of the change in the liability for unrecognized tax benefits for 2010 and 2009 is as follows:

(in thousands)	2010	2009
Balance at beginning of year	\$ 12,213	\$ 9,481
Increases for tax positions taken in the current year	677	1,579
Increases for tax positions taken in prior years	870	4,037
Decreases for tax positions taken in prior years	(792)	(177)
Decreases related to settlements with tax authorities	(2,276)	(1,786)
Decreases as a result of lapse of the applicable statutes of limitations	(846)	(1,477)
Foreign currency exchange rate changes	(423)	556
Balance at the end of year	\$ 9,423	\$ 12,213

The amount of the unrecognized tax benefits that would affect the effective tax rate, if recognized, was approximately \$8.3 million. The Company recognizes interest and penalties related to the unrecognized tax benefits in income tax expense. Approximately \$1.2 million of accrued interest and penalties is reported as an income tax liability at December 31, 2010. The liability for unrecognized tax benefits relates to multiple jurisdictions and is reported in Other liabilities on the Consolidated Balance Sheet at December 31, 2010.

The Company believes that it is reasonably possible that the total amount of liability for unrecognized tax benefits as of December 31, 2010, will decrease by approximately \$1.5 million during 2011. The potential decrease relates to various tax matters for which the statute of limitations may expire or will be otherwise settled in 2011. The amount that is ultimately recognized in the financial statements will be dependent upon various factors including potential increases or decreases to unrecognized tax benefits as a result of examinations, settlements and other unanticipated items that may occur during the year. With limited exceptions, the Company is no longer subject to federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2004.

8.

Segment and Geographic Information

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on operating income of the respective business units before restructuring charges, interest expense and income taxes. Total revenue and operating income by business segment and geographic region include both sales to customers, as reported in the Company's Consolidated Statements of Earnings, and intersegment sales, which are accounted for at prices that approximate market prices and are eliminated in consolidation. Corporate and Other revenue consists primarily of flavor, fragrances and color products sold by the Asia Pacific and China Groups.

Assets by business segment and geographic region are those assets used in the Company's operations in each segment and geographic region. Segment assets reflect the allocation of goodwill to each segment. Corporate and Other assets consist primarily of property and investments.

Notes to Consolidated Financial Statements (CONTINUED)
Years ended December 31, 2010, 2009 and 2008

Segment Information The Company's operations, except for the Asia Pacific Group and China Group, are managed on a products and services basis. The Company determines its operating segments based on information utilized by the chief operating decision maker to allocate resources and assess performance. The Company's reportable segments consist of Flavors & Fragrances and Color. The Company's Flavors & Fragrances segment produces flavor and fragrance products that impart a desired taste, texture, aroma or other characteristic to a broad range of consumer and other products. The Color segment produces natural and synthetic color systems for pharmaceuticals, foods and beverages; colors and formulations for cosmetics; and technical colors for industrial applications and digital imaging. Two additional segments, the Asia Pacific Group and the China Group, are included in the Corporate & Other column below.

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
2010				
Revenue from external customers	\$ 786,532	\$430,782	\$110,866	\$1,328,180
Intersegment revenue	22,521	16,679	2,313	41,513
Total revenue	809,053	447,461	113,179	1,369,693
Operating income (loss)	121,997	77,404	(24,824)	174,577
Interest expense	—	—	20,384	20,384
Earnings (loss) before income taxes	121,997	77,404	(45,208)	154,193
Assets	785,205	676,656	137,407	1,599,268
Capital expenditures	27,214	22,306	6,303	55,823
Depreciation and amortization	24,896	13,473	5,054	43,423
2009				
Revenue from external customers	\$ 755,525	\$358,761	\$ 87,126	\$1,201,412
Intersegment revenue	17,347	16,046	1,280	34,673
Total revenue	772,872	374,807	88,406	1,236,085
Operating income (loss)	124,482	58,685	(36,204)	146,963
Interest expense	—	—	23,788	23,788
Earnings (loss) before income taxes	124,482	58,685	(59,992)	123,175
Assets	800,156	651,446	140,089	1,591,691
Capital expenditures	28,696	11,865	7,155	47,716
Depreciation and amortization	24,155	13,098	4,930	42,183
2008				
Revenue from external customers	\$ 780,254	\$388,089	\$ 84,277	\$1,252,620
Intersegment revenue	20,496	14,275	1,663	36,434
Total revenue	800,750	402,364	85,940	1,289,054
Operating income (loss)	123,475	71,581	(33,457)	161,599
Interest expense	—	—	32,306	32,306
Earnings (loss) before income taxes	123,475	71,581	(65,763)	129,293
Assets	774,868	635,590	114,979	1,525,437
Capital expenditures	33,097	14,193	6,390	53,680
Depreciation and amortization	25,631	13,594	5,220	44,445

Geographic Information The Company has manufacturing facilities or sales offices in North America, South America, Europe, Asia, Australia and Africa.

(in thousands)	2010	2009	2008
Revenue from external customers:			
North America	\$ 699,429	\$ 650,847	\$ 674,777
Europe	374,616	334,755	371,414
Asia Pacific	166,809	137,804	128,650
Other	87,326	78,006	77,779
Consolidated	\$1,328,180	\$1,201,412	\$1,252,620
Long-lived assets:			
North America	\$ 420,084	\$ 407,758	\$ 393,973
Europe	470,811	493,263	478,161
Asia Pacific	34,993	31,605	25,047
Other	1,075	956	733
Consolidated	\$ 926,963	\$ 933,582	\$ 897,914

Sales in the United States, based on the final country of destination of the Company's products, were \$529.6 million, \$495.6 million and \$507.3 million in 2010, 2009 and 2008, respectively. No other country of destination exceeded 10% of consolidated sales. Total long-lived assets in the United States amounted to \$317.5 million, \$311.9 million and \$309.5 million at December 31, 2010, 2009 and 2008, respectively.

9.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value for financial assets and liabilities, establishes a framework for measuring fair value in Generally Accepted Accounting Principles ("GAAP") and expands disclosures about fair value measurements. As of December 31, 2010 and 2009, the Company's only assets and liabilities subject to this standard are forward contracts, investments in a money market fund and municipal bonds and defined benefit plan assets. The fair value of the forward exchange contracts based on current pricing obtained for comparable derivative products (Level 2 inputs) at December 31, 2010 and 2009, was a gain of \$0.1 million and a liability of \$0.3 million, respectively. The fair value of the investments based on December 31, 2010 and 2009, market quotes (Level 1 inputs) was an asset of \$14.2 million and \$13.5 million, respectively. The fair market value of the defined benefit plan assets based on December 31, 2010 and 2009, market quotes (Level 1 inputs) was an asset of \$26.0 million and \$22.7 million, respectively.

The carrying values of the Company's cash and cash equivalents, trade accounts receivable, accounts payable, accrued expenses and short-term borrowings approximated fair values as of December 31, 2010 and 2009.

The fair value of the Company's long-term debt, including current maturities, is estimated using discounted cash flows based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value of the long-term debt at December 31, 2010 and 2009, was \$324.4 million and \$388.9 million, respectively. The fair value of the long-term debt at December 31, 2010 and 2009, was approximately \$334.2 million and \$390.6 million, respectively.

10.

Commitments and Contingencies

LEASES

The Company leases certain facilities and equipment under operating lease arrangements. Aggregate minimum rental commitments at December 31, 2010, for all noncancelable operating leases with an initial lease term greater than one year for the years ending December 31 were as follows: 2011, \$6.9 million; 2012, \$4.6 million; 2013, \$2.5 million; 2014, \$1.4 million; 2015, \$0.9 million; and \$3.1 million thereafter.

Rent expense totaled \$10.4 million, \$10.7 million and \$12.0 million during the years ended December 31, 2010, 2009 and 2008, respectively.

ENVIRONMENTAL MATTERS

In 2004, the Environmental Protection Agency ("EPA") notified the Company's subsidiary Sensient Colors Inc. ("Sensient Colors"), formerly H. Kohnstamm & Co., that it may be a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") for activities at the General Color Company Superfund Site in Camden, New Jersey (the "Site"). The Company had also been involved in a dispute with the owner of Pleasant Gardens, an apartment complex adjacent to the General Color Superfund Site, and with certain agencies of the State of New Jersey relating to the Pleasant Gardens property. From the time it was notified of these claims until late 2009, Sensient vigorously defended its interests in this litigation. In the fourth quarter of 2009, Sensient Colors and its insurers met with the United States and the parties involved in the Pleasant Gardens dispute and ultimately agreed to a settlement in principle to resolve the matters. As a result of the proposed settlements, Sensient's results for the quarter and year ended December 31, 2009, included pre-tax charges for estimated settlement liabilities and related legal costs, net of insurance reimbursements, of approximately \$11.3 million. In 2010,

Sensient's results included a credit of \$1.5 million for additional insurance proceeds related to the settlement.

Since December 31, 2009, the Company has made payments and received all insurance reimbursements related to the Superfund and Pleasant Gardens claims discussed above. As of December 31, 2010, total liabilities related to these and other environmental matters are estimated to be between \$0.6 million and \$1.7 million. As of December 31, 2010, the Company has an accrual of \$1.5 million related to environmental matters. This accrual represents management's best estimate of these liabilities; however, the actual amounts may be different than the levels reserved or estimated, in which case the Company would need to recognize the difference in earnings in later periods. There can be no assurance that additional environmental matters will not arise in the future.

COMMERCIAL LITIGATION

Cherry Blossom Litigation

In June 2009, Sensient sued one of its product vendors, Cherry Blossom LLC ("Cherry Blossom"), a supplier of processed cherry products in Michigan, when Cherry Blossom prepared to close its facility and refused to return to Sensient raw cherries to which Sensient held title. Sensient sued for conversion, breach of contract, possession of the cherries, and money damages of approximately \$0.5 million. Cherry Blossom and its lender opposed the claim.

Cherry Blossom counter-claimed against Sensient, primarily relating to ownership of certain cherry processing formulas. Sensient sold Cherry Blossom certain materials containing formulas used in the processing of cherries. Cherry Blossom claims it has an exclusive right to use Sensient's formulas. On June 22, 2009, Cherry Blossom moved for an injunction to prohibit Sensient from using its cherry processing formulas. The court denied that motion.

Crossroads Debt, LLC ("Crossroads"), a secured lender to Cherry Blossom, intervened in the case and asserted multiple claims against Cherry Blossom related to Cherry Blossom's \$1.4 million debt to Crossroads. Crossroads also asserted cross-claims against Sensient related to offsets Sensient took against its payments to Cherry Blossom for the processed cherry product Sensient purchased from Cherry Blossom.

Under Sensient's contract with Cherry Blossom, Cherry Blossom would purchase Sensient's raw cherries for use in making finished cherry product. Sensient then purchased the finished product from Cherry Blossom at a purchase price reduced by setoffs for the amount Cherry Blossom owed Sensient for raw cherries. Eventually, Cherry Blossom directed Sensient to make payments directly to Crossroads, which Sensient did for about seven months, until Cherry Blossom ceased operations.

At a mediation on March 24, 2010, Crossroads claimed for the first time that because Sensient paid for the finished cherry product by offsetting antecedent debt, Sensient was not a "buyer in the ordinary course of business" as defined by the Uniform Commercial Code. As a result, Crossroads claimed that Sensient was not entitled to take such offsets because Crossroads claimed it had a perfected senior lien on the offset funds. Crossroads sought the imposition of a constructive trust over \$1.4 million of such funds and a judgment requiring their return by Sensient. The total exposure could have exceeded this amount due to interest.

In addition, Sensient asserted indemnification claims against Crossroads related to a U.S. Department of Labor "hot goods" issue. The U.S. Department of Labor prohibited Sensient from selling in interstate commerce cherries made by Cherry Blossom's employees and for which Sensient had paid Cherry Blossom because Cherry Blossom failed to pay its employees their wages earned when they processed the cherries.

Crossroads moved for summary disposition on April 12, 2010, based on the Uniform Commercial Code argument it raised at mediation on March 24, 2010. Sensient opposed the motion and argued that Sensient was entitled to summary disposition, not Crossroads. At a hearing on the motion, the court ruled in Sensient's favor, dismissing all of Crossroads' claims against Sensient.

On May 27, 2010, Cherry Blossom filed a bankruptcy petition in U.S. Bankruptcy Court for the Western District of Michigan. Such filing triggered an automatic stay of all litigation pending against Cherry Blossom, including the instant case. The state court determined that the automatic stay in Cherry Blossom's bankruptcy case did not prevent it from signing the order granting Sensient summary judgment disposing of Crossroads' claims in Sensient's favor. The court also decided that the bankruptcy filing stayed indefinitely the remaining claims regarding possession of the cherries, hot goods, and returned goods.

The bankruptcy trustee stipulated to lift the stay as to the issue of possession of the 2006 cherries, and on September 7, 2010, the Michigan state court lifted the administrative stay over the three remaining issues: (1) Sensient's claim for reimbursement from Crossroads in connection with the U.S. Department of Labor hot goods issue described above; (2) Sensient's claim for reimbursement from Crossroads for certain returned goods; and (3) ownership of the 2006 cherry inventory. The court accepted the parties' stipulation that these three issues could be resolved on briefs and set a schedule accordingly.

The Court ordered the parties to file simultaneously opening briefs on October 1, 2010, and file simultaneously reply briefs on October 8, 2010. The Court heard oral argument on these three issues on December 6, 2010. On January 10, 2011, the Court entered an order that Crossroads is entitled to the first lien position on the remaining cherry inventory and denying Sensient's claims against Crossroads for reimbursement. Pursuant to the Court's order of January 10, 2011, any proceeds from the sale of the remaining cherry inventory will be paid to the Court and then released to Crossroads. Sensient intends to appeal the Court's decision regarding these three issues. Sensient also intends to move the Court to stay the enforcement of its January 10, 2011, order pending appeal.

S.A.M. (Amaral) v. Sensient Technologies Corp., et al.

On August 5, 2010, the owners and operators of a 135-acre vineyard near the dehydration facility formerly operated by Sensient Dehydrated Flavors, LLC ("SDF") in Greenfield, California, filed a lawsuit in California state court in Monterey, California. The lawsuit names as defendants both Sensient Technologies Corporation ("Sensient") and SDF and a response to the complaint was filed on October 1. The suit sets out claims for nuisance per se, trespass and negligence per se and alleges almost a million dollars in losses plus punitive damages, all based on the fact that, between the summer of 2007 and early October 2009, SDF was processing onions that allegedly caused an "onion taint" in the grapes and wine produced from the plaintiffs' vineyard. While SDF had an air permit covering its operations, its Monterey County use permit specifically named only chili peppers, celery and parsley, but not onions, as commodities that could be dehydrated at the Greenfield facility. SDF's effort to modify the Greenfield facility's use permit to specifically include the processing of onions was blocked by local vineyard owners, and SDF has since closed its Greenfield facility and consolidated its onion dehydration operations at its fully-permitted and more efficient facility at Livingston, California.

This lawsuit follows an earlier lawsuit (*J. Lohr Vineyards and Wines v. Sensient Technologies*) (the "Lohr lawsuit") brought by a larger, adjacent landowner. The Lohr lawsuit was settled in December 2009, with an agreement that included SDF's abandonment of onion processing at its Greenfield facility but did not require the payment of any settlement amount to Lohr despite Lohr's substantial damage claims. The S.A.M. plaintiffs have essentially copied, and seek to rely upon, the factual allegations and expert analyses developed in the Lohr lawsuit before a settlement was reached. The S.A.M. plaintiffs will not, however, be receiving any assistance from Lohr. Sensient and SDF believe the S.A.M. plaintiffs' claims are without merit and intend to pursue a vigorous defense. Trial has been set to commence on October 31, 2011, and the parties have been directed to attend a mandatory settlement conference on September 30, 2011.

Daito Kasei Kogyo Co. Ltd. v. Sensient Cosmetic Technologies SAS

In 1992 Sensient Cosmetic Technologies SAS ("SCT") and Daito Kasei Kogyo Co., Ltd. ("Daito") entered into a distribution agreement pursuant to which SCT became the exclusive distributor in Europe of coloring agents and ingredients manufactured in Japan by Daito and, in turn, Daito became the exclusive distributor in Japan of certain products produced in France by SCT. By 2008, the sale of Daito products represented €4 million of SCT's sales. In contrast, Daito's sales of SCT's products in Japan amounted to only €0.4 million in 2008. The agreement was entered into for an initial period to end on December 31, 1993 and was tacitly renewed for two-year periods through December 31, 2009, subject to a requirement of six months notice for termination.

On July 7, 2009, Daito notified SCT of its decision to terminate SCT's distributorship in Europe, with effect as of February 10, 2010. SCT informed Daito that the notice of termination was insufficient in light of the lengthy commercial relationship between the parties. Daito eventually ostensibly agreed to extend the notice period but the commercial relationship did not function as it had in the past. On August 10, 2010, SCT filed a complaint before the Paris Commercial Court alleging that Daito wrongfully terminated its long-standing established commercial relationship with SCT, that SCT should have been given a notice period of thirty-six months in light of the twenty-year relationship between the parties and that Daito should pay damages to SCT of over €3.8 million.

On January 26, 2011, Daito filed a response in a hearing of the Court in which it denied any liability for SCT's claims and asserted counter-claims of €1.5 million for unlawful termination of Daito's distributorship in Japan, unlawful termination of an alleged "agency contract" in Japan and SCT's cancellation of certain Daito orders in October, 2010.

The court has scheduled a hearing on March 23, 2011, at which SCT will file its response to Daito's defenses and counter-claims.

The Company is involved in various other claims and litigation arising in the normal course of business. In the judgment of management, which relies in part on information from Company counsel, the ultimate resolution of these actions will not materially affect the consolidated financial statements of the Company except as described above.

Management's Report on Internal Control Over Financial Reporting

The management of Sensient Technologies Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. It is management's policy to maintain a control-conscious environment through an effective system of internal accounting controls. These controls are supported by the careful selection of competent and knowledgeable personnel and by the communication of standard accounting and reporting policies and procedures throughout the Company. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making its assessment of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework. Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2010.

The Company's independent registered public accounting firm has issued its report on the Company's internal control over financial reporting. This report appears on page 48.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Sensient Technologies Corporation
Milwaukee, Wisconsin

We have audited the accompanying consolidated balance sheets of Sensient Technologies Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sensient Technologies Corporation and subsidiaries at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Sensient Technologies Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2011 expressed an unqualified opinion thereon.

Ernst + Young LLP

Milwaukee, Wisconsin
February 25, 2011

Report of Independent Registered Public Accounting Firm
on Internal Control Over Financial Reporting

To the Board of Directors and Shareholders of
Sensient Technologies Corporation
Milwaukee, Wisconsin

We have audited Sensient Technologies Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Sensient Technologies Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Sensient Technologies Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Sensient Technologies Corporation as of December 31, 2010 and 2009, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010 and our report dated February 25, 2011 expressed an unqualified opinion thereon.

Ernst + Young LLP

Milwaukee, Wisconsin
February 25, 2011

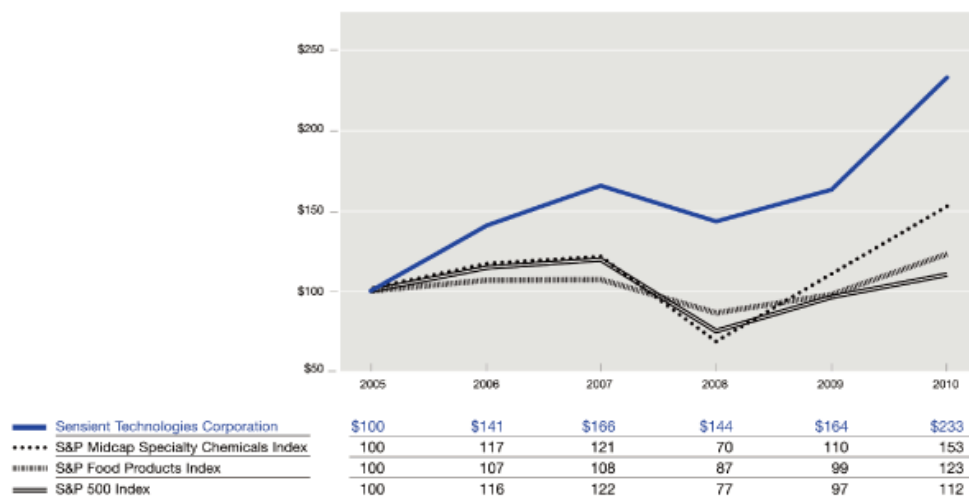
Quarterly Data (in thousands except per share amounts) (unaudited)	Revenue	Gross Profit	Net Earnings	Net Earnings Per Share	
				Basic	Diluted
2010					
First Quarter	\$ 314,076	\$ 94,946	\$ 23,467	\$ 0.48	\$ 0.48
Second Quarter	333,969	104,961	28,685	0.58	0.58
Third Quarter	340,868	106,276	29,217	0.59	0.59
Fourth Quarter	339,267	102,176	25,775	0.52	0.52

2009					
First Quarter	\$ 282,824	\$ 86,530	\$ 21,607	\$ 0.45	\$ 0.45
Second Quarter	303,959	94,690	25,819	0.53	0.53
Third Quarter	303,179	93,076	22,829	0.47	0.47
Fourth Quarter	311,450	94,734	16,306	0.34	0.33

Common Stock Prices and Dividends	Market Price		Dividends Per Share
	High	Low	
2010			
First Quarter	\$ 29.72	\$ 24.76	\$ 0.19
Second Quarter	32.40	25.87	0.20
Third Quarter	31.00	25.69	0.20
Fourth Quarter	37.61	30.29	0.20
2009			
First Quarter	\$ 24.95	\$ 18.42	\$ 0.19
Second Quarter	25.40	22.08	0.19
Third Quarter	28.62	21.89	0.19
Fourth Quarter	29.07	24.62	0.19

Company Stock Performance

This graph compares the cumulative total shareholder return for the Company's common stock over the last five years to the total returns on the Standard & Poor's Midcap Specialty Chemicals Index (the "S&P Midcap Specialty Chemicals Index"), the Standard & Poor's Midcap Food Products Index (the "S&P Food Products Index") and the Standard & Poor's 500 Stock Index (the "S&P 500 Index"). The graph assumes a \$100 investment made on December 31, 2005, and reinvestment of dividends. The stock performance shown on the graph is not necessarily indicative of future price performance.



Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services, LLC.

Five Year Review

(in thousands except employee and per share data) Years ended December 31,

2010

Summary of Operations		
Revenue	\$ 1,328,180	100.0%
Cost of products sold	919,821	69.3
Selling and administrative expenses	233,782	17.6
Operating income	174,577	13.1
Interest expense	20,384	1.5
Earnings before income taxes	154,193	11.6
Income taxes	47,049	3.5
Net earnings	\$ 107,144	8.1%
Earnings per share:		
Basic	\$ 2.18	
Diluted	\$ 2.17	
Other Related Data		
Dividends per share, declared and paid	\$ 0.79	
Average common shares outstanding:		
Basic	49,138	
Diluted	49,424	
Book value per common share	\$ 19.70	
Price range per common share	24.76-37.61	
Share price at December 31	36.73	
Capital expenditures	55,823	
Depreciation	42,109	
Amortization	1,314	
Total assets	1,599,268	
Long-term debt	324,360	
Total debt	349,810	
Shareholders' equity	983,785	
Return on average shareholders' equity	11.6%	
Total debt to total capital	26.2%	
Employees	3,618	

The 2010 results include a credit of \$1.5 million (\$0.9 million after tax, or \$0.02 per share) for additional insurance proceeds received on the 2009 environmental claims.

The 2009 results include charges for the settlement of environmental claims and related legal expenses, net of insurance reimbursements, of \$11.3 million (\$6.9 million after-tax, or \$0.14 per share).

2009		2008		2007		2006	
\$ 1,201,412	100.0%	\$ 1,252,620	100.0%	\$ 1,184,778	100.0%	\$ 1,098,774	100.0%
832,382	69.3	871,754	69.6	822,479	69.5	766,506	69.7
222,067	18.5	219,267	17.5	214,929	18.1	202,991	18.5
146,963	12.2	161,599	12.9	147,370	12.4	129,277	11.8
23,788	2.0	32,306	2.6	36,127	3.0	35,748	3.3
123,175	10.3	129,293	10.3	111,243	9.4	93,529	8.5
36,614	3.0	38,432	3.1	33,457	2.8	27,104	2.5
\$ 86,561	7.2%	\$ 90,861	7.3%	\$ 77,786	6.6%	\$ 66,425	6.0%
\$ 1.79		\$ 1.91		\$ 1.66		\$ 1.45	
\$ 1.78		\$ 1.89		\$ 1.65		\$ 1.44	
\$ 0.76		\$ 0.74		\$ 0.68		\$ 0.61	
48,379		47,654		46,740		45,900	
48,641		48,131		47,257		46,204	
\$ 18.49		\$ 16.87		\$ 17.10		\$ 15.12	
18.42-29.07		21.05-33.12		23.66-31.99		16.92-25.33	
26.30		23.88		28.28		24.60	
47,716		53,680		41,961		39,314	
40,881		42,798		42,849		41,658	
1,302		1,647		1,463		1,386	
1,591,691		1,525,437		1,564,182		1,454,067	
388,852		445,682		449,621		441,306	
428,033		479,895		507,108		532,532	
908,695		818,596		814,421		704,104	
10.0%		10.7%		10.2%		9.9%	
32.0%		37.0%		38.4%		43.1%	
3,570		3,613		3,623		3,582	

Directors and Officers

BOARD OF DIRECTORS

Kenneth P. Manning, 69
Chairman and Chief Executive Officer
Sensient Technologies Corporation
Elected Director in 1989 (2,6)

Hank Brown, 71
President Emeritus
University of Colorado
Elected Director in 2004 (1, 4, 5)

Fergus M. Clydesdale, Ph.D., 74
Distinguished Professor,
Department of Food Science, and Director
of the Food Science Policy Alliance at the
University of Massachusetts — Amherst
Elected Director in 1998 (2, 3, 4, 6)

James A.D. Croft, 73
Chairman
Bartlodge Limited
Elected Director in 1997 (1, 2, 3, 6)

William V. Hickey, 66
President and Chief Executive Officer
Sealed Air Corporation
Elected Director in 1997 (1, 2, 4, 5)

Peter M. Salmon, 61
President
International Food Network, Inc.
Elected Director in 2005 (5, 6)

Elaine R. Wedral, Ph.D., 66
Retired, Former President
Nestle's Research and Development
Worldwide Food Service Systems
Elected Director in 2006 (5, 6)

Essie Whitelaw, 63
Retired, Former Senior Vice President, Operations
Wisconsin Physician Services
Elected Director in 1993 (3,4)

COMMITTEES

- 1 Audit Committee
- 2 Executive Committee
- 3 Compensation and Development Committee
- 4 Nominating and Corporate Governance Committee
- 5 Finance Committee
- 6 Scientific Advisory Committee

ELECTED OFFICERS

Kenneth P. Manning, 69
Chairman and Chief Executive Officer
With the Company 23 years

John F. Collopy, 41
Vice President and Treasurer
With the Company 11 years

Christopher M. Daniels, 37
Vice President, Human Resources
With the Company 11 years

John L. Hammond, 64
Senior Vice President, General Counsel and Secretary
With the Company 13 years

Gordon E. Hering, Ph.D., 54
Vice President, Marketing & Technology
With the Company 16 years

Richard F. Hobbs, 63

Senior Vice President and Chief Financial Officer
With the Company 37 years

Jeffrey T. Makal, 47
Vice President, Controller and Chief Accounting Officer
With the Company 14 years

Richard J. Malin, 44
Assistant Controller
With the Company 19 years

Paul Manning, 36
President, Color Group
With the Company 1 year

James P. McCarthy, 58
President, Flavors & Fragrances Group
With the Company 2 years

Douglas S. Pepper, 58
President and Chief Operating Officer
With the Company 5 years

Stephen J. Rolfs, 46
Vice President, Administration
With the Company 13 years

Robert J. Wilkins, 54
President, Asia Pacific Group
With the Company 7 years

APPOINTED OFFICERS

Douglas L. Arnold, 47
Vice President, Administrative Services
With the Company 13 years

Patrick E. Laubacher, 53
President, Dehydrated Flavors
With the Company 30 years

Robert L. Menzl, 54
Vice President, Information Technology
With the Company 15 years

Edward E. Savard, 45
Vice President, Engineering
With the Company 17 years

Investor Information

World Headquarters

777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5304
(414)271-6755
(800) 558-9892
Fax: (414) 347-4795
E-mail: corporate.communications@sensient.com
Web site: www.sensient.com

Transfer Agent and Registrar

Wells Fargo Bank Minnesota, N.A.
Shareowner Services
P. O. Box 64854
St. Paul, Minnesota 55164-0854
(800)468-9716
Web site: www.wellsfargo.com/shareownerservices

Common Stock

Sensient Technologies Corporation Common
Stock is traded on the New York Stock Exchange.
Ticker symbol: SXT.

There were 2,962 shareholders of record of Common Stock as of January 31, 2011.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held at 2:00 p.m. (CDT) on Thursday, April 21, 2011, at Trump International Hotel, 401 N. Wabash Avenue, Chicago, Illinois.

Annual Report and Proxy Statement

The Company's annual report and proxy statement are available online at www.sensient.com/financial/annualreport_and_proxy.htm.

Form 10-K

The Company's annual report filed with the Securities and Exchange Commission on Form 10-K is available without charge from the Company's Investor Relations Department and on its Web site at www.sensient.com.

In accordance with New York Stock Exchange rules and pursuant to Rule 13a-14 under the Securities Exchange Act of 1934, Kenneth P. Manning, as the Company's Chief Executive Officer, and Richard F. Hobbs, as the Company's Chief Financial Officer, have certified the quality of the Company's public disclosure in an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Dividends

Quarterly dividends are typically paid on the first business day of March, June, September and December.

Automatic Dividend Reinvestment Plan The Sensient Technologies Corporation Dividend Reinvestment Plan provides shareholders with a convenient, economical way to increase their ownership of Sensient Technologies Corporation Common Stock. Through the plan, shareholders can automatically reinvest their dividends to acquire additional shares and make supplemental stock purchases without paying fees or commissions. An enrollment form and brochure describing the plan can be obtained by contacting the plan administrator, Wells Fargo Bank Minnesota, at (800) 468-9716 or the Company's Investor Relations Department at (414) 347-3779.

Investor Relations

Communications concerning the transfer of shares, lost certificates, duplicate mailings or change of address should be directed to the transfer agent.

Other shareholder information, such as news releases and information regarding corporate governance, is available on the Company's Web site: www.sensient.com. Shareholders can also register to receive notification via e-mail when new information is added to the site. The Company's Web address is provided as an inactive textual reference only, and the contents of the Web site are not incorporated in or otherwise to be regarded as part of this annual report.

Other requests for information should be directed to the Company's Investor Relations Department at (414)347-3779.

The Company maintains a direct mailing list for news releases and quarterly reports. If you would like your name added to this list, please contact the Company's Investor Relations Department.



777 East Wisconsin Avenue
Milwaukee, WI 53202-5304
www.sensient.com

[\(Back To Top\)](#)

Section 4: EX-21 (EX-21)

Exhibit 21

SUBSIDIARIES

NAME

INCORPORATION

DOMESTIC

POINTING COLOR INC.
SENSIENT COLORS LLC
SENSIENT DEHYDRATED FLAVORS LLC
SENSIENT FLAVORS INTERNATIONAL, INC.
SENSIENT FLAVORS LLC
SENSIENT FOOD COLORS LP
SENSIENT HOLDING COMPANY LLC
SENSIENT IMAGING TECHNOLOGIES INC.
SENSIENT TECHNOLOGIES HOLDING COMPANY LLC
SENSIENT WISCONSIN L.L.C.

DELAWARE
DELAWARE
DELAWARE
INDIANA
DELAWARE
MISSOURI
DELAWARE
CALIFORNIA
DELAWARE
WISCONSIN

STC SUBSIDIARIES AS OF 12/20/10

PAGE 1 OF 5

Attachment A
SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
BIOLUX FINANCE NV	BELGIUM
DC FLAVOURS LIMITED	UNITED KINGDOM
LCW POLSKA LTD (60% Owner)	POLAND
LES COLORANTS WACKHERR DO BRASIL LTDA (50% Owner)	BRAZIL
POINTING CANADA LIMITED	CANADA
POINTING CHEMICALS LIMITED	UNITED KINGDOM
POINTING HOLDINGS LIMITED	UNITED KINGDOM
POINTING INTERNATIONAL LTD.	UNITED KINGDOM
POINTING LIMITED	UNITED KINGDOM
PROMAVIL N.V.	BELGIUM
PT SENSIENT TECHNOLOGIES INDONESIA	INDONESIA
SENSIENT COLORS CANADA LIMITED	CANADA
SENSIENT COLORS S.A.	ARGENTINA
SENSIENT COLORS S.A. DE C.V.	MEXICO
SENSIENT COLORS SOUTH AFRICA (PROPRIETARY) LIMITED	SOUTH AFRICA
SENSIENT COLORS UK LIMITED	UNITED KINGDOM
SENSIENT COSMETIC TECHNOLOGIES	FRANCE
SENSIENT COSTA RICA SRL	COSTA RICA
SENSIENT DEHYDRATED FLAVORS B.V.	NETHERLANDS
SENSIENT DEHYDRATED FLAVORS CANADA, INC.	CANADA
SENSIENT DEHYDRATED FLAVORS (QINGDAO) CO. LTD.	CHINA
SENSIENT DEHYDRATED FLAVORS SAS	FRANCE

STC SUBSIDIARIES AS OF 12/20/10

PAGE 2 OF 5

Attachment A
SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
SENSIENT ESSENTIAL OILS GERMANY GMBH	GERMANY
SENSIENT FINANCE (ALBERTA) LIMITED PARTNERSHIP	CANADA
SENSIENT FINANCE IRELAND LIMITED	IRELAND
SENSIENT FINANCE (LUXEMBOURG) SARL	LUXEMBOURG
SENSIENT FLAVORS AUSTRIA GMBH	AUSTRIA
SENSIENT FLAVORS BELGIUM NV	BELGIUM
SENSIENT FLAVORS BIOLUX, NV	BELGIUM
SENSIENT FLAVORS CANADA, INC.	ONTARIO
SENSIENT FLAVORS CENTRAL AMERICA S.R.L.	COSTA RICA
SENSIENT FLAVORS FINLAND OY	FINLAND
SENSIENT FLAVORS & FRAGRANCES SAS	FRANCE
SENSIENT FLAVORS & FRAGRANCES GMBH & CO KG	GERMANY
SENSIENT FLAVORS GMBH	GERMANY
SENSIENT FLAVORS ITALY S.R.L.	ITALY
SENSIENT FLAVORS LIMITED	UNITED KINGDOM
SENSIENT FLAVORS MEXICO, S.A. DE C.V.	MEXICO
SENSIENT FLAVORS POLAND SP. Z O.O.	POLAND
SENSIENT FLAVORS ROMANIA S.R.L.	ROMANIA
SENSIENT FLAVORS SCANDINAVIA AB	SWEDEN
SENSIENT FLAVORS STRASBOURG	FRANCE
SENSIENT FLAVORS WALES LIMITED	UNITED KINGDOM
SENSIENT FOOD COLORS CZECH REPUBLIC S.R.O.	CZECH REPUBLIC
SENSIENT FOOD COLORS FRANCE	FRANCE

STC SUBSIDIARIES AS OF 12/20/10

PAGE 3 OF 5

Attachment A
SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
SENSIENT FOOD COLORS GERMANY GMBH	GERMANY
SENSIENT FOOD COLORS HUNGARY KFT	HUNGARY
SENSIENT FOOD COLORS ITALY S.R.L.	ITALY
SENSIENT FOOD COLORS POLAND SP.ZO.O.	POLAND
SENSIENT FOOD COLORS ROMANIA S.R.L.	ROMANIA
SENSIENT FOOD COLORS SMN D.O.O.	SERBIA & MONTENEGRO
SENSIENT FOOD COLORS THE NETHERLANDS BV	NETHERLANDS
SENSIENT FRAGRANCES GUATEMALA, S.A.	GUATEMALA
SENSIENT FRAGRANCES MEXICO, S.A. DE C.V.	MEXICO
SENSIENT FRAGRANCES, S.A.	SPAIN
SENSIENT HOLDING I BV	NETHERLANDS
SENSIENT HOLDING II BV	NETHERLANDS
SENSIENT HOLDING III BV	NETHERLANDS
SENSIENT HOLDING (ALBERTA) LIMITED PARTNERSHIP	CANADA
SENSIENT HOLDING LUXEMBOURG SARL	LUXEMBOURG
SENSIENT HOLDINGS MALTA LTD	MALTA
SENSIENT HOLDINGS UK	UNITED KINGDOM
SENSIENT IMAGING TECHNOLOGIES GMBH	GERMANY
SENSIENT IMAGING TECHNOLOGIES LTD	SWITZERLAND
SENSIENT IMAGING TECHNOLOGIES S.A. DE C.V.	MEXICO
SENSIENT INDIA PRIVATE LIMITED	INDIA
SENSIENT TECHNOLOGIES ASIA PACIFIC PTE, LTD	SINGAPORE
SENSIENT TECHNOLOGIES AUSTRALIA PTY, LTD.	AUSTRALIA

STC SUBSIDIARIES AS OF 12/20/10

PAGE 4 OF 5

Attachment A
SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

<u>NAME</u>	<u>INCORPORATION</u>
FOREIGN	
SENSIENT TECHNOLOGIES BRAZIL LTDA.	BRAZIL
SENSIENT TECHNOLOGIES COLOMBIA LTDA	COLOMBIA
SENSIENT TECHNOLOGIES CORP. (CHINA) LTD	CHINA
SENSIENT TECHNOLOGIES CORPORATION (JAPAN)	JAPAN
SENSIENT TECHNOLOGIES HOLDING DEUTSCHLAND GMBH	GERMANY
SENSIENT TECHNOLOGIES HONG KONG LTD	CHINA
SENSIENT TECHNOLOGIES LIMITED	UNITED KINGDOM
SENSIENT TECHNOLOGIES LUXEMBOURG S.A.R.L.	LUXEMBOURG
SENSIENT TECHNOLOGIES (PHILIPPINES), INC.	PHILIPPINES
SENSIENT TECHNOLOGIES REAL ESTATE GMBH	GERMANY
SENSIENT TECHNOLOGIES (THAILAND), LTD.	THAILAND
SENSIENT VERMÖGENSVERWALTUNGSGESELLSCHAFT MBH	GERMANY
SOCIETE CIVILE IMMOBILIERE GRISEDA	FRANCE
UNIVERSAL HOLDINGS CAYMAN	BRITISH WEST INDIES

STC SUBSIDIARIES AS OF 12/20/10

PAGE 5 OF 5

[\(Back To Top\)](#)

Section 5: EX-23.1 (EX-23.1)

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Forms S-8 No. 333-155483, 333-145092, 333-95991, 333-95993, 33-27356, 333-35877, 333-96871, 333-85360, 333-45931, 333-118539), as amended, of Sensient Technologies Corporation and in the related Prospectus of our reports dated February 25, 2011, with respect to the consolidated financial statements and schedule of Sensient Technologies Corporation, and the effectiveness of internal control over financial reporting of Sensient Technologies Corporation, incorporated by reference in this Annual Report (Form 10-K) for the years ended December 31, 2010, 2009, and 2008.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin

February 25, 2011

[\(Back To Top\)](#)

Section 6: EX-31 (EX-31)

EXHIBIT 31

CERTIFICATION Pursuant to Rule 13a-14(a) of the Exchange Act

I, Kenneth P. Manning, certify that:

- I have reviewed this annual report on Form 10-K of Sensient Technologies Corporation;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

/s/ Kenneth P. Manning

Kenneth P. Manning, Chairman
& Chief Executive Officer

CERTIFICATION
Pursuant to Rule 13a-14(a) of the Exchange Act

I, Richard F. Hobbs, certify that:

1. I have reviewed this annual report on Form 10-K of Sensient Technologies Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

/s/ Richard F. Hobbs

Richard F. Hobbs, Senior Vice President
and Chief Financial Officer

[\(Back To Top\)](#)

Section 7: EX-32 (EX-32)

CERTIFICATION
Pursuant to 18 United States Code § 1350

The undersigned hereby certifies that the Annual Report on Form 10-K for the fiscal year ended December 31, 2010 of Sensient Technologies Corporation (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth P. Manning
 Name: Kenneth P. Manning
 Title: Chairman &
 Chief Executive Officer
 Date: February 25, 2011

A signed original of this written statement required by Section 906 has been provided to Sensient Technologies Corporation and will be retained by Sensient Technologies Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION
Pursuant to 18 United States Code § 1350

The undersigned hereby certifies that the Annual Report on Form 10-K for the fiscal year ended December 31, 2010 of Sensient Technologies Corporation (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard F. Hobbs _____
Name: Richard F. Hobbs
Title: Senior Vice President and
Chief Financial Officer
Date: February 25, 2011

A signed original of this written statement required by Section 906 has been provided to Sensient Technologies Corporation and will be retained by Sensient Technologies Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

[\(Back To Top\)](#)